

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

BORDERS GROUP, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 11-10614 (MG)

(Jointly Administered)

**ORDER PURSUANT TO SECTIONS 332, 363, 365 AND 105 OF THE BANKRUPTCY
CODE AND RULES 2002, 6004 AND 6006 OF THE FEDERAL RULES OF
BANKRUPTCY PROCEDURE APPROVING BIDDING PROCEDURES IN
CONNECTION WITH THE SALE OF THE DEBTORS' IP ASSETS FREE
AND CLEAR OF ALL LIENS, INTERESTS, CLAIMS AND ENCUMBRANCES**

Upon the Motion (the "Motion")² of the above-captioned debtors and debtors in possession (the "Debtors") for Orders Pursuant to Sections 332, 363, 365 and 105 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"): (i) Approving Bidding Procedures With Respect to Sale of Certain IP Assets, Including Expense Reimbursement for a Stalking Horse Bidder, Setting the Sale Hearing Date, and Appointing a Consumer Privacy Ombudsman; and (ii) Approving and Authorizing the Sale of IP Assets to the Highest and Best Bidder Free and Clear of all Liens, Interests, Claims and Encumbrances and the Assumption and Assignment of Certain Related Executory Contracts and Waiving the Requirements of Bankruptcy Rules 6004(h) and 6006(d); and it appearing that the relief requested is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and it appearing that this Court has

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Borders Group, Inc. (4588); Borders International Services, Inc. (5075); Borders, Inc. (4285); Borders Direct, LLC (0084); Borders Properties, Inc. (7978); Borders Online, Inc. (8425); Borders Online, LLC (8996); and BGP (UK) Limited.

² All capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Motion and Bidding Procedures.

jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.); and it appearing that this Motion is a core proceeding pursuant to 28 U.S.C. § 157; and adequate notice of the Motion having been given and it appearing that no other notice need be given; and upon the arguments made at the hearing held on August 10, 2011, and having heard the objections made, if any, to the relief sought in the Motion; and after due deliberation and sufficient cause therefore,

IT IS HEREBY FOUND AND DETERMINED THAT:

A. The Court has jurisdiction over this matter and over the property of the Debtors and their respective bankruptcy estates pursuant to 28 U.S.C. §§ 157(a) and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (N) and (O). The statutory predicates for the relief sought herein are 11 U.S.C. §§ 332, 363, 365 and 105 and Bankruptcy Rules 2002, 6004, 6006 and 9014. Venue of these cases and the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

B. The relief granted herein is in the best interests of the Debtors, their estates, their creditors and other parties in interest.

C. The notice of the Motion and the hearing given by the Debtors constitutes due and sufficient notice thereof.

D. The Debtors have provided good and sufficient reasons and have demonstrated a compelling and sound business justification for the Court to: (1) approve the Bidding Procedures substantially in the form annexed hereto as Exhibit A (hereinafter, the “Bidding Procedures”); (2) approve the form and manner of notice of the Motion, the Auction and the Sale Hearing; and (3) set the date of the Auction and the Sale Hearing.

E. The Bidding Procedures are reasonable and appropriate, and represent the best method of maximizing the realizable value of the Debtors' business and assets.

F. The Sale may require the appointment of a consumer privacy ombudsman pursuant to section 363(b)(1).

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

A. Approval of Motion, Bidding Procedures.

1. The Motion is granted to the extent provided herein.
2. All objections filed in response to the relief granted herein, to the extent not resolved as set forth herein or at the Hearing, are hereby overruled.
3. The Bidding Procedures, substantially in the form annexed hereto as Exhibit A and incorporated herein by reference, are hereby approved and shall govern all proceedings related to the subject thereof, including: (1) the Purchase Agreement; (2) the Modified Purchase Agreement, if any; (3) the Auction, if any; and (4) the Sale. Notwithstanding the foregoing, if the Debtors alter the Bidding Procedures, which can only be done after consultation with the Committee, the Debtors shall provide notice of such changes to: (a) the Committee; and (b) the bidders or the Qualified Bidders (as the case may be). The failure to include or reference a particular provision of the Bidding Procedures specifically in this Order shall not diminish or impair the effectiveness or enforceability of such a provision.
4. The Debtors are authorized to conduct the Auction as set forth in the Bidding Procedures.
5. September 8, 2011 at 5:00 p.m. (prevailing Eastern Time) shall be the deadline (the "Bid Deadline") for the submission of bids in accordance with the terms described in the Bidding Procedures.

6. The Debtors are authorized to select one or more Stalking Horse Bidder(s) in accordance with the Bid Procedures. With the consent of the Committee and the Debtors, the Stalking Horse Bidder(s) is entitled to reimbursement of reasonable, documented out of pocket expenses incurred in connection with the promulgation of its Qualified Bid of no more than \$250,000.

B. Notice of and Objections to the Sale.

7. The Debtors shall file a notice announcing either that there was insufficient interest to conduct the Auction or, in the event an Auction is conducted, the Notice of Winning Bidder on the Court's docket and the Debtors' restructuring website (www.bordersreorganization.com) as soon as practicable following the Auction on September 14, 2011. The Court shall hold a hearing on September 20, 2011 at 11:00 a.m. (prevailing Eastern Time) (the "Sale Hearing"), at which time the Court shall consider the approval of the Sale as set forth in the Motion and approve the Winning Bidder(s) and confirm the results of the Auction, if any.

8. Objections, if any, to the Sale shall be made in writing, shall state with particularity the grounds therefore, shall conform to the Bankruptcy Rules and the Local Bankruptcy Rules for the Southern District of New York (the "Local Rules"), and shall be filed with the Bankruptcy Court electronically in accordance with General Order M-399 (General Order M-399 and the User's Manual for the Electronic Case Filing System can be found at www.nysb.uscourts.gov, the official website for the Bankruptcy Court) by registered users of the Bankruptcy Court's case filing system, and by all other parties in interest, on a 3.5-inch disk or CD-ROM, preferably in Portable Document Format (PDF), WordPerfect or any other Windows-based word processing format (with a hard copy delivered directly to Chambers) and served in

accordance with General Order M-399 or otherwise so as to be actually received no later than September 16, 2011 at 4:00 p.m. (prevailing Eastern Time) (the “Sale Objection Deadline”) by:

(i) Kasowitz, Benson, Torres & Friedman LLP, attorneys for the Debtors, 1633 Broadway, New York, New York 10019 (Attn: David M. Friedman, Esq., Andrew K. Glenn, Esq., and Jeffrey R. Gleit, Esq.); (ii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, New York, New York 10004 (Attn: Paul K. Schwartzberg, Esq.); (iii) Lowenstein Sandler PC, counsel for the official committee of unsecured creditors, 65 Livingston Avenue, Roseland, New Jersey 07068 (Attn: Bruce D. Buechler, Esq. and Paul Kizel, Esq.), and 1251 Avenue of the Americas, New York, New York 10020 (Attn: Bruce S. Nathan, Esq.); (iv) counsel for the DIP Agents: (a) Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, New York 10178-0060 (Attn: Wendy Walker, Esq.), and 225 Franklin Street, 16th Floor, Boston, Massachusetts 02110-4104 (Attn: Sandra Vrejan, Esq.), counsel for the Working Capital Agent, and (b) Choate Hall & Stewart LLP, Two International Place, Boston, Massachusetts 02110 (Attn: Kevin Simard, Esq.), counsel for GA Capital LLC; (v) Kelley Drye & Warren LLP, attorneys for certain landlords, 101 Park Avenue, New York, New York 10178 (Attn: James S. Carr, Esq., Robert L. LeHane, Esq., and Benjamin D. Feder, Esq.); and (vi) Bingham McCutchen LLP, attorneys for Bank of America, N.A., One Federal Street, Boston, Massachusetts 02110-1726 (Attn: Julia Frost-Davies, Esq. and Andrew Gallo, Esq.).

C. Assumed Agreements.

9. The Debtors have served, on or before July 27, 2011, copies of the Motion to the parties to the IP Agreements that may be assumed and assigned or rejected.

10. To the extent that any party to the IP Agreements seeks to object to the Proposed Cure Amount or the Winning Bidder(s)’ proposed adequate assurance of future performance,

such objection shall be made in writing, shall state with particularity the grounds therefore, shall conform to the Bankruptcy Rules and Local Rules, and shall be filed with the Bankruptcy Court electronically in accordance with General Order M-399 (General Order M-399 and the User's Manual for the Electronic Case Filing System can be found at www.nysb.uscourts.gov, the official website for the Bankruptcy Court) by registered users of the Bankruptcy Court's case filing system, and by all other parties in interest, on a 3.5-inch disk or CD-ROM, preferably in Portable Document Format (PDF), WordPerfect or any other Windows-based word processing format (with a hard copy delivered directly to Chambers) and served in accordance with General Order M-399 or otherwise so as to be actually received no later than (i) September 6, 2011 at 4:00 p.m. (prevailing Eastern Time) for objections to the assumption and assignment of the IP Agreements (other than with respect to adequate assurance of future performance) and the Proposed Cure Amount and (ii) September 16, 2011 at 4:00 p.m. (prevailing Eastern Time) for objections to the adequate assurance of future performance proposed by the Winning Bidder(s) by the parties set forth above in paragraph 8.

D. Additional Provisions.

11. The U.S. Trustee is directed to appoint one disinterested person to serve as the consumer privacy ombudsman in connection with the Sale no later than seven (7) days before the Sale Hearing.

12. In the event of any inconsistencies between this Order and the Motion, the Purchase Agreement and/or the Bidding Procedures, this Order shall govern in all respects.

13. Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), this Order shall not be stayed for fourteen (14) days after the entry hereof and this Order shall be immediately effective and enforceable upon its entry.

14. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: New York, New York
August 10, 2011

/s/Martin Glenn
MARTIN GLENN
United States Bankruptcy Judge

David M. Friedman (DFriedman@kasowitz.com)
Andrew K. Glenn (AGlenn@kasowitz.com)
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Attorneys for Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

BORDERS GROUP, INC., et al.,¹

Debtors.

Chapter 11

Case No. 11-10614 (MG)

(Jointly Administered)

BIDDING PROCEDURES FOR SALE OF DEBTORS' IP ASSETS

On August __, 2011, the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") entered that certain order (the "Bidding Procedures Order"), which granted the *Debtors' Motion for Orders Pursuant to Sections 332, 363, 365 and 105 of the Bankruptcy Code and Rules 2002, 6004 and 6006 of the Federal Rules of Bankruptcy Procedure: (I) Approving Bidding Procedures With Respect to Sale of Certain IP Assets, Including Expense Reimbursement for a Stalking Horse Bidder, Setting the Sale Hearing Date, and Appointing a Consumer Privacy Ombudsman; and (II) Approving and Authorizing the Sale of IP Assets to the Highest and Best Bidder Free and Clear of All Liens, Interests, Claims and Encumbrances and the Assumption and Assignment of Certain Related Executory Contracts and*

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Waiving the Requirements of Bankruptcy Rules 6004(h) and 6006(d) (the “IP Sale Motion”) and authorized the Debtors to follow certain procedures governing the sale of certain of the above captioned debtors and debtors-in-possession’s (collectively, the “Debtors”) intellectual property assets (the “IP Assets”) in accordance with the procedures provided herein.

I. FORMS OF SALES

Pursuant to these Bidding Procedures, the Debtors are soliciting bids for the purchase of substantially all of their IP Assets under the terms and conditions set forth in the IP Sale Motion (the “Sale”).

The Debtors will consider offers for a sale, in one or a series of related transactions, of a material portion of the IP Assets.

The Sale shall be pursuant to the terms and conditions of the Purchase Agreement (as may be modified pursuant to the procedures below), the form of which will be subject to approval by the Bankruptcy Court at the Sale Hearing.

II. BIDDING PROCEDURES

A. Notice of Sale.

The Debtors will provide notice of the proposed Sale, the Bidding Procedures, the Sale Objection Deadline and the date and time of the Sale Hearing to all parties in interest, every party that has previously expressed any interest in the potential purchase of the Debtors’ IP Assets, and any other party that the Debtors believe might be interested in a possible purchase of the IP Assets.

B. Diligence Room.

The Debtors have made and will continue to make available until the conclusion of the Auction information concerning the Debtors’ IP Assets to all prospective bidders that execute a confidentiality agreement acceptable to the Debtors in their sole and absolute discretion;

provided, however, that the Debtors reserve the right to deny access to any bidder, with the consent of the Committee.

By submitting a Bid, each bidder shall be deemed to acknowledge and represent that it has had a reasonable opportunity to conduct due diligence on the Debtors' IP Assets before submitting its Bid, that in making its Bid, it has relied solely on its own independent review, investigation, and/or inspection of any documents and/or the IP Assets in making its Bid, and that in making its Bid, it did not rely upon any written or oral statement, representation, promise, warranty or guaranty whatsoever, whether express or implied, by operation of law, or otherwise, regarding the Debtors, or the completeness of any information provided in connection therewith.

C. Qualified Bidder.

A "Qualified Bidder" is a bidder on the Debtors' IP Assets that provides the following (collectively, the "Bid") on or before the Bid Deadline, together with the items set forth in Section I:

- (i) An executed confidentiality agreement acceptable to the Debtors;
- (ii) Current audited financial statements or such other form of financial disclosure acceptable to the Debtors demonstrating the ability to close the proposed transaction;
- (iii) A bid summary describing the purchase price and structure of the bid and sufficient evidence regarding the bidder's ability to obtain financing for the proposed transaction; and
- (iv) A complete bid fulfilling all the requirements set forth in these Bidding Procedures including the requisite deposit as defined herein.

The Debtors will notify each bidder whether it is a Qualified Bidder promptly upon receipt of the information listed above.

D. Purchase Price and Consideration of Bids.

All Bids submitted by a bidder (each, a "Bidder") must state the total proposed purchase price (the "Purchase Price") in U.S. dollars for the IP Assets that the Bidder seeks to purchase. Bidders are encouraged, but not required, to break down the Purchase Price by category or type of IP Assets to be purchased in the Bid, if appropriate.

E. Bidding Deadline for Bids.

The deadline (the "Bid Deadline") for submission of a final and binding written proposal for a purchase of the IP Assets (each, a "Bid") is 5:00 p.m. (prevailing Eastern Time) on September 8, 2011. Bids must be emailed to:

Kasowitz, Benson, Torres & Friedman LLP
1633 Broadway
New York, New York 10019
Attn: Andrew K. Glenn, Esq. (aglenn@kasowitz.com)
Jeffrey R. Gleit, Esq. (jgleit@kasowitz.com)
Facsimile: (212) 506-1800

with a copy to:

Streambank, LLC
97 Chapel St., 3rd Fl.
Needham, MA 02492
Attn: David Peress (dperess@streambankllc.com)

F. Deposit.

All Bids must include a deposit of ten percent (10%) of the Purchase Price in cash, to be paid directly to the Debtors. Such deposit shall not be subject to the liens or claims of any creditors of the Debtors and shall not be property of the Debtors' estates.

In the event that a Bid is determined by the Debtors not to be a Qualified Bid, the Debtors shall cause the return of such bidder's deposit within five (5) business days after the Bid Deadline. Other than with respect to the Winning Bidder, all other Deposits not already returned

to the respective Qualified Bidder shall be returned no later than five (5) business days after the Auction.

If the Winning Bidder (or the Back-Up Bidder, if necessary) timely closes the transactions contemplated in the Winning Bid (or the Back-Up Bid, if necessary), such bidder's deposit shall be credited towards its cash payment due on Closing. In the event that the Winning Bidder (or the Back-Up Bidder, if necessary) fails to consummate the Sale because of a breach or failure to perform on the part of such Winning Bidder (or the Back-Up Bidder, if necessary), the Debtors will not have any obligation to return such bidder or bidders' deposit. Retention of such deposit(s), shall constitute liquidated damages, shall be one of the Debtors' remedies at law and in equity against the Winning Bidder (or the Back-Up Bidder, if necessary), and, upon failure to close by the Winning Bidder, the Debtors shall be free to consummate the Sale proposed by the Back-Up Bidder (to the extent applicable) without the need for an additional hearing or order of the Bankruptcy Court.

G. Content of Bids.

In addition to the purchase price, consideration and deposit, as discussed above, each Bid must contain the following information:

- (a) The identify of the IP Assets that Bidder is seeking to purchase.
- (b) A copy of the Purchase Agreement, marked electronically to show any changes, and a clean, executed version of the Purchase Agreement (the "Modified Purchase Agreement")² and a representation that the Qualified Bidder can execute a further modified version of the Modified Purchase Agreement reflecting any changes made during the Auction and/or any other changes that may be agreed upon by such Qualified Bidder and the Debtors promptly upon being notified of its selection as the Winning Bidder without need for further approval(s), if any;

² The amount and character of any such changes will be a significant consideration in Debtors' selection of the Winning Bid from amongst the Bids.

(c) Disclosure of the regulatory, shareholder or other approvals, consents or filings required to consummate and close the Sale;

(d) Details of any agreements or understandings between the Bidder and any third-party with respect to the Sale, the Bid, the Debtors' business or with respect to any possible or contemplated transaction involving any of the IP Assets;

(e) The identity of any outside advisors, if any, including financial and legal advisors, engaged or planned to be engaged to assist the Bidder in the Sale, including the names of individuals at such advisors contemplated to be working on the Sale, and their contact information;

(f) Information sufficient to demonstrate to the Debtors' satisfaction that the Bidder has the necessary financial capacity to consummate the Sale, as proposed in its Bid, and to provide parties to executory contracts with adequate assurance of future performance under the leases and contracts it intends to assume as provided in section 365 of the Bankruptcy Code;

(g) A statement acknowledging that the Debtors must close the Sale on or before September 30, 2011 (with time being of the essence), with a representation and warranty that the Bidder knows of no reason why it cannot close the Sale on or before that date, as well as either a representation and warranty that it either has obtained Hart Scott Rodino approval or a summary of the reasons why such approval will be obtained or is not required; and

(h) The identity of the beneficial owners of the Bidder, if the Bidder is not a publicly held company.

H. Closing Conditions to Bids.

All conditions to closing required by a Qualified Bidder must be set forth in the Modified Purchase Agreement, provided, however, that no Bid may be subject to any financing, due diligence or other material conditions. To the extent a Bid relies on one or more third-party financing sources, the Bid must include a signed, binding and irrevocable commitment letter from such third-party financing source(s) or comparable commitment from any equity source. To the extent a Bid relies on financing sources of affiliates of the Bidder, the Bid must include sufficient evidence of financial capacity to consummate the Sale and satisfy all obligations and potential obligations pursuant to the Modified Purchase Agreement. Other than those conditions set forth in the Modified Purchase Agreement, each Bid shall be irrevocable until and unless the

Debtors select a higher or otherwise better Qualified Bid and such Bidder is not selected as the Back-Up Bidder.

I. Joint Bids.

The Debtors will be authorized to approve joint Bids after consultation with the Committee on a case-by-case basis.

J. Evaluation of Bids.

Each Bid will be evaluated by the Debtors and their advisors, in consultation with the Committee, to determine if it is a Qualified Bid. The Debtors, in consultation with the Committee, may accept a single Qualified Bid or multiple Qualified Bids for non-overlapping material portions of the IP Assets.

If the Debtors, in consultation with the Committee, determine that a Bid is not a Qualified Bid, the Debtors will inform such bidder as soon as practicable after such determination is made. To the extent a Bid does not satisfy the applicable requirements, the Debtors reserve the right, but have no obligation, to contact a bidder to obtain any necessary further information, documentation, deposit or other modification of such bidder's proposed Bid package that would allow the Bid to be a Qualified Bid. Without the written consent (by letter, email or facsimile) of the Debtors, which consent may be granted or denied in the Debtors' discretion, a bidder that the Debtors determine to be a Qualified Bidder may not modify, amend, or withdraw its Qualified Bid, except as such Bid may be increased or improved at the Auction.

In evaluating the Bids, the Debtors will take into consideration, among other factors, the form and amount of the consideration, the extent to which the Bid involves some or all of the IP Assets, the presence of any closing conditions, the need and availability of financing, the extent of financial wherewithal to meet all commitments under the bid, the required approvals (if any), and the transaction structure and execution risk.

Based on the Bids received, the Debtors, in consultation with the Committee, may designate one or more Qualified Bidders a “stalking horse” (the “Stalking Horse Bidder”) setting a floor for subsequent bids. In the event a Qualified Bidder is designated as a Stalking Horse Bidder and is not the ultimate Winning Bidder, the Debtors, with the consent of the Committee, may reimburse such Stalking Horse Bidder its reasonable out of pocket expenses incurred in connection with the promulgation of its Qualified Bid, subject to a \$250,000 cap.

K. Auction.

If, after the examination of all Qualified Bids, the Debtors determine that an auction (the “Auction”) is appropriate and will generate an acceptable offer for the purchase of the IP Assets, the Debtors will conduct an auction on September 14, 2011, beginning at 10:00 a.m. (prevailing Eastern Time) at a location of which the Debtors will inform each Qualified Bidder. Each Qualified Bidder will be invited to participate as soon as practicable after the Debtors make the determination to conduct an Auction. Only Qualified Bidders and their legal and financial advisors shall be entitled to attend and/or bid at the Auction; provided, however, that representatives of the Committee may attend the Auction. Each Qualified Bidder, by participating in the Auction, agrees to keep the Auction, the bids at the Auction, and all details concerning Auction confidential (including its location), unless and until the Debtors file the Notice of Results of Sale Process or to the extent such information is otherwise public information. Each Qualified Bidder must have at least one individual representative with authority to bind the Qualified Bidder attend the Auction in person. The Auction shall be conducted in the presence of a certified court reporter who shall transcribe all of the Bidding Procedures conducted at the Auction.

The minimum interval for bidding at the auction (the “Auction Bidding Interval”) shall be determined by the Debtors after consultation with the Committee and communicated to the

Qualified Bidders; provided, however, the Debtors may increase or decrease the Bidding Interval at, before or during the Auction after consultation with the Committee, in which case the Debtors will so inform each of the Qualified Bidders.

The Debtors may have one Auction for all Qualified Bidders or may separate the Auction into separate Auctions for specific IP Assets. The Auction shall continue until there is no further bidding in response to the Qualified Bid(s) (as may be increased at the Auction) that the Debtors determine, is/are the highest or otherwise best Qualified Bid(s) (the “Winning Bid”), at which point the Auction will be closed. The Debtors may, after consultation with the Committee, choose one Qualified Bid as the Winning Bid and/or Back-Up Bid or several Qualified Bids, each for different IP Assets, as the Winning Bids and/or Back-Up Bids. Acceptance of the Winning Bid (or the Back-Up Bid, if necessary) by the Debtors is conditioned on approval of the Bankruptcy Court at the Sale Hearing.

If there is an Auction, the Bidder with the Qualified Bid that is next-highest or otherwise second best to the Winning Bid (the “Back-Up Bid”), as determined by the Debtors, subject to Bankruptcy Court approval at the Sale Hearing, shall be required to be the back-up bidder (the “Back-Up Bidder”) for the relevant IP Assets. Use of the singular “Back-Up Bid” or “Back-Up Bidder” herein includes the possibility of multiple Back-Up Bids and Back-Up Bidders.

The identity of the Bidder who submits the Winning Bid (the “Winning Bidder”) and the Back-Up Bidder and the amount and material terms of the Winning Bid and the Back-Up Bid shall be announced by the Debtors at the conclusion of the Auction. The Winning Bidder and the Back-Up Bidder shall be required to keep their respective Bids open and irrevocable until and including September 30, 2011; provided, however, if the Sale closes with the Winning Bidder, the Back-Up Bidder’s Back-Up Bid may be revoked after such closing.

If, at any time prior to or on September 30, 2011, the Winning Bidder cannot consummate the Sale as proposed in the Winning Bid, the Debtors, in consultation with the Committee, may choose to close the Sale with the Back-Up Bidder by accepting the Back-Up Bid. Notwithstanding anything else herein to the contrary, the deposit of the Back-Up Bidder may be held by the Debtors until the earlier of three (3) business days after (a) October 1, 2011 and (b) the closing of the Sale with the Winning Bidder, at which time the deposit must be refunded.

L. Fiduciary Out.

Upon the determination by the Debtors, after consultation with the Committee, and upon advice of counsel, no term or provision of the Modified Purchase Agreement shall prevent, amend, alter, or reduce the Debtors' ability to exercise their fiduciary duties under applicable law.

M. Reservation of Rights.

Notwithstanding anything herein to the contrary, the Debtors reserve the right to modify these Bidding Procedures at any time, with notice to the Qualified Bidders and after consultation with the Committee, that is reasonable under the circumstances, to facilitate the submission of value-maximizing Bids, to adjourn the Auction one or more times for any reason, and/or to terminate these Bidding Procedures at any time to pursue an alternative restricting strategy that maximizes value for the Debtors' estates.

N. Consultation.

The Debtors will consult with the Creditors' Committee on an ongoing basis throughout the sale and auction process.

O. Jurisdiction.

Each Bidder, by submitting the Bid, is deemed to have submitted itself to the jurisdiction of the Bankruptcy Court. The Bankruptcy Court shall have exclusive jurisdiction over any disputes arising out of or related to the Bidding Procedures, and each Bidder, by submitting the Bid, has acknowledged and consented to such jurisdiction and has waived any right to trial by jury in connection with any disputes related to Debtors' qualification of Bids, the Auction and the construction and enforcement of these Bidding Procedures.