

So Ordered.

Signed this 9 day of November, 2015.



Margaret Cangilos-Ruiz
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

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In re

Chapter 11

COYNE INTERNATIONAL ENTERPRISES
CORP.,

Case No. 15-31160-5-mcr

Debtor.

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**ORDER AUTHORIZING (I) SALE OF NEW
BEDFORD ASSETS FREE AND CLEAR OF LIENS, CLAIMS
AND INTERESTS AND (II) ASSUMPTION AND ASSIGNMENT
OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

Upon the motion (the “**Motion**”) of the above-captioned debtor and debtor in possession (the “**Debtor**”), seeking, among other things, entry of an order pursuant to sections 105, 363 and 365 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 2002, 6004 and 6006 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) authorizing the Debtor to sell substantially all of its assets, including the Acquired Assets pursuant to the terms of

an Asset Purchase Agreement, dated as of November [], 2015 (the “**Agreement**”),¹ by and among the Debtor, as seller, and Clean Rentals, Inc. d/b/a Clean Uniforms *And More!*, as purchaser (the “**Purchaser**”); and the Court having entered an order (the “**Bidding Procedures Order**”), dated September 11, 2015 [Docket No. 235] approving, among other things, the Bidding Procedures (the “**Bidding Procedures**”); based upon the evidence presented at the hearing held on September 9, 2015 (the “**Bidding Procedures Hearing**”); and the Auction (as defined in the Bidding Procedures Order) having been held in accordance with the Bidding Procedures Order on October 27, 2015; and at the conclusion of the Auction, the Purchaser having been chosen as the New Bedford Successful Bidder (as defined in the Bidding Procedures); and the Court having conducted a hearing to consider the results of the Auction and the Debtor’s request to enter into and consummate the transactions contemplated by the Agreement on October 29, 2015 (the “**Sale Hearing**”); and all parties in interest having been heard, or having had the opportunity to be heard, regarding the Agreement, a copy of which is attached hereto as **Exhibit “A,”** and all transactions contemplated thereby (the “**Sale**”); and the Court having reviewed and considered the Agreement and the Motion, the arguments of counsel made, and the evidence proffered at the Bidding Procedures Hearing and the Sale Hearing; and upon the record of the Bidding Procedures Hearing and the Sale Hearing and this Chapter 11 Case; and after due deliberation thereon, and good and sufficient cause appearing therefor, it is hereby

¹ Any capitalized term used but not otherwise defined herein shall have the meaning ascribed to such term in the Agreement.

FOUND AND DETERMINED THAT:

A. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052,² made applicable to this proceeding pursuant to Bankruptcy Rule 9014.

B. The Court has jurisdiction over the Motion and the transactions contemplated by the Agreement pursuant to 28 U.S.C. §§ 157 and 1334, and this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (N). Venue of these cases and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

C. The statutory predicates for the relief sought in the Motion are sections 105, 363 and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006 and 9014, and Rules 6004-1 and 6004-2 of the Local Rules for the United States Bankruptcy Court for the Northern District of New York (the "**Local Rules**").

D. As evidenced by the affidavits of service and publication previously filed with the Court, and based on the representations of counsel at the Sale Hearing, (i) due, proper, timely, adequate and sufficient notice of the Motion, the Sale Hearing, the Auction, the Sale, and the assumption and assignment of the Assigned Contracts under the Bidding Procedures Order has been provided in accordance with sections 102(1), 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006 and 9014 and in compliance with the Bidding Procedures Order to each party entitled thereto, (ii) such notice was good and sufficient, and appropriate under the particular circumstances, and (iii) no other or further notice of the Motion, the Sale Hearing, the Auction, the Sale, or the assumption and assignment of the Assigned Contracts is or shall be required.

² Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Bankruptcy Rule 7052.

E. As demonstrated by (i) the evidence proffered at the Sale Hearing and (ii) the representations of counsel made on the record at the Sale Hearing, the Debtor has marketed the Acquired Assets and conducted the sale process in compliance with the Bidding Procedures Order, and the Auction was duly noticed.

F. The Debtor (i) has full corporate or other power and authority to execute the Agreement, and all other documents contemplated thereby, and the Sale by the Debtor has been duly and validly authorized by all necessary corporate or other action, (ii) has all of the corporate power and authority necessary to consummate the transactions contemplated by the Agreement, and (iii) has taken all corporate or other action necessary to authorize and approve the Agreement and the consummation by the Debtor of the transactions contemplated thereby; and no consents or approvals, other than those expressly provided for in the Agreement or in the Related Agreements, are required for the Debtor to consummate such transactions.

G. Except as set forth in the Agreement, (i) the Debtor has good, valid and marketable title to all of the Acquired Assets, (ii) the Acquired Assets are to be transferred free and clear of any and all Liens, Claims and Interests (as defined below), which, for the avoidance of doubt, do not include the Assumed Liabilities, and (iii) all of the Acquired Assets are, or will on the date of the Closing, be owned by the Debtor and will be transferred to the Purchaser under the Agreement.

H. Approval of the Agreement and consummation of the Sale at this time are in the best interests of the Debtor, its creditors, its estate, and other parties in interest.

I. The Debtor has demonstrated both (i) good, sufficient, and sound business purposes and justifications and (ii) compelling circumstances for the Sale pursuant to section 363(b) of the Bankruptcy Code prior to, and outside of, a plan of reorganization in that, among other things, absent the Sale, the value of the Debtor's assets will be harmed.

J. Notice and a reasonable opportunity to object or be heard with respect to the Motion and the relief requested therein has been afforded to all parties in interest in this Chapter 11 Case, including: (i) the Office of the United States Trustee for the Northern District of New York; (ii) counsel for the official committee of unsecured creditors in the Debtor's Chapter 11 Case (the "Committee"); (iii) counsel to all lenders under all of the Debtor's prepetition credit agreement(s); (iv) counsel to the Debtor's postpetition debtor in possession secured lender; (v) all taxing authorities having jurisdiction over any of the Acquired Assets, including the Internal Revenue Service; (vi) all parties that have requested or that are required to receive special notice pursuant to Bankruptcy Rule 2002; (vii) all Persons known or reasonably believed to have asserted a Lien, Claim and Interest in or on any of the Acquired Assets; (viii) all non-debtor counterparties to all Executory Contracts or Leases, including without limitation, all non-debtor counterparties to the Assigned Contracts; (ix) the Attorneys General for the State(s) where the Acquired Assets are located; (x) the United States Environmental Protection Agency; (xi) the Virginia Environmental Protection Agency; (xii) the South Carolina Environmental Protection Agency; (xiii) the New York State Department of Environmental Conservation; (xiv) the Pension Benefit Guaranty Corporation; (xv) any other applicable state environmental agency or other governmental agency that is an interested party with respect to the Acquired Assets, the Agreement or the transactions proposed thereunder; (xvi) all multi-employer pension plans to which the Debtor has contributed and (xvii) all known creditors of the Debtor.

K. As evidenced by the affidavits of service and publication filed with the Court and based upon the representations of counsel at the Sale Hearing and as approved under the Bidding Procedures Order: (i) due, proper, timely, adequate and sufficient notice of the Auction and the Sale Hearing has been provided to all parties in interest; (ii) such notice was and is good, sufficient

and appropriate under the circumstances of the Debtor's Chapter 11 Case and was provided in accordance with sections 102(1) and 363(b) of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 9006 and 9007 and the Local Rules; and (iii) no other or further notice of the Auction, the Sale Hearing or of the entry of this Sale Order is necessary or shall be required.

L. Upon conclusion of the Auction, the Purchaser submitted the highest and best offer for the Acquired Assets, as set forth in the Agreement, including the payment of the Purchase Price, as defined therein.

M. The Agreement was negotiated, proposed and entered into by the Debtor and the Purchaser without collusion, in good faith, and from arm's-length bargaining positions. Neither the Debtor, nor the Purchaser, nor any Affiliate of the Purchaser, has engaged in any conduct that would cause or permit the Agreement to be avoided under section 363(n) of the Bankruptcy Code. Specifically, the Purchaser has not acted in a collusive manner with any person, and the aggregate price paid by the Purchaser for the Acquired Assets was not controlled by any agreement among any bidders.

N. The Purchaser is a good faith purchaser under section 363(m) of the Bankruptcy Code and, as such, is entitled to all of the protections afforded thereby. Specifically, (i) the Purchaser recognized that the Debtor was free to deal with any other party interested in acquiring the Acquired Assets; (ii) the Purchaser complied with the provisions in the Bidding Procedures Order; (iii) the Purchaser agreed to subject its bid to the competitive bidding procedures set forth in the Bidding Procedures Order; (iv) the Purchaser in no way induced or caused the chapter 11 filing by the Debtor; and (v) the negotiation and execution of the Agreement was at arms' length and in good faith.

O. The consideration provided by Purchaser for the Acquired Assets pursuant to the Agreement (i) is fair and reasonable, (ii) is the highest or otherwise best offer for the Acquired Assets, (iii) will provide a greater recovery for the Debtor's creditors than would be provided by any other practical available alternative, and (iv) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, and the District of Columbia.

P. The Sale must be approved and consummated promptly in order to preserve the value of the Debtor's assets.

Q. As of the Closing and upon the satisfaction or waiver of all conditions to Closing in the manner required by the Agreement, including without limitation payment in full of the purchase price (the "Effective Closing Date"), pursuant and subject to the terms of the Agreement, the transfer of the Acquired Assets to the Purchaser will be a legal, valid, enforceable, and effective transfer of the Acquired Assets and will vest the Purchaser with all right, title, and interest of the Debtor in the Acquired Assets free and clear of all Liens, Claims and Interests.

R. The Purchaser would not have entered into the Agreement and would not consummate the transactions contemplated thereby, thus adversely affecting the Debtor, its estate, and its creditors, if each of (i) the sale of the Acquired Assets to the Purchaser, and (ii) the assignment of the Assigned Contracts and the Assumed Liabilities to the Purchaser were not free and clear of all Liens, Claims and Interests of any kind or nature whatsoever (except Permitted Liens), or if the Purchaser would, or in the future could, be liable for any of the Excluded Liabilities.

S. The Debtor may sell the Acquired Assets free and clear of all Liens, Claims and Interests of any kind or nature whatsoever (except Permitted Liens) because one or more of the

standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. Those (i) holders of Liens, Claims and Interests, and (ii) counterparties to Assigned Contracts who did not object timely, or who withdrew their objections, to the Sale or the Motion are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code. Those (i) holders of Liens, Claims and Interests and (ii) counterparties to Assigned Contracts who did object fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code and are adequately protected by having their Liens, Claims and Interests, if any, attach to the portion of the Purchase Price ultimately attributable to the property against or in which they claim an interest, in the order of their priority, with the same validity, force and effect which they now have as against such property, subject to any claims and defenses the Debtor may possess with respect thereto.

T. Neither the Purchaser nor any of its Affiliates, successors or assignees is a successor to the Debtor or its bankruptcy estate by reason of any theory of law or equity, and neither the Purchaser nor any of its Affiliates, successors or assignees shall assume or in any way be responsible for any liability or obligation of the Debtor and/or its bankruptcy estate, except as otherwise expressly provided in the Agreement.

U. The Debtor has demonstrated that it is an exercise of its sound business judgment to assume and assign the Assigned Contracts to the Purchaser in connection with the consummation of the Sale, and the assumption and assignment of the Assigned Contracts is in the best interests of the Debtor, its estate, and its creditors. The Assigned Contracts and Assumed Liabilities being assigned to the Purchaser are an integral part of the Agreement and, accordingly, such assumption and assignment of Assigned Contracts and Assumed Liabilities are reasonable and enhance the value of the Debtor's estate.

V. The Debtor has timely served the Assumption and Assignment Notice, the notices required by Paragraph 11 of the Bidding Procedures Order (the “**Paragraph 11 Notices**”) and all other notices required by the Bidding Procedures Order (other than the notice of Rejected Contracts) (collectively, the “**Cure Notices**”) on all counterparties to all Executory Contracts or Leases, including without limitation, all Assigned Contracts identified on the Initial Assigned Contracts List or on the Assignment Notice. Such Required Notices provided adequate and sufficient notice of the proposed assumption and assignment to the Purchaser of any Executory Contract or Lease, including without limitation the Assigned Contracts identified on the Initial Assigned Contracts List or on the Assignment Notice, and the Cure Amounts (if any) to be paid by the Debtor in connection therewith.

W. For all such counterparties to Assigned Contracts that were served with an Assumption and Assignment Notice, the deadline to file an objection to the assumption and assignment to the Purchaser of any Assigned Contract (a “**Contract Objection**”) has expired and to the extent any such party timely filed a Contract Objection, all such Contract Objections have been resolved, withdrawn, or overruled. To the extent that any such party did not timely file a Contract Objection by the applicable deadline in the Bidding Procedures Order, such party shall be deemed to have consented to (i) the assumption and assignment of the Assigned Contract, and (ii) any “cure” amounts required to be paid pursuant to section 365 of the Bankruptcy Code or the Agreement (the “**Cure Amount**”) set forth on the Assumption and Assignment Notice.

X. The Purchaser would not have entered into the Agreement and would not consummate the transactions contemplated thereby, thus adversely affecting the Debtor, its estate, and its creditors, if the Agreement and the Bidding Procedures Order did not provide that the Purchaser could, on or prior to the Effective Closing Date, modify the Initial Assigned Contract

List, the Assignment Notice and the Rejection Notice to include or remove an Executory Contract or Lease. The notice and opportunity to object provided in accordance with the Agreement, the Bidding Procedures Order, or this Order to counterparties to any Executory Contract or Lease, including without limitation, any Assigned Contracts added to the Assignment Notice, fairly and reasonably protects any rights that such counterparties may have with respect to any additions to the Assignment Notice.

Y. The Debtor has, including by way of entering into the Agreement and performing the provisions relating to the Assigned Contracts in Section 2.5 of the Agreement or in the Bidding Procedures Order by the Effective Closing Date, (i) cured, or provided adequate assurance of cure, of any default existing prior to the date hereof under any of the Assigned 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 appropriate party for any actual pecuniary loss incurred by such party resulting from a default prior to the date hereof under any of the Assigned Contracts, within the meaning of section 365(b)(1)(B) of the Bankruptcy Code. Further, the Purchaser has provided adequate assurance of future performance of and under the Assigned Contracts, within the meaning of sections 365(b)(1) and 365(f)(2) of the Bankruptcy Code.

Z. Without limiting the effect or scope of the foregoing, the transfer of the Acquired Assets and the Assigned Contracts from the Debtor to the Purchaser does not and will not deem the Purchaser or its affiliates, to: (i) be a successor (or other such similarly situated party) to the Debtor (other than with respect to the Assumed Liabilities as expressly stated in the Agreement), including a “successor employer” for the purposes of the Internal Revenue Code of 1986 or the Employee Retirement Income Security Act of 1974; (ii) have, *de facto* or otherwise, merged with or into the Debtor; (iii) be a mere continuation of the Debtor or its estates (and there is no continuity

of enterprise between the Purchaser and the Debtor); or (iv) be holding itself out to the public as a continuation of the Debtor. Except for the Assumed Liabilities, the Purchaser shall have no liability or responsibility for any liability or other obligation of the Debtor arising under or related to the Acquired Assets or otherwise. Without limiting the generality of the foregoing, and except for the Assumed Liabilities, the Purchaser shall not be liable for any claims against the Debtor or its predecessors or affiliates, and the Purchaser, and each of its Affiliates, shall have no successor or vicarious liabilities of any kind or character including but not limited to any theory of antitrust, environmental, successor or transferee liability, labor law, *de facto* merger, or substantial continuity, whether known or unknown as of the Closing, now existing or hereafter arising, whether fixed or contingent, with respect to the Debtor or any obligations of the Debtor, including, but not limited to, 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 Debtor's business prior to the Closing.

AA. Approval of the Agreement, assumption and assignment of the Assigned Contracts, rejection of the Rejected Contracts, and consummation of the Sale of the Acquired Assets at this time are in the best interests of the Debtor, its creditors, its estate and other parties in interest and represent an exercise of the Debtor's sound business judgment.

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

1. The Motion is granted, as further described herein.

2. All objections to the Motion or the relief requested therein are overruled on the merits, resolved or withdrawn.³

3. Notice of the Sale Hearing was fair and equitable under the circumstances and complied in all respects with section 102(1) of the Bankruptcy Code and Bankruptcy Rules 2002, 6004 and 9014 and the applicable Local Rules.

Approval of the Agreement

4. The Agreement, and all of the terms and conditions thereof, including without limitation the Richmond Purchase Agreement attached as Exhibit “D” thereto, is hereby approved.

5. Pursuant to sections 363(b) and 365 of the Bankruptcy Code, the Debtor is authorized to perform its obligations under and comply with the terms of the Agreement, and consummate the Sale, pursuant to and in accordance with the terms and conditions of the Agreement.

6. The Debtor is authorized to execute and deliver, and empowered to perform under, consummate and implement, the Agreement, together with all additional instruments, documents, and agreements that may be reasonably necessary or desirable to implement the Agreement, and to take all further actions as may be requested by the Purchaser for the purpose of assigning, transferring, granting, conveying and conferring to the Purchaser or reducing to possession, the Acquired Assets, or as may be necessary or appropriate to the performance of the obligations as contemplated by the Agreement, including effectuating amendments to the Agreement in furtherance thereof.

³ Based on the fact that the Debtor’s real property located at 20 Howard Avenue, New Bedford, Massachusetts is not the subject of this sale or any back-up sale, AVX has withdrawn its limited objection to the sale.

7. This Order and the Agreement shall be binding in all respects upon all creditors (whether known or unknown) of the Debtor, all counterparties to the Assigned Contracts, all counterparties to the Rejected Contracts, successors and assigns of the Purchaser, the Debtor and its affiliates and subsidiaries, and any subsequent trustees appointed in the Debtor's Chapter 11 Case or upon a conversion to chapter 7 under the Bankruptcy Code. Nothing contained in any chapter 11 plan confirmed in this bankruptcy case or the order confirming any such chapter 11 plan shall conflict with or derogate from the provisions of the Agreement or this Order.

8. The Agreement and any related agreements, documents, or other instruments may be modified, amended or supplemented by the parties thereto in a writing signed by both parties, 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 Debtor's estate.

9. The Purchaser shall have no obligation to proceed with the Closing until all conditions precedent in the Agreement to its obligation to do so have been met, satisfied, or waived in accordance with the terms of the Agreement.

Transfer of Assets

10. Pursuant to sections 105(a), 363(f) and 365 of the Bankruptcy Code, upon the Effective Closing Date, the Acquired Assets⁴ shall be transferred to the Purchaser in accordance with the Agreement and such transfer shall constitute a legal, valid, binding, and effective transfer of such Acquired Assets and shall vest the Purchaser with title to the Acquired Assets, free and clear of all liens, mortgages, pledges, options, security interests, charges, rights of first refusal,

⁴ Notwithstanding anything to the contrary in the Agreement, the Debtor's causes of action, including (without limitation) causes of action arising under chapter 5 of the Bankruptcy Code, and any and all insurance policies and proceeds related thereto, and the confidentiality agreement between the Debtor and the Committee are not included as Acquired Assets.

hypothecations, encumbrances on real or personal property, easements, encroachments, rights of way, restrictive covenants on real or personal property, real or personal property licenses, leases or conditional sale arrangements, debts, liabilities, obligations and claims, whether accrued or fixed, direct or indirect, liquidated or unliquidated, absolute or contingent, matured or unmatured, determined or undeterminable, known or unknown, including those arising under any law or action and those arising under any contract or otherwise, including any tax liability, and including any rights, claims or causes of action based on any theories of transferee or successor liability (other than Permitted Liens and Assumed Liabilities, each as defined in the Purchase Agreement) (collectively, the “**Liens, Claims and Interests**”). Liens, Claims and Interests shall also include but are not limited to: (a) those that purport to give to any party a right terminate the Debtor’s or the Purchaser’s interest in the Acquired Assets, or any similar rights; (b) those relating to taxes arising under or out of, in connection with, or in any way relating to the operation of the Acquired Assets prior to the Closing; and (c) all debts arising in any way in connection with any agreements, acts, or failures to act, of the Debtor or any of the Debtor’s predecessors or affiliates, claims (as that term is defined in the Bankruptcy Code), obligations, liabilities, demands, guaranties, options, rights, contractual or other commitments, restrictions, interests and matters of any kind and nature, whether known or unknown, contingent or otherwise, whether arising prior to or subsequent to the commencement of this Chapter 11 Case, and whether imposed by agreement, understanding, law, equity or otherwise, including but not limited to claims otherwise arising under doctrines of successor liability. All Liens, Claims and Interests released, terminated and discharged as to the Acquired Assets shall attach to the sale proceeds with the same validity, force and effect that they now have as against the Debtor, the estate or the Acquired Assets, subject to any claims and defenses the Debtor may possess with respect thereto. The sole and exclusive right and remedy

available to purported creditors, equity holder(s), including, without limitation, the equity holder(s) of the Debtor, the holders of any other Liens, Claims and Interests and parties in interest, shall be a right to assert Liens, Claims and Interests against the Debtor's estate.

11. The amount of \$80,000.00 from the proceeds of the Sale shall be separately held by the Debtor and released and paid to SSG Advisors, LLC ("SSG") on account of its transaction fee, but only upon an application by SSG and entry of an order of the Court approving such fee.

12. Except as set forth in the Agreement, all persons and entities, including, but not limited to, the Debtor, all debt security holders, all equity security holders, the Creditors' Committee, governmental, tax and regulatory authorities, employees, former employees and shareholders, administrative agencies, governmental departments, secretaries of state, federal, state and local officials, counterparties to all Executory Contracts or Leases, customers, lenders, trade and other creditors and their respective successors or assigns and any trustees thereof holding Liens, Claims and Interests of any kind or nature whatsoever against or in the Debtor or the Acquired Assets conveyed as of the date hereof, at the time of the transfer of such Assigned Contract, (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, senior or subordinated) arising under or out of, in connection with, or in any way relating to, the Debtor, the Acquired Assets, the operation of the Debtor's business prior to the Closing, or the transfer of the Acquired Assets to the Purchaser, hereby are forever barred, estopped, and permanently enjoined from asserting against the Purchaser, its successors, designees or assigns, its property, or the Acquired Assets conveyed in accordance with the Agreement, such persons' or entities' Liens, Claims and Interests.

13. The transfer of the Acquired Assets to the Purchaser pursuant to the Agreement shall constitute a legal, valid, and effective transfer of such Acquired Assets on the Effective

Closing Date, and shall vest the Purchaser on the Effective Closing Date with all right, title, and interest of the Debtor in and to the Acquired Assets free and clear of all Liens, Claims and Interests of any kind or nature whatsoever. As of the Closing, the Purchaser shall have any and all rights, claims, defenses and offsets held by Debtor and its estate with respect to all Assumed Liabilities.

14. Except for Permitted Liens and Assumed Liabilities as set forth in the Agreement, the transfer of the Acquired Assets pursuant to this Order shall not subject the Purchaser to any liability with respect to any obligations incurred in connection with or in any way related to the Acquired Assets prior to the date of Closing or by reason of such transfer under the laws of the United States, any state, territory, or possession thereof, or the District of Columbia, based, in whole or in part, directly or indirectly, on any theory of law or equity, including, without limitation, any theory of equitable subordination or successor or transferee liability.

Assumption and Assignment of Contracts

15. Pursuant to sections 105(a) and 365 of the Bankruptcy Code, and subject to and conditioned upon the Effective Closing Date, the Debtor's assumption and assignment to the Purchaser, and the Purchaser's assumption on the terms set forth in the Agreement, of the Assigned Contracts are hereby approved, and the requirements of section 365(b)(1) of the Bankruptcy Code with respect thereto are hereby deemed satisfied.

16. On or before the Effective Closing Date, the Purchaser shall have the right pursuant to the Agreement to (a) designate any Executory Contract or Lease that is not already an Assigned Contract as an Assigned Contract by giving an Assignment Notice to the Debtor in accordance with the Bidding Procedures Order, and (b) designate any Executory Contract or Lease for exclusion from being an Assigned Contract by delivering a Rejection Notice to the Debtor in accordance with the Bidding Procedures Order, and in connection with the Effective Closing Date,

such Executory Contract or Lease shall be deemed a Rejected Contract under the Bidding Procedures Order, and the Debtor will be deemed by the Motion to have moved to reject such Rejected Contract as of the Effective Closing Date (and the Effective Closing Date shall constitute the rejection effective date with respect thereto) unless such Executory Contract or Lease had been rejected pursuant to prior order of this Court.

17. The Debtor is hereby authorized in accordance with sections 105(a) and 365 of the Bankruptcy Code to (a) assume and assign to the Purchaser, effective upon and subject to the occurrence of the Closing and the Effective Closing Date, the Assigned Contracts listed on the Assigned Contracts List free and clear of all Liens, Claims and Interests of any kind or nature whatsoever, which Assigned Contracts by operation of this Order, shall be deemed assumed and assigned effective as of the Closing, and (b) execute and deliver to the Purchaser such documents or other instruments as may be necessary to assign and transfer such Assigned Contracts and Assumed Liabilities to the Purchaser.

18. The Assigned Contracts shall be transferred and assigned to, and following the Closing of the Sale, remain in full force and effect for the benefit of, the Purchaser in accordance with their respective terms, notwithstanding any provision in any such Assigned Contract (including those of the type described in sections 365(b)(2) and (f) of the Bankruptcy Code) that prohibits, restricts, or conditions such assignment or transfer and, pursuant to section 365(k) of the Bankruptcy Code, the Debtor shall be relieved from any further liability with respect to the Assigned Contracts after such transfer and assignment to the Purchaser. The Debtor may assume the Assigned Contracts in accordance with section 365 of the Bankruptcy Code. The Debtor may assign each Assigned Contract in accordance with sections 363 and 365 of the Bankruptcy Code, and any provisions in any Assigned Contract that prohibit or condition the assignment of such

Assigned Contract or allow the non-debtor party to such Assigned Contract to terminate, recapture, impose any penalty, condition renewal or extension, or modify any term or condition upon the assignment of such Assigned Contract, shall constitute unenforceable anti-assignment provisions that are void and of no force and effect. All other requirements and conditions under sections 363 and 365 of the Bankruptcy Code for the assumption and assignment by the Debtor to the Purchaser of each Assigned Contract have been satisfied. Upon the Effective Closing Date, in accordance with sections 363 and 365 of the Bankruptcy Code, the Purchaser shall be fully and irrevocably vested in all right, title and interest of each Assigned Contract. Any portion of any Assigned Contract that purports to permit a landlord thereunder to cancel the remaining term of such Assigned Contract if the Debtor discontinues its use or operation of the leased premises is void and of no force and effect, and shall not be enforceable against the Purchaser, its assignees and sublessees; and the landlords under any such Assigned Contract shall not have the right to cancel or otherwise modify the Assigned Contract or increase the rent, assert any claim or impose any penalty by reason of such discontinuation, the Debtor's cessation of operations, the assignment of such Assigned Contract to the Purchaser, or the interruption of business activities at any of the leased premises.

19. The Debtor has timely served on all counterparties to all Executory Contracts or Leases, including without limitation all Assigned Contracts listed on the Initial Assigned Contract List, the Assumption and Assignment Notice, the Paragraph 11 Notice, and all other notices required by the Bidding Procedures Order (other than the notice of Rejected Contracts) (collectively, the "**Required Notices**"). The Required Notices include all of the information required by the Bidding Procedures Order, and no other or further notice is required with respect to the assumption of any Executory Contract or Lease, including without limitation, the Assigned

Contracts listed on the Initial Assigned Contract List or any Assignment Notice. For all non-debtor counterparties to any Executory Contract or Lease timely served with an Assumption and Assignment Notice in accordance with this Paragraph 19, and the Paragraph 11 Notice that its Executory Contract has, as of that date, been determined to be an Assigned Contract, to which no Contract Objection was timely filed, such Assigned Contract is hereby deemed assumed and assigned in accordance with the Assumption and Assignment Notice. For all non-debtor counterparties to an Assigned Contract served with the Assumption and Assignment Notice and the Paragraph 11 Notice in less than the time required by the Bidding Procedures Order, if a timely filed Contract Objection is not received, the counterparty to such Assigned Contract shall be deemed to have consented to such assumption and assignment and Cure Amount, and the assignment will be deemed effective as of the Effective Closing Date. If any counterparty timely files a Contract Objection that cannot be resolved by the Debtor and the counterparty, the Court shall resolve such Contract Objection prior to assumption and assignment of such designated contract, and upon entry of an order by the Court resolving such Contract Objection, the assignment shall be deemed effective as of the Effective Closing Date.

20. The Debtor shall serve on the counterparty to any additional Assigned Contract so designated under the Bidding Procedures Order all Required Notices. If a timely filed Contract Objection is not received, the counterparty to such Assigned Contract shall be deemed to have consented to such assumption and assignment and Cure Amount, and the assignment will be deemed to be effective on the Effective Closing Date. If any counterparty timely files a Contract Objection that cannot be resolved by the Purchaser and the counterparty, the Court shall resolve such Contract Objection prior to the assumption and assignment of such designated contract, and

upon entry of an order by the Court resolving such Contract Objection, the assumption and assignment of such designated contract shall be deemed effective as of the Closing Date.

21. All defaults or other obligations of the Debtor under the Assigned Contracts arising or accruing prior to the Closing (without giving effect to any acceleration clauses or any default provisions of the kind specified in section 365(b)(2) of the Bankruptcy Code as to which no objections were interposed), are deemed satisfied by the Cure Amounts with respect to each Assigned Contract in those amounts set forth in the Assumption and Assignment Notice, which was served in accordance with the Bidding Procedures Order, and which were satisfied, or shall be satisfied as soon as practicable, by the Purchaser.

22. With the exception of the Cure Amounts set forth in the Assumption and Assignment Notice, or as otherwise reflected in this Order, each non-Debtor party to an Assigned Contract hereby is forever barred, estopped, and permanently enjoined from asserting against the Debtor, any Purchaser, or the property of any of them, any default existing as of the Effective Closing Date; or, against any Purchaser, any counterclaim, defense, setoff or any other claim asserted or assertable against the Debtor. Except as provided in the Agreement or this Order, after the Closing, the Debtor and its estate shall have no further liabilities or obligations with respect to any Assumed Liabilities and all holders of such claims are forever barred and estopped from asserting such claims against the Debtor, its successors or assigns, its property or its assets or estates. There shall be no rent accelerations, assignment fees, increases or any other fees charged to the Purchaser or the Debtor as a result of the assumption, assignment and/or transfer of any Assigned Contract. The Debtor's promise pursuant to the terms of the Agreement to pay the Cure Amounts and the Purchaser's promise to perform the obligations under the Assigned Contract after the Closing shall constitute adequate assurance of its future performance under the Assigned

Contracts being assigned to it within the meanings of sections 365(b)(1)(C) and (f)(2)(B) of the Bankruptcy Code.

23. Notwithstanding anything to the contrary in this Order, no Executory Contract or Lease will be assumed and assigned pursuant to this Order until the Effective Closing Date.

24. The failure of the Debtor or the Purchaser to enforce at any time one or more terms or conditions of any Assigned Contract shall not be a waiver of such terms or conditions, or of the Debtor's and the Purchaser's rights to enforce every term and condition of the Assigned Contracts.

25. Unless authorized in writing by the Purchaser pursuant to Section 2.5 of the Agreement, the Debtor shall not reject any Executory Contract or Lease or any other unexpired Contract related to the Acquired Assets prior to the occurrence of the Closing and the Effective Closing Date. In the event that the Purchaser designates by a Rejection Notice any such Executory Contract or Lease as a Rejected Contract prior to the Effective Closing Date, the Debtor shall serve a Paragraph 11 Notice on the counterparty to such Contract, and such Executory Contract or Lease shall be deemed rejected by the Debtor as of the Effective Closing Date without other or further notice or order of this Court.

Additional Provisions

26. The consideration provided by the Purchaser for the Acquired Assets under the Agreement constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, and the District of Columbia.

27. The consideration provided by the Purchaser for the Acquired Assets under the Agreement is fair and reasonable and the Sale may not be avoided under section 363(n) of the Bankruptcy Code.

28. The transaction contemplated by the Agreement is undertaken by the Purchaser in good faith, as that term is used 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 to the Purchaser, including the assignment to the Purchaser of the Assigned Contracts. The Purchaser is a purchaser in good faith of the Acquired Assets, and is entitled to all of the protections afforded by section 363(m) of the Bankruptcy Code.

29. On the Effective Closing Date, each of the Debtor's creditors is authorized and directed to execute such documents and take all other actions as may be necessary to release its Liens, Claims and Interests in the Acquired Assets, if any, as such Liens, Claims and Interests may have been recorded or may otherwise exist.

30. This Order (a) shall be effective as a determination that, upon the Effective Closing Date, all Liens, Claims and Interests of any kind or nature whatsoever existing as to the Acquired Assets prior to the Closing have been unconditionally released, discharged and terminated, and that the conveyances described herein have been effected, and (b) shall be binding upon and shall govern the acts of all 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, state, 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 of the Acquired Assets. For the avoidance of doubt, all Liens, Claims and Interests with respect to the Excluded Assets shall continue with the same validity, force, effect and priority as they now have, subject to any claims and defenses the Debtor may possess with respect thereto.

31. If any person or entity that has filed financing statements, mortgages, mechanic's liens, *lis pendens*, or other documents or agreements evidencing Liens, Claims and Interests in the Acquired Assets conveyed pursuant to the Agreement shall not have delivered to the Debtor prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of mortgages, and releases of all Liens, Claims and Interests which the person or entity has with respect to such Acquired Assets or otherwise, then (a) the Debtor is hereby authorized to execute and file such statements, instruments, releases of mortgages, releases and such other documents of any kind on behalf of the person or entity with respect to such Acquired Assets and (b) the Purchaser is hereby authorized to file, register, or otherwise record a certified copy of this Order, which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the release of all Liens, Claims and Interests in the such Acquired Assets of any kind or nature whatsoever.

32. The Purchaser shall have no obligation to pay or provide wages, bonuses, severance pay, benefits (including, without limitation, contributions or payments on account of any underfunding with respect to any and all pension plans) or any other payment to current or former employees of the Debtor and its eligible dependents and beneficiaries. Furthermore, (a) the Purchaser shall have no obligation or liability, as a successor or otherwise, with respect to any collective bargaining agreement or any multiemployer pension welfare, retention, employee benefit and/or incentive plan or agreement to which any Debtor is a party (including, without limitation, arising from or related to the rejection or other termination of any such plan or agreement), (b) the Purchaser shall in no way be deemed a party to or assignee of any such plan or agreement, (c) no employee of the Purchaser shall be deemed in any way covered by or a party to any such plan or agreement, and (d) all parties to any such agreement are hereby enjoined from

asserting against the Purchaser any and all claims arising from or relating to such plan or agreement.

33. Any amounts that become payable by the Debtor to the Purchaser pursuant to the Agreement (and related agreements executed in connection therewith) (a) shall be, and hereby is, deemed an allowed administrative priority expense of the Debtor's estate under sections 503(b) and/or 507(a)(2) of the Bankruptcy Code, and (b) subject to the terms of any cash collateral order, shall be payable by the Debtor in the time and manner provided for in the Agreement (and such related agreements) without further Court order.

34. All non-Debtor entities that are presently, or on the Closing may be, in possession of some or all of the Acquired Assets are hereby directed to surrender possession of the Acquired Assets to the Purchaser on the Closing.

35. Neither the Purchaser nor its affiliates shall be deemed, as a result of any action taken in connection with the purchase of the Acquired Assets, to: (a) be a successor (or other such similarly situated party) to the Debtor (other than with respect to the Assumed Liabilities as expressly stated in the Agreement), including a "successor employer" for the purposes of the Internal Revenue Code of 1986 or the Employee Retirement Income Security Act of 1974 or other applicable laws; (b) have, *de facto* or otherwise, merged with or into any of the Debtor; (c) be a mere continuation of the Debtor or its estate (and there is no continuity of enterprise between the Purchaser and the Debtor); or (d) be holding itself out to the public as a continuation of the Debtor. Except for the Assumed Liabilities, the Purchaser shall have no liability or responsibility for any of the Excluded Liabilities or for any other liability or other obligation of the Debtor arising under or related to the Acquired Assets or otherwise. Without limiting the generality of the foregoing, and except for the Assumed Liabilities, the Purchaser shall not be liable for any claims against the

Debtor or any of its predecessors or affiliates, and the Purchaser, and each of its Affiliates, shall have no successor or vicarious liabilities of any kind or character including but not limited to any theory of antitrust, environmental, successor or transferee liability, labor law, *de facto* merger, or substantial continuity, whether known or unknown as of the Closing, now existing or hereafter arising, whether fixed or contingent, with respect to the Debtor or any obligations of the Debtor, including, but not limited to, 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 Debtor's business prior to the Closing.

36. Nothing in this Order or the Agreement releases, nullifies, precludes or enjoins the enforcement of any environmental liability to a governmental unit arising as a result of an entity's status as the owner or operator of property after the date of entry of this Order. Notwithstanding the foregoing sentence, nothing in this Order shall be interpreted to deem the Purchaser to be the successor to the Debtor under any state or federal law successor liability doctrine with respect to any police or regulatory liability for penalties for days of violation prior to entry of this Order. Nothing in this Order or the Agreement authorizes the transfer or assignment of any federal or state environmental (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 under environmental law. Nothing in this paragraph should be construed to create for any governmental unit any substantive right that does not already exist under law.

37. To the greatest extent available under applicable law, the Purchaser shall be authorized, as of the Effective Closing Date, to operate under any Permit with respect to the Acquired Assets transferred to the Purchaser by the Debtor, and all such Permits are deemed to have been, and hereby are, directed to be transferred to the Purchaser as of the Closing Date.

38. Following the Effective Closing Date, no holder of a Lien, Claim or Interest in the Debtor or the Acquired Assets shall interfere with the Purchaser's title to or use and enjoyment of the Acquired Assets based on or related to such Lien, Claim or Interest, or any actions that the Debtor may take in its Chapter 11 Case.

39. This Court retains jurisdiction to enforce and implement the terms and provisions of this Order and the Agreement, all amendments thereto, any waivers and consents thereunder, and of each of the agreements executed in connection therewith in all respects, including, but not limited to, retaining jurisdiction to (a) compel delivery of the Acquired Assets to the Purchaser, (b) compel delivery of the purchase price or performance of other obligations owed to the Debtor, (c) resolve any disputes arising under or related to the Agreement, except as otherwise provided therein, (d) interpret, implement, and enforce the provisions of this Order, (e) protect the Purchaser against any of the Excluded Liabilities or any Liens, Claims and Interests in the Debtor or the Acquired Assets, of any kind or nature whatsoever.

40. The Debtor is not selling any "personally identifiable information" (as that term is defined in 11 U.S.C. § 101(41A)) to the Purchaser. Accordingly, section 363(b)(1) of the Bankruptcy Code does not apply.

41. Notwithstanding Bankruptcy Rule 6004(h) and 6006(d), this Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing. In the absence of any entity obtaining a stay pending appeal, the Debtor and the Purchaser are free to close under the Agreement at any time.

42. The terms and provisions of the Agreement and this Order shall be binding in all respects upon, and shall inure to the benefit of, the Debtor, its estates, and its creditors, the Purchaser, and their respective affiliates, successors and assigns, and any affected third parties

including, but not limited to, all persons asserting Liens, Claims and Interests in the Acquired Assets to be sold to the Purchaser pursuant to the Agreement, notwithstanding any subsequent appointment of any trustee(s) under any chapter of the Bankruptcy Code, as to which trustee(s) such terms and provisions likewise shall be binding.

43. The provisions of this Order are non-severable and mutually dependent without the written consent of the Purchaser and the Debtor.

44. To the extent of any conflict between the Agreement and this Order, the terms and provisions of this Order shall govern.

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

46. Notwithstanding anything to the contrary in the Agreement or elsewhere in this Order, the Acquired Assets shall not include Ecolab Inc.'s ("**Ecolab**") proprietary Ultrax Central Dispensing System and all related equipment and spare and repair parts, including without limitation the Chemwatch PC and related software (collectively, the "**Ecolab Equipment**") located at each of the Debtor's locations. Ecolab's rights in and ownership of the Ecolab Equipment are preserved, and unless the Purchaser and Ecolab agree in writing to Purchaser's continued use of the Ecolab Equipment, Ecolab shall be permitted to remove and recover the Ecolab Equipment, and Debtor's interest, if any, in the Ecolab Equipment shall be deemed abandoned, all without further order of the Court.

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ASSET PURCHASE AGREEMENT

by and between

COYNE INTERNATIONAL ENTERPRISES CORP.

and

CLEAN RENTALS, INC. D/B/A CLEAN UNIFORMS *AND MORE!*

July 30, 2015 (Re-executed October 29, 2015)

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ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this “Agreement”) is entered into as of July 30, 2015, and re-executed on October 29, 2015, by and between Coyne International Enterprises Corp., a New York corporation (“Seller”) and Clean Rentals, Inc. d/b/a Clean Uniforms *and MORE!* (“Buyer”). Seller and Buyer are 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, immediately hereafter Seller will be a debtor-in-possession under title 11 of the United States Code, 11 U.S.C. § 101 et seq. (the “Bankruptcy Code”), through a filing of a voluntary petition for relief under Chapter 11 of the Bankruptcy Code on the date hereof in the United States Bankruptcy Court for the Northern District of New York (the “Bankruptcy Court”);

WHEREAS, Seller conducts, among other things, the business of the supply for hire of clean and laundered garments and other items including, without limitation, industrial shirts, pants, coveralls, jumpsuits, shop towels and printer towels, aprons, continuous roll towels, mats, mops, fender covers and wipers, in each such case through its commercial laundry and facility-based direct-sales business, which includes operations conducted at the facilities identified as “Existing Facilities” on Schedule A-1 to this Agreement (the above-described business, as conducted from such facilities is hereinafter referred to as the “Business”);

WHEREAS, (i) Seller wishes to sell, transfer and assign to Buyer, and Buyer wishes to purchase, acquire and assume from Seller, the Acquired Assets as of the Closing, and (ii) Buyer wishes to assume from Seller the Assumed Liabilities as of the Closing, on the terms and subject to the conditions set forth herein and in accordance with Sections 105, 363 and 365 and other applicable provisions of title 11 of the Bankruptcy Code;

WHEREAS, immediately hereafter, Seller will file the Sale Motion (as defined below) with the Bankruptcy Court to implement the transactions contemplated hereby upon the terms and subject to the conditions set forth herein;

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

“Accounts Receivable” means (a) all trade accounts receivable and other rights to payment from customers of Seller, (b) all other accounts receivable, notes receivable, and other receivables of Seller (whether current or non-current), and (c) any security interest, claim, remedy or other right related to any of the foregoing, in each case, arising out of the operation of the Business prior to the Closing. Accounts Receivable shall not include excluded or discontinued accounts.

“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.

“Auction” has the meaning set forth in Section 5.9.

“Assignment and Assumption Agreement” has the meaning set forth in Section 2.10(a)(ii).

“Assumed Contracts” means those Leases and other Contracts that have been assigned to and assumed by Buyer pursuant to Section 2.8 and Section 365 of the Bankruptcy Code.

“Assumed Liabilities” means (a) all Liabilities under the Assumed Contracts and the Assumed Permits arising from and after the Closing Date (except for any Liabilities to the extent based on the actions of Seller in breach or violation of this Agreement); and (b) all Cure Amounts ordered by the Bankruptcy Court. Notwithstanding anything herein or elsewhere to the contrary, except for liabilities set forth in the immediately preceding sentence, no liability of Seller will be assumed or paid by Buyer.

“Assumed Permits” means all Permits relating to the Business that are transferable in accordance with their terms, but excluding all Permits to the extent related to any Excluded Asset (including any Lease that is not an Assumed Contract).

“Assumption Approval” has the meaning set forth in Section 2.8(f).

“AWR” means the Seller’s arithmetic average of the Seller’s recurring industrial rental revenues from the operation of its New Bedford, Massachusetts facility for the four (4) week period ending as of a specified reference date set forth in this Agreement, representing the right to service customers and revenues from customer contracts at such facility for that period, for used and new uniform inventory, flat goods inventory and emblems of the Seller’s business at such facility, including all revenues received on a recurring basis in respect of uniforms, mats, shop towels, print towels, furniture towels, RAS, automatic shop towel replacement, fender covers, mops, towels, aprons, linen supply, other recurring revenue, paper, soap, service charges, insurance charges and delivery charges. For the avoidance of doubt, “AWR” shall not include revenues from quit accounts, wholesale shop towels from competitors, obsolete inventory, lost and damaged merchandise, direct sales, accounts paying the Seller less than \$35/week (Seller must give Buyer notice of all such accounts no later than 30 days after execution hereof), and non-standard contracts (Seller’s contract executed by Seller and customer which varies substantially from Buyer’s standard contract attached hereto as Exhibit C), which amounts shall not include sales taxes and non-recurring charges. For the avoidance of further doubt, AWR shall be exclusive of amounts charged for sales taxes, NOG services, emblem or lettering charges, swing suit charges, preparation or make-up charges, restocking charges, charges for napkins or gloves, customer deposits, charges to customers that have withdrawn or cancel their business (or given written or oral notice either prior to or during the Measurement Period), charges to customers in bankruptcy, or non-recurring charges, credits and prompt-pay discounts,

credit card fees or rebates of any kind. AWR shall be determined by Seller and set forth in writing at Closing, subject to the Buyer having an opportunity to review and comment on the determination. AWR shall be adjusted as agreed by Seller and Buyer for the impact of seasonality. Exhibit A provides, for illustration purposes, a calculation of Seller's AWR for the four (4) week period ending on June 30, 2015.

"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 Procedures, as the same may be amended from time to time.

"Bidding Procedures" means the bidding procedures approved by the Bankruptcy Court pursuant to the Bidding Procedures Order, substantially in the form of Exhibit B attached hereto.

"Bidding Procedures Order" means an order of the Bankruptcy Court approving the Bidding Procedures.

"Bill of Sale" has the meaning set forth in Section 2.10(a)(i).

"Break-Up Fee" has the meaning set forth in Section 8.3(b).

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

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

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

"Cash" means cash (including all cash located in Seller's bank accounts, lock-boxes and cash in transit), cash equivalents and liquid investments.

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

"Closing Assumed Contract List" has the meaning set forth in Section 2.8(c).

"Closing Date" has the meaning set forth in Section 2.9.

"COBRA" means Part 6 of Subtitle B of Title I of ERISA, Section 4980B of the IRC, and any similar state Law.

"Competing Transaction" has the meaning set forth in Section 5.9.

"Confidentiality Agreement" means that certain letter agreement by and between Seller and Buyer, as executed by Buyer on August 15, 2014, regarding the terms and conditions on which Seller would make available certain information.

“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.

“Contract” means any written or oral agreement, contract, lease, sublease, indenture, mortgage, instrument, guaranty, loan or credit agreement, note, bond, customer order, purchase order, sales order, sales agent agreement, supply agreement, development agreement, joint venture agreement, promotion agreement, license agreement, contribution agreement, partnership agreement or other arrangement, understanding, permission or commitment that, in each case, is legally-binding.

“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.

“Covered Employee” means any officer or employee of Seller whose duties relate to the operation of the Business.

“Cure Amounts” has the meaning set forth in Section 2.8(e).

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

“Data Room” means that certain virtual data room operated by SSG Capital Advisors, and made available to Buyer and its Representatives.

“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 Seller or in which Seller participates or participated and that provides benefits to Covered Employees.

“End Date” means August 31, 2015.

“Enforcing Parties” has the meaning set forth in Section 9.10(a).

“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, pollution or the protection of the environment.

“ERISA” means the United States Employee Retirement Income Security Act of 1974.

“Excluded Assets” means, collectively, the following assets of Seller: (a) all of Seller’s certificates of incorporation 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 transfer books, stock certificates and other documents relating to the organization, maintenance and existence of Seller as a corporation, limited liability company or other entity; (b) all Records related to Taxes paid or payable by Seller; (c) all Cash of Seller as of the Closing; (d) all Accounts Receivable of customers of the Seller who have withdrawn or cancelled their business with the Seller (or gave written or oral notice thereof either prior to or during the Measurement Period, or, that are outstanding for more than ninety (90) days, unless, Buyer, in its sole discretion, advises Seller in writing prior to the Closing Date of its election to purchase such Accounts Receivable and deem such Accounts Receivable as Acquired Assets; (e) all Fixtures and Equipment of Seller; (f) all assets with respect to any income or other Taxes of Seller, whether or not relating to the Business; (g) all equity securities of Seller; (h) all Leases (and related Leased Real Property) and Contracts, in each case, other than the Assumed Contracts; (i) all of Seller’s bank accounts and lock-boxes; (j) Tax assets and accounts; (k) all rights (including rights of set-off and rights of recoupment (including any such item relating to the payment of Taxes)), refunds, claims, counterclaims, demands, causes of action and rights to collect damages of Seller against third parties, including all such items relating to (x) Taxes, and all (y) avoidance claims or causes of action arising under the Bankruptcy Code or applicable state Law, (l) any loans or notes payable to Seller from any employee of Seller, other than Ordinary Course of Business employee advances; (m) any (i) confidential personnel and medical Records pertaining to any Covered Employee to the extent the disclosure of such information is prohibited by applicable Law and (ii) other Records that Seller is required by Law to retain or that Seller determines is necessary or advisable to retain, including Tax Returns, taxpayer and other identification numbers, financial statements and corporate or other entity filings; provided that Buyer shall have the right to make copies of any portions of such retained Records to the extent that such portions relate to the Business or any Acquired Asset; (n) any documents and agreements of Seller relating to the Seller’s Chapter 11 Case or to the sale or other disposition of the Business or the Acquired Assets or the sale or other disposition of any Excluded Assets; (o) the Intellectual Property; (p) all Permits other than the Assumed Permits; (q) all assets maintained pursuant to or in connection with any Employee Benefit Plan; and (r) without limiting the generality of the foregoing, any assets of Seller that are not used or held for use in any respect in the Business.

“Excluded Liabilities” has the meaning set forth in Section 2.4.

“Final Order” means an order, judgment, or other decree of the Bankruptcy Court that has not been vacated, reversed, modified, amended, or stayed, and for which the time to further appeal or seek review or rehearing has expired with no appeal, review or rehearing having been filed or sought.

“Fixtures and Equipment” means tangible personal property (other than Inventory and Intellectual Property), which is used or held for use in the operation of the Business.

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

“Hazardous Substance” means any substance that is listed, defined, designated or classified as hazardous, toxic or otherwise harmful under applicable Laws or is otherwise regulated by a Governmental Entity, including petroleum products and byproducts, asbestos-containing material, polychlorinated biphenyls, lead-containing products and mold.

“Holdback Amount” has the meaning set forth in Section 2.5(c).

“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 leases required to be capitalized in accordance with GAAP, (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).

“Independent Accountants” means an impartial nationally recognized firm of independent certified public accountants mutually agreeable to Buyer and Seller; provided, however, if the Buyer and Seller fail to mutually agree, either of Buyer or Seller may petition the Bankruptcy Court to appoint the Independent Accountants.

“Initial Payment” has the meaning specified in Section 2.5(c).

“Insurance Policies” have the meaning set forth in Section 3.10.

“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, continuations, continuations-in-part, divisionals, extensions and reexaminations in connection therewith; (b) trademarks, service marks, trade dress, logos, slogans, trade names, service names, brand names, Internet domain names and all other source or business identifiers and general intangibles of a like nature, along with all applications, registrations and renewals in connection therewith, and all goodwill associated with any of the foregoing; (c) rights associated with works of authorship, including 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 (d) trade secrets.

“Inventory” has the meaning set forth in Section 2.1(c).

“IRC” means the United States Internal Revenue Code of 1986.

“Knowledge” of a Person (and other words of similar import) means the actual knowledge of, (a) with respect to Seller, Mark Samson and (b) with respect to Buyer, Mark Bodzioch.

“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 Seller which is used in the Business.

“Leases” means all leases, subleases, licenses, concessions and other Contracts, including all amendments, extensions, renewals, guaranties and other agreements with respect thereto, in each case pursuant to which Seller holds any Leased Real Property.

“Liability” means any liability, Indebtedness, guaranty, claim, loss, damage, deficiency, assessment, responsibility or obligation of whatever kind or nature (whether known or unknown, 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, whether matured or not yet matured).

“Lien” means 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). For the avoidance of doubt, the definition of Lien shall not be deemed to include the grant of any license or sublicense of Intellectual Property by 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 and whether before any Governmental Entity or arbitrator.

“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 or results of operations of the Business (taken as a whole);

provided, however, that no state of facts, change, event, effect, development, condition, circumstance 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, political or social conditions, including the engagement by the United States of America in hostilities, affecting (directly or indirectly) the industry in which the Business operates, whether or not pursuant to the declaration of a national emergency or 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 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; (iv) except for any requirement to operate in the Ordinary Course of Business, compliance with this Agreement or any Related Agreement, including the taking of any action required hereby or thereby or the failure to take any action that is not permitted hereby or thereby; (v) any changes directly attributable to the announcement of this Agreement or any Related Agreement, including by reason of the identity of Buyer or any of its Affiliates or any communication by Buyer or any of its Affiliates of their plans or intentions regarding the operation of the Business; (vi) resulting from any act of God or other force majeure event; or (vii) in the case of Seller or the Business, (A) the failure to meet or exceed any projection or forecast, or (B) changes in the business or operations of Seller (including changes in credit terms offered by suppliers or financing sources) resulting from the announcement or the filing of the Seller's Chapter 11 Case and Seller's financial condition or Seller's status as debtors under Chapter 11 of the Bankruptcy Code; or (b) would reasonably be expected to prevent, materially delay or materially impair the ability of Seller to consummate the transactions contemplated by this Agreement or the Related Agreements on the terms set forth herein and therein.

"Measurement Period" means the four (4) week period commencing with the Closing Date.

"Necessary Consents" has the meaning set forth in Section 2.8(f).

"Non-Real Property Contracts" means the Contracts to which Seller is a party other than the Leases.

"Operational Expenses" means, to the extent incurred in the Ordinary Course of Business, all operating costs and expenses of the Business, including, but not limited to, employee and occupancy expenses, all costs and expenses associated with any Lease or Non-Real Property Contract, including rent, ground lease rent, common area maintenance, utilities, real estate Taxes, insurance, security, and other actual out-of-pocket costs.

“Ordinary Course of Business” means the ordinary course of business consistent with past custom and practice, subject to the orders of the Bankruptcy Court and the applicable provisions of the Bankruptcy Code.

“Party” has the meaning set forth in the preamble.

“Permit” means any franchise, approval, permit, license, order, registration, certificate, variance, Consent, exemption or similar right 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 (a) Liens for Taxes not yet delinquent or which are being contested in good faith by appropriate proceedings; (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; (c) mechanics liens and similar liens for labor, materials or supplies provided with respect to real property incurred in the Ordinary Course of Business for amounts which are not delinquent and which are not material or which are being contested by appropriate proceedings; (d) with respect to real property, zoning, building codes and other land use Laws regulating the use or occupancy of such real property or the activities conducted thereon which are imposed by any Governmental Entity having jurisdiction over such real property which are not violated by the current use or occupancy of such real property or the operation of the Business, except where any such violation would not, individually or in the aggregate, materially impair the use, operation or transfer of the affected property or the conduct of the Business thereon as it is currently being conducted; (e) easements, covenants, conditions, restrictions and other similar matters affecting title to real property and other encroachments and title and survey defects that do not or would not materially impair the use or occupancy of such real property in the operation of the Business; and (f) matters that would be disclosed on an accurate survey or inspection of the real property but which do not interfere in any material respect with the right or ability to use the property as currently used or operated or to convey fee simple title.

“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.

“Petition Date” has the meaning set forth in Section 5.3.

“Professional Services” has the meaning set forth in Section 2.4(b).

“Records” means, with respect to the Business, the books, records, information, ledgers, files, invoices, documents, work papers, correspondence, lists (including 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 and similar materials related to the Business and specifically excluding Seller’s corporate minutes book and related corporate records and books records, files and papers not otherwise relating exclusively to the conduct of the Business.

“Related Agreements” means the Bill of Sale and the Assignment and Assumption Agreement.

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

“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” has the meaning set forth in Section 5.3(a).

“Sale Order” means an order of the Bankruptcy Court entered in the Seller’s Chapter 11 Case.

“Seller” has the meaning set forth in the preamble.

“Seller’s Chapter 11 Case” has the meaning set forth in Section 5.3(a).

“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.

“Superior Bid” means (i) a Successful Bid by a Successful Bidder (as such terms are defined in the Bidding Procedures) that the board of director of Seller has determined in the exercise of their fiduciary duties is superior to the bid represented by this Agreement or (ii) any conversion of Seller’s Chapter 11 Case to a Chapter 7 Bankruptcy Case, or any other liquidation or equivalent event with respect to Seller.

“Tax” or “Taxes” means any United States federal, state or local or non-United States income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Section 59A of the IRC), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, real property, personal property, ad valorem, escheat, sales, use, transfer, value added, alternative or add-on minimum, estimated or other tax of any kind whatsoever, whether

computed on a separate or consolidated, unitary or combined basis or in any other manner, including any interest, penalty or addition thereto, whether or not disputed.

“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.

“Unified Purchase Price” has the meaning set forth in Section 2.5(b).

“WARN Act” has the meaning set forth in Section 3.8.

“Window Period” has the meaning set forth in Section 2.7(a).

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, at the Closing, Buyer shall purchase, acquire and accept from Seller, and Seller shall sell, transfer, assign, convey and deliver to Buyer, all of the Acquired Assets (as hereinafter defined), free and clear of all Liens (other than Permitted Liens expressly identified in the Sale Order), for the consideration specified in Section 2.5(a). The term “Acquired Assets” shall include the following assets (except to the extent included as an Excluded Asset):

(a) all customer lists, customer files, customer accounts and route books relating to rental customers and direct-sale customers of the Business as set forth on the attached Schedule 2.1(a) and the master contract and local accounts, including national accounts (such customer accounts that are included within the Purchased Assets are hereinafter referred to as the “Covered Accounts”)

(b) all garments and apparel, mats, towels, emblems and other items in used condition and either (i) used to service the Covered Accounts, together with laundry bags and tie covers (the “In-Service Inventory”), or (ii) held in storage at the Existing Facilities and not currently used to service the Covered Accounts (the “Out-of-Service Inventory”);

(c) all new, never-processed garments and apparel, mats, towels and other rental or direct-sale items, laundry bags and tie covers, and all new, unopened paper products and other items of new inventory used or to be used in the Business or with respect to the Covered Accounts (collectively, the “New Inventory”) (New Inventory, In-Service Inventory and Out-of-Service Inventory are hereinafter collectively referred to as “Inventory”);

(d) all continuous-roll towel cabinets, paper towel cabinets, bag racks, air freshener dispensers and soap and tissue dispensers used in the Business;

(e) all rolling stock (excluding vehicles) used or held for use, including without limitation delivery carts, hampers, bag stands, lockers and buggies, in the Business;

(f) Accounts Receivable of the Seller that, on the Closing Date, that are outstanding for sixty (60) days or less and are Accounts Receivable of customers of the Seller that have not withdrawn or cancelled their business with the Seller (or gave written or oral notice thereof either prior to or during the Measurement Period;

(g) all Assumed Contracts that have been assumed by and assigned to Buyer pursuant to Section 2.8;

(h) to the extent assignable, all of Seller's rights under all third-party manufacturing warranties relating solely to the Acquired Assets;

(i) all open purchase orders with suppliers related to the Business;

(j) Seller's Records;

(k) all goodwill associated with the Business, other than goodwill relating to Excluded Assets, and all rights under any confidentiality agreements executed by any third party for the benefit of Seller to the extent relating to the Acquired Assets;

(l) all rights of Seller under non-disclosure or confidentiality, noncompete, or nonsolicitation agreements with current or former employees, directors, consultants, independent contractors and agents of Seller or with third parties to the extent primarily relating to the Acquired Assets (or any portion thereof);

(m) subject to Section 2.8(h), all of the Assumed Permits, or, to the extent provided in Section 2.8(h) all of the rights and benefits accruing under any Permits relating to the Business;

(n) the amount of, and all rights to any, insurance proceeds received by Seller after the date hereof in respect of (i) the loss, destruction or condemnation of any Acquired Assets of a type set forth in Sections 2.1(c), 2.1(d), and 2.1(e), occurring prior to, on or after the Closing or (ii) any Assumed Liabilities;

(o) to the extent transferable, all Insurance Policies that, on or prior to the Closing, Buyer designates in writing to Seller as Acquired Assets hereunder, and all rights and benefits of Seller of any nature (except for any rights to insurance recoveries thereunder required to be paid to other Persons under any order of the Bankruptcy Court with respect thereto, including all insurance recoveries thereunder and rights to assert claims with respect to any such insurance recoveries; and

(p) all litigation claims and causes of action (including causes of action under Chapter 5 of the Bankruptcy Code) (i) against landlords, vendors or other counterparties who are party to (or Affiliates of a party to) any Assumed Contract or open purchase

order, or (ii) otherwise arising under or related to the Acquired Assets (including, for the avoidance of doubt, all Assumed Contracts).

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

Section 2.3 Assumption of Assumed Liabilities. On the terms and subject to the conditions of this Agreement, at the Closing (or, with respect to Assumed Liabilities under Assumed Contracts or Assumed Permits that are assumed by Buyer after the Closing, such later date of assumption as provided in Section 2.8), Buyer shall assume and become responsible for the Assumed Liabilities and from and after the Closing agrees to timely pay, honor and discharge, or cause to be timely paid, honored and discharged, all Assumed Liabilities in a timely manner in accordance with the terms thereof. Notwithstanding anything herein or elsewhere to the contrary, except for Assumed Liabilities set forth in the immediately preceding sentence, no Liability of Seller will be assumed or payable by Buyer.

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

- (a) all Taxes of Seller, including Taxes imposed on Seller under Treasury Regulations Section 1.1502-6 and similar provisions of state, local or foreign Tax Law;
- (b) all Liabilities of Seller relating to legal services, accounting services, financial advisory services, investment banking services or any other professional services ("Professional Services") performed in connection with this Agreement and any of the transactions contemplated, hereby, and any claims for such Professional Services, whether arising before or after the Petition Date;
- (c) all Liabilities of Seller relating to or arising from any collective bargaining agreement (including any related multiemployer pension plan);
- (d) all Liabilities relating to severance, retention and termination agreements with the Covered Employees and all past officers or employees of Seller;
- (e) all Liabilities arising out of, relating to, or with respect to any notice pay or benefits (including under COBRA) and claims under the WARN Act with respect to any Covered Employee or any other current or former employees of Seller;

(f) all Liabilities arising out of, relating to, or with respect to any Employee Benefit Plan (including any Liabilities related to any Employee Benefit Plan which is an “employee pension benefit plan” (as defined in Section 3(2) of ERISA) that is subject to Section 302 or Title IV of ERISA or IRC Section 412);

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

(h) all Liabilities arising in connection with any violation of any applicable Law relating to the period prior to the Closing by Seller, including any Environmental, Health and Safety Requirements;

(i) all Liabilities of Seller under this Agreement and the Related Agreement and the transactions contemplated hereby or thereby (excluding all the Assumed Liabilities); and

(j) all Liabilities of the Seller relating to the operation of the Business prior to the Closing Date.

Section 2.5 Good Faith Deposit; Purchase Price.

(a) Upon entry of the Bid Procedures Order, Buyer shall deliver to Seller the amount of Four Hundred Thousand Dollars (\$400,000), by wire transfer in immediately available funds, representing the good faith deposit required by the Bidding Procedures Order (the “Good Faith Deposit”), which wire transfer shall be deposited with East West Bank for Seller and held in trust in a bank account (the “Seller Account”), pursuant to an escrow agreement dated as of the date hereof (the “Escrow Agreement”) among Buyer, Seller, and East West Bank, the parties’ mutually-designated escrow agent thereunder (in such capacity, the “Escrow Agent”).

(b) The combined purchase price (the “Unified Purchase Price”) for the Acquired Assets shall be the greater of: (a) Four Million Dollars (\$4,000,000), or (b) an amount equal to the sum of (i) the AWR for the Business (without taking 60 Multiple Customers into consideration) as of Closing, multiplied by forty-five (45) plus, (ii) the AWR for Gold Medal, as a 60 Multiple Customer, and/or General Dynamics, as a 60 Multiple Customer, in each case if applicable and determined pursuant to Section 2.7, adjusted as agreed by Buyer and Seller for the impact of seasonality (“AWR Payment”). In addition to the Unified Purchase Price, the Seller shall also be paid that amount which is the sum that is ninety percent (90%) of those Accounts Receivable of the Seller on the Closing Date that are included within the definition of Acquired Assets hereunder (the “AR Payment”), which, for the avoidance of doubt, excludes those Accounts Receivable within the definition of Excluded Assets.

(c) On the Closing Date, Seller shall deliver to Buyer the AWR calculation determined in accordance with the definition thereof contained in Article I herein and Buyer shall pay to Seller, by wire transfer of immediately available funds to a bank

account designated by Seller, (a) Four Million Dollars (\$4,000,000) (“Initial Payment”), less the amount of the Good Faith Deposit, as to which, the Buyer and Seller shall execute joint instructions to the Escrow Agent to pay the Good Faith Deposit to Seller, plus (b) the AR Payment. The portion of the Unified Purchase Price payable, if any, or becoming payable, solely attributable to the AWR Payment, in excess of Four Million Dollars (the “Holdback Amount”) shall be withheld at Closing and paid to Seller in accordance with the provisions of Section 2.6 hereof. The AR Payment is payable independent of the Initial Payment and any Holdback Amount and no portion of the AR Payment shall be included in the Holdback Amount.

Section 2.6 Calculation of Post-Closing Statement and Post-Closing Payments to Seller.

(a) Within 60 days after the Closing Date, Buyer shall prepare and deliver to Seller a statement (the “Holdback Amount Statement”) containing its calculation of the AWR for the Measurement Period. Within two (2) Business Days of the date that Buyer is required to provide the Holdback Amount Statement, the entire Holdback Amount shall be paid over to the Seller by wire transfer of immediately available federal funds to a bank account designated by Seller, unless the Holdback Amount Statement is provided timely and reflects a calculation entitling Buyer to withhold any portion thereof. Only the amounts that Buyer claims a right to withhold may be withheld, pending resolution in accordance with this Section 2.6 and the remaining balance in its entirety shall be remitted within such two (2) Business Day period, by wire transfer of immediately available funds.

(b) If the AWR for the Measurement Period set forth in Buyer’s Holdback Amount Statement is less than the AWR as of Closing, Seller shall have fifteen (15) days in which to notify Buyer if it has any objection to the Holdback Amount Statement. If Seller has not given Buyer written notice of its objection to the Holdback Amount Statement (which notice shall state the basis of Seller’s objection), then the Holdback Amount Statement determined by Buyer shall be final, binding and conclusive on the parties.

(c) If Seller duly gives Buyer such notice of objection, Seller and Buyer shall in good faith attempt to resolve the issues outstanding with respect to the Holdback Amount Statement during the fifteen (15) day period following Buyer’s receipt of Seller’s notice of objection. Any such resolution shall be final, binding and conclusive on the parties.

(d) If the parties fail to resolve the issues outstanding with respect to the Holdback Amount Statement within such fifteen (15) day period, Seller and Buyer shall submit the issues remaining in dispute to the Independent Accountants for resolution in accordance with this Section 2.6. If issues are submitted to the Independent Accountants for resolution, (i) Seller and Buyer shall furnish or cause to be furnished to the Independent Accountants such work papers and other documents and information relating to the disputed issues submitted to the Independent Accountants as the Independent Accountants may reasonably request and are available to that party or its agents and shall be afforded the opportunity to present to the Independent Accountants any material

relating to such disputed issues and to discuss the issues with the Independent Accountants; (ii) the determination by the Independent Accountants, as set forth in a notice to be delivered to both Seller and Buyer within thirty (30) days of the submission to the Independent Accountants of the issues submitted to the Independent Accountants remaining in dispute, shall be final, binding and conclusive on the parties and shall be used in the calculation of the Holdback Amount; and (iii) Seller and Buyer will each bear fifty percent (50%) of the fees and costs of the Independent Accountants for such determination.

(e) Within three (3) Business Days after the calculation of the Holdback Amount becomes final, binding and conclusive on the parties pursuant to the procedures set forth in this Section 2.6, Buyer shall pay the Seller the Holdback Amount, by wire transfer of immediately available funds, reduced by all or any portion of the Holdback Amount which is equal to the difference between the Purchase Price determined in accordance with Section 2.5(b) and that amount which is the AWR for the Measurement Period multiplied by 45. No portion of the Initial Payment shall be subject to repayment, irrespective of the determination of the AWR for the Measurement Period.

Section 2.7 Adjustment Upon Renewed Contracts with 60 Multiple Customer.

(a) Contracts with General Dynamics and/or Gold Medal ("60 Multiple Customers") will be determined by using the AWR for such contracts as of Closing multiplied by 60 subject to reduction and other adjustment in Section 2.7)). The acquisition of the contract with any 60 Multiple Customer is conditioned upon the renewal at any time during the period commencing with the date hereof and ending on the six-month anniversary of the Closing (the "Window Period"). Gold Medal has already renewed its contract and, as such, is classified as 60 Multiple Customer. Therefore, the price for 60 Multiple Customer or 60 Multiple Customers, as the case may be, will be combined into the Unified Purchase Price as determined in Section 2.5(b). The rules which apply to 60 Multiple Customers are as follows:

(i) If 60 Multiple Customer renews contract for services prior to Closing, then the AWR for such customers with renewed service contracts, as of Closing, multiplied by sixty (60) subject only reduction for substantiated actual costs and expenses incurred by Buyer for the installation costs for new inventory, and adjusted as agreed by Buyer and Seller for the impact of seasonality;

(ii) If within six-months following Closing, General Dynamics renews contracts for services with Buyer or any affiliate, Buyer shall provide Seller with prompt written notice thereof, which shall not be more than 20 days following the date such renewal contracts are entered into, providing Seller with the schedule or rates for services under such renewal contracts and the terms for installation costs providing new inventory, if the responsibility of Buyer. Subject thereto, Seller shall be entitled to additional payment ("Additional Purchase Price") in the amount of the AWR for General Dynamics renewing its service contracts with Buyer or any affiliate measured by the first four weeks following the effective

date of new rates under such renewal contracts, multiplied by 60, subject only to the reduction for substantiated actual costs and expenses incurred by Buyer for the installation costs for new inventory and adjusted as agreed by Buyer and Seller for the impact of seasonality. Payment required under this Section 2.7(a)(ii) shall be made within ten (10) Business Days after the expiration of the four-week period for such AWR is determined, accompanied by a written report, reflecting Buyer's calculation, certified by an officer of Buyer, as being true and correct, accompanied by payment by wire transfer of immediately available federal funds to an account designated in writing by Seller.

1) Seller or its representatives shall be furnished such books and records of account as requested from Buyer and Buyer shall make or cause to be made available knowledgeable and responsible personnel of Buyer to respond to questions regarding the calculations and payments provide under Section 2.7(a)(ii). Such information shall be made within ten (10) following the request therefor.

2) Upon receipt of all information requested by Seller under Section 2.7(a)(ii)(1), Seller shall have fifteen (15) days in which to notify Buyer it has any objections to the determination of Additional Purchase Price determined under Section 2.7(a)(ii), failing which such determination shall be deemed final, binding and conclusive.

3) If Seller gives Buyer written notice of objections, the parties shall in good faith attempt to resolve the outstanding issues with respect to the determination of Additional Purchase Price under Section 2.7(a)(ii) within the fifteen (15) period following Buyer's receipt of Seller's notice of objection. Any such resolution shall be final, binding and conclusive on the parties.

4) If the parties fail to resolve the issues with respect to determination of Additional Purchase Price under Section 2.7(a)(ii), within the fifteen (15) day period referred to in Section 2.7(a)(ii)(3), Seller and Buyer shall submit the issues remaining in dispute to the Independent Accountants for resolution in accordance with this Section 2.7. If issues are submitted to the Independent Accountants for resolution, (i) Seller and Buyer shall furnish or cause to be furnished to the Independent Accountants such work papers and other documents and information relating to the disputed items submitted to the Independent Accountants as the Independent Accountants may reasonably request and are available to that party of its agents and shall be afforded the opportunity to present to the Independent Accountants any material relating to the disputed issues and to discuss the issues with the Independent Accountants; (ii) the determination of the Independent Accountants, as set forth in a notice to be delivered to both Seller and Buyer within thirty (30) days of the submission to the Independent Accountants of the issues submitted to the Independent Accountants remaining in dispute, shall be final, binding and conclusive on the parties and shall be used in the determination of Additional

Purchase Price determined in accordance with Section 2.7(a)(ii); and (iii) Seller and Buyer will each bear fifty percent (50%) of the fees and costs of the Independent Accountants for such determination. Any additional amounts payable to Seller shall be made by wire transfer of immediately available funds to an account designated in writing, such payment to be made within two (2) Business Days following the determination of the Independent Accountants.

5) Anything herein or elsewhere to the contrary notwithstanding, in the event that Unified Purchase Price for the Acquired Assets at the Closing was determined to be Four Million Dollars (\$4,000,000), then the payment of the Additional Purchase Price referenced in Section 2.7(a)(ii) shall be subject to reduction to the extent that, at the Closing, Four Million Dollars (\$4,000,000) was greater than the AWR Payment as defined in Section 2.5(b) for any reason whatsoever.

Section 2.8 Assumption and Assignment of Contracts.

(a) The Sale Order shall provide for the assumption by Seller, and the assignment to the extent legally capable of being assigned by Seller to Buyer, of the Assumed Contracts on the terms and conditions set forth in the remainder of this Section 2.8.

(b) At Buyer's request, and at Buyer's cost and expense, Seller shall reasonably cooperate from the date hereof forward with Buyer as reasonably requested by Buyer (i) to allow Buyer to enter into an amendment of any Lease upon assumption of such Lease by Buyer (and Seller shall reasonably cooperate with Buyer to the extent reasonably requested with Buyer in negotiations with the landlords thereof), or (ii) to otherwise amend any Lease to the extent such amendments would not adversely affect Seller; provided that Seller shall not be required to enter into any such amendment if such amendment would result in an assumption by Seller of such Lease, unless such Lease will be assigned to Buyer at the time of such assumption.

(c) Buyer shall, no later than five (5) days prior to the hearing on the Sale Order, identify the Non-Real Property Contracts and Leases that Buyer has decided will be Assumed Contracts to be assumed and assigned to Buyer on the Closing Date by providing a list thereof to Seller (as updated in accordance with this Agreement, the "Closing Assumed Contract List"). In advance of the Closing Date, Buyer may, in its sole discretion, designate a Non-Real Property Contract or Lease for exclusion and rejection by delivering written notice to Seller and, in connection with the Closing, the Seller shall move to reject any such Non-Real Property Contract or Lease as of the Closing Date (which date shall constitute the Rejection Effective Date with respect thereto). Assumed Liabilities shall not include any amounts payable in connection with any Non-Real Property Contract or Lease designated by Buyer for exclusion and rejection.

(d) As part of the Sale Motion (or as necessary in one or more separate motions), Seller shall request that, by virtue of Seller providing ten (10) Business Days'

prior notice of its intent to assume and assign any Contract, the Bankruptcy Court deem any non-debtor party to such Contract 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 by the relevant Seller and assignment to Buyer.

(e) In connection with the assumption and assignment to Buyer of any Assumed Contract that is executory pursuant to this Section 2.8, the cure amounts, as determined by the Bankruptcy Court, if any (such amounts, the “Cure Amounts”), necessary to cure all defaults, if any, and to pay all actual or pecuniary losses that have resulted from such defaults under the Assumed Contracts, including any amounts payable to any landlord under any Lease that is an Assumed Contract that relates to the period prior to the Assumption Approval, shall be paid by Buyer, on or before the Assumption Approval, and not by Seller and Seller shall have no liability therefor, and neither the Cure Amounts paid by nor the expense of any other obligation set forth in this Section 2.8(e) shall reduce, directly or indirectly, any consideration received by Seller hereunder; provided that any applicable Cure Amounts with regard to Assumed Contracts listed in the Closing Assumed Contract List shall be paid by Buyer at the Closing.

(f) Seller shall use its commercially reasonable efforts to obtain an order of the Bankruptcy Court to assign the Assumed Contracts to Buyer (the “Assumption Approval”) on the terms set forth in this Section 2.8. In the event Seller is unable to assign any such Assumed Contract to Buyer pursuant to an order of the Bankruptcy Court, then the Parties shall use their commercially reasonable efforts to obtain, and to cooperate in obtaining, all Consents from Governmental Entities and third parties necessary to assume and assign such Assumed Contracts to Buyer (the “Necessary Consents”), including, in the case of Buyer, paying any applicable Cure Amounts.

(g) To the extent that any Consent that is required to assign to Buyer any Assumed Contract is not obtained by the Closing Date, Seller shall, with respect to each such Assumed Contract, 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 reasonable best efforts, and cooperate with each other, to obtain promptly; provided, however, that none of the Parties or any of their respective Affiliates shall be required to pay any consideration therefor other than filing, recordation or similar fees, which shall be borne by Buyer), and (y) the date on which such Contract is rejected following the written request of Buyer, use commercially reasonable efforts during the term of such Assumed Contract to (i) provide to Buyer the benefits under such Assumed Contract, (ii) cooperate in any reasonable and lawful arrangement (including holding such Contract in trust for Buyer pending receipt of the required Consent) designed to provide such benefits to Buyer and (iii) use its commercially reasonable efforts to enforce for the account of Buyer any rights of Seller under such Assumed Contract (including the right to elect to terminate such Assumed Contract in accordance with the terms thereof upon the written direction of Buyer). Buyer shall reasonably cooperate with Seller in order to enable Seller to provide to Buyer the benefits contemplated by this Section 2.8(g).

(h) Notwithstanding the foregoing, a Contract shall not be an Assumed Contract hereunder and shall not be assigned to, or assumed by, Buyer to the extent that

such Contract (i) is rejected by Seller or terminated by Seller in accordance with the terms hereof or by the other party thereto, or terminates or expires by its terms, on or prior to the Closing Date and is not continued or otherwise extended upon assumption,(ii) requires a Consent of any Governmental Entity or other third party (other than, and in addition to, that of the Bankruptcy Court) in order to permit the sale or transfer to Buyer of Seller's rights under such Contract, and no such Consent has been obtained, or (ii) listed on Section 2.8(h) of the Disclosure Schedule. In addition, a Permit shall not be assigned to, or assumed by, Buyer to the extent that such Permit requires a Consent of any Governmental Entity or other third party (other than, and in addition to, that of the Bankruptcy Court) in order to permit the sale or transfer to Buyer of Seller's rights under such Permit, and no such Consent has been obtained prior to the Closing.

Section 2.9 Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Paul Plourde, 50 Exchange Terrace, Providence, RI 02903 (or such other location as shall be mutually agreed upon by Seller and Buyer) commencing at 10:00 a.m. local time on the date (the "Closing Date") that is the third Business Day after the date on which all conditions to the obligations of Seller and Buyer to consummate the transactions contemplated hereby set forth in Article VII (other than conditions with respect to actions Seller and/or Buyer will take at the Closing itself, but subject to the satisfaction or waiver of those conditions) have been satisfied or waived, or at such other time or on such other date as shall be mutually agreed upon by Seller and Buyer prior thereto; provided, however, Closing may also occur by the exchange of documents by mail or electronic delivery services on the Closing Date. The Closing shall be deemed to have occurred at 11:59 p.m. (prevailing Eastern time) on the Business Day prior to the Closing Date.

Section 2.10 Deliveries at Closing.

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

(i) a Bill of Sale substantially in the form of Exhibit D attached hereto (the "Bill of Sale");

(ii) Aging schedule of Accounts Receivable, reflecting Accounts Receivable Comprising Acquired Assets and Accounts Receivable comprising Excluded Assets;

(iii) an Assignment and Assumption Agreement substantially in the form of Exhibit E attached hereto (the "Assignment and Assumption Agreement")

(iv) a certified copy of the Bidding Procedures Order and the Sale Order; and

(v) a certificate signed by an authorized officer of the Company 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.

(vi) All information to be submitted with contracts on the Assumed List will be transmitted electronically at Closing as one of the Acquired Assets provided such electronic transmission will be usable by Buyer in Buyer's electronic data system as determined by Buyer's computer advisor; otherwise, Seller will grant Buyer a non-exclusive license to use its software for 60 days for purposes of transferring customer information comprising Acquired Assets.

(b) At the Closing, Buyer shall deliver to Seller, or the designated third-party recipients pursuant to Section 2.5, the following documents, cash amounts and other items, duly executed by Buyer, as applicable:

(i) the Assignment and Assumption Agreement;

(ii) 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;

(iii) a copy of Buyer's certificate of incorporation or other organizational 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 Buyer's incorporation or organization; and

(iv) payment of the Purchase Price in accordance with Section 2.5 above.

Section 2.11 Allocation. Prior to the Closing Date, Seller and Buyer shall jointly and in good faith prepare an allocation of the Purchase Price (and all other capitalized costs) among the Acquired Assets in accordance with Section 1060 of the IRC and the Treasury Regulations thereunder (and any similar provision of United States state or local or non-United States Law, as appropriate), which allocation shall be binding upon Seller and Buyer. Buyer and Seller shall report, act and file Tax Returns (including Internal Revenue Service Form 8594) in all respects and for all purposes consistent with such allocation. Neither Buyer nor Seller shall take any position (whether in audits, Tax Returns or otherwise) which is inconsistent with such allocation unless required to do so by applicable Law.

Section 2.12 Post-Closing Covenants and Obligations of Seller.

(a) For the ninety (90) day period commencing with the Closing Date, Buyer is granted and has the right to use the name "Coyne Textile Services" on a non-exclusive, non-transferrable, royalty free, paid-up basis in connection with Buyer's operation of the Business. Such use shall be substantially in the manner theretofore used by Seller.

(b) Commencing with Closing and continuing for a period of ten (10) years thereafter, Seller agrees that it shall not: (i) directly or indirectly, engage in, own, manage, operate finance, control or participate in the ownership, management, operation, financing or control of or render services or advice to, whether alone or in association with any other person, corporation or other entity ("Restricted Activities"), any business or portion of any business which competes with the Business conducted at the facilities comprising Existing

Facilities (“Restricted Region”), as of Closing; (ii) directly or indirectly contact any Covered Accounts on or after the Closing Date for the purpose of soliciting such Covered Accounts to purchase any goods and services; and (iii) directly or indirectly induce or attempt to induce any vendor, supplier, licensee or other person in the Restricted Region to cease doing business with Buyer, or in any way intentionally interfere with the relationship between such vendor, supplier, licensee or other person and Buyer.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer that except as set forth in the disclosure schedule accompanying this Agreement (the “Disclosure Schedule”):

Section 3.1 Organization of Seller: Good Standing.

(a) Seller is a corporation duly organized, validly existing and in good standing under the Laws of the State of New York.

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

(c) Seller is duly authorized to do business and is in good standing as a foreign 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) Seller has no Subsidiaries.

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) Seller has all requisite 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 Seller is a party have been duly authorized by Seller, and no other corporate action on the part of 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 Seller, and, upon execution and delivery in accordance with the terms of this Agreement, each of the Related Agreements to which Seller is a party will have been duly and validly executed and delivered by Seller. Assuming that this Agreement constitutes a valid and legally-binding obligation of Buyer, this Agreement constitutes the valid and legally-binding obligations of Seller, enforceable against 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 Buyer, each Related Agreement to which Seller is a party, when executed and delivered, constituted or will constitute the valid and legally-binding obligations of Seller, as applicable, enforceable against 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, by-laws or other organizational documents of Seller, (ii) violate any Law to which 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 notice under any Contract to which 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 conflicts, breaches, defaults, accelerations, rights or failures to give notice as would not, individually or in the aggregate, have a Material Adverse Effect.

(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 Seller from, or to be given by Seller to, or made by Seller with, any Governmental Entity in connection with the execution, delivery and performance by 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 Seller from, or to be given by Seller to, or made by Seller with, any Person that is not a Governmental Entity in connection with the execution, delivery and performance by 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, be material to the Business as a whole.

Section 3.4 Title to Acquired Assets. Except as set forth on Section 3.4 of the Disclosure Schedule, Seller, as of the Closing, has good and valid title to, or, in the case of leased assets, have good and valid leasehold interests in, the Acquired Assets, free and clear of all Liens (except for Permitted Liens). At the Closing or such time as title is conveyed under Section 2.8, Seller will convey, 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, good and valid title to, or valid leasehold interests in, all of the Acquired Assets, free and clear of all Liens (except for

Permitted Liens), to the fullest extent permissible under Section 363(f) of the Bankruptcy Code and subject to the rights of licensees under Section 365(n) of the Bankruptcy Code.

Section 3.5 Contracts.

(a) Section 3.5 of the Disclosure Schedule sets forth a list of the following Contracts to which Seller is a party with respect to the Business as of the date hereof:

(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 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 for services involving consideration in excess of \$50,000 per annum;

(iv) any Contract that is a collective bargaining agreement;

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

(vi) any employment Contract as to which an employee is entitled to receive an annual salary in excess of \$100,000, and all material severance Contracts;

(vii) any material Contract prohibiting the Company 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);

(viii) any Contract relating to Indebtedness;

(ix) any Contract that involve the lease of real property or that obligate the Company to purchase real property;

(x) any Contract that create or govern a partnership, joint venture, strategic alliance or similar arrangement;

(xi) any Contract (including than purchase orders accepted or confirmed in the Ordinary Course of Business) with the ten (10) largest customers of the Business, based on revenues during the twelve (12) month period ended December 31, 2014;

(xii) any Contract (other than purchase or equipment orders entered into in the Ordinary Course of Business) with the ten (10) largest suppliers of the Business, based on expenditures during the twelve (12) month period ended December 31, 2014; and

(xiii) any Contract with any Related Party.

(b) With respect to each Contract listed: (i) such Contract is in full force and effect and constitutes the valid and legally-binding obligation of Seller and, to the Knowledge of Seller, the counterparty thereto, enforceable against Seller and, to the Knowledge of Seller, the counterparty thereto is not in breach or default that presently permits or give rise to a right of termination, modification or acceleration, except, in the case of either clause (i) or (ii), for such failure to be in full force and effect, breaches or defaults which would not, individually or in the aggregate, have a Material Adverse Effect on the Business.

Section 3.6 Legal Compliance. Seller is in compliance with all material Laws applicable to the Business or the Acquired Assets, except in any such case where the failure to be in compliance would not have a Material Adverse Effect, and Seller has not received any written notice within the past twelve months relating to violations or alleged violations or material defaults under any Decree or any Permit, in each case, with respect to the Business.

Section 3.7 Litigation. As of the date of this Agreement, except as set forth on Section 3.7 of the Disclosure Schedule, there is no litigation pending or, to the Knowledge of Seller, threatened in writing, before any Governmental Entity brought by or against Seller that, if adversely determined, would be material to the Business or materially impair Seller's ability to consummate the transactions contemplated hereby or by the Related Agreements.

Section 3.8 Employees and Employment Matters.

(a) Except as set forth on Section 3.8(a) of the Disclosure Schedules, Seller is not a party to or bound by any collective bargaining agreement covering the Covered Employees (as determined as of the date of this Agreement), nor has any of them experienced any strike, walkout, work stoppage, or other material collective bargaining dispute with respect to the Business within the twelve months prior to the date hereof. Seller has not committed any material unfair labor practice within the twelve months prior to the date hereof. Within the twelve months prior to the date hereof, Seller has not implemented any plant closing or layoff of the Covered Employees (as determined as of the date of this Agreement) in violation of the United States Worker Adjustment and Retraining Notification Act, or any similar applicable Law (collectively, the "WARN Act").

Section 3.9 Reserved.

Section 3.10 Reserved.

Section 3.11 Absence of Changes. Except as set forth on Section 3.11 of the Disclosure Schedule, and except with respect to the Seller's Chapter 11 Case, since May 31, 2015, 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 Seller, 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.

Section 3.12 Brokers' Fees. Except as set forth on Section 3.12 of the Disclosure Schedule, Seller has not 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 Buyer could become liable or obligated to pay.

Section 3.13 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), neither Seller nor any other Person makes (and Buyer is not relying upon) any other express or implied representation or warranty with respect to 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 Seller disclaims any other representations or warranties, whether made by Seller, any Affiliate of 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), 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 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 Buyer or its Affiliates or Representatives (including any opinion, information, projection or advice that may have been or may be provided to Buyer by any director, officer, employee, agent, consultant or Representative of 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 BUYER'S REPRESENTATIONS AND WARRANTIES

Buyer represents and warrants to Seller as follows:

Section 4.1 Organization of Buyer. Buyer is a corporation duly organized, validly existing and in good standing under the Laws of the Commonwealth of Massachusetts and has all requisite corporate 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) Buyer has full 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.

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

(c) This Agreement has been duly and validly executed and delivered by Buyer, and, upon execution and delivery in accordance with the terms of this Agreement, each of the Related Agreements to which Buyer is a party will have been duly and validly executed and delivered by Buyer. Assuming that this Agreement constitutes a valid and legally-binding obligation of Seller, this Agreement constitutes a valid and legally-binding obligation of Buyer, enforceable against 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, to the extent that they are a party thereto, that each Related Agreement constitutes a valid and legally-binding obligation of Seller, each Related Agreement to which Buyer is a party, when executed and delivered, constituted or will constitute the valid and legally-binding obligations of Buyer, enforceable against Buyer 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 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 incorporation or bylaws, or other organizational documents, of Buyer, (ii) subject to any consents required to be obtained from any Governmental Entity, violate any Law to which 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 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 to the ability of Buyer to consummate the transactions contemplated by this Agreement or by the Related Agreements. 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, 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 to the ability of Buyer to consummate the transactions contemplated by this Agreement or by the Related Agreements.

Section 4.4 Litigation. As of the date hereof, (i) Buyer is not subject to any outstanding Decree, and (ii) Buyer is not a party or, to the Knowledge of Buyer, threatened to be made a party to any Litigation, in either case, which would be reasonably likely to (A) result in any material Liability to Buyer with respect to the Business, or (B) materially prevent, restrict or delay the consummation of the transactions contemplated hereby or by any Related Agreement.

Section 4.5 Brokers' Fees. Neither 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 Seller could become liable or obligated to pay.

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

Section 4.7 Condition of the Business. Notwithstanding anything contained in this Agreement to the contrary, Buyer acknowledges and agrees that Seller is 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 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 Buyer or any of its Affiliates may have for breach of representation, warranty or statement by Seller shall be based on the representations and warranties set forth in Article III (as amended, supplemented, and modified by the Disclosure Schedule). Buyer further represents that neither Seller nor any other Person has made, and Buyer is not relying upon, any representation or warranty, express or implied, as to the accuracy or completeness of any information regarding Seller, the Business or the transactions contemplated by this Agreement not expressly set forth in Article III, and none of Seller, or any other Person will have or be subject to any liability to Buyer or any other Person resulting from the distribution to Buyer or any of its Representatives or Buyer’s use of, any such information, including any confidential memoranda distributed on behalf of Seller relating to the Business, the information made available to Buyer in the Data Room or any other publications or data room information provided to Buyer or any of its Representatives, or any other document or information in any form provided to Buyer or any of its Representatives in connection with the sale of the Business and the other transactions contemplated hereby. 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, Buyer has relied solely on the results of its own independent investigation and the express representations and warranties set forth in Article III.

Section 4.8 Adequate Assurances Regarding Executory Contracts. 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. Buyer is a “good faith” purchaser, as such term is used in the Bankruptcy Code and the court decisions thereunder. Buyer is entitled to the protections of Section 363(m) of the Bankruptcy Code with respect to all of the Acquired Assets. Buyer has negotiated and entered into this Agreement in good faith and without collusion or fraud of any kind.

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.

(a) Subject to Seller’s right to solicit and consummate a Competing Transaction in accordance with Section 5.9, each of the Parties shall use commercially reasonable efforts, subject to the orders of the Bankruptcy Court, to make effective the transactions contemplated by this Agreement on or prior to the End Date (including satisfaction, but not waiver, of the conditions to the obligations of the Parties to consummate the transactions contemplated hereby set forth in Article VII), except as otherwise provided in Section 5.2. Without limiting the generality of the foregoing, each of the Parties shall use commercially reasonable 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.

(b) On and after the Closing, Seller and Buyer shall each use commercially reasonable efforts to take, or cause to be taken by themselves or any of their respective Affiliates, all appropriate action, to do or cause to be done by Seller and Buyer or any of their respective Affiliates all things necessary, proper or advisable under applicable Law, and to execute and deliver such documents, ancillary agreements and other papers as may be required to carry out the provisions of this Agreement and consummate and make effective the transactions contemplated hereby, including in order to more effectively vest in Buyer all of Seller’s right, title and interest to the Acquired Assets, free and clear of all Liens (other than Liens expressly contemplated by the Sale Order).

(c) From and after the Closing Date, Seller shall not voluntarily convert its Chapter 11 Bankruptcy Case to a Chapter 7 Bankruptcy Case, or otherwise cause a liquidation or equivalent event with respect to Seller, without providing Buyer with at least twenty (20) days’ prior written notice.

Section 5.2 Notices and Consents.

(a) To the extent required by the Bankruptcy Code or the Bankruptcy Court, Seller shall give any notices to third parties, and Seller shall use its reasonable best efforts to obtain any third party consents or sublicenses, in connection with the matters referred to in Section 5.2(a) of the Disclosure Schedule.

(b) Seller and Buyer shall cooperate with one another (i) in promptly determining whether any filings are required to be or should be made or consents, approvals, permits or authorizations are required to be or should be obtained under any applicable Law in connection with this Agreement and the transactions contemplated hereby, and (ii) in promptly making any such filings, furnishing information required in connection therewith and seeking to obtain timely any such consents, permits, authorizations, approvals or waivers.

(c) Subject to the terms and conditions set forth in this Agreement and applicable Law, Buyer and Seller shall (A) promptly notify the other Party of any communication to that Party from any Governmental Entity in respect of any filing, investigation or inquiry concerning this Agreement or the transactions contemplated by this Agreement, (B) if practicable, permit the other Party the opportunity to review in advance all the information relating to Seller or Buyer and its Affiliates, as the case may be, that appears in any filing made with, or written materials submitted to, any third party and/or any Governmental Entity in connection with the Agreement and the transactions contemplated by this Agreement and incorporate the other Party's reasonable comments, (C) not participate in any substantive meeting or discussion with any Governmental Entity in respect of any filing, investigation, or inquiry concerning this Agreement and the transactions contemplated by this Agreement unless it consults with the other Party in advance, and, to the extent permitted by such Governmental Entity, gives the other Party the opportunity to attend, and (D) furnish the other Party with copies of all correspondences, filings, and written communications between them and their Subsidiaries and Representatives, on the one hand, and any Governmental Entity or its respective staff, on the other hand, with respect to this Agreement and the transactions contemplated by this Agreement, provided, however, that any materials or information provided pursuant to any provision of this Section 5.2(c) may be redacted before being provided to the other Party (i) to remove references concerning the valuation of Buyer or Seller, (ii) financing arrangements, (iii) as necessary to comply with contractual arrangements, and (iv) as necessary to address reasonable privilege or confidentiality issues. Seller and Buyer may, as each deems advisable and necessary, reasonably designate any competitively sensitive material provided to the other under this Section 5.2(c) as "outside counsel only." Such materials and the information contained therein shall be given only to the outside legal counsel and any retained consultants or experts of the recipient and shall not be disclosed by such outside counsel to employees, officers or directors of the recipient, unless express written permission is obtained in advance from the source of the materials (Seller or Buyer, as the case may be). Each of Seller and Buyer shall promptly notify the other Party if such Party becomes aware that any third party has any objection to the Agreement on antitrust or anti-competitive grounds.

Section 5.3 Bankruptcy Actions.

(a) As soon as reasonably practicable following the execution of this Agreement, Seller shall file or cause to be filed a petition for relief under Chapter 11 of the Bankruptcy Code on behalf of Seller (the date of such filing, the “Petition Date”) with the United States Bankruptcy Court for the Northern District of New York (the “Bankruptcy Court”) (“Seller’s Chapter 11 Case”). As soon as reasonably practicable following the Petition Date, Seller shall serve and file a motion (the “Sale Motion”) in the Seller’s Chapter 11 Case requesting that the Bankruptcy Court (x) schedule the hearing for approving the Bidding Procedures, (y) enter the Bidding Procedures Order and (z) enter the Sale Order at the final hearing on the Sale Motion. Thereafter, Buyer and Seller shall take all actions as may be reasonably necessary to cause each of such orders to be issued, entered and become a Final Order. For the avoidance of doubt, Seller may seek approval of the Sale Order and the Bidding Procedures Order in a single motion. Each of Seller and Buyer agree to take any action reasonably necessary or appropriate to obtain the issuance and entry of the Bidding Procedures Order and the Sale Order, including furnishing affidavits, declarations or other documents or information for filing with the Bankruptcy Court.

(b) Seller shall provide appropriate notice of the hearings on the Sale Motion, as is required by the Bankruptcy Code and the Bankruptcy Rules to all Persons entitled to notice, including, but not limited to, all Persons that have asserted Liens in the Acquired Assets, all parties to the Assumed Contracts and all Taxing and environmental authorities in jurisdictions applicable to Seller. Seller shall be responsible for making all appropriate filings relating thereto with the Bankruptcy Court, which filings shall be submitted, to the extent practicable, to Buyer prior to their filing with the Bankruptcy Court for Buyer’s prior review. Seller will file a motion to assume any executory contracts designated by Buyer and set any cure costs prior to Closing. Seller will file a Sale Motion containing sufficient information for the Bankruptcy Court to determine the applicable cure cost for a specific purpose herein, which Sale Motion shall contain Seller’s estimate of applicable Cure Costs. Notwithstanding, nothing herein contained shall limit or restrict the right of Buyer to exclude or reject from Assumed Contracts any such Assumed Contract designated by Buyer prior to Closing in accordance with Section 2.8(c).

(c) Following entry of the Bidding Procedures Order, Seller shall serve a cure notice (the “Cure Notice”) by first class mail on all non-debtor counterparties to all Non-Real Property Contracts and Leases and provide a copy of the same to Buyer. The Cure Notice shall inform each recipient that its respective Non-Real Property Contract may be designated by 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 Non-Real Property Contract or Lease, (ii) the name of the counterparty to the Non-Real Property Contract or Lease, (iii) Seller’s good faith estimates of the Cure Amounts required in connection with such Non-Real Property Contract or Lease, (iv) the identity of Buyer and (v) the deadline by which any such Non-Real Property Contract or Lease counterparty may file an objection to the proposed assumption and assignment and/or cure, and the procedures relating thereto.

(d) The Parties shall consult with each other regarding pleadings that any of them intends to file with the Bankruptcy Court in connection with, or which might reasonably affect the Bankruptcy Court's approval of, as applicable, the Bidding Procedures Order and the Sale Order. Seller shall promptly provide Buyer and its counsel with copies of all notices, filings and orders of the Bankruptcy Court that Seller has in its possession (or receives) pertaining to the motion for approval of the Sale Order, or any other order related to any of the transactions contemplated by this Agreement, but only to the extent such papers are not publicly available on the docket of the Bankruptcy Court or otherwise made available to Buyer and its counsel. Seller shall not seek any modification to the Bidding Procedures Order or the Sale Order by the Bankruptcy Court or any other Governmental Entity of competent jurisdiction to which a decision relating to the Seller's Chapter 11 Case has been appealed, in each case, without the prior written consent of Buyer.

(e) If the Sale Order, or any other orders of the Bankruptcy Court relating to this Agreement or the transactions contemplated hereby shall be appealed by any Person (or if any petition for certiorari or motion for reconsideration, amendment, clarification, modification, vacation, stay, rehearing or reargument shall be filed with respect to the Bidding Procedures Order, the Sale Order, or other such order), subject to rights otherwise arising from this Agreement, Seller shall use commercially reasonable efforts to prosecute such appeal, petition or motion and obtain an expedited resolution of any such appeal, petition or motion.

Section 5.4 Conduct of Business. Except as may be required by the Bankruptcy Court or as agreed to in writing by Buyer, from the date hereof until the Closing, Seller shall use commercially reasonable efforts to: (i) operate the Business in the Ordinary Course of Business, including ordering and purchasing Inventory, and making capital, sales and marketing expenditures, (ii) preserve in all material respects the Acquired Assets (excluding sales of Inventory in the Ordinary Course of Business), and (iii) preserve its current relationships with the suppliers, vendors, customers, clients, contractors and other Persons having business dealings with the Business. For the avoidance of doubt, the Parties acknowledge that the foregoing shall not require Seller to breach any of the covenants set forth in this Agreement which obligate Seller to operate the Business in the Ordinary Course of Business. Without limiting the generality of the foregoing, except as expressly required or contemplated in this Agreement, from the date hereof until the Closing, Seller shall not:

(a) sell, lease (as lessor), transfer or otherwise dispose of (or permit to become subject to any additional Lien, other than Liens expressly contemplated by Sale Order, or Liens arising under any Bankruptcy Court orders relating to the use of cash collateral (as defined in the Bankruptcy Code);

(b) solely with respect to any action which could have an adverse effect on Buyer following the Closing, make or rescind any material election relating to Taxes, settle or compromise any material claim, Litigation or controversy relating to Taxes, or except as may be required by applicable Law or GAAP, make any material change to any of its methods of Tax accounting, methods of reporting income or deductions for Tax or

Tax accounting practice or policy from those employed in the preparation of its most recent Tax Returns;

(c) acquire, dispose of, or allow to lapse any material assets or properties (other than Excluded Assets) or make any other material investment in any such event outside the Ordinary Course of Business;

(d) enter into or agree to enter into any merger or consolidation with any corporation or other entity;

(e) except in the Ordinary Course of Business, cancel or compromise any material Indebtedness or claim or waive or release any material right, in each case, that is Indebtedness or a claim or right that is an Acquired Asset or Assumed Liability;

(f) introduce any material change with respect to the operation of the Business, including any material change in the types, nature, composition or quality of products or services sold in the Business, other than, in each case, in the Ordinary Course of Business;

(g) enter into any material new Contract (other than agreements with its customers) or modify, terminate, amend, restate, supplement, renew or waive any rights under or with respect to any existing material Contract;

(h) terminate, amend, restate, supplement, renew or waive any rights under or with respect to, any Lease, or, other than in the Ordinary Course of Business, any material Contract or Permit, or increase any payments required to be paid thereunder (whether or not in connection with obtaining any Consents) by Buyer after the Closing, or increase, or take any affirmative action not required by the terms thereof that would result in any increase in, any operating expenses of any Leases without Buyer's written consent, not to be unreasonably withheld, conditioned or delayed, provided, that such consent of Buyer may be conditioned on a reasonable valuation adjustment based on the increased costs in an amount to be determined in good faith;

(i) deviate from past practice in the Ordinary Course of Business with respect to ordering or maintenance of Inventory; or

(j) file any motion to pay any pre-Petition claims of any Person without the express written consent of Buyer.

Section 5.5 Notice of Developments. From the date hereof until the Closing Date, Seller shall promptly disclose to Buyer, on the one hand, and Buyer shall promptly disclose to Seller, on the other hand, in writing (in the form of an updated Disclosure Schedule, if applicable) after attaining Knowledge of any material failure of any of Seller or Buyer to comply with or satisfy any of their respective covenants, conditions or agreements to be complied with or satisfied by it under this Agreement in any material respect; 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.

(a) Upon reasonable advance written request by Buyer, Seller shall permit 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 Seller, to all premises, properties, personnel, Records and Contracts related to the Business, in each case, for the sole purpose of evaluating the Business; 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.

(b) All information obtained pursuant to this Section 5.6 shall be subject to the terms and conditions of the Confidentiality Agreement. Buyer's obligation under the Confidentiality Agreement shall, upon the Closing, terminate as to the Acquired Assets.

Section 5.7 Press Releases and Public Announcements. Prior to the Closing, neither of Buyer or Seller shall issue any press release or make any public announcement relating to the existence or subject matter of this Agreement without the prior written approval of each of Buyer and Seller; provided, however, that each of Buyer and Seller may make any public disclosure that it believes in good faith is required by applicable Law or court process (in which case the disclosing Party shall use its reasonable best efforts to advise the other prior to making the disclosure).

Section 5.8 Bulk Transfer Laws. Buyer acknowledges that Seller will not comply with the provisions of any bulk transfer Laws of any jurisdiction in connection with the transactions contemplated by this Agreement, and hereby waives all claims related to the non-compliance therewith. 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 in the Acquired Assets, 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 5.9 Competing Transaction. From and after the entry of the Bidding Procedures Order and until the entry of the Sale Order, Seller is permitted, and is permitted to cause its Representatives, to initiate contact with, solicit or encourage submission of any inquiries, proposals or offers by, respond to any unsolicited inquiries, proposals or offers submitted by, and enter into any discussions or negotiations regarding any of the foregoing with, any Person (in addition to Buyer and its Affiliates, agents and Representatives) in connection with any sale or other disposition of all or any portion of the Business or the Acquired Assets, or any other similar transaction with respect to Seller or the Business, including any liquidation of the Business (each, a "Competing Transaction") only pursuant to an auction (an "Auction") conducted in accordance with the Bidding Procedures Order; provided, however, that Seller may only enter into, and seek Bankruptcy Court approval of, any definitive agreement with respect to a Competing Transaction if such Competing Transaction is reasonably deemed to be a Superior Bid and Seller terminates this Agreement in accordance with Section 8.1(d) (except to the extent that Buyer elects, in its sole discretion, otherwise).

Section 5.10 Suppliers. Seller shall, following the request thereof by Buyer, after entry of a Sale Order designating Buyer as the successful bidder for the Acquired Assets, seek and use commercially reasonable efforts to arrange meetings and telephone conferences with material suppliers of Seller as may be reasonably requested by Buyer and necessary and appropriate for Buyer to coordinate transition of such suppliers following the Closing. For the avoidance of doubt, Buyer shall be permitted to contact any customers, suppliers or licensors of the Business in connection with or pertaining to any matter; provided, however, that during the period from the date hereof until the Closing, (i) Buyer shall give prior notice to Seller, and (ii) Seller shall be permitted, but shall not be obligated, to attend and participate in any meeting or telephone conference with such customers, suppliers or licensors to the extent reasonably requested. provided, however, that until entry of a Sale Order designating Buyer as the successful bidder for the Acquired Assets no introductions provided for by this Section 5.10 shall be required to be made by Seller.

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 Seller to Buyer and to minimize the disruption to the Business resulting from the transactions contemplated hereby. Solely during the thirty (30) day period following Closing, Buyer shall not make any material changes to the Business that would reasonably be expected to reduce AWR for the Measurement Period.

Section 6.2 Further Assurances. In case at any time from and after the Closing 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 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 and confirmation and providing materials and information) as another Party may reasonably request as shall be necessary to transfer, convey and assign to Buyer all of the Acquired Assets, to confirm Buyer's assumption of the Assumed Liabilities and to confirm Seller's retention of the Excluded Assets and Excluded Liabilities. Without limiting the generality of this Section 6.2, to the extent that either Buyer or Seller discovers any additional assets or properties which should have been transferred or assigned to Buyer as Acquired Assets but were not so transferred or assigned, Buyer and Seller shall cooperate and execute and deliver any instruments of transfer or assignment necessary to transfer and assign such asset or property to Buyer. Without limiting the generality of this Section 6.2, to the extent that either Buyer or Seller discovers any assets or properties which is an Excluded Asset which was inadvertently or otherwise mistakenly transferred or assigned to Buyer, Buyer and Seller shall cooperate and execute and deliver any instruments of transfer or assignment necessary to transfer and assign such asset or property back to Seller.

Section 6.3 Availability of Business Records. From and after the Closing, Buyer shall promptly provide to Seller and its Representatives (after reasonable notice and during normal business hours and without charge to Seller) access to all Records included in the Acquired Assets for periods prior to the Closing to the extent such access is necessary in order for Seller to comply with 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) seven 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 Seller's Chapter 11 Case or (iv) in the case of Records related to Taxes, the expiration of the statute of limitation applicable to such Taxes. Such access shall include access to any information in electronic form to the extent reasonably available. Buyer shall have the right to retain originals of all of the Records included in the Acquired Assets for periods prior to Closing, provided that copies thereof shall be made available to Seller without cost or expense. Prior to destroying any Records included in the Acquired Assets for periods prior to the Closing, Buyer shall notify Seller thirty days in advance of any such proposed destruction of its intent to destroy such Records. With respect to any litigation and claims that are Excluded Liabilities, Buyer shall render, at Seller's expense (as applicable), all reasonable assistance that Seller may request in defending such litigation or claim and shall make available to Seller's personnel most knowledgeable about the matter in question

Section 6.4 Employee Matters. Prior to the Closing Date, Seller shall be liable to Covered Employees for all obligations including, without limitation, all Liabilities for unpaid wages prior to the Closing, employee benefits, sick or disability leave, personal holidays, vacation benefits or other paid time off not used by any such plans. Buyer shall have no liability or obligation for such obligations prior to the Closing Date. Seller acknowledges that Buyer may offer employment to some of the Covered Employees after the Closing Date. Within two (2) days following Closing, Buyer shall advise Seller in writing the names of all Covered Employees who accept employment offered by Buyer and, after the Closing Date, Buyer shall be liable to them for all obligations including, without limitation, all Liabilities for unpaid wages after the Closing, employee benefits, sick or disability leave, personal holidays or vacation benefits.

Section 6.5 Transfer Taxes. Seller shall pay 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 of this Agreement. Seller and 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. Buyer and Seller 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 Acknowledgements. Buyer acknowledges that it has received from Seller certain projections, forecasts and prospective or third party information relating to Seller, the Business, the Acquired Assets, the Assumed Liabilities or any related topics. Buyer acknowledges that (i) there are uncertainties inherent in attempting to make such projections and forecasts and in such information, (ii) Buyer is familiar with such uncertainties and is taking full responsibility for making its own evaluation of the adequacy and accuracy of all projections,

forecasts and information so furnished, and (iii) neither Buyer nor any other Person shall have any claim against Seller, or its Representatives with respect thereto. Accordingly, without limiting the generality of Section 3.13, Seller makes no representations or warranties with respect to such projections, forecasts or information.

Section 6.8 Property Received by Party which Belongs to Other Party.

(a) Buyer agrees that, after the Closing, it shall hold and shall promptly transfer and deliver to Seller, from time to time as and when received by Buyer or its Affiliates, any cash, checks with appropriate endorsements or other property that Buyer or Affiliates may receive on or after the Closing which properly belongs to Seller hereunder, including any Excluded Asset. Such payments shall be made within ten (10) Business Days after receipt of such payments by Buyer, and a copy of the remittance advice shall accompany such payments.

(b) Seller agrees that, after the Closing, it shall hold and shall promptly transfer and deliver to Buyer, from time to time as and when received by Seller or its Affiliates, any cash, checks with appropriate endorsements or other property that Seller or Affiliates may receive on or after the Closing which properly belongs to Buyer, including any Accounts Receivable of the Seller that are Excluded Assets hereunder. Accounts Receivable that are included in Acquired Assets are the exclusive property of the Buyer. Such payments shall be made within ten (10) Business Days after receipt of such payments by Buyer, and a copy of the remittance advice shall accompany such payments.

(c) To facilitate the transfer of Acquired Assets, the parties will enter in a transition services agreement, upon terms mutually agreeable to the parties.

**ARTICLE VII
CONDITIONS TO OBLIGATION TO CLOSING**

Section 7.1 Conditions to Buyer's Obligations. Subject to Section 7.3, Buyer's obligation to consummate the transactions contemplated hereby in connection with the Closing is subject to satisfaction or waiver of the following conditions:

(a) as of the date hereof and as of the Closing, (i) any representation or warranty contained in Section 3.1, Section 3.2 or Section 3.3 shall be true and correct in all respects, and (ii) any other representation or warranty set forth in Article III shall be true and correct in all 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, has not had, and would not reasonably be expected to have, a Material Adverse Effect;

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

(c) 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;

(d) the Sale Order entered by the Bankruptcy Court shall have become a Final Order.;

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

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

(g) Seller, no less than 60 calendar days in advance of the Closing Date, shall serve written voluntary notice to each representative of full time employees employed in the Business or, if they have no representative, directly to each full time employee. Seller shall be responsible to deliver all notices in satisfaction of the WARN Act and applicable rules and regulations thereunder.

Section 7.2 Conditions to Seller's Obligations. Subject to Section 7.3, Seller's obligation to consummate the transactions contemplated hereby in connection with the Closing are subject to satisfaction or waiver of the following conditions:

(a) as of the date hereof and as of the Closing, (i) any representation or warranty contained in Section 4.1, Section 4.2 or Section 4.3 shall be true and correct in all respects, and (ii) any other representation or warranty set forth in Article IV shall be true and correct in all 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; provided, however, that for purposes of determining the accuracy of representations and warranties referred to in clause (ii) for purposes of this condition, all qualifications as to "materiality" contained in such representations and warranties shall be disregarded;

(b) 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 in all material respects;

(c) 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;

(d) Sale Order entered by the Bankruptcy Court shall have become a Final Order; and

(e) Buyer shall have delivered a certificate from an authorized officer of 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 Buyer nor 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 its 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. This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing:

(a) by the mutual written consent of Buyer, on the one hand, and Seller, on the other hand;

(b) by Buyer by giving written notice to Seller at any time prior to Closing (i) in the event Seller has breached any material covenant contained in this Agreement in any material respect, Buyer has notified Seller of the breach, and the breach has continued without cure for a period of ten (10) Business Days after the notice of the breach, or (ii) in the event that any condition set forth in Section 7.1 shall become incapable of being satisfied by the Closing, unless such failure shall be due to the failure of Buyer to perform or comply with any of the covenants hereof to be performed or complied with by it prior to the Closing, and such condition is not waived by Buyer;

(c) by Seller by giving written notice to Buyer at any time prior to Closing (i) in the event Buyer has breached any material covenant contained in this Agreement in any material respect, Seller has notified Buyer of the breach, and the breach has continued without cure for a period of ten (10) Business Days after the notice of the breach, or (ii) in the event that any condition set forth in Section 7.2 shall become incapable of being satisfied by the Closing, unless such failure shall be due to the failure of Seller to perform or comply with any of the covenants hereof to be performed or complied with by them prior to the Closing, and such condition is not waived by Seller;

(d) by Seller, (i) as and to the extent required by Section 5.9 or (ii) upon written notice to Buyer within forty eight (48) hours following the Bankruptcy Court approval of any definitive agreement with respect to a Competing Transaction; provided that, in either case, Seller shall have complied in all material respects with the provisions set forth in Section 5.9;

(e) by Buyer, on the one hand, or Seller, on the other hand, on any date that is after the End Date if the Closing shall not have occurred by the End Date; provided, however, that (i) Buyer shall not have the right to terminate this Agreement under this Section 8.1(e) if, at the time of such termination, Seller would then be entitled to terminate this agreement pursuant to Section 8.1(c) (subject only to delivery of notice and the opportunity to cure, if curable, required by Section 8.1(c)), and (ii) Seller shall not have the right to terminate this Agreement under this Section 8.1(e) if, at the time of such termination, Buyer would then be entitled to terminate any agreement pursuant to Section 8.1(b) (subject only to delivery of notice and the opportunity to cure, if curable, required by Section 8.1(b));

(f) by Buyer if the Bidding Procedures Order shall not have been entered within 60 days after the Petition Date; or

(g) by Buyer if the Sale Order shall not have become a Final Order within 90 days after the entry of the Bidding Procedures Order (other than as a result of any action or inaction by Buyer).

Section 8.2 Procedure Upon Termination. In the event of termination and abandonment by Buyer, on the one hand, or Seller, on the other hand, or both, pursuant to Section 8.1, written notice thereof shall forthwith be given to the other Party or Parties, and this Agreement shall terminate and the transactions contemplated hereby shall be abandoned, without further action by Buyer or Seller.

Section 8.3 Effect of Termination; Break-Up Fee.

(a) If any Party terminates this Agreement pursuant to Section 8.1(a), Section 8.1(b) (other than as set forth in Section 8.3(b)), Section 8.1(c), Section 8.1(e) or Section 8.1(f), then all rights and obligations of the Parties hereunder shall terminate upon such termination and shall become null and void (except that Article I (Definitions), Section 3.15 (No Other Representations or Warranties), Section 4.7 (Condition of the Business), Article IX (Miscellaneous), and this Article VIII (Termination) shall survive any such termination) and no Party shall have any Liability to any other Party hereunder except as otherwise expressly set forth in this Agreement (including Section 8.3(c)).

(b) If this Agreement is terminated (i) by Buyer pursuant to Section 8.1(b), and, prior to such termination, Seller has intentionally taken any action that results in a breach, in any material respect, of any covenant set forth in Section 5.9, (ii) by Seller pursuant to Section 8.1(d), or (iii) by Buyer pursuant to Section 8.1(g) and the Sale Order has been entered and such Sale Order has been stayed, then, upon the consummation of a Competing Transaction, Seller shall, subject to approval by the Bankruptcy Court, pay to Buyer in immediately available funds a cash fee equal to \$100,000 (the "Break-Up Fee"); provided, however, that in the case of termination pursuant to Section 8.1(g), if the Sale Order has not been stayed but has been appealed and the Closing conditions set forth in Section 7.1 have otherwise been satisfied, then Buyer shall not be entitled to receive the Break-Up Fee in connection with such termination. The Break-Up Fee shall be entitled to administrative priority under Section 364(c)(1) of the Bankruptcy Code.

(c) Nothing in this Section 8.3 shall relieve any Party from Liability for any breach of covenant occurring prior to any termination of this Agreement.

(d) The Confidentiality Agreement shall survive any termination of this Agreement and nothing in this Section 8.3 shall relieve Buyer or Seller of their respective obligations under the Confidentiality Agreement. If this Agreement is terminated in accordance with Section 8.1, then Buyer agrees that the prohibition in the Confidentiality Agreement restricting Buyer's ability to solicit any employee of Seller to join the employ of Buyer or any of its Affiliates or to hire any such employee shall be extended to a period of two years from the date of this Agreement.

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; (ii) the damages resulting from termination of this Agreement under circumstances where a Break-Up Fee are payable are uncertain and incapable of accurate calculation and therefore, the amounts payable pursuant to Section 8.3(b) are not a penalty, but rather are a reasonable amount that will compensate Buyer for the efforts and resources expended and opportunities foregone while negotiating this Agreement and in reliance on this Agreement and on the expectation of the consummation of the transactions contemplated hereby, which amount would otherwise be impossible to calculate with precision; and (iii) without the agreements contained in Section 8.3(b) and this Section 8.4, Buyer would not have entered into this Agreement. In no event shall Seller have any liability with respect to Buyer or any other Person hereunder in excess of the applicable Break-Up Fee in the event that this Agreement terminates in accordance with Section 8.3(b), and any claim, right or cause of action by Buyer or any other Person against Seller in excess of the Break-Up Fee is hereby fully waived, released and forever discharged. In no event shall Seller have any liability to Buyer or any other Person for any special, incidental, exemplary, indirect, consequential or punitive damages, and 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 Liquidated Damages. In the event that Buyer shall be entitled to receive pursuant to this Agreement the Break-Up Fee, the receipt of such amounts shall be deemed to be liquidated damages for any and all losses or damages suffered or incurred by Buyer or any of its Affiliates or any other Person in connection with this Agreement (and the termination hereof), the transactions contemplated hereby (and the abandonment thereof) or any matter forming the basis for such termination, and neither Buyer nor any of its Affiliates or any other Person shall be entitled to bring or maintain any other claim, action or proceeding against Seller arising out of this Agreement, any of the transactions contemplated hereby or any matters forming the basis for such termination.

ARTICLE IX MISCELLANEOUS

Section 9.1 Expenses. Except as otherwise provided in this Agreement or a Related Agreement, Seller and Buyer shall bear their own expenses, including attorneys' fees, incurred in connection with the negotiation and execution of this Agreement, the Related Agreements and each other agreement, document and instrument contemplated by this Agreement and the

consummation of the transactions contemplated hereby and thereby. Notwithstanding the foregoing, in the event of any action or proceeding to interpret or enforce this Agreement, the prevailing Party in such action or proceeding, who, in light of the issues contested or determined in the action or proceeding, was more successful, shall be entitled to have and recover from the non-prevailing Party such costs and expenses (including all court costs and reasonable attorneys' fees) as the prevailing Party may incur in the pursuit or defense thereof.

Section 9.2 Entire Agreement. This Agreement constitutes the entire agreement among the Parties and supersedes 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, except Related Agreements.

Section 9.3 Incorporation of Annexes, Exhibits and Disclosure Schedule. The annexes and exhibits to this Agreement, the documents and other information made available in the Disclosure Schedule are incorporated herein by reference and made a part hereof.

Section 9.4 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, except as expressly provided herein. 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 9.4 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 9.5 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. None of the Parties may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of all Parties; provided, however, that Buyer shall be permitted to assign any of its rights hereunder to one or more of its Affiliates, as designated by Buyer in writing to Seller; provided, however, Buyer shall remain liable for all of its obligations under this Agreement after any such assignment.

Section 9.6 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 to the recipient; (ii) one Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid); (iii) when sent by facsimile (with written confirmation of transmission); or (iv) three 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 Seller, then to:

Coyne International Enterprises Corp.
140 Cortland Ave.
Syracuse, NY 13221
Attention: Mark Samson
Alexander Pobedinsky
Facsimile: 315 475-1626

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

Herrick, Feinstein, LLP
2 Park Avenue
New York, NY 10016
Attention: Joel W. Wagman
Facsimile: 212 545-3304

If to Buyer, then to:

Clean Rentals, Inc.
P.O. Box 63100
New Bedford MA. 02746
Attention: Mark Bodzioch

With a copies (which shall not constitute notice) to
Paul Plourde
50 Exchange Terrace
Providence, RI 02903

Any Party may change the address or facsimile number 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 9.6.

Section 9.7 Governing Law: Jurisdiction. This Agreement shall in all aspects be governed by and construed in accordance with the internal Laws of the Commonwealth of Massachusetts without giving effect to any choice or conflict of law provision or rule (whether of the Commonwealth of Massachusetts or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the Commonwealth of Massachusetts, and the obligations, rights and remedies of the Parties shall be determined in accordance therewith. 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

Commonwealth of Massachusetts, sitting in Bristol County, and United States District Court for the Commonwealth of Massachusetts shall have exclusive jurisdiction over such Litigation.

Section 9.8 Consent to Service of Process. 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 9.6.

Section 9.9 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 9.10 Specific Performance.

(a) Subject to Section 8.5, 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, 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.

(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 9.10 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 9.10 until a final, non-appealable, decision regarding this matter is obtained from a court of competent jurisdiction.

Section 9.11 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 9.12 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.

Section 9.13 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 (i) those covenants and agreements contained herein that by their terms apply or are to be performed in whole or in part after the Closing, (ii) the Parties' representations and warranties relating to such Party's authority and non-contravention with regard to the execution of this Agreement to which it is a party and the consummation of the transactions contemplated hereby and thereby, (iii) Buyer's representations and warranties in connection with the Seller's Chapter 11 Case or the Bankruptcy Code, (iv) this Article IX, and (v) all defined terms set forth in Article I that are referenced in the foregoing provisions referred to in clauses (i) through (iv) above.

Section 9.14 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" and "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. 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.

Section 9.15 Computation of Time. In computing any period of time prescribed by or allowed with respect to any provision of this Agreement that relates to Seller or the Seller's Chapter 11 Case, the provisions of Rule 9006(a) of the Federal Rules of Bankruptcy Procedure shall apply.

Section 9.16 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 9.17 Disclosure Schedule. All capitalized terms not defined in the Disclosure Schedule shall have the meanings ascribed to them in this Agreement. The representations and

warranties of Seller 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 disclosure of any matter in any section of the Disclosure Schedule shall be deemed to be a disclosure with respect to any other sections of the Disclosure Schedule to which such disclosed matter reasonably relates, but only to the extent that such relationship is reasonably apparent on the face of the disclosure contained in the Disclosure Schedule. The listing of any matter shall expressly not be deemed to constitute an admission by 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. In no event shall the disclosure of any matter in the Disclosure Schedule be deemed or interpreted to expand the scope of Seller's representations, warranties and/or covenants set forth in this Agreement. All attachments to the Disclosure Schedule are incorporated by reference into the Disclosure Schedule in which they are directly or indirectly referenced. The information contained in the Disclosure Schedule is in all events subject to the Confidentiality Agreement.

Section 9.18 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 9.19 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.

[END OF PAGE]
[SIGNATURE PAGES FOLLOW]

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

COYNE INTERNATIONAL ENTERPRISES
CORP., SELLER:

MG Samson

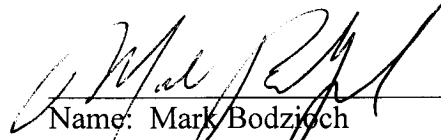
By: _____

Name: Mark Samson

Title: President & Chief Executive Officer

[Signature Page to Clean Asset Purchase Agreement]

**CLEAN RENTALS, INC. D/B/A CLEAN
UNIFORMS AND MORE!, BUYER:**

By: 
Name: Mark Bodzioch
Title: President & ~~Chief Executive Officer~~

[Signature Page to Clean Asset Purchase Agreement]