



**SO ORDERED.**

**SIGNED this 24 day of November, 2004.**

  
LEIF M. CLARK  
UNITED STATES BANKRUPTCY JUDGE

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
SAN ANTONIO DIVISION**

**IN RE:** §  
§  
**SCHLOTZSKY'S, INC., et al.** § **CHAPTER 11**  
§  
**Debtors.** § **Case No. 04-54504 (lmc)**  
§ **Jointly Administered**

**ORDER (i) APPROVING AUCTION PROCEDURES IN CONNECTION WITH THE PROPOSED SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS AND (ii) SCHEDULING A HEARING TO CONSIDER APPROVAL OF THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS AND THE ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND LEASES AND PRESCRIBING THE FORM AND MANNER OF NOTICE WITH RESPECT THERETO**

UPON the motion (the "Amended 363/365 Motion")<sup>1</sup> of Schlotzsky's, Inc. ("SI"), Schlotzsky's Restaurants, Inc. ("Restaurants"), Schlotzsky's Real Estate, Inc. ("Real Estate"), Schlotzsky's Franchisor, LLC ("Franchisor"), Schlotzsky's Franchise Operations, LLC ("Franchise Operations"), and Schlotzsky's Brand Products, LLC ("Brand Products"), DFW Restaurant Transfer Corp. ("DFW"), 56<sup>th</sup> and 6<sup>th</sup>, Inc. ("56<sup>th</sup> and 6<sup>th</sup>"), RAD Acquisition Corp. ("RAD"), and San Felipe, LLC ("San Felipe"), each a debtor and debtor-in-possession

<sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Amended 363/365 Motion.

(collectively, “Schlotzsky’s” the “Debtors” or the “Sellers”), pursuant to Sections 105, 363, 365 and 1146 of Title 11, United States Code, 11 U.S.C. §§ 101 et seq. for an order (i) establishing and approving auction procedures and requirements for interested parties to submit competing bids for the Sale Assets, (ii) approving a discretionary break-up fee of \$250,000 for the benefit of a potential bidder who in the judgment of the Debtors and the Unsecured Creditors’ Committee has proposed to bid at the Auction an amount and on terms that the Debtors and Unsecured Creditors’ Committee jointly determine would enhance bidding at the Auction, (iii) scheduling the Sale Hearing (as defined below) to consider approval of the proposed sale to the Successful Bidder, (iv) approving the form and manner of notice with respect to the sale contemplated in the Amended 363/365 Motion, and (v) fixing a date for the filing of objections to the Amended 363/365 Motion, and after due deliberation and sufficient cause appearing therefor, it is hereby

**ORDERED** that the Court will conduct a hearing to rule on any objections regarding the Debtors’ proposed Cure Amounts, as set forth on Exhibit C to the Amended 363/365 Motion, commencing at 10:30 a.m., December 8, 2004; and it is further

**ORDERED** that the Debtors may solicit offers for the sale of the Sale Assets in accordance with the Auction Procedures annexed hereto, which are hereby approved in their entirety; and it is further

**ORDERED** that unless otherwise agreed between the Debtors and the affected Secured Creditor(s), no bid will be accepted unless it provides for payment by the Buyer to the Seller of cash on or soon after the Closing equal to the sum of all debts that are secured by liens on the Sale Assets (as defined in the Asset Purchase Agreement), plus the assumption of liabilities by the Buyer in accordance with section 2.2 of the Asset Purchase Agreement.; and it is further

**ORDERED** that notwithstanding anything to the contrary in this Order or the Auction Procedures, the restaurant locations in Hoover, Alabama, Rio Rancho, New Mexico, and Houston (Dairy Ashford), Texas (the “State Bank Properties”), as to which State Bank is the secured mortgage lender, shall not be sold free and clear of State Bank's lien unless (i) the prevailing bid, as subsequently approved by the Court, expressly allocates to the respective State Bank Property a purchase price equal to or greater than the Release Prices (as defined below), or such lower price as State Bank may agree to in writing; and (ii) the final Sale Order provides that State Bank's first-priority lien shall attach to the proceeds of sale so allocated. For purposes of this paragraph the term “Release Price” shall mean the amount reflected on State Bank's 2002 appraisals of the respective properties, which are believed to be as follows: (a) \$1,440,000 as to the Hoover, Alabama property; (b) \$880,000 as to the Rio Rancho, New Mexico property; and (c) \$1,235,000 as to the Houston (Dairy Ashford), Texas property.

**ORDERED**, that if the Debtors and the Unsecured Creditors’ Committee mutually agree prior to the Auction that a person has proposed to purchase the Sale Assets on terms that will enhance the results of the Auction, then the provisions in the Auction Procedures providing for payment of a break-up fee in the amount of \$250,000 are approved in their entirety, are valid and binding obligations of the Debtors as administrative expenses pursuant to Section 503(b) and 507(a)(1) of the Bankruptcy Code, payable, however, only in accordance with the provisions of the Auction Procedures and such person shall be entitled to the full benefits thereof; and it is further

**ORDERED**, that a hearing (the “Sale Hearing”) shall be held before the Honorable Leif M. Clark, United States Bankruptcy Court Judge for the Western District of Texas, San Antonio Division, at 10:30 a.m. on December 8, 2004, or as soon thereafter as

counsel can be heard at the United States Bankruptcy Court, 615 East Houston Street, San Antonio, Texas 78295-1439, to consider entry of the Sale Order, the proposed form of which is annexed to the Amended 363/365 Motion as Exhibit B, granting the relief requested in the Amended 363/365 Motion including the sale of the Sale Assets and the assumption and assignment to Buyer of the Assumed Contracts; and it is further

**ORDERED**, that objections, if any, to the relief requested in the Amended 363/365 Motion shall, unless otherwise ordered by the Court, (a) be in writing, (b) comply with the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules of this Court, (c) set forth the names of the person objecting, the nature and amount of any claim or interest alleged by such claimant against the Debtors' estates or properties, (d) state with particularity the legal and factual basis for such objection, and (e) be filed with the Clerk of the Bankruptcy Court with a copy delivered to Chambers and a copy thereof served upon (i) Haynes and Boone, LLP, counsel to the Debtors, 901 Main Street, Suite 3100, Dallas, Texas 75202-3789, Attn: Robert Albergotti; (ii) Winstead Sechrest & Minick, counsel to the Official Committee of Unsecured Creditors, 401 Congress Ave., Suite 2100, Austin, TX 78701, Attn: Berry Spears, Esq., (iii) the United States Trustee, and (iv) counsel to the Buyer, such that all objections are received and filed not later than 9:00 a.m., Central Time, on December 8, 2004; and it is further

**ORDERED**, that the Debtors shall, no later than November 26, 2004, serve by first-class U.S. mail, a copy of (i) this Auction Procedures Order (with the approved Auction Procedures attached) and (ii) the Notice of Auction Procedures and Deadlines and Notice of Hearing to Approve Sale of Substantially All of the Debtors' Assets to Highest and Best Bidder and Notice of Hearing on Assumption and Assignment of Executory Contracts and Leases upon (a) Winstead Sechrest & Minick, counsel to the Official Committee of Unsecured Creditors, 401

Congress Ave., Suite 2100, Austin, TX 78701, Attn: Berry Spears, Esq., (b) the United States Trustee, (c) all applicable federal, state and local taxing authorities; (d) the District Director of the Internal Revenue Service; (e) the Secured Creditors, and any other party, that to the best of the Debtors' knowledge as of the Petition Date, asserts a lien, mortgage, or security interest in the Sale Assets, (f) any entity which has expressed an interest in purchasing the Sale Assets or that the Debtors believe may have an interest in the Sale Assets; (g) all counter parties to the Assumed Contracts listed on Exhibit C to the Amended 363/365 Motion, including all franchisees, and (h) any entity entering a notice of appearance in these cases; and it is further

**ORDERED**, that the Debtors shall, no later than November 26, 2004, provide notice of the Auction and of the sale of the Sale Assets to all equity security holders and known creditors; and it is further

**ORDERED** that any interested party may obtain complete copies of the Amended 363/365 Motion, the Asset Purchase Agreement (with the exhibits and schedules attached thereto), the notice of the sale hearing, the notice of the auction procedures hearing, the Auction Procedures Notice, and the Cure Notice by visiting the Schlotzsky's website at [www.haynesboone.com/schlotzskys](http://www.haynesboone.com/schlotzskys) or by calling Ms. Jennifer Villarreal at 210-978-7000; and it is further

**ORDERED** that such notice of the Amended 363/365 Motion and the Sale Hearing as provided for herein is hereby deemed adequate and sufficient notice pursuant to section 102 of the Bankruptcy Code.

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## AUCTION PROCEDURES

PROVISION	DESCRIPTION
<i>Sale Assets to be Sold</i>	The Sale Assets (herein so called) to be sold and liabilities to be assumed are described in the Asset Purchase Agreement (the " <u>Asset Purchase Agreement</u> ") can be found by visiting the Schlotzsky's website at www.haynesboone.com/schlotzskys or by requesting a copy from Ms. Jennifer Villarreal at 210-978-7000).
<i>Reserve Price</i>	<p>The minimum purchase price for the Sale Assets (the "<u>Reserve Price</u>") shall be for a sum certain equal to or in excess of \$25 million, plus (i) the assumption of all of the Debtors' post-petition ordinary course working capital liabilities (including accounts payable, workers' compensation liability, and other current liabilities) and other liabilities as specified in the Asset Purchase Agreement, (ii) cure amounts, and (iii) ad valorem taxes. <b><i>A more detailed description of the liabilities to be assumed by a purchaser is set forth in the Asset Purchase Agreement.</i></b></p> <p><b><i>Alternatively, the Debtors, with the consent of the Committee and without further order of this Court, may substitute the bid of an initial bidder for the Reserve Price. In the event such substitution is made, notice shall be served as specified in the Notice of Auction section below. Such initial bidder shall receive a Breakup Fee of \$250,000.</i></b></p>
<i>"As Is, Where Is"</i>	<p>Except to the extent set forth in the Asset Purchase Agreement, the sale of the Sale Assets shall be on an "as is, where is" basis and without representations or warranties of any kind by the Debtors, their agents, their estates, or any other party. Except as otherwise provided in such Asset Purchase Agreement, all of the Debtors' right, title and interest in and to the Sale Assets shall be sold free and clear of all known claims, liens, encumbrances, and interests (collectively, the "<u>Interests</u>") in accordance with section 363 of the Bankruptcy Code or pursuant to a plan of reorganization, as applicable, with such Interests to attach to the net proceeds of the sale of the Assets.</p> <p>Each bidder shall be deemed to acknowledge and represent that it has had an opportunity to inspect and examine the Sale Assets and to conduct any and all due diligence regarding the Sale Assets prior to making its offer, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Sale Assets in making its bid, except as expressly stated in these Bidding Procedures or, as to the Successful Bidder(s), the applicable Asset Purchase Agreement, and that it did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, except as provided in the Asset Purchase Agreement, whether express or implied, by operation of law or otherwise, regarding the Assets, or the completeness of any information provided in connection therewith or the Auction.</p>
<i>Notice of Auction</i>	<p>Upon approval by the Court, and no later than November 26, 2004, these auction procedures, including the time and place of the Auction, shall be served upon the following entities:</p> <ol style="list-style-type: none"> <li>a. Winstead Sechrest &amp; Minick, counsel to the Official Committee of Unsecured Creditors, 401 Congress Ave., Suite 2100, Austin, TX 78701, Attn: Berry Spears, Esq.;</li> <li>b. the United States Trustee;</li> <li>c. all applicable federal, state and local taxing authorities;</li> <li>d. the District Director of the Internal Revenue Service;</li> </ol>

	<p>e. the Secured Creditors (Commerce National Bank, NS Associates, General Electric Retail Finance Corporation, Franklin Bank, American Express Business Finance, American Bank of Commerce and State Bank), and any other party, that to the best of the Debtors’ knowledge as of the Petition Date, asserts a lien, mortgage, or security interest in the Sale Assets; and</p> <p>f. any entity which has expressed an interest in purchasing the Sale Assets or that the Debtors believe may have an interest in the Sale Assets; and</p> <p>g. all counter parties to the Assumed Contracts listed on Exhibit C to the Amended 363/365 Motion, including all franchisees; and</p> <p>h. any entity entering a notice of appearance.</p> <p>A notice relating to the Auction and the proposed sale by the Debtors of the Sale Assets shall also be sent to all equity security holders and known creditors.</p>
<b><i>Due Diligence</i></b>	<p>All bidders (each, a “<u>Potential Bidder</u>”) who request an information packet relating to the Sale Assets shall be required to enter into a standard confidentiality agreement with the Debtors ( the “<u>Confidentiality Agreement</u>”). Unless waived by the Debtors, Potential Bidders will also be required to provide the most current audited financial statements of the Potential Bidder, if available, or, if the Potential Bidder is an entity formed for the purpose of acquiring the Assets, current audited financial statements of the equity holder(s) of the Potential Bidder, or such other form of financial disclosure reasonably acceptable to Trinity and the Debtors.</p> <p>Upon (i) the execution of the Confidentiality Agreement, and (ii) a determination by Trinity and the Debtors that the Potential Bidder has established that it has or is likely to have sufficient cash on hand to pay the cash portion of such bid on the Closing Date, the Debtors shall provide Potential Bidders reasonable access to their books and records, via an online database, a data room, and the Debtors’ management team to allow the Potential Bidder to conduct due diligence prior to the submission of a bid.</p>
<b><i>Bid Documents</i></b>	<p>Each Potential Bidder that wishes to be qualified as a Qualified Bidder ( as defined below) and continue to participate in the bidding process must delivery (unless previously delivered) to the Debtors, with copies to the Creditors’ Committee and the Secured Lenders, the following documents (the “<u>Bid Documents</u>”):</p> <p>a. A written offer for a sum certain (the “<u>Bid Amount</u>”) equal to or in excess of the Reserve Price to acquire the Sale Assets and assume the liabilities specified therein, substantially in the form of the Asset Purchase Agreement. The Asset Purchase Agreement describes with specificity the Sale Assets to be purchased and the liabilities to be assumed by the Potential Bidder, as well as any contracts and leases to be assumed by the Debtors and assigned to the Potential Bidder or rejected pursuant to 11 U.S.C. § 365. A bid may provide for the assumption of specific liabilities in addition to those set forth in the Asset Purchase Agreement with the consent of the affected creditors;</p> <p>b. Tender to the Debtors the sum of \$500,000 representing a good faith deposit (the “<u>Initial Deposit</u>”), which the Debtors shall place in a segregated account. The Initial Deposit shall be paid to the Debtors or refunded to the Bidder as provided in the Asset Purchase Agreement;</p> <p>c. Evidence reasonably satisfactory to Trinity and Debtors, demonstrating that the Potential Bidder’s proposed bid meets the requirements for a Qualified Bid (defined below), including all relevant financial documents; and</p>

	<p>d. All bidders shall be deemed to have consented to the core jurisdiction of the Court and to have waived any right to a jury trial in connection with any disputes relating to the Auction and/or the sale of the Assets.</p> <p>e. An acknowledgement signed by a representative of the bidder that it is familiar with the collusive bidding provisions contained in 11 U.S.C § 363(n), that it agrees to comply with such provisions, and certifying that it has in fact complied with such provision. Bidders are advised that the Court has determined that it shall not be considered collusive bidding for a prospective Bidder to negotiate with one or more secured creditors to obtain the creditor's agreement to a refinancing of all or a portion of its debt if the terms agreed upon by the Bidder and Secured Creditor(s) are disclosed to the counsel for Debtors and the Unsecured Creditors' Committee at or prior to the Auction.</p>
<b><i>Discretionary Breakup Fee</i></b>	The Debtors and the Creditors' Committee may determine that the prospects for competitive bidding at the Auction would be enhanced by their agreeing with a potential bidder that it should be granted a Breakup Fee if such person is not determined to be the Successful Bidder at the Auction. In such event, the Debtors with the agreement of the Creditors' Committee may agree to payment of a \$250,000 Breakup Fee to such person that will be payable out of the proceeds of the closing of a transaction with another person who is determined to have submitted the highest and best bid.
<b><i>Bid Deadline</i></b>	<p>Bids must be actually received by 12:00 noon. (Central Standard Time) on Monday, December 6, 2004 (the "<u>Bid Deadline</u>"). Only those parties who submit <u>Qualified Bids</u> (as defined below) on or prior to the Bid Deadline shall be deemed to be "<u>Qualified Bidders</u>."</p> <p>On or before December 7, 2004, at 10:00 a.m. the Debtors, in consultation with the Creditors' Committee, shall determine, and shall notify each Potential Bidder, whether the Potential Bidder has submitted acceptable Bid Documents so that such Potential Bidder may be considered a Qualified Bidder.</p> <p>Parties who are not Qualified Bidders will be permitted to participate at the Auction only if the Debtors and the Committee reasonably conclude that such parties participation in the Auction will enhance the prospects for higher and better bids.</p>
<b><i>Qualified Bid</i></b>	<p>A bid must meet each of the following requirements to be considered a qualified bid ("<u>Qualified Bid</u>"): </p> <p>a. Each bid must include the Bid Documents set forth above;</p> <p>b. Each bid must constitute a good faith, bona fide offer to acquire the Sale Assets for an amount equal to or in excess of the Reserve Price;</p> <p>c. Except for reasonable approval of the Court's order approving the sale pursuant to the Sale Approval Hearing (as defined below), or otherwise, specified material adverse changes between the Bid Deadline and the Closing Date as set forth in the Asset Purchase Agreement, and other conditions that are customarily approved by the Court and, in each case, acceptable to the Debtors and the Committee or, if the Debtors object, to the Court, each bid shall not be conditioned on any terms or conditions, including but not limited to any of the following: financing, regulatory approval, shareholder approval, environmental contingencies, and/or the outcome of due diligence by the Potential Bidder;</p> <p>d. Each bid must remain irrevocable until the Closing Date;</p>

	<p>e. As a condition to making a bid, any Potential Bidder must have provided Trinity, with copies to the Debtors and the Committee on or before the Bid Deadline, with sufficient and adequate information to demonstrate, to the reasonable satisfaction of the Debtors that such bidder: (i) has the financial wherewithal and ability to consummate the acquisition of the Sale Assets and (ii) can establish an ability to provide all nondebtor counter-parties to the contracts, leases and franchise agreements to be assumed with "adequate assurance" of future performance as contemplated by section 365(b) of the Bankruptcy Code, if applicable; and</p> <p>f. Any modifications to the Asset Purchase Agreement must be specified and such modification's economic impact quantified. Modifications to the Asset Purchase Agreement may constitute grounds for a bid not being considered a Qualified Bid.</p> <p>g. Bidders shall indicate whether they allocate less than \$23Million of the purchase price for acquisition of the Franchise System and Concept. If a Bidder allocates less than \$23 Million of the purchase price for the Franchise System and Concept, the Bidder shall allocate its purchase price between the Franchise System and Concept, on the one hand, and the Company owned stores, on the other hand. Secured creditors whose collateral is being sold and included in the auction are "qualified bidders" with respect to their rights under 11 U.S.C. § 363(k) and may credit bid as part of the auction. Such Secured Creditors need not otherwise qualify pursuant to the bid procedures to exercise such right.</p> <p>In the event that a Potential Bidders' timely submitted Bid Documents fail to qualify as a Qualified Bid, the Debtors, with the consent of the Committee may allow such Potential Bidder to cure their bid or may waive any non-compliance at any time prior to commencement of the Auction.</p>
<p><b><i>Auction and Bidding Increments</i></b></p>	<p>If the Debtors, determine that there is at least one Qualified Bidder, the Debtors shall conduct an Auction sale of the Sale Assets in accordance herewith. The Auction shall commence at 10:30 a.m. (Central Standard Time) on December 7, 2004 at the offices of Haynes and Boone in Dallas, Texas.</p> <p>At the Auction, the Debtors and the Committee shall prescribe the method for the conduct of the Auction.</p> <p>The Auction may be continued to a later date, by making an announcement at the Auction. No further notice of any such continuance will be required to be provided to any party.</p> <p>During the Auction, bidding shall begin initially with the highest and/or best Qualified Bid. The initial minimum overbid shall be \$350,000 more than the highest Qualified Bid if the person making the highest Qualified Bid has been vested with a Break Up Fee or \$100,000 if no person has been vested with a Break Up Fee. Subsequent bidding shall continue in minimum increments of at least \$100,000. Bidding at the Auction shall continue until such time as the highest or otherwise best bid is determined.</p> <p>All Qualified Bidders wishing to participate in the Auction shall appear in person at the Auction, or through a duty-authorized representative.</p>
<p><b><i>Expenses</i></b></p>	<p>Except for a person who has been vested with a Break Up Fee, each party submitting a bid shall bear its own expenses in connection with the sale of the Assets, whether or not such party is the Successful Bidder (as defined below) or the sale of the Sale Assets is ultimately approved. Any transfer, sales or other similar taxes or fees to be paid in</p>

	connection with the transaction shall be paid by the Successful Bidder.
<b><i>Winning Bid/ Back-up Bid</i></b>	<p>Upon conclusion of the Auction, the Debtors and the Committee shall evaluate the cash and non-cash components of any Qualified Bids, and shall determine which bid is the highest and best offer for the Sale Assets (the "<u>Highest and Best Bid</u>") (the bidder having submitted a Highest and Best Bid is the "<u>Successful Bidder</u>").</p> <p>The Successful Bidder shall immediately complete and execute all agreements, contracts, instruments, or other documents evidencing and containing the terms and conditions upon which the Winning Bid was made, including, without limitation, the Asset Purchase Agreement. In addition, the Successful Bidder shall remit the Additional Deposit in the sum of \$1 Million. The Successful Bidder shall be bound by the applicable Asset Purchase Agreement, subject to the conditions thereof, including, without limitation, approval of the sale by the Court pursuant to the Sale Approval Hearing or otherwise.</p> <p>The Debtors and the Committee shall evaluate all bids and determine which bid (the "<u>Back-up Bid</u>") would be the highest and best bid if the Highest and Best Bid does not close. The Back-up Bid shall remain open until the Closing of the Highest and Best Bid. In the event the Highest and Best Bid does not close, then the Back-up Bid shall become the Highest and Best Bid and Debtors will proceed to close on the Back-up Bid without further order of the Court.</p>
<b><i>Sale Approval Hearing</i></b>	A hearing on the sale of the Sale Assets the " <u>Sale Approval Hearing</u> " will be take place on December 8, 2004, at 10:30 a.m. before the Honorable Leif M. Clark, United States Bankruptcy Judge, in Courtroom #3 (Room 383) of the United States Bankruptcy Court for the Western District of Texas, San Antonio Division.
<b><i>Closing</i></b>	<p>The consummation of the transactions contemplated hereby (the "<u>Closing</u>") shall take place at the offices of Haynes and Boone, LLP in Dallas, TX, commencing at 9:00 a.m. local time on the date as soon as practicable following the satisfaction or waiver of all conditions to the obligations of the parties to consummate the transactions contemplated by the Asset Purchase Agreement (other than conditions with respect to actions the respective parties will take at the Closing itself) as Debtors and the Successful Bidder may mutually determine (the "<u>Closing Date</u>").</p> <p>If the Successful Bidder fails to close the purchase of the Sale Assets by the Closing Date, other than as a result of a material breach by the Debtors, on the terms set forth in the applicable Asset Purchase Agreement (a "<u>Purchase Default</u>"), such Successful Bidder shall forfeit the Initial and Additional Deposits, and such Deposits shall be irrevocably retained by the Debtors as liquidated damages.</p> <p>In the event of a Purchase Default, the next highest or otherwise best Qualified Bid for the (the "<u>Back-Up Bid</u>") shall be deemed to be the Highest and Best Bid, and the bidder submitting such bid will be deemed to be the Successful Bidder.</p>
<b><i>Return of Initial Deposit</i></b>	The Initial Deposit (together with any interest thereon, if any, accruing prior to the Closing Date) and the Additional Deposit of any Successful Bidder shall be credited to the price paid for the Sale Assets by such Successful Bidder. The Initial Deposit of any unsuccessful bidders will be returned as soon as practicable, but in no event later than five (5) days after the Closing Date unless such unsuccessful bid becomes a Back-Up Bid and subsequently the Successful Bid.
<b><i>Reservation of Rights</i></b>	The Debtors with the consent of the Committee, or if such consent is not obtained with the approval of the Court, shall have the right to reject any bid if the Debtors determine, in the reasonable exercise of their fiduciary duties, that such Qualified Bid is (i) inadequate or insufficient; (ii) not in conformity with the requirements of the Bankruptcy

	Code, any related rules or the terms set forth herein; or (iii) contrary to the best interests of the Debtors' estates.
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