

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
CB HOLDING CORP., <u>et al.</u> , <sup>1</sup>	)	Case No. 10-13683 (MFW)
	)	Jointly Administered
Debtors.	)	Re: ECF Nos. [ ]

**ORDER: (1) APPROVING FORM OF “STALKING HORSE” ASSET PURCHASE AGREEMENT FOR THE SALE OF SUBSTANTIALLY ALL ASSETS COMPRISING THE CHARLIE BROWN’S STEAKHOUSE BUSINESS AND ASSUMPTION AND ASSIGNMENT OF CERTAIN RELATED EXECUTORY CONTRACTS AND UNEXPIRED LEASES RELATING THERETO; (2) APPROVING SALE PROCEDURES AND FORM, MANNER, AND SUFFICIENCY OF NOTICE; (3) SCHEDULING (a) AN AUCTION AND (b) A HEARING TO CONSIDER APPROVING**

<sup>1</sup> The other Debtors, and the last four digits of each of their tax identification numbers, are: 1820 Central Park Avenue Restaurant Corp. (5151); Bugaboo Creek Acquisition, LLC (4629); Bugaboo Creek Holdings, Inc. (0966); Bugaboo Creek of Seekonk, Inc. (1669); CB Holding Corp. (8640); CB VII, Inc. (9120); CB VIII, Inc. (1468); Charlie Brown North (6721); Charlie Brown’s Acquisition Corp. (8367); Charlie Brown’s at Clifton, Inc. (7309); Charlie Brown’s Mark Corp. (3569); Charlie Brown’s Montclair, Inc. (4223); Charlie Brown’s 1981, Inc. (7781); Charlie Brown’s of Allentown, L.L.C. (8420); Charlie Brown’s of Alpha, Inc. (9083); Charlie Brown’s of Berwyn, LLC (3347); Charlie Brown’s of Blackwood, L.L.C. (5698); Charlie Brown’s of Bloomsburg, LLC (3326); Charlie Brown’s of Brielle, Inc. (8115); Charlie Brown’s of Carlstadt, Inc. (6936); Charlie Brown’s of Chatham, Inc. (2452); Charlie Brown’s of Commack LLC (4851); Charlie Brown’s of Denville, Inc. (1422); Charlie Brown’s of East Windsor, LLC (2747); Charlie Brown’s of Edison, Inc. (8519); Charlie Brown’s of Egg Harbor Twp, LLC (none); Charlie Brown’s of Franklin, LLC (5232); Charlie Brown’s of Garden City, LLC (7440); Charlie Brown’s of Hackettstown, L.L.C. (7493); Charlie Brown’s of Harrisburg, LLC (1085); Charlie Brown’s of Hillsborough, Inc. (0344); Charlie Brown’s of Holtzville, LLC (0138); Charlie Brown’s of Jackson, LLC (3478); Charlie Brown’s of Lacey, L.L.C. (6282); Charlie Brown’s of Lakewood, Inc. (0156); Charlie Brown’s of Langhorne, LLC (3392); Charlie Brown’s of Lynbrook LLC (2772); Charlie Brown’s of Maple Shade, Inc. (0404); Charlie Brown’s of Matawan, Inc. (8337); Charlie Brown’s of Middletown LLC (7565); Charlie Brown’s of Oradell, Inc. (0348); Charlie Brown’s of Pennsylvania, Inc. (6918); Charlie Brown’s of Piscataway, LLC (8285); Charlie Brown’s of Reading, LLC (1214); Charlie Brown’s of Scranton, LLC (9817); Charlie Brown’s of Selinsgrove, LLC (6492); Charlie Brown’s of Springfield, LLC (9892); Charlie Brown’s of Staten Island, LLC (1936); Charlie Brown’s of Tinton Falls, Inc. (6981); Charlie Brown’s of Toms River, LLC (5492); Charlie Brown’s of Union Township, Inc. (8910); Charlie Brown’s of Trexler-town, LLC (6582); Charlie Brown’s of Wayne, Inc. (4757); Charlie Brown’s of West Windsor, Inc. (0159); Charlie Brown’s of Williamsport LLC (8218); Charlie Brown’s of Woodbury, Inc. (0601); Charlie Brown’s of York, LLC (0980); Charlie Brown’s of Yorktown, LLC (7855); Charlie Brown’s Restaurant Corp. (7782); Charlie Brown’s Steakhouse Fishkill, Inc. (9139); Charlie Brown’s Steakhouse Woodbridge, Inc. (1906); Charlie Brown’s, Inc. (4776); Jonathan Seagull Property Corp. (7248); Jonathan Seagull, Inc. (9160); The Office at Bridgewater, Inc. (3132); The Office at Cranford, Inc. (3131); The Office at Keyport, Inc. (1507); The Office at Montclair, Inc. (3128); The Office at Morristown, Inc. (3127); The Office at Ridgewood, Inc. (2949); The Office at Summit, Inc. (3126); and What’s Your Beef V, Inc. (4719). The Debtors’ address is 1450 Route 22 West, Mountainside, New Jersey 07092.

**THE HIGHEST AND BEST OFFER; AND (4) GRANTING RELATED RELIEF**

Upon the motion, dated February 17, 2011 (ECF No. [\_\_\_\_]) (the “Motion”),<sup>2</sup> of the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”), pursuant to sections 105(a), 363, and 365 of Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”), Rules 2002, 6004, 6006, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Local Rule 6004-1, for entry of (I) a procedures order (the “Sale Procedures Order”), inter alia, (a) approving certain sale procedures (collectively, the “Sale Procedures”) and scheduling a competitive auction (the “Auction”) in connection with the sale (the “Sale”) of the Debtors’ assets (collectively, the “Assets”) comprising the Charlie Brown’s Steakhouse business (the “Business”) and the assumption and assignment of certain related executory contracts and unexpired leases (the “Assumed Agreements”); (b) authorizing the Debtors to enter into a Purchase Agreement (the “Agreement”) with CB Restaurants, Inc., which is an affiliate of Praesidian Capital Opportunity Fund III-A LP (the “Stalking Horse Bidder”), in connection therewith; (c) authorizing the Debtors to offer certain bid protections to the Stalking Horse Bidder; (d) scheduling a sale hearing (the “Sale Hearing”) to consider entry of an order approving the Sale; and (e) approving the form and manner of notice of the Sale Hearing (the “Sale Notice”), all as more fully set forth in the Motion; and this Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and a hearing on the procedural relief requested in the Motion having been held before the Court (the “Bid Procedures Hearing”); and upon the record of the Bid Procedures Hearing; and such relief being in the best interest of

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<sup>2</sup> All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

the Debtors, their estates, and creditors and a sound and prudent exercise of the Debtors' business judgment; and any objections to the procedural relief requested in the Motion having been resolved, withdrawn, or otherwise overruled by this Court; and after due deliberation, and sufficient cause appearing therefor,

**IT IS HEREBY FOUND AND DETERMINED THAT:**

A. This Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157(b)(1) and 1334(a), and this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (N) and (O). Venue of these cases and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

B. The Debtors have articulated good and sufficient reasons for, and the best interests of their estates will be served by, this Court's granting the procedural relief requested in the Motion, including approval of: (i) the Sale Procedures; (ii) the Debtors' offer to the Stalking Horse Bidder of an expense reimbursement and break-up fee of \$185,000 (the "Expense Reimbursement Fee") under the terms and conditions of the Agreement; (iii) scheduling the Auction and the Sale Hearing; and (iv) the form and manner of notice of the Auction and Sale.

C. The proposed notice of the Sale of the Assets, the Sale Hearing, the Auction, the Objection Deadline, the Proposed Cure Amounts, and the Sale Procedures, as set forth in the Motion, is good, appropriate, adequate, and sufficient and is reasonably calculated to provide all interested parties with timely and proper notice of the Sale and the Sale Procedures, and no other or further notice is required for the Sale of the Assets to the Successful Bidder.

D. The Debtors have articulated good and sufficient reasons for, and the best interests of their estates will be served by, this Court's scheduling a subsequent Sale Hearing to consider granting the other or remaining relief requested in the Motion, including approval of the Sale of the Assets to the Successful Bidder free and clear of all liens, claims, interests, and encumbrances pursuant to Bankruptcy Code § 363(f).

E. Authorizing the Debtors to offer the Expense Reimbursement Fee to induce the Stalking Horse Bidder to serve in such capacity represents a sound and prudent

exercise of the Debtors' business judgment and will allow the Debtors to maximize the value of the Assets and seek to maximize the value of their other assets and remaining businesses.

**ACCORDINGLY, IT IS HEREBY ORDERED EFFECTIVE IMMEDIATELY THAT:**

1. The procedural relief requested in the Motion is approved to the extent provided herein.

2. The Debtors are authorized to enter into the Agreement with the Stalking Horse Bidder, subject to the terms and conditions thereof.

3. The Sale Procedures, in a form substantially similar to the procedures attached hereto as **Exhibit 1**, are approved in all respects. Except as otherwise set forth therein, any competing bid must conform to, and comply with, the Sale Procedures. The Debtors are authorized to take any and all actions necessary or appropriate to implement the Sale Procedures.

4. Allowance and payment of the Expense Reimbursement Fee under the terms and conditions set forth and in accordance with the terms of the Agreement is approved, and the Stalking Horse Bidder shall be entitled to the Expense Reimbursement Fee to the extent set forth in the Agreement and this Order.

5. If payment of the Expense Reimbursement Fee, or the Stalking Horse Bidder's entitlement to the return of the Deposit, is triggered under the terms of the Agreement, the Debtors are authorized, without further order of this Court, to (i) pay to the Stalking Horse Bidder the Expense Reimbursement Fee in the manner and upon the terms set forth in the Agreement from the proceeds of the Sale to the Successful Bidder and/or (ii) cause the release of the Deposit to the Stalking Horse Bidder (as applicable). If actually due and owing under the terms of the Agreement, the Expense Reimbursement Fee shall constitute an allowed administrative expense claim arising in these Chapter 11 cases under Bankruptcy Code §§ 503(b) and 507(a)(2).

6. The Sale Notice, in a form substantially similar to the notice attached hereto as **Exhibit 2**, is approved, and the Debtors shall cause the Sale Notice to be mailed to all

known creditors in these cases as soon as practicable following the date hereof. Service of the Sale Notice in accordance with the Motion shall be deemed appropriate, adequate, and sufficient and reasonably calculated to provide all interested parties with timely and proper notice of the Agreement and all transactions contemplated thereby, the Sale of the Assets, the Auction, the Bid Procedures, the Objection Deadline, the Sale Hearing, the assumption and assignment of the Assumed Agreements, and the Proposed Cure Amounts, and no other or further notice shall be required therefor. For the avoidance of doubt, the Debtors will serve upon all counterparties to the Assumed Contracts a notice of proposed cure amounts at the same time they serve the Sale Notice.

7. If bids are submitted in accordance with the Sale Procedures, the Auction shall be held at **10:00 a.m. (Eastern Time)** on [\_\_\_\_\_] , **2011**, at the offices of Cahill Gordon & Reindel LLP, 80 Pine Street, New York, New York 10005. Parties may appear telephonically upon the consent of the Debtors. In accordance with Local Rule 6004-1(c)(ii)(C), the Auction shall be conducted openly, and all creditors of the Debtors will be permitted to attend.

8. Each Qualified Bidder and the Stalking Horse Bidder shall be required at or prior to the Auction to confirm that they have not engaged in any collusion with any other party respect to its bidding on the Assets.

9. The Sale Hearing to consider approval of the Debtors' entry into and consummation of a transaction with the Stalking Horse Bidder or a Successful Bidder (as applicable) shall be held on [\_\_\_\_\_] , **2011 at [\_\_:\_\_\_.m.] (Eastern Time)** at the United States Bankruptcy Court, 824 Market Street, 5th Fl., Courtroom #4, Wilmington, Delaware, unless rescheduled to another date in accordance with the Sale Procedures.

10. Any objections to the Sale of the Assets to the Successful Bidder shall be in writing, state the basis of such objection with specificity, and be filed with the Court and served so as to be **received actually** on or before [\_\_\_\_\_] , **2011 at 4:00 p.m. (Eastern Time)** on: (i) counsel to the Debtors, Cahill Gordon & Reindel LLP, Eighty Pine Street, New York,

New York 1005 (Attn: Joel H. Levitin, Richard A. Stieglitz Jr., and Maya Peleg), fax number: (212) 369-5420, and Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins and Christopher M. Samis), fax number: (302) 651-7701; (ii) counsel to Ally Commercial Finance LLC, Vedder Price P.C., 222 N. LaSalle Street, Suite 2600, Chicago, Illinois 60601 (Attn: Douglas J. Lipke), fax number: (312) 609-5005; (iii) counsel to Wells Fargo Capital Finance, Inc., Bingham McCutchen LLP, 399 Park Avenue, New York, New York, 10022-4689 (Attn: Katherine G. Weinstein), fax number: (212) 752-5378; (iv) counsel to Ableco Finance LLC, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022 (Attn: Eliot L. Relles), fax number: (212) 593-5955; (v) counsel to the Committee, Pachulski Stang Ziehl & Jones LLP, (a) 10100 Santa Monica Boulevard, 11th Floor, Los Angeles, California 90067 (Attn: Jeffrey N. Pomerantz), fax number: (310) 201-0760, and (b) 919 North Market Street, 17th Floor, Wilmington, Delaware 19899-8705 (courier 19801) (Attn.: Bradford J. Sandler), fax number: (302) 625-4400; (vi) the Office of the United States Trustee, J. Caleb Boggs Federal Building, 844 King Street, Suite 2313 Lockbox 35, Wilmington, Delaware 19801 (Attn: Juliet Sarkessian), fax number: (302) 573-6497; and (vii) the Stalking Horse Bidder, c/o Praesdian Capital, 419 Park Avenue South, Suite 800, New York, New York 10016 (Attn: Jason D. Drattell), fax number: (212) 520-2601, and counsel to the Stalking Horse Bidder, (a) Morrison Cohen LLP, 909 Third Avenue, New York, New York 10022-4784 (Attn: Stephen I. Budow and Andrea Fischer), fax number: (212) 735-8708, and (b) Bayard, P.A., 222 Delaware Avenue, Suite 900, P.O. Box 25130, Wilmington, Delaware 19899 (Attn: Neil B. Glassman), fax number: (302) 658-6395.

11. Objections to the Debtors' Cure Amount Schedule attached as **Exhibit 3** hereto (which Schedule identifies the Assumed Agreements) or otherwise with respect to the proposed assumption and assignment of an Assumed Agreement shall: (a) be in writing; (b) be filed with the Court, and served so as to be **actually received** on or before [\_\_\_\_], **2011 at 4:00 p.m. (Eastern Time)** on: (i) counsel to the Debtors, Cahill Gordon & Reindel LLP, Eighty Pine Street, New York, New York 1005 (Attn: Joel H. Levitin, Richard A. Stieglitz Jr., and

Maya Peleg), fax number: (212) 369-5420, and Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins and Christopher M. Samis), fax number: (302) 651-7701; (ii) counsel to Ally Commercial Finance LLC, Vedder Price P.C., 222 N. LaSalle Street, Suite 2600, Chicago, Illinois 60601 (Attn: Douglas J. Lipke), fax number: (312) 609-5005; (iii) counsel to Wells Fargo Capital Finance, Inc., Bingham McCutchen LLP, 399 Park Avenue, New York, New York, 10022-4689 (Attn: Katherine G. Weinstein), fax number: (212) 752-5378; (iv) counsel to Ableco Finance LLC, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022 (Attn: Eliot L. Relles), fax number: (212) 593-5955; (v) counsel to the Committee, Pachulski Stang Ziehl & Jones LLP, (a) 10100 Santa Monica Boulevard, 11th Floor, Los Angeles, California 90067 (Attn: Jeffrey N. Pomerantz), fax number: (310) 201-0760, and (b) 919 North Market Street, 17th Floor, Wilmington, Delaware 19899-8705 (courier 19801) (Attn.: Bradford J. Sandler), fax number: (302) 625-4400; (vi) the Office of the United States Trustee, J. Caleb Boggs Federal Building, 844 King Street, Suite 2313 Lockbox 35, Wilmington, Delaware 19801 (Attn: Juliet Sarkessian), fax number: (302) 573-6497; and (vii) the Stalking Horse Bidder, c/o Praesdian Capital, 419 Park Avenue South, Suite 800, New York, New York 10016 (Attn: Jason D. Drattell), fax number: (212) 520-2601, and counsel to the Stalking Horse Bidder, (a) Morrison Cohen LLP, 909 Third Avenue, New York, New York 10022-4784 (Attn: Stephen I. Budow and Andrea Fischer), fax number: (212) 735-8708, and (b) Bayard, P.A., 222 Delaware Avenue, Suite 900, P.O. Box 25130, Wilmington, Delaware 19899 (Attn: Neil B. Glassman), fax number: (302) 658-6395; (c) specify the objecting party's asserted cure amounts, if any; and (d) be accompanied by appropriate supporting documentation demonstrating the calculation of the cure amount, as claimed. **Unless an objection to the proposed assumption and assignment of an Assumed Agreement and/or to the Cure Amount Schedule is timely and properly filed and served in the manner set forth herein, all non-debtor parties to the Assumed Agreements shall be deemed to have consented, as applicable, to the applicable provision of the Cure Amount Schedule and/or be forever barred from objecting thereto in the future or to the**

**proposed assumption and assignment thereof to the Stalking Horse Bidder or the Successful Bidder (as applicable).**

12. Notwithstanding any other provision hereof, copies of this Order and all pleadings submitted in support of the Motion and the Cure Amount Schedule shall (to the extent not previously served with the Motion) be served via first class mail (and/or telephonically or via e-mail in the case of subsection (g) below) as soon as practicable following the entry hereof upon the following parties: (a) the Office of the United States Trustee for the District of Delaware; (b) all parties known to have asserted an interest in the Assets (including, without limitation, secured creditors) or their known counsel; (c) counsel for the Committee; (d) all parties that have filed a notice of appearance; (e) all non-debtor parties to the Assumed Agreements; (f) the Internal Revenue Service and the Divisions of Taxation for each of New Jersey, New York, and Pennsylvania and all other known state and local taxing authorities for each jurisdiction within which the Sellers' restaurants operate; and (g) all parties the Debtors reasonably believe may be interested in bidding on the Assets. Such service shall constitute good and sufficient notice of the Motion and the relief requested therein under applicable Federal and Local Rules of Bankruptcy Procedure and under the circumstances set forth in the Motion and the related documents and evidence presented at the hearing on the Sale Procedures Motion.

13. The Debtors shall provide all counterparties to the Assumed Agreements with notice of the identity of the Successful Bidder (to the extent it is not the Stalking Horse Bidder) within one (1) business day following the Auction via either (a) e-mail or fax or (b) overnight delivery service, in the event the Debtors do not have e-mail or fax information for such Counterparties to the Assumed Agreements. Any counterparties to the Assumed Agreements that want notice of the identity of the Successful Bidder to be sent to them by e-mail or fax shall provide the Debtors with necessary contact information at least one (1) business day prior to the Auction.

15. Notwithstanding the possible applicability of Federal Rules of Bankruptcy Procedure 6004(h) and 6006(d), this Order shall not be stayed for 14 days after the entry hereof



and shall be effective immediately upon signature hereof.

16. The Debtors and the Stalking Horse Bidder shall be authorized to take all actions necessary to implement the terms of this Order.

17. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Order.

Dated: \_\_\_\_\_, 2011  
Wilmington, Delaware

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HONORABLE MARY F. WALRATH  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT 1 TO SALE PROCEDURES ORDER**

**SALE PROCEDURES IN CONNECTION WITH THE SALE  
OF THE DEBTORS' ASSETS COMPRISING THE CHARLIE  
BROWN'S STEAKHOUSE BUSINESS AND ASSUMPTION  
AND ASSIGNMENT OF CERTAIN RELATED  
EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

By motion dated February 17, 2011 (ECF No. [\_\_\_\_]) (the "Motion"),<sup>1</sup> the debtors and debtors-in-possession in the Chapter 11 cases captioned *In re: CB HOLDING CORP., et al*, Case No. 10-13683 (MFW) (Jointly Administered) (collectively, the "Debtors") pending in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), sought, among other things, approval of the process and procedures through which they will seek bids for the purchase of assets (collectively, the "Assets") comprising the Charlie Brown's Steakhouse business and assumption and assignment of certain related executory contracts and unexpired leases (the "Assumed Agreements").

On [\_\_\_\_, \_\_\_\_], 2011, the Bankruptcy Court entered an order (the "Sale Procedures Order"), which, among other things, (i) approved the Motion and authorized the Debtors to market the Assets and solicit bids for same using the Sale Procedures set forth below (collectively, the "Sale Procedures") and (ii) authorized the Debtors to enter into a purchase agreement (the "Stalking Horse Purchase Agreement") with CB Restaurants, Inc., which is an affiliate of Praesidian Capital Opportunity Fund III-A LP, as the stalking horse bidder (the "Stalking Horse Bidder") for the Assets, subject to the terms and conditions thereof.

**A. Due Diligence**

The Debtors, through their investment banking advisor, Raymond James & Associates, Inc. ("RJ"), will afford any party that executes an appropriate confidentiality agreement and demonstrates that it is interested in making a bid to purchase the Assets such due diligence access or additional information as may be reasonably requested by such party that RJ determines to be reasonable and appropriate. Notwithstanding anything contained herein to the contrary, RJ and the Debtors will decide what, if any, diligence information to make available to a particular potential bidder, and neither RJ nor its representatives will be obligated to furnish any information of any kind whatsoever to any party. Notwithstanding anything to the contrary set forth above, except for good reason, any confidentiality agreement will not be materially more restrictive than the confidentiality agreement signed by the Stalking Horse Bidder, and any interested party that signs such a confidentiality agreement will be provided no less information of the same type and detail as provided to the Stalking Horse Bidder. To the extent RJ and/or the Debtors decide not to provide due diligence to any requesting party, RJ or the Debtors, as appropriate, will promptly notify the Lenders, the Committee, and the United States Trustee of the identity of such party and the diligence information or materials that was not provided.

**Interested parties requesting information about the qualification process or due diligence should contact David Abell or Mike Pokrassa of RJ, at (212) 885-1820 and (212) 885-1815, respectively.**

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<sup>1</sup> All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

**B. Bid Requirements**

1. **Delivery of Bids.** No later than **4:00 p.m. (Eastern Time)** on [\_\_\_\_], 2011 (such date or the date of the last extension as provided below, the “Bid Deadline”), each potential bidder interested in participating in the bidding process must deliver copies of its bid and the supporting materials described below to the following parties (collectively, the “Notice Parties”), via fax, email, hand delivery, or overnight delivery:

**COUNSEL FOR THE DEBTORS:**

RICHARDS, LAYTON & FINGER, P.A.  
Attn: Mark D. Collins and Christopher M. Samis  
One Rodney Square  
920 North King Street  
Wilmington, Delaware 19801  
fax: (302) 651-7701  
email: [collins@rlf.com](mailto:collins@rlf.com)  
[samis@rlf.com](mailto:samis@rlf.com)

CAHILL GORDON & REINDEL LLP  
Attn: Joel H. Levitin, Richard A. Stieglitz Jr.,  
and Maya Peleg  
Eighty Pine Street  
New York, New York 10005  
fax: (212) 269-5420  
email: [jlevitin@cahill.com](mailto:jlevitin@cahill.com)  
[rstieglitz@cahill.com](mailto:rstieglitz@cahill.com)  
[mpeleg@cahill.com](mailto:mpeleg@cahill.com)

**COUNSEL FOR THE COMMITTEE:**

**PACHULSKI STANG ZIEHL & JONES LLP**

Attn: Jeffrey N. Pomerantz  
10100 Santa Monica Boulevard, 11th Floor  
Los Angeles, California 90067  
fax: (310) 201-0760  
email: [jpomerantz@pszjlaw.com](mailto:jpomerantz@pszjlaw.com)

Attn: Bradford J. Sandler  
919 North Market Street, 17th Floor  
Wilmington, Delaware 19899-8705 (courier  
19801)  
fax: (302) 652-4400  
email: [bsandler@pszjlaw.com](mailto:bsandler@pszjlaw.com)

**COUNSEL FOR ALLY COMMERCIAL  
FINANCE LLC:**

VEDDER PRICE P.C.  
Attn: Douglas J. Lipke  
222 N. LaSalle Street, Suite 2600

**THE DEBTORS:**

Attn: Gary Lembo and Ed Schwartz  
1450 Route 22 East  
Mountainside, New Jersey 07092  
fax: (908) 380-6860  
email: [gary.lembo@crgpartners.com](mailto:gary.lembo@crgpartners.com)  
[ed.schwartz@cbholdingcorp.com](mailto:ed.schwartz@cbholdingcorp.com)

**INVESTMENT BANKER FOR THE  
DEBTORS:**

RAYMOND JAMES  
Attn: David Abell and Mike Pokrassa  
277 Park Avenue, 4th Floor  
New York, New York 10172  
fax: (212) 885-1808  
email: [david.abell@raymondjames.com](mailto:david.abell@raymondjames.com)  
[michael.pokrassa@raymondjames.com](mailto:michael.pokrassa@raymondjames.com)

**THE UNITED STATES TRUSTEE:**

Attn: Juliet Sarkessian  
J. Caleb Boggs Federal Building  
844 King Street, Suite 2313 Lock Box 35  
Wilmington, Delaware 19801

Chicago, Illinois 60601  
fax: (312) 609-5005  
email: [d\\_lipke@vedderprice.com](mailto:d_lipke@vedderprice.com)

**COUNSEL FOR WELLS FARGO  
CAPITAL FINANCE, INC.**

BINGHAM McCUTCHEEN  
Attn: Katherine G. Weinstein  
399 Park Avenue  
New York, New York 10022-4689  
fax: (212) 752-5378  
email: [katherine.weinstein@bingham.com](mailto:katherine.weinstein@bingham.com)

fax: (302) 573-6497  
email: [juliet.m.sarkessian@usdoj.gov](mailto:juliet.m.sarkessian@usdoj.gov)

**COUNSEL FOR ABLECO FINANCE LLC**

SCHULTE ROTH & ZABEL LLP  
Attn: Eliot L. Relles  
919 Third Avenue  
New York, New York 10022

fax: (212) 593-5955  
email: [eliot.relles@srz.com](mailto:eliot.relles@srz.com)

2. **Form and Content of Bid.** A bid is a signed letter from a Qualified Bidder (hereinafter defined) stating that:

(1) The Qualified Bidder offers to purchase the Assets at a certain designated price; and

(2) The Qualified Bidder's offer is not subject to any due diligence or financing contingency and is irrevocable until two (2) business days after the Initial Effective Transfer Date, whether or not such Qualified Bidder becomes the Successful Bidder (as defined below).

3. **Required Supporting Materials.** A Qualified Bidder shall accompany its bid with:

(1) A clean and blacklined version of the Stalking Horse Purchase Agreement attached to the Motion as Exhibit A and available upon request, marked solely to indicate:

(i) the proposed purchaser's name;

(ii) a verified statement that it has not and will not collude with any other party; and

(iii) an increase in the purchase price set forth in the Stalking Horse Purchase Agreement of not less than \$5.485 million (i.e., a minimum initial overbid of no less than \$285,000, including an agreement to pay at least \$2.315 million on the Initial Effective Transfer Date); and

(2) Written evidence of a commitment for financing or other evidence of ability to consummate the transaction including the assumption and assignment of the Assumed Agreements (such as a current audited financial statement or copies of a bidder's bank account statement for each of the three months preceding the auction for the Assets (the "Auction")) and such other evidence of ability to consummate the transaction as the Debtors may reasonably request.

(3) **Required Good Faith Deposit.** By the Bid Deadline, a bidder must provide a good faith deposit (the “Good Faith Deposit”) equal to fifteen percent (15%) of such bidder’s purchase price. The Good Faith Deposit must be made by wire transfer to an escrow agent selected by the Debtors. The Debtors will provide wiring instructions to any party making a request therefor in advance of the Bid Deadline.

4. **Qualified Bid.** A Bid received from a bidder that meets the requirements above is considered a “Qualified Bid” and a party that has delivered such materials shall be a “Qualified Bidder.”

**THE DEBTORS RESERVE THE RIGHT, IN THEIR REASONABLE DISCRETION AFTER CONSULTATION WITH AND APPROVAL BY ALLY COMMERCIAL FINANCE LLC, WELLS FARGO CAPITAL FINANCE, INC., AND ABLECO FINANCE LLC (COLLECTIVELY, THE “LENDERS”) AND THE COMMITTEE, TO WAIVE ANY NON-MATERIAL NONCOMPLIANCE WITH ANY ONE OR MORE OF THESE REQUIREMENTS AND DEEM ANY BID TO BE A QUALIFIED BID.**

### **C. Conduct and Termination of Bidding Process**

The Debtors, in their reasonable discretion after consultation with the Lenders and the Committee, will: (i) determine whether any potential bidder satisfies the requirements specified above to become a Qualified Bidder; (ii) coordinate the efforts of Qualified Bidders in conducting their respective due diligence investigations regarding the Assets; (iii) determine whether to remove the Assets from the sale process under these Sale Procedures; (iv) evaluate bids from bidders and determine whether any such bid is a Qualified Bid; (v) negotiate any bid made to purchase the Assets and negotiate any related transaction issues; and (vi) make such other determinations as are provided in these Sale Procedures. In the event that the Lenders submit a credit bid pursuant to Bankruptcy Code § 363(k), the Debtors will no longer consult with the Lenders on any issue related to the Sale, nor shall such Lenders’ approval be required as to any issue related to the Sale.

### **D. Auction Participation – Qualified Participants and Baseline Bid**

Unless otherwise ordered by the Bankruptcy Court for cause shown, in addition to the Stalking Horse Bidder (which shall be entitled to fully participate in the Auction in all respects) only a Qualified Bidder that has submitted a Qualified Bid is eligible to participate at the Auction. The Debtors, in their reasonable discretion after consultation with the Lenders and the Committee (and each of their respective advisors), will select, the highest or otherwise best bid (the “Baseline Bid”) to serve as the starting point for the Auction. As soon as practicable prior to the Auction, the Debtors will distribute copies of the Baseline Bid to each Qualified Bidder. The Baseline Bid, at this time, is the bid in the amount of \$5.2 million of the Stalking Horse Bidder, and any initial overbid amount must exceed the bid of the Stalking Horse Bidder by at least \$285,000, such that the minimum initial overbid must be at least \$5.485 million (including a payment of at least \$2.315 million upon the Initial Effective Transfer Date).

### **E. The Auction**

1. **Time and Place.** If Qualified Bids are received by the Bid Deadline, the Auction will be conducted starting at **10:00 a.m. (Eastern Time) on [\_\_\_\_ \_], 2011** at the

offices of Cahill Gordon & Reindel LLP, 80 Pine Street, New York, New York 10005.

AT THE DEBTORS' DISCRETION, QUALIFIED BIDDERS MAY APPEAR AT THE AUCTION TELEPHONICALLY. THE DIAL-IN INFORMATION SHALL BE DISTRIBUTED TO QUALIFIED BIDDERS PRIOR TO THE AUCTION.

Each Qualified Bidder participating at the Auction will be required to confirm that it has not engaged in any collusion with respect to the bidding or the sale.

Bidding at the Auction may be transcribed by a court reporter.

The Lenders reserve their rights to credit bid under Bankruptcy Code § 363(k), and the Lenders are deemed to be a Qualified Bidder.

2. **Competitive Bidding.** At the Auction, participants will be permitted to increase their bids and will be permitted to bid based only upon the terms of the Baseline Bid (except to the extent otherwise authorized by the Debtors after consultation with the Lenders and the Committee). The bidding will start at the purchase price and terms proposed in the Baseline Bid and continue in increments of at least \$100,000 in cash or such other increment announced by the Debtors during the Auction. The Debtors will, from time to time, in an open forum, advise Qualified Bidders participating in the Auction of their determination as to the terms of the then highest or otherwise best bid. For purposes of comparing any bids by the Stalking Horse Bidder at the Auction that are higher than the bid set forth in the Stalking Horse Purchase Agreement (a "Higher Stalking Horse Bid") against any other bids that are made by a Qualified Bidder (other than the Stalking Horse Bidder) pursuant to these Sale Procedures, each Higher Stalking Horse Bid shall include the amount of the Expense Reimbursement Fee, and in the event that a Higher Stalking Horse Bid is the Successful Bid at the Auction, the purchase price amount finally payable by the Stalking Horse Bidder in respect of the Successful Bid will be reduced by the amount of the Expense Reimbursement Fee.

3. **Evaluation of Qualified Bids.** For the purpose of determining the Baseline Bid and whether a Qualified Bid submitted at the Auction is higher or otherwise better, the Qualified Bid will be valued based upon factors such as: (a) the purported amount of the Qualified Bid; (b) the fair value to be provided to the Debtors under the Qualified Bid; (c) the ability to consummate any proposed sale transaction in a timely manner; and (d) any other factors that the Debtors may deem relevant after consultation with the Lenders and the Committee. Upon the submission of any bid at the Auction, the Debtors shall announce to all participants whether the bid submitted is higher or otherwise better than the previously submitted bid and the basis for that determination.

4. **Designation of Successful Bidder.** Immediately prior to the conclusion of any Auction, the Debtors, after consultation with their financial and legal advisors, the Lenders, and the Committee (and each of their respective advisors), will: (a) review each bid made at the Auction on the basis of financial and contractual terms and such factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the proposed Sale; (b) in their reasonable discretion after consultation with the Lenders and the Committee, identify the highest or best bid for the Assets at the Auction (the "Successful Bid");

and (c) notify all Qualified Bidders participating in the Auction, prior to its adjournment, of the name or names of the Qualified Bidder(s) making the Successful Bid for the Assets (the “Successful Bidder”) and the amount and other material terms of the Successful Bid. In connection with the Initial Effective Transfer Date of the transaction contemplated by the Successful Bid, the Successful Bidder will be entitled to a credit for the amount of its Good Faith Deposit. Absent irregularities occurring in the course of the Auction, no further bids will be accepted after the close of the Auction.

5. **Presentation of Successful Bids to the Bankruptcy Court.** At the Sale Hearing, the Debtors will present the Successful Bid to the Bankruptcy Court or, in the event there is no Auction, the Bid of the Stalking Horse Bidder as reflected in the Stalking Horse Purchase Agreement, for approval.

**F. Acceptance of Qualified Bids**

The Debtors presently intend to sell the Assets to the Stalking Horse Bidder or the Qualified Bidder(s) that submit(s) the highest and/or best bid(s). The Debtors’ presentation to the Bankruptcy Court for approval of any Successful Bid does not constitute the Debtors’ acceptance of such bid. The Debtors will be deemed to have accepted a bid only when it has been approved by the Bankruptcy Court at the Sale Hearing.

**G. Return of Good Faith Deposit**

The Good Faith Deposit of a Qualified Bidder that is not the Successful Bidder shall be returned within three (3) business days of the Initial Effective Transfer Date of a sale transaction for the Assets. If the Successful Bidder does not close the initial asset transfer under the approved Sale by the Initial Effective Transfer Date, the Debtors shall have the right to require any other Qualified Bidder to close a sale transaction for the Assets at the price set forth in such party’s last bid submitted at or prior to the Auction, and may present such other Qualified Bidder’s bid, whether made prior to or at the Auction, to the Bankruptcy Court for approval. If the Successful Bidder fails to close the initial asset transfer by the Initial Effective Transfer Date, and such failure is the result of a breach by the Successful Bidder, such Successful Bidder’s Good Faith Deposit shall be forfeited to the Debtors and, except to the extent provided in such bidders’ marked agreement, the Debtors specifically reserve the right to seek all available damages from such person.

**H. Modifications**

The Debtors, in their reasonable discretion after consultation with and approval by the Lenders and the Committee, may: (1) determine, in their business judgment, which bid or bids, if any, constitute the highest or otherwise best offer for the Assets; and (2) reject, at any time before entry of an order of the Bankruptcy Court approving any bid as the Successful Bid, any bid that, in the Debtors’ reasonable discretion, is (a) inadequate or insufficient; (b) not in conformity with the requirements of the Bankruptcy Code or the Sale Procedures; or (c) contrary to the best interests of the Debtors, their estates, and creditors. The Debtors may extend any deadline contained herein that will better promote the maximization of value of their estates.

The Debtors, in their reasonable discretion after consultation with the Lenders and the Committee, may adopt rules for the bidding process before or during the Auction that, in their



reasonable discretion, will best promote the goals of the bidding process and are not inconsistent with any of the provisions of the Sale Procedures described herein.

The Debtors, in their reasonable discretion after consultation with the Lenders and the Committee, may adjourn without further notice the Auction (and/or the Sale Hearing) if, in their reasonable discretion, an adjournment will better promote the goals of the Auction.

**I. The Sale Hearing**

The Sale Hearing is scheduled to be conducted on [\_\_\_\_ \_], 2011 at [\_\_:\_\_ .m.] **(Eastern Time)** at the United States Bankruptcy Court, 824 Market Street, 5th Fl., Courtroom #4, Wilmington, Delaware. If any Successful Bidder is selected by the Debtors, then the Debtors, in their reasonable discretion after consultation with the Lenders and the Committee, will seek the entry of an order from the Bankruptcy Court at the Sale Hearing approving and authorizing the proposed sale to the Successful Bidder on the terms and conditions of the Successful Bid.

**J. Miscellaneous**

The Auction and Bid Procedures are solely for the benefit of the Debtors and the Stalking Horse Bidder, and nothing contained in the Sale Procedures Order or the Bid Procedures shall create any rights in any other person or bidder (including, without limitation, rights as third-party beneficiaries or otherwise) other than the rights expressly granted to a Successful Bidder under the Sale Procedures Order.

**EXHIBIT 2 TO SALE PROCEDURES ORDER**

**Sale Notice**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
	)	
CB HOLDING CORP., <u>et al.</u> , <sup>1</sup>	)	
	)	Case No. 10-13683 (MFW)
	)	
Debtors.	)	Jointly Administered

**NOTICE OF HEARING TO APPROVE THE SALE OF THE  
DEBTORS' ASSETS COMPRISING CHARLIE BROWN'S STEAKHOUSE BUSINESS  
AND ASSUMPTION AND ASSIGNMENT OF CERTAIN RELATED  
EXECUTORY CONTRACTS AND UNEXPIRED LEASES RELATING THERETO**

**PLEASE TAKE NOTICE OF THE FOLLOWING:**

1. The above-captioned debtors and debtors-in-possession (collectively, the

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<sup>1</sup> The other Debtors, and the last four digits of each of their tax identification numbers, are: 1820 Central Park Avenue Restaurant Corp. (5151); Bugaboo Creek Acquisition, LLC (4629); Bugaboo Creek Holdings, Inc. (0966); Bugaboo Creek of Seekonk, Inc. (1669); CB Holding Corp. (8640); CB VII, Inc. (9120); CB VIII, Inc. (1468); Charlie Brown North (6721); Charlie Brown's Acquisition Corp. (8367); Charlie Brown's at Clifton, Inc. (7309); Charlie Brown's Mark Corp. (3569); Charlie Brown's Montclair, Inc. (4223); Charlie Brown's 1981, Inc. (7781); Charlie Brown's of Allentown, L.L.C. (8420); Charlie Brown's of Alpha, Inc. (9083); Charlie Brown's of Berwyn, LLC (3347); Charlie Brown's of Blackwood, L.L.C. (5698); Charlie Brown's of Bloomsburg, LLC (3326); Charlie Brown's of Brielle, Inc. (8115); Charlie Brown's of Carlstadt, Inc. (6936); Charlie Brown's of Chatham, Inc. (2452); Charlie Brown's of Commack LLC (4851); Charlie Brown's of Denville, Inc. (1422); Charlie Brown's of East Windsor, LLC (2747); Charlie Brown's of Edison, Inc. (8519); Charlie Brown's of Egg Harbor Twp, LLC (none); Charlie Brown's of Franklin, LLC (5232); Charlie Brown's of Garden City, LLC (7440); Charlie Brown's of Hackettstown, L.L.C. (7493); Charlie Brown's of Harrisburg, LLC (1085); Charlie Brown's of Hillsborough, Inc. (0344); Charlie Brown's of Holtzville, LLC (0138); Charlie Brown's of Jackson, LLC (3478); Charlie Brown's of Lacey, L.L.C. (6282); Charlie Brown's of Lakewood, Inc. (0156); Charlie Brown's of Langhorne, LLC (3392); Charlie Brown's of Lynbrook LLC (2772); Charlie Brown's of Maple Shade, Inc. (0404); Charlie Brown's of Matawan, Inc. (8337); Charlie Brown's of Middletown LLC (7565); Charlie Brown's of Oradell, Inc. (0348); Charlie Brown's of Pennsylvania, Inc. (6918); Charlie Brown's of Piscataway, LLC (8285); Charlie Brown's of Reading, LLC (1214); Charlie Brown's of Scranton, LLC (9817); Charlie Brown's of Selinsgrove, LLC (6492); Charlie Brown's of Springfield, LLC (9892); Charlie Brown's of Staten Island, LLC (1936); Charlie Brown's of Tinton Falls, Inc. (6981); Charlie Brown's of Toms River, LLC (5492); Charlie Brown's of Union Township, Inc. (8910); Charlie Brown's of Trexler-town, LLC (6582); Charlie Brown's of Wayne, Inc. (4757); Charlie Brown's of West Windsor, Inc. (0159); Charlie Brown's of Williamsport LLC (8218); Charlie Brown's of Woodbury, Inc. (0601); Charlie Brown's of York, LLC (0980); Charlie Brown's of Yorktown, LLC (7855); Charlie Brown's Restaurant Corp. (7782); Charlie Brown's Steakhouse Fishkill, Inc. (9139); Charlie Brown's Steakhouse Woodbridge, Inc. (1906); Charlie Brown's, Inc. (4776); Jonathan Seagull Property Corp. (7248); Jonathan Seagull, Inc. (9160); The Office at Bridgewater, Inc. (3132); The Office at Cranford, Inc. (3131); The Office at Keyport, Inc. (1507); The Office at Montclair, Inc. (3128); The Office at Morristown, Inc. (3127); The Office at Ridgewood, Inc. (2949); The Office at Summit, Inc. (3126); and What's Your Beef V, Inc. (4719). The Debtors' address is 1450 Route 22 West, Mountainside, New Jersey 07092.

“Debtors”) have entered into a Purchase Agreement (the “Agreement”) to sell the assets (the “Assets”) comprising the Charlie Brown’s Steakhouse business (the “Business”) to CB Restaurants, Inc., which is an affiliate of Praesidian Capital Opportunity Fund III-A LP (the “Stalking Horse Bidder”), subject to higher and better offers and Bankruptcy Court approval, and to assume and assign the Assumed Agreements to the Stalking Horse Bidder or to such other party making a higher and better offer for the Assets, and they have, by motion dated February 17, 2011 (ECF No. [\_\_\_]) (the “Motion”),<sup>2</sup> sought, among other things, approval of the process and procedures through which they will seek proposals for the purchase of the Assets.

2. In the Motion, the Debtors requested that the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) enter an order (the “Sale Procedures Order”) approving the Motion and the Sale Procedures for the purchase of the Assets and authorizing the Debtors to enter into the Agreement, subject to the terms and conditions thereof. The Court entered the Sale Procedures Order on [\_\_\_\_\_] , 2011. A copy of the Agreement, the Motion, the Sale Procedures Order, the Sale Procedures, and the Cure Amount Schedule may be obtained by visiting [www.cbhinfo.com](http://www.cbhinfo.com) or by reasonable request to counsel for the Debtors: (a) Cahill Gordon & Reindel LLP, Eighty Pine Street, New York, New York 1005 (Attn: Joel H. Levitin, Richard A. Stieglitz Jr., and Maya Peleg), fax number: (212) 369-5420, and (b) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins and Christopher M. Samis), fax number: (302) 651-7701. All counterparties to the Assumed Contracts will also receive a separate notice of the proposed cure amounts and a copy of the Cure Amount Schedule.

3. The Motion also requested that the Assets be sold free and clear of all liens, claims, encumbrances, and interests thereon, with such interests in the Assets to be transferred, and attach, to the sale proceeds. Also, the proposed Sale Procedures contain certain

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<sup>2</sup> All capitalized terms not otherwise defined herein have the meaning given to them in the Motion, the Sale Procedures Order, or the Sale Procedures, as applicable.

bidding protections that will be provided to the Stalking Horse Bidder, including the payment of an Expense Reimbursement Fee of \$185,000, under certain terms and conditions.

4. The Sale Procedures Order provides for the following key dates<sup>3</sup> in connection with the sale of the Assets:<sup>4</sup>

Event	Date
Bid Deadline	[March 28], 2011 at 4:00 p.m. (ET)
Auction (if Qualified Bids are Received)	[March 31], 2011 at 10:00 a.m. (ET)
Sale Objection Deadline	[March 29], 2011 at 4:00 p.m. (ET)
Objection to the Proposed Cure Amount or Assumption and Assignment of an Assumed Agreement	[March 29], 2011 at 4:00 p.m. (ET)
Sale Hearing	[April 5], 2011 at [ : .m.] (ET)

**THESE DATES ARE SUBJECT TO CHANGE BY THE BANKRUPTCY COURT. ALL PARTIES ARE ENCOURAGED TO FREQUENTLY CHECK THE BANKRUPTCY COURT DOCKET OR [WWW.CBHINFO.COM](http://WWW.CBHINFO.COM) FOR CHANGES TO THESE DATES.**

5. Objections to the proposed sale of the Assets must (a) be in writing, (b) state the basis of such objection with specificity, and (c) be served upon: (i) counsel to the Debtors, Cahill Gordon & Reindel LLP, Eighty Pine Street, New York, New York 1005 (Attn: Joel H. Levitin, Richard A. Stieglitz Jr., and Maya Peleg), fax number: (212) 369-5420, and Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins and Christopher M. Samis), fax number: (302) 651-7701; (ii) counsel to Ally Commercial Finance LLC, Vedder Price P.C., 222 N. LaSalle Street, Suite 2600, Chicago, Illinois 60601 (Attn: Douglas J. Lipke), fax number: (312) 609-5005; (iii) counsel to Wells Fargo Capital Finance, Inc., Bingham McCutchen LLP, 399 Park Avenue, New York, New York, 10022-4689 (Attn: Katherine G. Weinstein), fax number: (212) 752-5378; (iv) counsel to Ableco Finance LLC, Schulte Roth & Zabel LLP, 919 Third Avenue, New York,

<sup>3</sup> **[NOTE THAT THESE AND ALL OTHER DATES SET FORTH IN THIS PROPOSED FORM OF NOTICE REPRESENT THE DATES THE DEBTORS HAVE REQUESTED IN THE MOTION, AND REMAIN SUBJECT TO A FURTHER DETERMINATION AND APPROVAL BY THE COURT.]**

<sup>4</sup> A copy of the Motion, the Sale Procedures Order, and the Sale Procedures may be obtained by visiting [www.cbhinfo.com](http://www.cbhinfo.com).

New York 10022 (Attn: Eliot L. Relles), fax number: (212) 593-5955; (v) counsel to the Committee, Pachulski Stang Ziehl & Jones LLP, (a) 10100 Santa Monica Boulevard, 11th Floor, Los Angeles, California 90067 (Attn: Jeffrey N. Pomerantz), fax number: (310) 201-0760, and (b) 919 North Market Street, 17th Floor, Wilmington, Delaware 19899-8705 (courier 19801) (Attn.: Bradford J. Sandler), fax number: (302) 625-4400; (vi) the Office of the United States Trustee, J. Caleb Boggs Federal Building, 844 King Street, Suite 2313 Lockbox 35, Wilmington, Delaware 19801 (Attn: Juliet Sarkessian), fax number: (302) 573-6497; and (vii) the Stalking Horse Bidder, c/o Praesdian Capital, 419 Park Avenue South, Suite 800, New York, New York 10016 (Attn: Jason D. Drattell), fax number: (212) 520-2601, and counsel to the Stalking Horse Bidder, (a) Morrison Cohen LLP, 909 Third Avenue, New York, New York 10022-4784 (Attn: Stephen I. Budow and Andrea Fischer), fax number: (212) 735-8708, and (b) Bayard, P.A., 222 Delaware Avenue, Suite 900, P.O. Box 25130, Wilmington, Delaware 19899 (Attn: Neil B. Glassman), fax number: (302) 658-6395; so as to be **actually received** by [March 29], 2011 at 4:00 p.m.

6. Objections to the assumption and assignment of the Assumed Agreements or the Proposed Cure Amounts in connection with the proposed Sale of the Assets must (a) be in writing, (b) state the basis of such objection with specificity, (c) be served upon: (i) counsel to the Debtors, Cahill Gordon & Reindel LLP, Eighty Pine Street, New York, New York 1005 (Attn: Joel H. Levitin, Richard A. Stieglitz Jr., and Maya Peleg), fax number: (212) 369-5420, and Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins and Christopher M. Samis), fax number: (302) 651-7701; (ii) counsel to Ally Commercial Finance LLC, Vedder Price P.C., 222 N. LaSalle Street, Suite 2600, Chicago, Illinois 60601 (Attn: Douglas J. Lipke), fax number: (312) 609-5005; (iii) counsel to Wells Fargo Capital Finance, Inc., Bingham McCutchen LLP, 399 Park Avenue, New York, New York, 10022-4689 (Attn: Katherine G. Weinstein), fax number: (212) 752-5378; (iv) counsel to Ableco Finance LLC, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022 (Attn: Eliot L. Relles), fax number: (212) 593-5955; (v) counsel to the

Committee, Pachulski Stang Ziehl & Jones LLP, (a) 10100 Santa Monica Boulevard, 11th Floor, Los Angeles, California 90067 (Attn: Jeffrey N. Pomerantz), fax number: (310) 201-0760, and (b) 919 North Market Street, 17th Floor, Wilmington, Delaware 19899-8705 (courier 19801) (Attn.: Bradford J. Sandler), fax number: (302) 625-4400; (vi) the Office of the United States Trustee, J. Caleb Boggs Federal Building, 844 King Street, Suite 2313 Lockbox 35, Wilmington, Delaware 19801 (Attn: Juliet Sarkessian), fax number: (302) 573-6497; and (vii) the Stalking Horse Bidder, c/o Praesdian Capital, 419 Park Avenue South, Suite 800, New York, New York 10016 (Attn: Jason D. Drattell), fax number: (212) 520-2601, and counsel to the Stalking Horse Bidder, (a) Morrison Cohen LLP, 909 Third Avenue, New York, New York 10022-4784 (Attn: Stephen I. Budow and Andrea Fischer), fax number: (212) 735-8708, and (b) Bayard, P.A., 222 Delaware Avenue, Suite 900, P.O. Box 25130, Wilmington, Delaware 19899 (Attn: Neil B. Glassman), fax number: (302) 658-6395; so as to be **actually received** by [March 29], 2011 at 4:00 p.m., (d) specify the objecting party's asserted cure amounts, if any, and (e) be accompanied by appropriate supporting documentation demonstrating the calculation of the cure amount, as claimed. **Unless such an objection to the proposed assumption and assignment of an Assumed Agreement and/or to the Cure Amount Schedule is timely and properly filed, all non-debtor parties to the Assumed Agreements shall be deemed to have consented, as applicable, to the applicable provisions of the Cure Amount Schedule and/or be forever barred from objecting thereto in the future or objecting to the proposed assumption and assignment thereof to the Stalking Horse Bidder or the Successful Bidder (as applicable).**

7. The Sale Hearing will be conducted at the United States Bankruptcy Court, 824 Market Street, 5th Fl., Courtroom #4, Wilmington, Delaware.

8. Any party wishing to make a competing bid for the Assets must do so in compliance with the Sale Procedures no later than [March 28], 2011, at 4:00 p.m.

9. All counterparties to the Assumed Agreements will be provided with the identity of the Successful Bidder (to the extent it is not the Stalking Horse Bidder) prior to the Sale Hearing via either (a) e-mail or fax or (b) overnight delivery service, in the event the

Debtors do not have e-mail or fax information for such Counterparties to the Assumed Agreements. Any counterparties to the Assumed Agreements that want notice of the identity of the Successful Bidder to be sent to them by e-mail or fax must provide the Debtors with necessary contact information at least one (1) business day prior to the Auction by contacting counsel listed below.

Dated: [\_\_\_\_\_, 2011  
Wilmington, Delaware

Respectfully submitted,

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Mark D. Collins (No. 2981)  
Christopher M. Samis (No. 4909)  
Tyler D. Semmelman (No. 5386)  
RICHARDS, LAYTON & FINGER, P.A.  
One Rodney Square  
920 North King Street  
Wilmington, Delaware 19801  
Telephone: (302) 651-7700  
Facsimile: (302) 651-7701

-and-

Joel H. Levitin  
Stephen J. Gordon  
Richard A. Stieglitz Jr.  
Maya Peleg  
CAHILL GORDON & REINDEL LLP  
Eighty Pine Street  
New York, New York 10005  
Telephone: (212) 701-3000  
Facsimile: (212) 269-5420

Attorneys for the Debtors and  
Debtors-in-Possession



**EXHIBIT 3 TO SALE PROCEDURES ORDER**

**Cure Amount Schedule**