

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

In re

CANDI CONTROLS, INC.,¹

Debtor.

Chapter 11

Case No. 18-10679 (CSS)

Re: D.I. 26, 27, 28, 63, 64, 79 & 80

**NOTICE OF REVISED PROPOSED ORDER
APPROVING SALE OF SUBSTANTIALLY ALL ESTATE ASSETS**

PLEASE TAKE NOTICE that on March 29, 2018, Candi Controls, Inc., debtor-in-possession in this Chapter 11 case (the “Debtor”) filed the *Debtor’s Motion for Orders Approving: (A) Notice and Bidding Procedures for Sale of Substantially All Estate Assets; and (B) Sale of Substantially All Estate Assets* (the “Motion”) [D.I. 26]. On April 9, 2018, the Court entered the *Order Authorizing Notice and Bidding Procedures for the Sale of Substantially All Estate Assets* [D.I. 63] (the “Bid Procedures Order”), which, among other things, set a final hearing on the Motion (the “Sale Hearing”) for **April 25, 2018 at 11:00 a.m.** EDT before the Honorable Christopher S. Sontchi, United States Bankruptcy Judge, at the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 5th floor, Courtroom No. 6.

PLEASE TAKE FURTHER NOTICE that, on April 18, 2018, the Debtor filed the *Notice of Proposed Order Approving Sale of Substantially All Estate Assets* (the “Sale Order Notice”) [D.I. 80]. Attached to the Sale Order Notice was a proposed order granting the relief requested in the Motion (the “Sale Order”). You have already been served with copies of the Motion, Bid Procedures Order, and Sale Order Notice.

¹ The last four digits of the Debtor’s federal tax identification number are 4409. The Debtor’s principal place of business is 428 13th Street, Third Floor, Oakland, CA 94612.

PLEASE TAKE FURTHER NOTICE that, at the Sale Hearing, the Debtor intends to seek entry of an order granting the relief requested in the Motion substantially in the form attached hereto as **Exhibit A** (the “Revised Sale Order”). A blackline of the Revised Sale Order marked against the Sale Order is attached hereto as **Exhibit B**.

PLEASE TAKE FURTHER NOTICE that as set forth in the Bid Procedures Order, any objections to entry of the Revised Sale Order must (a) be in writing, (b) state, with specificity, the legal and factual bases thereof, (c) be filed with the Court by no later than **April 24, 2018 at 12:00 p.m.** EDT, and (d) be served on (1) the undersigned proposed co-counsel to the Debtor; (2) counsel to Altair, Lowenstein Sandler LLP, Attn: Bruce D. Buechler, Esq., One Lowenstein Drive, Roseland, New Jersey 07068, (3) Delaware counsel to Altair, Whiteford, Taylor & Preston LLC, The Renaissance Centre, 405 North King Street, Suite 500, Wilmington, Delaware 19801, Attn: Christopher M. Samis, Esq., and (4) the U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware, 19801, Attn: David Buchbinder, Esq. and Jaclyn Weissgerber, Esq. Any party who fails to make a timely objection in accordance with the Bid Procedures Order and this Notice shall be forever barred from asserting any objection to the relief requested in the Motion.

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Dated: April 20, 2018
Wilmington, Delaware

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Proposed Co-Counsel to Debtor-in-Possession

EXHIBIT A

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

In re:

CANDI CONTROLS, INC.,

Debtor.

Chapter 11

Case No.: 18-10679 (CSS)

Related D. I.: 15, 26, 27, 63, 64 and 81

ORDER (A) AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE DEBTOR'S ASSETS FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS; (B) AUTHORIZING AND APPROVING THE ASSET PURCHASE AGREEMENT WITH ALTAIR ENGINEERING, INC.; (C) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF ASSUMED CONTRACTS AND ASSUMED LEASES; AND (D) GRANTING RELATED RELIEF

THIS MATTER having been opened to the Court by Candi Controls, Inc., the above-captioned debtor and debtor-in-possession (the “**Debtor**”), upon motion (the “**Motion**”)¹ [Docket No. 26] for the entry of Orders pursuant to Sections 363 and 365 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rules 2002, 6004 and 6006 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) Approving: (A) Notice and Bidding Procedures for Sale of Substantially All Estate Assets; and (B) Sale of Substantially All Estate Assets; and the Court having reviewed the Motion and the Court having found that (i) the Court has jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; (ii) venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); (iv) notice of the Motion was sufficient under the circumstances; and (v) the Court has the authority to enter a final order; and after due

¹ All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Asset Purchase Agreement dated as of April 3, 2018, between the Debtor and Altair Engineering Inc., (the “**Purchase Agreement**”), a copy of which is attached hereto as Exhibit A.

deliberation the Court having determined that the relief requested in the Motion is in the best interest of the Debtor, its estate and its creditors; and good and sufficient cause having been shown;

AND IT IS FOUND AND DETERMINED THAT:

A. **Findings.** The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. **Jurisdiction and Venue.** This Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these cases and the Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

C. **Statutory Predicates.** The statutory predicates for the relief sought in the Motion are sections 105(a), 363 and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, and 6006 and 9014.

D. **Final Order.** This Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a).

E. **Petition Date.** On March 23, 2018 (the "**Petition Date**"), an involuntary petition was filed against the Debtor. On March 27, 2018, the Court entered an Order for Relief under Chapter 11 for the Debtor.

F. **Entry of Bidding Procedures Order.** On April 9, 2018, this Court entered an Order Authorizing Notice and Bidding Procedures for Sale of Substantially All Estate Assets (the "**Bidding Procedures Order**") [Docket No. 63].

G. **Compliance with Bidding Procedures Order.** As demonstrated by (i) the Motion, (ii) the testimony and other evidence proffered or introduced at the hearing on the Motion held on April 25, 2018 (the “**Sale Hearing**”), and (iii) the representations of counsel made on the record at the Sale Hearing, the Debtor has marketed the Purchased Assets and conducted the related sale process in good faith and in compliance in all respects with the Bidding Procedures Order. All interested parties and entities have been afforded a full, fair and reasonable opportunity to (i) conduct due diligence investigations, (ii) submit bids and to submit higher or otherwise better bids to purchase the Purchased Assets, and (iii) object or be heard with respect to the Motion and the relief granted by this Order. The bidding procedures were non-collusive, formulated and implemented in good faith, and were substantively and procedurally fair to all parties. No offers for a Competing Transaction were received by the Debtor.

H. **Purchase Agreement.** In accordance with the Bidding Procedures Order, Altair Engineering, Inc. (the “**Purchaser**”) was deemed a Qualified Bidder (as defined in the Bidding Procedures Order) and was eligible to participate in the Auction.

I. **Auction.** The Purchaser acted in compliance with the terms of the Bidding Procedures Order. In accordance with the Bidding Procedures Order, the Debtor determined that the bid submitted by the Purchaser and memorialized by the Purchase Agreement is the Winning Bid (as defined in the Bidding Procedures Order).

J. The Purchase Agreement constitutes the highest and best offer for the Purchased Assets, and will provide a greater recovery for the Debtor’s estate than would be provided by any other available alternative. The terms and conditions of the Purchase Agreement, including the consideration to be realized by the Debtor pursuant to the Purchase Agreement, are fair and

reasonable, and the transactions contemplated by the Purchase Agreement constitute a valid and sound exercise of the Debtor's business judgment.

K. **Notice.** As evidenced by the certifications of service previously filed with the Court, and based on the representations of counsel at the Sale Hearing, (i) proper, timely, adequate and sufficient notice of the Motion, the Sale Hearing, the Auction and the sale have been provided in accordance with sections 102(1), 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004 and 6006 and in compliance with the Bidding Procedures Order, (ii) such notice was good and sufficient, and appropriate under the particular circumstances, and (iii) no other or further notice of the Motion, the Sale Hearing, the sale or the entry of this Order is or shall be required.

L. **Opportunity to Object.** A fair and reasonable opportunity to object and to be heard with respect to the Motion and the relief requested therein, has been given to all interested persons and entities.

M. **Corporate Authority.** The Debtor (i) has been authorized by its Board of Directors to execute and consummate the Purchase Agreement and all other documents contemplated thereby, and the sale has been duly and validly authorized by the Court pursuant to this Order, and (ii) no government, regulatory or other consents or approvals, other than those expressly provided for in the Purchase Agreement, are required for the Debtor to enter into the Purchase Agreement and consummate the sale.

N. **Arm's-Length Sale.** The Purchase Agreement was negotiated, proposed and entered into by the Debtor and the Purchaser without collusion, in good faith, and from arm's-length bargaining positions. Neither the Debtor nor the Purchaser has engaged in any conduct

that would cause or permit the Purchase Agreement to be avoided under 11 U.S.C. § 363(n). Specifically, the Purchaser has not acted in a collusive manner with any person.

O. **Good Faith Purchaser.** The Purchaser is a good faith purchaser for value and, as such, is entitled to all of the protections afforded under 11 U.S.C. § 363(m) and any other applicable or similar bankruptcy and non-bankruptcy law with respect to all of the Purchased Assets and the relief provided for in this Order. Specifically: (i) the Purchaser recognized that the Debtor was free to deal with any other party interested in purchasing the Purchased Assets; (ii) the Purchaser complied in good faith with the provisions in the Bidding Procedures Order; (iii) the Purchaser agreed to subject its bid to the competitive bid procedures set forth in the Bidding Procedures Order; (iv) the negotiation and execution of the Purchase Agreement was at arm's-length and in good faith, and at all times each of the Purchaser and the Debtor were represented by competent counsel of their choosing; (v) the Purchaser did not induce or cause the chapter 11 filing of the Debtor; and (vi) the Purchaser has not acted in a collusive manner with any person. The Purchaser will be acting in good faith within the meaning of 11 U.S.C. § 363(m) in closing the transactions contemplated by the Purchase Agreement. The Purchaser is entitled to all of the protections and immunities of section 363(m) of the Bankruptcy Code.

P. **Free and Clear.**

(i) The Debtor's right, title and interest in the Purchased Assets constitutes property of the Debtor's estate and title thereto is vested in the Debtor's estate within the meaning of section 541(a) of the Bankruptcy Code. Except as otherwise expressly provided in the Purchase Agreement or this Order, the Debtor may sell the Purchased Assets to Purchaser free and clear of all liens, claims and Encumbrances (as defined in the Purchase Agreement), obligations, and Excluded Liabilities (as defined in the Purchase Agreement) (other than

Permitted Encumbrances and any Assumed Liabilities (each as defined in the Purchase Agreement)).

(ii) The transfer of the Purchased Assets to the Purchaser free and clear of all liens, claims and Encumbrances will not result in any undue burden or prejudice to any holders of any such liens, claims and Encumbrances as such liens, claims and Encumbrances, if valid, shall attach to the net proceeds of the sale that are ultimately attributable to the Purchased Assets when received by the Debtor, in the order of their priority, with the same validity, force, and effect which they now have as against the Purchased Assets and subject to any claims and defenses the Debtor, its estate, or other parties may possess with respect to such Encumbrances.

(iii) The Debtor may sell the Purchased Assets free and clear of all liens, claims and Encumbrances because, in each case, one or more of the standards set forth in Bankruptcy Code § 363(f)(1)-(5) has been satisfied. Those holders of liens, claims and Encumbrances who did not object or withdrew objections to the sale are deemed to have consented to the sale pursuant to section 363(f)(2) of the Bankruptcy Code. Those holders of liens, claims and Encumbrances who did object fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code.

(iv) The Purchaser would not have entered into the Purchase Agreement and would not consummate the transactions contemplated hereby, including the sale and the assumption and assignment of the Assumed Contracts and Assumed Leases, if any, (i) if the transfer of the Purchased Assets was not free and clear of all liens, claims and Encumbrances, including rights or claims based on any successor or transferee liability, or (ii) if the Purchaser would, or in the future could, be liable for any such liens, claims and Encumbrances, including rights or claims based on any successor or transferee liability (subject only, in the case of the

Purchaser with respect to the Purchased Assets, to the Permitted Encumbrances and the Assumed Liabilities). The Purchaser will not consummate the transactions contemplated by the Purchase Agreement, including the sale and the assumption and assignment of the Assumed Contracts and Assumed Leases unless this Court expressly orders that none of the Purchaser, its affiliates, its present members or shareholders, or the Purchased Assets will have any liability whatsoever with respect to, or be required to satisfy in any manner, whether at law or equity, or by payment, setoff, or otherwise, directly or indirectly, any liens, claims and Encumbrances and other interests, including rights or claims based on any successor or transferee liability (subject only, in the case of the Purchaser with respect to the Purchased Assets, to the Permitted Encumbrances and the Assumed Liabilities).

(v) Not transferring the Purchased Assets free and clear of all liens, claims and Encumbrances of any kind or nature whatsoever (subject only, in the case of the Purchaser with respect to the Purchased Assets, to the Permitted Encumbrances and the Assumed Liabilities) including rights or claims based on any successor or transferee liability, would adversely impact the Debtor's efforts to maximize the value of its estate, and the transfer of the Purchased Assets other than pursuant to a transfer that is free and clear of all liens, claims and Encumbrances would be of substantially less benefit to the Debtor's estate.

Q. **Assumption of Executory Contracts and Unexpired Leases.** The (i) transfer of the Purchased Assets to the Purchaser and (ii) the assumption and assignment to the Purchaser of the Assumed Contracts and Assumed Leases will not subject the Purchaser to any liability whatsoever prior to the Closing Date or by reason of such transfer under the laws of the United States, any state, territory, or possession thereof, or the District of Columbia, based, in whole or in part, directly or indirectly, on any theory of law or equity, including any theory of equitable

law, including any theory of antitrust, successor or transferee liability. The Debtor has demonstrated that it is an exercise of its sound business judgment to assume and assign the Assumed Contracts and Assumed Leases to the Purchaser in connection with the consummation of the sale, and the assumption and assignment of the Assumed Contracts and Assumed Leases is the best interests of the Debtor, its estate, and its creditors. Each counterparty to an Assumed Contract or Assumed Lease has been adequately assured of future performance of its applicable Assumed Contract or Assumed Lease to the extent required. The Assumed Contracts and Assumed Leases being assigned to the Purchaser under the Purchase Agreement are an integral part of the Purchased Assets being purchased by the Purchaser and, accordingly, such assumption and assignment is reasonable and enhances the value of the Debtor's estate.

R. **No Fraudulent Transfer.** The Purchase Agreement was not entered into for the purpose of hindering, delaying or defrauding creditors under the Bankruptcy Code and under the laws of the United States, any state, territory, possession or the District of Columbia. The Purchaser is not a mere continuation of the Debtor or its estate and there is no continuity between the Purchaser and the Debtor.

S. **No Successor Liability.** The transfer of the Purchased Assets and the assumption of the Assumed Liabilities to the Purchaser, except as otherwise set forth in the Purchase Agreement, does not, and will not, subject the Purchaser to any liability whatsoever, with respect to the operation of the Debtor's business prior to the closing of the sale transaction or by reason of such transfer under the laws of the United States, any state, territory, or possession thereof, or the District of Columbia, based, in whole or in part, directly or indirectly, in any theory of law or equity including any laws affecting antitrust, successor, transferee or vicarious liability. Pursuant to the Purchase Agreement, the Purchaser is not purchasing all of the Debtor's assets,

as the Purchaser is not purchasing any of the Excluded Assets or assuming the Excluded Liabilities. The sale does not amount to a consolidation, merger or de facto merger of the Purchaser and the Debtor and/or the Debtor's estate. There is not substantial continuity between the Purchaser and the Debtor, and there is no continuity of enterprise between the Debtor and the Purchaser. The Purchaser is not a mere continuation of the Debtor or the Debtor's estate, and the Purchaser does not constitute a successor to the Debtor or the Debtor's estate.

T. **Legal, Valid Transfer.** The transfer of the Purchased Assets to the Purchaser will be a legal, valid, and effective transfer and will vest the Purchaser with all right, title, and interest of the Debtor to the Purchased Assets free and clear of all liens, claims and Encumbrances (other than Assumed Liabilities), as set forth in the Purchase Agreement, except as expressly set forth in this Order.

U. **Purchase Agreement Not Modified.** The terms of the Purchase Agreement are fair and reasonable in all respects and the terms of the Order shall not modify the terms of the Purchase Agreement, except as expressly set forth in this Order.

V. **Not a Sub Rosa Plan.** The sale does not constitute a sub rosa chapter 11 plan for which approval has been sought without the protections that a disclosure statement would afford. The sale neither impermissibly restructures the rights of the Debtor's creditors, nor impermissibly dictates a liquidating plan of reorganization for the Debtor.

W. **Legal and Factual Bases.** The legal and factual bases set forth in the Motion and at the Sale Hearing establish just cause (i) for the relief granted herein and (ii) for the stays provided for in Bankruptcy Rules 6004(h) and 6006(d) to be waived upon the entry of this Order.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is GRANTED as set forth herein.

2. All objections and responses to the Motion that have not been overruled, withdrawn, waived, settled or resolved, and all reservations of rights included therein, are hereby overruled and denied.

3. Notice of the Sale Haring was fair and equitable under the circumstances and complied in all respects with section 102(1) of the Bankruptcy Code and Bankruptcy Rules 2002, 6004 and 6006.

4. The Purchaser's offer for the Purchased Assets, as embodied in the Purchase Agreement, is the highest and best offer for the Purchased Assets under the circumstances of this case and is hereby approved.

5. The Purchase Agreement is hereby approved pursuant to Section 363(b) of the Bankruptcy Code and the Debtor is authorized and directed to consummate and perform all of its obligations under the Purchase Agreement and to execute such other documents and take such other actions as are necessary or appropriate to effectuate the Purchase Agreement.

6. Pursuant to Section 363(f) of the Bankruptcy Code, the Purchased Assets are being sold and transferred to the Purchaser free and clear of all liens, claims, interests and Encumbrances (collectively, the "**Liens**") except as otherwise provided in the Purchase Agreement, with any and all such Liens to attach to proceeds of such sale with the same validity, priority, force and effect such Liens had on the Purchased Assets immediately prior to the sale and subject to the rights, claims, defenses, and objections, if any, of the Debtor and all interested parties with respect to any such asserted Liens.

7. Except as expressly permitted by the Purchase Agreement as to any Liens, all persons and entities, including, but not limited to, all debt security holders, equity security holders, governmental, tax and regulatory authorities (to the fullest extent allowed by applicable

law), lenders, trade creditors, contract counterparties, customers, landlords, licensors, employees, litigation claimants and other persons, holding Liens of any kind or nature whatsoever against or in the Debtor or the Debtor's interests in the Purchased Assets (whether known or unknown, legal or equitable, matured or unmatured, contingent or noncontingent, liquidated or unliquidated, asserted or unasserted, whether arising prior to or subsequent to the commencement of this chapter 11 case, whether imposed by agreement, understanding, law, equity or otherwise), arising under or out of, in connection with, or in any way relating to, the Debtor, the Purchased Assets, the operation of the Debtor's business before the Closing (as defined in the Purchase) or the transfer of the Debtor's interests in the Purchased Assets to the Purchaser, shall not assert, prosecute or otherwise pursue any Liens against the Purchaser, its property (including, without limitation, the Purchased Assets), its successors and assigns, or interfere with the Purchaser's title to, use or enjoyment of the Purchased Assets, in each case, without first obtaining an order of this Court after notice and a hearing permitting such Lien to proceed.

8. The Bridge Loan Lender shall be paid by the Debtor the sum of \$220,000 from the sale proceeds received from the Purchaser at the Closing.

9. If any person or entity that has filed financing statements, mortgages or other documents or agreements evidencing any Encumbrances or Liens in or against any of the Purchased Assets shall not have delivered to the Debtor prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction or releases of all such Encumbrances or Liens that the person or entity has with respect to the Purchased Assets, the Debtor or Purchaser are hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with

respect to such Purchased Assets prior to the Closing, and the Purchaser is authorized to file such documents after Closing, including but not limited to the Bridge Loan Lender.

10. All persons or entities which, presently or on or after the Closing Date, are in possession of some or all of the Purchased Assets are directed to surrender possession of the Purchased Assets to the Purchaser on the Closing Date or at such time thereafter as the Purchaser may request.

11. A certified copy of this Order may be filed with the appropriate clerk and/or recorded with the recorder to act to cancel the Liens and other Encumbrances of record with respect to the Purchased Assets.

12. This Order is and shall be binding upon and govern the acts of all persons and entities, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any lease; and each of the foregoing persons and entities is hereby authorized to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transactions contemplated by the Purchase Agreement.

13. To the greatest extent available under applicable law, Purchaser shall be authorized, as of the date of the Closing, to operate under any license, permit, registration and governmental authorization or approval of the Debtor with respect to the Purchased Assets, and all such licenses, permits, registrations and governmental authorizations and approvals are

deemed to have been, and hereby are, directed to be transferred to Purchaser as of the date of the Closing.

14. Consummation of the Purchase Agreement does not effect a de facto merger of the Debtor and Purchaser or result in the continuation of the Debtor's business under Purchaser's control. Purchaser is not (and shall not be deemed to be) the alter ego of or a successor in interest to the Debtor.

15. Except as expressly provided in the Purchase Agreement or this Order, Purchaser is not assuming nor shall Purchaser or any affiliate of Purchaser be in any way liable or responsible, as a successor or otherwise, for any liabilities, debts, or obligations of the Debtor in any way whatsoever relating to or arising from the Debtor's ownership or use of the Purchased Assets prior to the consummation of the transactions contemplated by the Purchase Agreement, or any liabilities calculable by reference to the Debtor or its operations or the Purchased Assets, or relating to continuing or other conditions existing on or prior to consummation of the transactions contemplated by the Purchase Agreement, which liabilities, debts, and obligations are hereby extinguished insofar as they may give rise to liability, successor or otherwise, against Purchaser or any affiliate of Purchaser.

16. The assumption and assignment of the Assumed Contracts and Assumed Leases from the Debtor to the Purchaser is hereby approved pursuant to section 365 of the Bankruptcy Code and constitutes a legal, valid and effective transfer of the applicable Assumed Contracts and Assumed Leases and shall vest the Purchaser with all right, title and interest to the applicable Assumed Contracts or Assumed Leases free and clear of all Liens upon the entry of this Order.

17. The Purchaser shall have no liability or obligation with respect to defaults relating to the Assumed Contracts or Assumed Leases arising, accruing or relating to a period prior to the

Closing Date. Pursuant to the Purchase Agreement, the Debtor has the obligation to pay all Cure Costs, if any.

18. The payment of the Cure Costs due under each Assumed Contract and/or Assumed Lease, if any, pursuant to section 365(b) of the Bankruptcy Code by the Debtor (a) cures all monetary defaults existing thereunder as of the assignment of the Assumed Contracts and/or Assumed Leases to the Purchaser in accordance with the terms of the agreements; (b) compensates the applicable counterparties to the Assumed Contracts and/or Assumed Leases for any actual pecuniary loss resulting from such default; and (c) together with the assumption of the Assumed Contracts and/or Assumed Leases by the Debtor and the assignment of the Assumed Contracts and/or Assumed Leases to the Purchaser constitutes adequate assurance of future performance thereof.

19. The Purchaser has provided adequate assurance of future performance under the Assumed Contracts and/or Assumed Leases and the proposed assumption and assignment of the Assumed Contracts and/or Assumed Leases satisfies the requirements of the Bankruptcy Code including sections 365(b)(1) and (3) and 365(f) of the Bankruptcy Code to the extent applicable.

20. Pursuant to sections 365(b)(1)(A) and (B) of the Bankruptcy Code, and except as otherwise provided in this Order, the Debtor shall promptly pay or cause to be paid to the non-debtor parties to any Assumed Contracts and/or Assumed Leases the requisite Cure Costs, if any, or such lesser amount as may be agreed upon between the Debtor or Purchaser and the counterparty to an Assumed Contract and/or Assumed Lease, following the assumption and assignment thereof.

21. Except as may be provided in this Order, upon the assumption and assignment thereof, and except for allowed claims for Cure Costs payable by the Debtor under Assumed

Contracts and/or Assumed Leases, each non-debtor party to a Assumed Contracts and/or Assumed Leases shall be forever barred and enjoined from asserting against the Debtor, its bankruptcy estates or the Purchaser: (a) any default, monetary or non-monetary, existing as of the Closing Date; or (b) any objection to the assumption and assignment of such non-debtor party's Assumed Contracts and/or Assumed Leases whether or not such non-debtor party filed a proof of claim.

22. The Debtor shall have no liability with respect to the Assumed Contracts and Assumed Leases on or after the effective date of their assumption and assignment to the Purchaser to the fullest extent permitted by section 365(k) of the Bankruptcy Code.

23. Upon entry of this Order, the Debtor releases the Purchaser and its assignees from any provisions or obligations under any previously executed non-disclosure agreements.

24. Except to the extent expressly included in the Assumed Liabilities, pursuant to sections 105 and 363 of the Bankruptcy Code, all persons and entities, including, but not limited to, the Debtor, all debt security holders, equity security holders, the Debtor's employees or former employees (including retirees), governmental, tax and regulatory authorities, lenders, parties to or beneficiaries under any benefit plan, trade and other creditors asserting or hold a liability, claim, Encumbrance or Lien of any kind or nature whatsoever against, in or with respect to the Debtor or the Purchased Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, senior or subordinated), arising under or out of, in connection with, or in any way relating to the Debtor, the Purchased Assets, the operation and maintenance of the Debtor's business prior to the Closing Date or the transfer of the Purchased Assets to the Purchaser, shall be forever barred, estopped, and permanently enjoined from asserting, prosecuting or otherwise pursuing such liability, claim, Encumbrance or Lien against

the Purchased assets, the Purchaser or any affiliate of the Purchaser, successor or assign thereof and each of their respective current and former members, officers, directors, investment advisors, attorneys, employees, partners, affiliates and representatives (each of the foregoing in its individual capacity). For the avoidance of doubt, the foregoing shall not prevent the Debtor or its estate, successors or permitted assigns from pursuing claims, if any, against the Purchaser relating to the Purchaser's performance under the terms of the Purchase Agreement.

25. The stays provided for in Bankruptcy Rule 6004(h) and 6006(d) are hereby waived and this Order shall be effective immediately upon its entry.

26. The terms of this Order shall be binding on the Purchaser and its successors, the Debtor, creditors of the Debtor and all other parties in interest in this bankruptcy case, and any successors of the Debtor, including any trustee or examiner appointed in this case or upon a conversion of this case to chapter 7 of the Bankruptcy Code.

27. Notwithstanding the entry of any order under section 1112 of the Bankruptcy Code, this Order, including the rights granted to the Purchaser hereunder, shall remain effective and, notwithstanding such conversion or dismissal, shall remain binding on the Debtor, its estate, successor, assigns and creditors.

28. The Purchaser is a good faith purchaser entitled to the benefits and protections afforded by Section 363(m) of the Bankruptcy Code.

29. The sale approved by this Order is not subject to avoidance or the imposition of an award of monetary damages pursuant to section 363(n) of the Bankruptcy Code.

30. Upon the Closing of the sale transaction contemplated in the Purchase Agreement and approved by this Order, the Debtor shall cease to use its name "Candi Controls, Inc." and any "d/b/a" used by the Debtor, and shall file or cause to be filed all required amendments to the

Debtor's certificate of incorporation, certificate of formation or other appropriate documents which are required to change the Debtors' corporate name and any "d/b/a" to a new name that is sufficiently dissimilar to the Debtors' present name so as to avoid confusion and make the Debtors' name available to the Purchaser in the state where the Debtor was formed and in any state or jurisdiction in which the Debtor was qualified or authorized to do business under the name "Candi Controls, Inc." or any "d/b/a." Upon the entry of this Order, the Debtor is hereby authorized to submit to the Court under certification of counsel a proposed form of order to effectuate the change of the caption of this bankruptcy case to match the change in the Debtor's name.

31. The provisions of this Order are non-severable and mutually dependent.

32. This Court retains jurisdiction to interpret, implement and enforce the provisions of, and resolve any disputes arising under or related to, this Order and the Purchase Agreement, all amendments thereto, any waivers and consents thereunder and each of the agreements executed in connection therewith.

33. Nothing in this Order shall modify or waive any closing conditions or termination rights in the Purchase Agreement, and all such conditions and rights shall remain in full force and effect in accordance with their terms.

34. The failure specifically to include any particular provisions of the Purchase Agreement or any of the documents, agreements or instruments executed in connection therewith in this Order shall not diminish or impair the force of such provision, document, agreement or instrument, it being the intent of the Court that the Purchase Agreement and each document,

agreement or instrument be authorized and approved in its entirety.

Dated: April __, 2018
Wilmington, Delaware

Honorable Christopher S. Sontchi
United States Bankruptcy Judge

EXHIBIT A – ASSET PURCHASE AGREEMENT

EXHIBIT B

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

In re:

CANDI CONTROLS, INC.,

Debtor.

Chapter 11

Case No.: 18-10679 (CSS)

Related D. I.: 15, 26, 27, 63-, [64](#) and ~~64~~[81](#)

ORDER (A) AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE DEBTOR’S ASSETS FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS; (B) AUTHORIZING AND APPROVING THE ASSET PURCHASE AGREEMENT WITH ALTAIR ENGINEERING, INC.; (C) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF ASSUMED CONTRACTS AND ASSUMED LEASES; AND (E) GRANTING RELATED RELIEF

THIS MATTER having been opened to the Court by Candi Controls, Inc., the above-captioned debtor and debtor-in-possession (the “**Debtor**”), upon motion (the “**Motion**”)¹ [Docket No. 26] for the entry of Orders pursuant to Sections 363 and 365 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rules 2002, 6004 and 6006 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) Approving: (A) Notice and Bidding Procedures for Sale of Substantially All Estate Assets; and (B) Sale of Substantially All Estate Assets; and the Court having reviewed the Motion and the Court having found that (i) the Court has jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; (ii) venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); (iv) notice of the Motion was sufficient under the circumstances; and (v) the Court has the authority to enter a final order; and after due

¹ All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Asset Purchase Agreement dated as of April 3, 2018, between the Debtor and Altair Engineering Inc., ([the “Purchase Agreement”](#)), a copy of which is attached [hereto](#) as Exhibit A ~~to the Motion (the “Purchase Agreement”)~~.

deliberation the Court having determined that the relief requested in the Motion is in the best interest of the Debtor, its estate and its creditors; and good and sufficient cause having been shown;

AND IT IS FOUND AND DETERMINED THAT:

A. **Findings**. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. **Jurisdiction and Venue**. This Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these cases and the Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

C. **Statutory Predicates**. The statutory predicates for the relief sought in the Motion are sections 105(a), 363 and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, and 6006 and 9014.

D. **Final Order**. This Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a).

E. **Petition Date**. On March 23, 2018 (the "**Petition Date**"), an involuntary petition was filed against the Debtor. On March 27, 2018, the Court entered an Order for Relief under Chapter 11 for the Debtor.

F. **Entry of Bidding Procedures Order**. On April 9, 2018, this Court entered an Order Authorizing Notice and Bidding Procedures for Sale of Substantially All Estate Assets (the "**Bidding Procedures Order**") [Docket No. 63].

G. **Compliance with Bidding Procedures Order.** As demonstrated by (i) the Motion, (ii) the testimony and other evidence proffered or introduced at the hearing on the Motion held on April 25, 2018 (the “**Sale Hearing**”), and (iii) the representations of counsel made on the record at the Sale Hearing, the Debtor has marketed the Purchased Assets and conducted the related sale process in good faith and in compliance in all respects with the Bidding Procedures Order. All interested parties and entities have been afforded a full, fair and reasonable opportunity to (i) conduct due diligence investigations, (ii) submit bids and to submit higher or otherwise better bids to purchase the Purchased Assets, and (iii) object or be heard with respect to the Motion and the relief granted by this Order. The bidding procedures were non-collusive, formulated and implemented in good faith, and were substantively and procedurally fair to all parties. No offers for a Competing Transaction were received by the Debtor.

H. **Purchase Agreement.** In accordance with the Bidding Procedures Order, Altair Engineering, Inc. (the “**Purchaser**”) was deemed a Qualified Bidder (as defined in the Bidding Procedures Order) and was eligible to participate in the Auction.

I. **Auction.** The Purchaser acted in compliance with the terms of the Bidding Procedures Order. In accordance with the Bidding Procedures Order, the Debtor determined that the bid submitted by the Purchaser and memorialized by the Purchase Agreement is the Winning Bid (as defined in the Bidding Procedures Order).

J. The Purchase Agreement constitutes the highest and best offer for the Purchased Assets, and will provide a greater recovery for the Debtor’s estate than would be provided by any other available alternative. The terms and conditions of the Purchase Agreement, including the consideration to be realized by the Debtor pursuant to the Purchase Agreement, are fair and

reasonable, and the transactions contemplated by the Purchase Agreement constitute a valid and sound exercise of the Debtor's business judgment.

K. **Notice.** As evidenced by the certifications of service previously filed with the Court, and based on the representations of counsel at the Sale Hearing, (i) proper, timely, adequate and sufficient notice of the Motion, the Sale Hearing, the Auction and the sale have been provided in accordance with sections 102(1), 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004 and 6006 and in compliance with the Bidding Procedures Order, (ii) such notice was good and sufficient, and appropriate under the particular circumstances, and (iii) no other or further notice of the Motion, the Sale Hearing, the sale or the entry of this Order is or shall be required.

L. **Opportunity to Object.** A fair and reasonable opportunity to object and to be heard with respect to the Motion and the relief requested therein, has been given to all interested persons and entities.

M. **Corporate Authority.** The Debtor (i) has been authorized by its Board of Directors to execute and consummate the Purchase Agreement and all other documents contemplated thereby, and the sale has been duly and validly authorized by the Court pursuant to this Order, and (ii) no government, regulatory or other consents or approvals, other than those expressly provided for in the Purchase Agreement, are required for the Debtor to enter into the Purchase Agreement and consummate the sale.

N. **Arm's-Length Sale.** The Purchase Agreement was negotiated, proposed and entered into by the Debtor and the Purchaser without collusion, in good faith, and from arm's-length bargaining positions. Neither the Debtor nor the Purchaser has engaged in any conduct

that would cause or permit the Purchase Agreement to be avoided under 11 U.S.C. § 363(n). Specifically, the Purchaser has not acted in a collusive manner with any person.

O. **Good Faith Purchaser.** The Purchaser is a good faith purchaser for value and, as such, is entitled to all of the protections afforded under 11 U.S.C. § 363(m) and any other applicable or similar bankruptcy and non-bankruptcy law with respect to all of the Purchased Assets and the relief provided for in this Order. Specifically: (i) the Purchaser recognized that the Debtor was free to deal with any other party interested in purchasing the Purchased Assets; (ii) the Purchaser complied in good faith with the provisions in the Bidding Procedures Order; (iii) the Purchaser agreed to subject its bid to the competitive bid procedures set forth in the Bidding Procedures Order; (iv) the negotiation and execution of the Purchase Agreement was at arm's-length and in good faith, and at all times each of the Purchaser and the Debtor were represented by competent counsel of their choosing; (v) the Purchaser did not induce or cause the chapter 11 filing of the Debtor; and (vi) the Purchaser has not acted in a collusive manner with any person. The Purchaser will be acting in good faith within the meaning of 11 U.S.C. § 363(m) in closing the transactions contemplated by the Purchase Agreement. The Purchaser is entitled to all of the protections and immunities of section 363(m) of the Bankruptcy Code.

P. **Free and Clear.**

(i) The Debtor's right, title and interest in the Purchased Assets constitutes property of the Debtor's estate and title thereto is vested in the Debtor's estate within the meaning of section 541(a) of the Bankruptcy Code. Except as otherwise expressly provided in the Purchase Agreement or this Order, the Debtor may sell the Purchased Assets to Purchaser free and clear of all liens, claims and Encumbrances (as defined in the Purchase Agreement), obligations, and Excluded Liabilities (as defined in the Purchase Agreement) (other than

Permitted Encumbrances and any Assumed Liabilities (each as defined in the Purchase Agreement)).

(ii) The transfer of the Purchased Assets to the Purchaser free and clear of all liens, claims and Encumbrances will not result in any undue burden or prejudice to any holders of any such liens, claims and Encumbrances as such liens, claims and Encumbrances, if valid, shall attach to the net proceeds of the sale that are ultimately attributable to the Purchased Assets when received by the Debtor, in the order of their priority, with the same validity, force, and effect which they now have as against the Purchased Assets and subject to any claims and defenses the Debtor, its estate, or other parties may possess with respect to such Encumbrances.

(iii) The Debtor may sell the Purchased Assets free and clear of all liens, claims and Encumbrances because, in each case, one or more of the standards set forth in Bankruptcy Code § 363(f)(1)-(5) has been satisfied. Those holders of liens, claims and Encumbrances who did not object or withdrew objections to the sale are deemed to have consented to the sale pursuant to section 363(f)(2) of the Bankruptcy Code. Those holders of liens, claims and Encumbrances who did object fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code.

(iv) The Purchaser would not have entered into the Purchase Agreement and would not consummate the transactions contemplated hereby, including the sale and the assumption and assignment of the Assumed Contracts and Assumed Leases, if any, (i) if the transfer of the Purchased Assets was not free and clear of all liens, claims and Encumbrances, including rights or claims based on any successor or transferee liability, or (ii) if the Purchaser would, or in the future could, be liable for any such liens, claims and Encumbrances, including rights or claims based on any successor or transferee liability (subject only, in the case of the

Purchaser with respect to the Purchased Assets, to the Permitted Encumbrances and the Assumed Liabilities). The Purchaser will not consummate the transactions contemplated by the Purchase Agreement, including the sale and the assumption and assignment of the Assumed Contracts and Assumed Leases unless this Court expressly orders that none of the Purchaser, its affiliates, its present members or shareholders, or the Purchased Assets will have any liability whatsoever with respect to, or be required to satisfy in any manner, whether at law or equity, or by payment, setoff, or otherwise, directly or indirectly, any liens, claims and Encumbrances and other interests, including rights or claims based on any successor or transferee liability (subject only, in the case of the Purchaser with respect to the Purchased Assets, to the Permitted Encumbrances and the Assumed Liabilities).

(v) Not transferring the Purchased Assets free and clear of all liens, claims and Encumbrances of any kind or nature whatsoever (subject only, in the case of the Purchaser with respect to the Purchased Assets, to the Permitted Encumbrances and the Assumed Liabilities) including rights or claims based on any successor or transferee liability, would adversely impact the Debtor's efforts to maximize the value of its estate, and the transfer of the Purchased Assets other than pursuant to a transfer that is free and clear of all liens, claims and Encumbrances would be of substantially less benefit to the Debtor's estate.

Q. **Assumption of Executory Contracts and Unexpired Leases.** The (i) transfer of the Purchased Assets to the Purchaser and (ii) the assumption and assignment to the Purchaser of the Assumed Contracts and Assumed Leases, ~~—~~ will not subject the Purchaser to any liability whatsoever prior to the Closing Date or by reason of such transfer under the laws of the United States, any state, territory, or possession thereof, or the District of Columbia, based, in whole or in part, directly or indirectly, on any theory of law or equity, including any theory of equitable

law, including any theory of antitrust, successor or transferee liability. The Debtor has demonstrated that it is an exercise of its sound business judgment to assume and assign the Assumed Contracts and Assumed Leases to the Purchaser in connection with the consummation of the sale, and the assumption and assignment of the Assumed Contracts and Assumed Leases is the best interests of the Debtor, its estate, and its creditors. Each counterparty to an Assumed Contract or Assumed Lease has been adequately assured of future performance of its applicable Assumed Contract or Assumed Lease to the extent required. The Assumed Contracts and Assumed Leases being assigned to the Purchaser under the Purchase Agreement are an integral part of the Purchased Assets being purchased by the Purchaser and, accordingly, such assumption and assignment is reasonable and enhances the value of the Debtor's estate.

R. **No Fraudulent Transfer**. The Purchase Agreement was not entered into for the purpose of hindering, delaying or defrauding creditors under the Bankruptcy Code and under the laws of the United States, any state, territory, possession or the District of Columbia. The Purchaser is not a mere continuation of the Debtor or its estate and there is no continuity between the Purchaser and the Debtor. ~~The Purchaser shall not be deemed to be holding itself out as a continuation of the Debtor based on the sale, the Purchase Agreement or this Order.~~

S. **No Successor Liability**. The transfer of the Purchased Assets and the assumption of the Assumed Liabilities to the Purchaser, except as otherwise set forth in the Purchase Agreement, does not, and will not, subject the Purchaser to any liability whatsoever, with respect to the operation of the Debtor's business prior to the closing of the sale transaction or by reason of such transfer under the laws of the United States, any state, territory, or possession thereof, or the District of Columbia, based, in whole or in part, directly or indirectly, in any theory of law or equity including any laws affecting antitrust, successor, transferee or vicarious liability.

Pursuant to the Purchase Agreement, the Purchaser is not purchasing all of the Debtor's assets, as the Purchaser is not purchasing any of the Excluded Assets or assuming the Excluded Liabilities. The sale does not amount to a consolidation, merger or de facto merger of the Purchaser and the Debtor and/or the Debtor's estate. There is not substantial continuity between the Purchaser and the Debtor, and there is no continuity of enterprise between the Debtor and the Purchaser. The Purchaser is not a mere continuation of the Debtor or the Debtor's estate, and the Purchaser does not constitute a successor to the Debtor or the Debtor's estate.

T. **Legal, Valid Transfer.** The transfer of the Purchased Assets to the Purchaser will be a legal, valid, and effective transfer and will vest the Purchaser with all right, title, and interest of the Debtor to the Purchased Assets free and clear of all liens, claims and Encumbrances (other than Assumed Liabilities), as set forth in the Purchase Agreement, except as expressly set forth in this Order.

U. **Purchase Agreement Not Modified.** The terms of the Purchase Agreement are fair and reasonable in all respects and the terms of the Order shall not modify the terms of the Purchase Agreement, except as expressly set forth in this Order.

V. **Not a Sub Rosa Plan.** The sale does not constitute a sub rosa chapter 11 plan for which approval has been sought without the protections that a disclosure statement would afford. The sale neither impermissibly restructures the rights of the Debtor's creditors, nor impermissibly dictates a liquidating plan of reorganization for the Debtor.

W. **Legal and Factual Bases.** The legal and factual bases set forth in the Motion and at the Sale Hearing establish just cause (i) for the relief granted herein and (ii) for the stays provided for in Bankruptcy Rules 6004(h) and 6006(d) to be waived upon the entry of this Order.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is GRANTED as set forth herein.
2. All objections and responses to the Motion that have not been overruled, withdrawn, waived, settled or resolved, and all reservations of rights included therein, are hereby overruled and denied.
3. Notice of the Sale Haring was fair and equitable under the circumstances and complied in all respects with section 102(1) of the Bankruptcy Code and Bankruptcy Rules 2002, 6004 and 6006.
4. The Purchaser's offer for the Purchased Assets, as embodied in the Purchase Agreement, is the highest and best offer for the Purchased Assets under the circumstances of this case and is hereby approved.
5. The Purchase Agreement is hereby approved pursuant to Section 363(b) of the Bankruptcy Code and the Debtor is authorized and directed to consummate and perform all of its obligations under the Purchase Agreement and to execute such other documents and take such other actions as are necessary or appropriate to effectuate the Purchase Agreement.
6. Pursuant to Section 363(f) of the Bankruptcy Code, the Purchased Assets are being sold and transferred to the Purchaser free and clear of all liens, claims, interests and Encumbrances (collectively, the "**Liens**") except as otherwise provided in the Purchase Agreement, with any and all such Liens to attach to proceeds of such sale with the same validity, priority, force and effect such Liens had on the Purchased Assets immediately prior to the sale and subject to the rights, claims, defenses, and objections, if any, of the Debtor and all interested parties with respect to any such asserted Liens.

7. Except as expressly permitted by the Purchase Agreement as to any Liens, all persons and entities, including, but not limited to, all debt security holders, equity security holders, governmental, tax and regulatory authorities (to the fullest extent allowed by applicable law), lenders, trade creditors, contract counterparties, customers, landlords, licensors, employees, litigation claimants and other persons, holding Liens of any kind or nature whatsoever against or in the Debtor or the Debtor's interests in the Purchased Assets (whether known or unknown, legal or equitable, matured or unmatured, contingent or noncontingent, liquidated or unliquidated, asserted or unasserted, whether arising prior to or subsequent to the commencement of this chapter 11 case, whether imposed by agreement, understanding, law, equity or otherwise), arising under or out of, in connection with, or in any way relating to, the Debtor, the Purchased Assets, the operation of the Debtor's business before the Closing (as defined in the Purchase) or the transfer of the Debtor's interests in the Purchased Assets to the Purchaser, shall not assert, prosecute or otherwise pursue any Liens against the Purchaser, its property (including, without limitation, the Purchased Assets), its successors and assigns, or interfere with the Purchaser's title to, use or enjoyment of the Purchased Assets, in each case, without first obtaining an order of this Court after notice and a hearing permitting such Lien to proceed.

8. The Bridge Loan Lender shall be paid by the Debtor the sum of \$220,000 from the sale proceeds received from the Purchaser at the Closing.

9. If any person or entity that has filed financing statements, mortgages or other documents or agreements evidencing any Encumbrances or Liens in or against any of the Purchased Assets shall not have delivered to the Debtor prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction

or releases of all such Encumbrances or Liens that the person or entity has with respect to the Purchased Assets, the Debtor or Purchaser are hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to such Purchased Assets prior to the Closing, and the Purchaser is authorized to file such documents after Closing, including but not limited to the Bridge Loan Lender.

10. All persons or entities which, presently or on or after the Closing Date, are in possession of some or all of the Purchased Assets are directed to surrender possession of the Purchased Assets to the Purchaser on the Closing Date or at such time thereafter as the Purchaser may request.

11. A certified copy of this Order may be filed with the appropriate clerk and/or recorded with the recorder to act to cancel the Liens and other Encumbrances of record with respect to the Purchased Assets.

12. This Order is and shall be binding upon and govern the acts of all persons and entities, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any lease; and each of the foregoing persons and entities is hereby authorized to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transactions contemplated by the Purchase Agreement.

13. To the greatest extent available under applicable law, Purchaser shall be authorized, as of the date of the Closing, to operate under any license, permit, registration and governmental authorization or approval of the Debtor with respect to the Purchased Assets, and all such licenses, permits, registrations and governmental authorizations and approvals are deemed to have been, and hereby are, directed to be transferred to Purchaser as of the date of the Closing.

14. Consummation of the Purchase Agreement does not effect a de facto merger of the Debtor and Purchaser or result in the continuation of the Debtor's business under Purchaser's control. Purchaser is not (and shall not be deemed to be) the alter ego of or a successor in interest to the Debtor.

15. Except as expressly provided in the Purchase Agreement or this Order, Purchaser is not assuming nor shall Purchaser or any affiliate of Purchaser be in any way liable or responsible, as a successor or otherwise, for any liabilities, debts, or obligations of the Debtor in any way whatsoever relating to or arising from the Debtor's ownership or use of the Purchased Assets prior to the consummation of the transactions contemplated by the Purchase Agreement, or any liabilities calculable by reference to the Debtor or its operations or the Purchased Assets, or relating to continuing or other conditions existing on or prior to consummation of the transactions contemplated by the Purchase Agreement, which liabilities, debts, and obligations are hereby extinguished insofar as they may give rise to liability, successor or otherwise, against Purchaser or any affiliate of Purchaser.

16. The assumption and assignment of the Assumed Contracts and Assumed Leases from the Debtor to the Purchaser is hereby approved pursuant to section 365 of the Bankruptcy Code and constitutes a legal, valid and effective transfer of the applicable Assumed Contracts

and Assumed Leases and shall vest the Purchaser with all right, title and interest to the applicable Assumed Contracts or Assumed Leases free and clear of all Liens upon the entry of this Order.

17. The Purchaser shall have no liability or obligation with respect to defaults relating to the Assumed Contracts or Assumed Leases arising, accruing or relating to a period prior to the Closing Date. Pursuant to the Purchase Agreement, the Debtor has the obligation to pay all Cure Costs, if any.

18. The payment of the Cure Costs due under each Assumed Contract and/or Assumed Lease ~~-, if any,~~ pursuant to section 365(b) of the Bankruptcy Code by the Debtor (a) cures all monetary defaults existing thereunder as of the assignment of the Assumed Contracts and/or Assumed Leases to the Purchaser in accordance with the terms of the agreements; (b) compensates the applicable counterparties to the Assumed Contracts and/or Assumed Leases for any actual pecuniary loss resulting from such default; and (c) together with the assumption of the Assumed Contracts and/or Assumed Leases by the Debtor and the assignment of the Assumed Contracts and/or Assumed Leases to the Purchaser constitutes adequate assurance of future performance thereof.

19. The Purchaser has provided adequate assurance of future performance under the Assumed Contracts and/or Assumed Leases and the proposed assumption and assignment of the Assumed Contracts and/or Assumed Leases satisfies the requirements of the Bankruptcy Code including sections 365(b)(1) and (3) and 365(f) of the Bankruptcy Code to the extent applicable.

20. Pursuant to sections 365(b)(1)(A) and (B) of the Bankruptcy Code, and except as otherwise provided in this Order, the Debtor shall promptly pay or cause to be paid to the non-debtor parties to any Assumed Contracts and/or Assumed Leases the requisite Cure Costs, if any, or such lesser amount as may be agreed upon between the Debtor or Purchaser and the counter-

party to an Assumed Contract and/or Assumed Lease, following the assumption and assignment thereof.

21. Except as may be provided in this Order, upon the assumption and assignment thereof, and except for allowed claims for Cure Costs payable by the Debtor under Assumed Contracts and/or Assumed Leases, each non-debtor party to a Assumed Contracts and/or Assumed Leases shall be forever barred and enjoined from asserting against the Debtor, its bankruptcy estates or the Purchaser: (a) any default, monetary or non-monetary, existing as of the Closing Date; or (b) any objection to the assumption and assignment of such non-debtor party's Assumed Contracts and/or Assumed Leases whether or not such non-debtor party filed a proof of claim.

22. The Debtor shall have no liability with respect to the Assumed Contracts and Assumed Leases on or after the effective date of their assumption and assignment to the Purchaser to the fullest extent permitted by section 365(k) of the Bankruptcy Code.

23. Upon entry of this Order, the Debtor releases the Purchaser and its assignees from any provisions or obligations under any previously executed non-disclosure agreements.

24. Except to the extent expressly included in the Assumed Liabilities, pursuant to sections 105 and 363 of the Bankruptcy Code, all persons and entities, including, but not limited to, the Debtor, all debt security holders, equity security holders, the Debtor's employees or former employees (including retirees), governmental, tax and regulatory authorities, lenders, parties to or beneficiaries under any benefit plan, trade and other creditors asserting or hold a liability, claim, Encumbrance or Lien of any kind or nature whatsoever against, in or with respect to the Debtor or the Purchased Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, senior or subordinated), arising under or out of, in

connection with, or in any way relating to the Debtor, the Purchased Assets, the operation and maintenance of the Debtor's business prior to the Closing Date or the transfer of the Purchased Assets to the Purchaser, shall be forever barred, estopped, and permanently enjoined from asserting, prosecuting or otherwise pursuing such liability, claim, Encumbrance or Lien against the Purchased assets, the Purchaser or any affiliate of the Purchaser, successor or assign thereof and each of their respective current and former members, officers, directors, investment advisors, attorneys, employees, partners, affiliates and representatives (each of the foregoing in its individual capacity). For the avoidance of doubt, the foregoing shall not prevent the Debtor or its estate, successors or permitted assigns from pursuing claims, if any, against the Purchaser relating to the Purchaser's performance under the terms of the Purchase Agreement.

25. The stays provided for in Bankruptcy Rule 6004(h) and 6006(d) are hereby waived and this Order shall be effective immediately upon its entry.

26. The terms of this Order shall be binding on the Purchaser and its successors, the Debtor, creditors of the Debtor and all other parties in interest in this bankruptcy case, and any successors of the Debtor, including any trustee or examiner appointed in this case or upon a conversion of this case to chapter 7 of the Bankruptcy Code.

27. Notwithstanding the entry of any order under section 1112 of the Bankruptcy Code, this Order, including the rights granted to the Purchaser hereunder, shall remain effective and, notwithstanding such conversion or dismissal, shall remain binding on the Debtor, its estate, successor, assigns and creditors.

28. The Purchaser is a good faith purchaser entitled to the benefits and protections afforded by Section 363(m) of the Bankruptcy Code.

29. The sale approved by this Order is not subject to avoidance or the imposition of an award of monetary damages pursuant to section 363(n) of the Bankruptcy Code.

30. Upon the Closing of the sale transaction contemplated in the Purchase Agreement and approved by this Order, the Debtor shall cease to use its name “Candi Controls, Inc.” and any “d/b/a” used by the Debtor, and shall file or cause to be filed all required amendments to the Debtor’s certificate of incorporation, certificate of formation or other appropriate documents which are required to change the Debtors’ corporate name and any “d/b/a” to a new name that is sufficiently dissimilar to the Debtors’ present name so as to avoid confusion and make the Debtors’ name available to the Purchaser in the state where the Debtor was formed and in any state or jurisdiction in which the Debtor was qualified or authorized to do business under the name “Candi Controls, Inc.” or any “d/b/a.” Upon the entry of this Order, the Debtor is hereby authorized to submit to the Court under certification of counsel a proposed form of order to effectuate the change of the caption of this bankruptcy case to match the change in the Debtor’s name.

31. The provisions of this Order are non-severable and mutually dependent.

32. This Court retains jurisdiction to interpret, implement and enforce the provisions of, and resolve any disputes arising under or related to, this Order and the Purchase Agreement, all amendments thereto, any waivers and consents thereunder and each of the agreements executed in connection therewith.

33. Nothing in this Order shall modify or waive any closing conditions or termination rights in the Purchase Agreement, and all such conditions and rights shall remain in full force and effect in accordance with their terms.

34. The failure specifically to include any particular provisions of the Purchase Agreement or any of the documents, agreements or instruments executed in connection therewith in this Order shall not diminish or impair the force of such provision, document, agreement or instrument, it being the intent of the Court that the Purchase Agreement and each document, agreement or instrument be authorized and approved in its entirety.

Dated: April __, 2018
Wilmington, Delaware

Honorable Christopher S. Sontchi
United States Bankruptcy Judge

EXHIBIT A – ASSET PURCHASE AGREEMENT