

DISTRICT COURT

FOURTH JUDICIAL DISTRICT

CASE TYPE: MISC

***In Re: Wayzata Home Products, LLC
and cliqstudios.com LLC***

Court File No.: 27-CV-20-4326
Judge David L. Piper

**THE ASSIGNEE'S NOTICE OF
MOTION AND MOTION
TO SELL CERTAIN PROPERTY
FREE AND CLEAR OF LIENS**

NOTICE OF MOTION

PLEASE TAKE NOTICE that the Assignee in the above-referenced matter, Lighthouse Management Group, Inc., (“Lighthouse” or “the Assignee”), will bring this Motion to Sell Certain Property Free and Clear of Liens (“Motion”) before the Honorable David L. Piper at the Hennepin County Court, 300 South Sixth Street, Minneapolis, MN 55415, at the Court’s earliest convenience. The Assignee does not specifically request a hearing on this Motion, but will follow the Court’s guidelines for motion hearings during the current COVID-19 pandemic policy. The Court has advised that this matter will be determined on the basis of written pleadings. Any objections should be filed on or before April 16, 2020. If no objections are received, the Court may grant this motion any time on or after April 27, 2020 without further notice.

MOTION

Pursuant to Minnesota Statute § 576.46, Assignee hereby moves this Court for an order authorizing the Receiver to sell certain assets of receivership entities Wayzata Home Products, LLC, and cliqstudios.com LLC, free and clear of all liens, claims, and encumbrances, with any liens attaching to the net sale proceeds. This Motion is supported by the memorandum of law and

supporting affidavit and exhibits, which will be filed in accordance with the Minnesota Rules of General Practice. The Motion is also based on the files, records, pleadings, and other documents previously submitted by the parties, as well as the arguments of counsel presented in written submissions.

Dated: April 3, 2020.

Respectfully submitted,

BARNES & THORNBURG LLP

By: /s/ Michael A. Cavallaro
Michael A. Cavallaro (#0389995)
Molly N. Sigler (#0399122)
225 South Sixth Street, Suite 2800
Minneapolis, MN 55402
Telephone: (612) 367-8767
Facsimile: (612) 333-6798
mcavallaro@btlaw.com
msigler@btlaw.com

**COUNSEL FOR LIGHTHOUSE
MANAGEMENT GROUP, INC.**

**ACKNOWLEDGMENT REQUIRED BY
MINNESOTA STATUTES SECTION 549.211, SUBDIVISION 1**

The undersigned hereby acknowledges that pursuant to Minn. Stat. § 549.211, subd. 2, costs, disbursements, and reasonable attorney and witness fees may be awarded to the opposing party or parties in this litigation if the Court should find that the undersigned acted in bad faith, asserted a claim or defense that is frivolous and that is costly to the other party, asserted an unfounded position solely to delay the ordinary course of the proceedings or to harass; or committed a fraud upon the Court.

Dated: April 3, 2020.

Respectfully submitted,

BARNES & THORNBURG LLP

By: /s/ Michael A. Cavallaro
Michael A. Cavallaro (#0389995)
Molly N. Sigler (#0399122)
225 South Sixth Street, Suite 2800
Minneapolis, MN 55402
Telephone: (612) 367-8767
Facsimile: (612) 333-6798
mcavallaro@btlaw.com
msigler@btlaw.com

CASE TYPE: Civil/Miscellaneous

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF HENNEPIN

STATE OF MINNESOTA

In Re: Wayzata Home Products, LLC
and cliqstudios.com LLC.

Court File No.: 27-CV-20-4326

Judge: David L. Piper

**ASSIGNEE’S MEMORANDUM IN SUPPORT OF
MOTION TO SELL CERTAIN
PROPERTY FREE AND CLEAR OF LIENS**

INTRODUCTION

On April 2, 2020, the Assignee entered into the Asset Purchase Agreement (“APA”) set forth as Exhibit A to sell certain property owned by the Assignors in exchange for cash proceeds of \$1.8 million (“Proceeds”). The APA requires the Assignee to hold the Proceeds in trust pending an order from the Court approving the APA. The property sold consists of those assets set forth on Exhibit B to the Affidavit of Samuel J.H. Sigelman in Support of Assignee’s Motion to Sell Property Free and Clear of Liens (“Assignee Affidavit”), submitted together with this Motion. The impressive sale results achieved became possible because of the Assignee’s thorough and comprehensive efforts, which involved a coordinated outreach to potential buyers and the facilitation of due diligence efforts. (Assignee Affidavit, ¶ 8). The Court should issue an order approving the sale free and clear of all liens because the sale maximizes the net value of the assets for the benefit of all interested parties. (Assignee Affidavit, ¶ 17).

BACKGROUND

I. THE ASSIGNEE AND THE PROPERTY.

The Assignors are limited liability companies with a principal place of business in Edina, Minnesota. The Assignors were engaged in the business of designing and selling kitchen cabinets and related products. However, the Assignors have become indebted to creditors and are now unable to pay their debts as they mature. Accordingly, on March 13, 2020, the Assignors entered into an assignment for the benefit of creditors (“Assignment”) under which the Assignors assigned all of their property (“Assignment Property”) to Lighthouse Management Group, Inc. (“Assignee”). In connection with the assignment, the Assignee is authorized and required to liquidate the Assignment Property for the benefit of the Assignors’ creditors.

By making the assignment, the Assignors consented to the appointment of the Assignee as a general receiver with respect to the Assignors, in accordance with Minnesota Statutes, Chapters 576 and 577. (Assignee Affidavit, ¶ 5). Under the assignment, the Assignee agreed to pay and discharge in full, to the extent that funds are available from the Assignment Property after payment of expenses, costs, and disbursements, all of the debts and liabilities now due from the Assignor, including interest on the debts and liabilities in full, in accordance with Minnesota Statutes, Chapters 576 and 577. (Assignee Affidavit, ¶ 4).

II. THE SALE PROCESS AND PROPOSED SALE.

In connection with efforts to market and sell the Sale Assets, the Assignee initiated an aggressive and comprehensive marketing strategy aimed at locating one or more buyers for the Assignors and/or the Assignment Property. (Assignee Affidavit, ¶ 7). The Assignee and the Assignors used their best efforts to facilitate prospective buyers’ due diligence efforts. (Assignee Affidavit, ¶ 8). The Assignee and the Assignors scheduled several “Q&A” sessions, in which they entertained questions from potential bidders. (Assignee Affidavit, ¶ 8).

CliqStudios Cabinets, LLC, an Ohio limited liability company (“Buyer”), made the highest and best bid to purchase that portion of the Assignment Property listed on Exhibit B, attached to the Assignee Affidavit (“Sale Assets”). Buyer made a non-contingent offer to purchase all of the Sale Assets, free and clear of liens and encumbrances, for the sum of \$1,800,000.00. The Assignee, after consultation with Assignors, determined that the Buyer was the successful bidder for the Sale Assets and entered into APA on April 2, 2020. On April 3, 2020, Proceeds totaling \$1,800,000 were wired to the Assignee.

The terms of the proposed sale are set forth in an Asset Purchase Agreement (the “APA”) between the Assignee and the Buyer. (Assignee Affidavit, Ex. B). Salient terms of the APA are as follows:

Sale Assets:	1. Direct to Trade (Pro) Customer Lists; 2. Consumer leads for past 12 months (open opportunities); 3. CliqStudios Trademark & Digital Footprint (SEO), including: a. CliqStudios name & trademark; b. Website & all digital assets; 4. Cabinet Inventory (unassembled), located in Connersville, Indiana; 5. Woodworking & Finishing Production Equipment, located in Connersville, Indiana; and 6. IT Infrastructure Equipment located in Minnetonka, Minnesota.
Purchase Price:	\$1,800,000.00

Payment of Purchase Price:	Check or wire transfer at closing
Assumed Liabilities:	None, Sale Assets are to be sold free and clear of liens.
Contingencies:	None
Type of Sale:	“As-is, where-is” with no warranties

Assignee Affidavit, Ex. B ¶ 3, 4, 6, and Schedule 1.

ARGUMENT

Section 576.46 of the Minnesota Statutes provides in pertinent part that a court may authorize an Assignee to sell property “free and clear of all liens.” Minn. Stat. § 576.46. Upon the sale, “all liens encumbering the property conveyed shall transfer and attach to the proceeds of the sale, net of reasonable expenses.” Minn. Stat. § 576.46, subd. 1(c). In the context of a receivership action, district courts have broad discretion “to do what is best for all concerned.” *Minnesota Hotel Co. v. ROSA Dev. Co.*, 495 N.W.2d 888, 893 (Minn. Ct. App. 1993); *see also Sibley County Bank v. Crescent Milling Co.*, 201 N.W. 618, 620 (Minn. 1925) (“In a Receivership matter the court is constantly using its discretionary power. It does that which it deems best for all interested.”). It is thus settled law that a “district court’s exercise of its equitable powers is reviewed for an abuse of discretion.” *Equity Trust Co. v. Cole*, 766 N.W.2d 334, 338 (Minn. Ct. App. 2009); *see also Community First Bank v First United Funding, LLC*, 822 N.W.2d 306, 320 (Minn. Ct. App. 2012) (noting that because a Receivership is an equitable proceeding, the trial court has discretion to do what’s best for all concerned and that appellate courts thus “review the district court’s equitable determinations for an abuse of discretion.”).

Because the sale of the assets free and clear of any liens or encumbrances maximizes their value for the benefit of all of the parties in interest, this Court can and should exercise its discretion and authorize the sale. Given the timing considerations, any delay in proceeding quickly with the transition of the Sale Assets is likely to result in a loss of value. A prompt transition also minimizes ongoing costs associated with securing, storing, safeguarding, monitoring and administering the Sale Assets, and prevents further depreciation in value.

The sale to the Buyer reflected in the APA maximizes the value of the Sale Assets. The sale price was achieved following an extensive marketing effort which culminated in a purchase price of \$1,800,000.00. The Court should therefore approve the sale because the sale is in the best interests of creditors in this case.

Pursuant to Minn. Stat. § 576.46, the Assignee will pay reasonable expenses incurred in selling and preserving the value of the Sale Assets, including post-appointment operating expenses and legal and professional fees of the Assignee.

CONCLUSION

For all of the foregoing reasons, the Assignee respectfully requests that this Court grant the Assignee's Motion to approve the sale of the Sale Assets to the Buyer free and clear of all liens, claims and encumbrances upon the terms and conditions set forth in the APA.

Dated: April 3, 2020

Respectfully submitted,

BARNES & THORNBURG LLP

By: /s/ Michael A. Cavallaro
Michael A. Cavallaro (#0389995)
Molly N. Sigler (#0399122)
225 South Sixth Street, Suite 2800
Minneapolis, MN 55402
Telephone: (612) 367-8767
Facsimile: (612) 333-6798
mcavallaro@btlaw.com
msigler@btlaw.com

COUNSEL FOR LIGHTHOUSE
MANAGEMENT GROUP, INC.

**ACKNOWLEDGMENT REQUIRED BY
MINNESOTA STATUTES SECTION 549.211, SUBDIVISION 1**

The undersigned hereby acknowledges that pursuant to Minn. Stat. § 549.211, subd. 2, costs, disbursements, and reasonable attorney and witness fees may be awarded to the opposing party or parties in this litigation if the Court should find that the undersigned acted in bad faith, asserted a claim or defense that is frivolous and that is costly to the other party, asserted an unfounded position solely to delay the ordinary course of the proceedings or to harass; or committed a fraud upon the Court.

Dated: April 3, 2020

Respectfully submitted,

BARNES & THORNBURG LLP

By: /s/ Michael A. Cavallaro
Michael A. Cavallaro (#0389995)
Molly N. Sigler (#399122)
225 South Sixth Street, Suite 2800
Minneapolis, MN 55402
Telephone: (612) 367-8767
Facsimile: (612) 333-6798
mcavallaro@btlaw.com
msigler@btlaw.com

COUNSEL FOR LIGHTHOUSE
MANAGEMENT GROUP, INC.

CASE TYPE: Civil/Miscellaneous

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF HENNEPIN

STATE OF MINNESOTA

In Re: Wayzata Home Products, LLC
and cliqstudios.com LLC.

Court File No.: 27-CV-20-4326

Judge: David L. Piper

**AFFIDAVIT OF SAMUEL J.H. SIGELMAN IN SUPPORT OF
ASSIGNEE'S MOTION TO SELL CERTAIN
PROPERTY FREE AND CLEAR OF LIENS**

Samuel J.H. Sigelman, being first duly sworn upon oath, deposes and states as follows:

1. I am an adult resident of the State of Minnesota and a Director and the General Counsel of Lighthouse Management Group, Inc. ("Assignee"). I make this Affidavit of my own personal knowledge, unless otherwise noted, and in support of the Assignee's Motion to Sell Certain Property Free and Clear of Liens ("Motion").

2. On March 13, 2020, Wayzata Home Products, LLC and cliqstudios.com LLC (together, the "Assignors"), assigned to Assignee all of Assignors' property, including, but not limited to, all real property, fixtures, goods, stock, inventory, equipment, furniture, furnishings, accounts receivable, general intangibles, bank deposits, cash, promissory notes, cash value and proceeds of insurance policies, claims, and demands belonging to the assignor, wherever the property may be located (hereinafter, collectively the "Assignment Property").

3. Pursuant to the Assignment, Assignee agreed to take possession of and administer the Assignment Property, liquidate the Assignment Property, collect all claims and demands assigned as and to the extent they may be collectible, and pay and discharge all reasonable

expenses, costs, and disbursements in connection with the execution and administration of the assignment from the proceeds of the liquidations and collections, in accordance with Minnesota Statutes, Chapters 576 and 577.

4. Under the Assignment, the Assignee agreed to pay and discharge in full, to the extent that funds are available from the Assignment Property after payment of expenses, costs, and disbursements, all of the debts and liabilities now due from the Assignors, including interest on the debts and liabilities in full, in accordance with Minnesota Statutes, Chapters 576 and 577.

5. By making the Assignment, the Assignors consented to the appointment of the Assignee as a General Receiver with respect to the Assignors, in accordance with Minnesota Statutes, Chapters 576 and 577.

6. Minnesota law, in conjunction with court approval, reaffirming the Assignee's authority to sell the Assignment Property free and clear of liens, claims and encumbrances. However, in this matter, the Assignment Property is free and clear of liens and encumbrances.

7. Upon appointment, in consultation with the Assignors, the Assignee initiated an aggressive and comprehensive marketing strategy aimed at locating one or more buyers for the Assignors and/or the Assignment Property.

8. The Assignee and the Assignors used their best efforts to facilitate prospective buyers' due diligence efforts. Initially, the Assignee and the remaining management of Wayzata Home Products, LLC and cliqstudios.com LLC reached out to dozens of bidders. The Assignee entertained interest from over 30 potential bidders. Approximately 20 bidders executed a Non-Disclosure Agreement, and those bidders received access to information, documentation and data to perform due diligence; and the opportunity to perform a site visit where Wayzata Home

Products, LLC and cliqstudios.com LLC has a presence. In addition, the Assignee scheduled several “Q&A” sessions, in which they entertained questions from potential bidders.

9. As a result of this thorough process, about seven bids were submitted for the various lots, which made up the Assignment Property. After negotiating with the bidders, and using its business judgment, the Assignee decided to accept the best bid for the creditors.

10. CliqStudios Cabinets, LLC, an Ohio limited liability company (“Buyer”), made the highest and best bid to purchase that portion of the Assignment Property listed on Exhibit A, attached hereto (“Assets”). Buyer made a non-contingent offer to purchase all of the Assets, free and clear of liens and encumbrances, for the sum of \$1,800,000.00 (the “Purchase Price”).

11. The Buyer acknowledged and agreed that its Purchase Price does not include the purchase, assignment or acquisition of the following assets:

- a. All of the Company’s office furniture and computers, located in Edina, Minnesota, St. Louis, Missouri, and Indianapolis, Indiana;
- b. All of the assets leased by the Company;
- c. Accounts Receivable; and
- d. The IT Infrastructure Equipment located in the state of Maryland.

(Collectively, the “Excluded Assets”)

12. The Assignee shall maintain control of the Excluded Assets; and can sell, collect, abandon the assets or do with them what it maintains is in the best interest of the creditors.

13. No formal valuation or appraisal has been conducted for the Sales Assets. However, the Assignee had an auctioneer professional review the inventory, equipment and computers and provided the Assignee with an estimation of the fair market value of the Assets. The Assets connected with the sale subject to the APA, as defined below, are within the fair market value of the Assets, as provided by the auctioneer professional.

14. On April 2, 2020, the Assignee and the Buyer entered into an asset purchase agreement for the sale of the Assets (“APA”). A true and correct copy of the APA is attached hereto as Exhibit B.

15. The Purchase Price represents the best bid received through the bidding process. In addition, the Buyer’s transition plan includes a process to takeover over the assets and some of the leased space immediately. The Buyer’s transition plan provides a significant benefit to the creditors, by saving the Assignment Estate approximately \$150,000-\$200,000 per month.

16. To the best of my knowledge, information and belief, Buyer (a) is not a successor to the Assignors or any of them, (b) has not, de facto or otherwise, merged with or into the Assignors or any of them, and (c) is not a continuation or substantial continuation of any of the Assignors.

17. Under the auspices of the APA, the Assignee, based on experience and business judgment, believes that it has negotiated a purchase of the Assets that will maximize their value and limit the liabilities, thus producing the best result for the creditors. Timing is a critical component to the Assignee’s ability to maximize that value.

FURTHER YOUR AFFLIANT SAYETH NAUGHT.



Subscribed and sworn unto before
me this 2nd day of April, 2020.



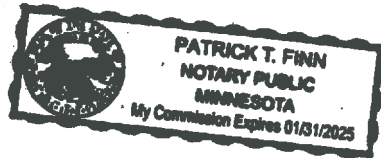
Notary Public

EXHIBIT A
SALE ASSETS

All of the Company's assets, including those identified below, but not including the assets identified in Schedule 2:

1. Direct to Trade (Pro) Customer Lists;
2. Consumer leads for past 12 months (open opportunities);
3. CliqStudios Trademark & Digital Footprint (SEO), including:
 - a. CliqStudios name & trademark;
 - b. Website & all digital assets;
4. Cabinet Inventory (unassembled), located in Connersville, Indiana;
5. Woodworking & Finishing Production Equipment, located in Connersville, Indiana;
and
6. IT Infrastructure Equipment located in Minnetonka, Minnesota.

EXHIBIT B
APA

[Attached.]

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (“Agreement”) is made and entered into this 2nd day of April, 2020 (the “Effective Date”), by and between CliqStudios Cabinets, LLC, an Ohio limited liability company, and its assigns (“Purchaser”) and Lighthouse Management Group, Inc. (the “Assignee”), in its capacity as the Assignee of the assets of Wayzata Home Products, LLC, its subsidiaries, and cliqstudios.com LLC (collectively, the “Company”).

RECITALS

A. On March 13, 2020, a certain Assignment for Benefit of Creditors (the “Assignment”), was entered into by and between the Company and the Assignee. The Assignment was filed by the Assignee with the Hennepin County District Court for the State of Minnesota (the “Court”) on March 13, 2020, at 6:16 p.m. in Court File No. 27-CV-20-4326.

B. Purchaser has agreed to purchase certain assets of the Company under the terms and conditions set forth below.

AGREEMENT

In consideration of the recitals and the mutual agreements which follow, the parties agree as follows:

1. **Assets to be Purchased.** Subject to the terms and conditions set forth in this Agreement, the Purchaser agrees to purchase and the Assignee agrees to sell to Purchaser at the Closing, all of the assets of the Company set forth on Schedule 1, attached hereto.
2. **Excluded Assets.** Notwithstanding any other provisions of this Agreement, the Purchased Assets shall not include any of the assets set forth on Schedule 2, attached hereto (collectively, the “Excluded Assets”).
3. **Exclusion of Liabilities and Obligations.** Purchaser does not assume any liabilities, obligations or commitments of the Company or the Assignee, whether absolute or contingent, known or unknown, except as specifically set forth herein.
4. **Purchase Price and Payment.** Purchaser agrees to pay the amount set forth below for the Purchased Assets.
 - a. **Amount.** In consideration of the Assignee’s sale, assignment and transfer of the Purchased Assets, Purchaser shall pay to the Assignee the sum of One Million Eight Hundred Thousand Dollars (\$1,800,000.00) (the “Purchase Price”).
 - b. **Payment Terms.** Purchaser agrees to pay the Purchase Price, in full, via certified check or wire transfer (the “Proceeds”) at the Closing.
 - c. **Allocation of Purchase Price.** The Purchase Price shall be allocated to the Purchased Assets as mutually agreed by Purchaser and the Assignee by the Closing. All tax returns and reports filed by Purchaser with respect to the transactions contemplated by this Agreement shall be consistent with such allocation.

4. Closing. The Closing (the “Closing”) of the transaction contemplated by this Agreement shall take place by the end of business on Friday, April 3, 2020 (the “Closing Date”) at such place as Assignee and Purchaser may mutually agree. The Assignee will seek an entry of an Order by the Court approving this Agreement (the “Approval Order”), subsequent to the Closing Date. The Assignee will hold the Proceeds in trust pending an Order from the entry of the Approval Order entered by the Court. Once the Approval Order is entered, the Assignee can disburse the Proceeds to the benefit of the Assignment Estate.
5. Deliveries at Closing. At the Closing, the Assignee shall deliver to Purchaser (a) a Bill of Sale for the Purchased Assets in the form attached hereto as Exhibit “A” duly executed by the Assignee; and (b) such other documentation as may be reasonably required to effectuate the transactions contemplated by this Agreement. At the Closing, the Purchaser shall deliver to the Assignee the Purchase Price pursuant to Section 4.
6. Representations and Warranties of the Assignee. The Assignee warrants and represents to Purchaser that the statements contained in this Section 6 are true and correct and complete as of the date of this Agreement and shall be true and correct and complete as of the Closing Date:
 - a. Power. The Assignee is the duly appointed Assignee for the Company and will have the power to execute and deliver this Agreement and to consummate the transactions provided for herein, subject to approval of the Court in the Assignment.
 - b. Authority. The execution and delivery of this Agreement by the Assignee and the performance by the Assignee of the obligations to be performed hereunder will be duly authorized by the Court in the Assignment.
 - c. Title to the Purchased Assets. All of the Assignee’s right, title and interest in the Purchased Assets will be transferred to Purchaser pursuant to the Order.
 - d. Limitations on Warranties and Representations. **Purchaser acknowledges and agrees the Purchased Assets are being conveyed by the Assignee “AS IS, WHERE IS” except for the representations and warranties contained in this Agreement, the Assignee makes no express or implied representations or warranties of any kind, including, without limitation, no representations or warranties as to the condition, merchantability, or fitness for a particular purpose of the Purchased Assets, the income derived or potentially to be derived from the Purchased Assets or the Company’s Business, or the expenses incurred or potentially to be incurred in connection with the Purchased Assets or the Company’s Business.**
7. Representations and Warranties of Purchaser. Purchaser warrants and represents to the Assignee that the statements contained in this Section 7 are true, correct and complete as of the date of this Agreement and shall be true, correct and complete as of the Closing Date.
 - a. Power. Purchaser is duly organized and validly existing under the laws of the state

of incorporation, and has the power to own its property and carry on its business.

- b. Authority. Purchaser has all necessary power to execute and deliver this Agreement and to consummate the transactions provided for herein. The execution and delivery of this Agreement by Purchaser and the performance by it of the obligations to be performed hereunder have been duly authorized by all necessary and appropriate action. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby do not and shall not conflict with, or result in a breach of, or constitute a default under the terms or conditions of Purchaser's entity documents and agreements, any court or administrative order or process to which Purchaser is a party, any agreement or instrument to which Purchaser is a party or by which Purchaser is bound or any statute or regulation of any governmental agency.
- c. Execution and Binding Agreement. This Agreement has been duly and validly executed and delivered by Purchaser and constitutes a valid and legal binding obligation of Purchaser enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting the rights and remedies of creditors generally and to general principles of equity.
- d. Leased Equipment. The Purchaser understands and acknowledges that the Company is leasing certain equipment in Connersville, Indiana (the "Leased Equipment") and is not in a position to convey or assign any interest to the Purchaser. The Purchaser understands and acknowledges that, if the Purchaser so desires, it is incumbent upon the Purchaser to enter into lease arrangements with the owners of the Leased Equipment.

8. Miscellaneous.

- a. Amendment and Severability. This Agreement may only be amended by a written agreement of the Assignee and Purchaser. If any provision, clause or part of this Agreement or the application thereof under certain circumstances, is thought to be invalid, the remainder of this Agreement, or the application of each provision, clause or part under other circumstances, shall not be affected thereby.
- b. Governing Law. This Agreement shall be governed by and subject to the laws of the State of Minnesota.
- c. Waiver. The failure of the Assignee or Purchaser to insist, in any one or more instances, upon performance of any of the terms or conditions of this Agreement, shall not be construed as a waiver or relinquishment of any rights granted hereunder or the future performance of any such term, covenant or condition.
- d. Notices. Any notice to be given hereunder shall be deemed sufficient if in writing and delivered, in the case of Assignee, to:

Mr. Samuel J.H. Sigelman
Lighthouse Management Group, Inc.
900 Long Lake Road, Suite 180
New Brighton MN 55112
ssigelman@lighthousemanagement.com

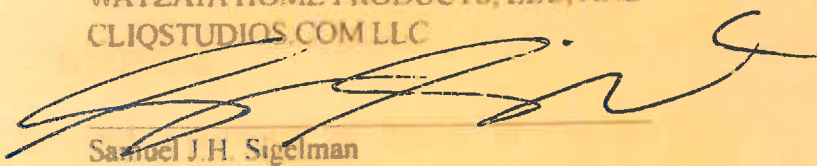
and in case of Purchaser, to:

Ryan A. Kuchmaner, Esq.
Black, McCuskey, Souers & Arbaugh LPA
220 Market Ave. South, Suite 1000
Canton, OH 44702
rkuchmaner@bmsa.com

- e. Exclusive Jurisdiction. The Hennepin County District Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby. In all claims, actions, classes of action, suits and proceedings relating to the foregoing shall be filed and maintained only in the Court, and the parties hereby consent to the jurisdiction of the Court.
- f. Time is of the Essence. The parties agree that time is of the essence with respect to all provisions of this Agreement.

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

LIGHTHOUSE MANAGEMENT GROUP, INC.
AS ASSIGNEE FOR
WAYZATA HOME PRODUCTS, LLC, AND
CLIQSTUDIOS.COM LLC



Samuel J.H. Sigelman

Its: Director

CLIQSTUDIOS CABINETS, LLC

By: Clark Jay Barkheimer

CLARK JAY BARKHEIMER

Its: MANAGING MEMBER

SCHEDULE 1

ASSETS TO BE PURCHASED

All of the Company's assets, including those identified below, but not including the assets identified in Schedule 2:

1. Direct to Trade (Pro) Customer Lists;
2. Consumer leads for past 12 months (open opportunities);
3. CliqStudios Trademark & Digital Footprint (SEO), including:
 - a. CliqStudios name & trademark;
 - b. Website & all digital assets;
4. Cabinet Inventory (unassembled), located in Connersville, Indiana;
5. Woodworking & Finishing Production Equipment, located in Connersville, Indiana;
and
6. IT Infrastructure Equipment located in Minnetonka, Minnesota.

SCHEDULE 2

EXCLUDED ASSETS

1. All of the Company's office furniture and computers, located in Edina, Minnesota, St. Louis, Missouri, and Indianapolis, Indiana;
2. All of the assets leased by the Company;
3. Accounts Receivable;
4. IT Infrastructure Equipment located in the state of Maryland.

EXHIBIT A

GENERAL BILL OF SALE

FOR GOOD AND VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned, Lighthouse Management Group, Inc., as ASSIGNEE for Wayzata Home Products, LLC its subsidiaries, and cliqstudios.com LLC ("Assignee") hereby conveys and assigns to CliqStudios Cabinets, LLC, an Ohio limited liability company ("Purchaser") all right, title and interest of Assignee in and to the "Purchased Assets" as such are defined and more particularly described in the Asset Purchase Agreement dated as of April 3, 2020 between Assignee and Purchaser (the "Asset Purchase Agreement").

Other than warranties expressly set forth in the Asset Purchase Agreement, Assignee's transfer of the Purchased Assets is AS IS, WHERE IS, WITHOUT REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

The provisions of this General Bill of Sale are subject, in all respects, to the terms and conditions of the Asset Purchase Agreement.

Dated this 3rd day of April, 2020.

Lighthouse Management Group, Inc.
As Assignee for for Wayzata Home
Products, LLC, and cliqstudios.com LLC

CASE TYPE: Civil/Miscellaneous

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF HENNEPIN

STATE OF MINNESOTA

In Re: Wayzata Home Products, LLC
and cliqstudios.com LLC.

Court File No.: 27-CV-20-4326

Judge: David L. Piper

**ORDER AUTHORIZING ASSIGNEE TO SELL CERTAIN
PROPERTY FREE AND CLEAR OF LIENS**

The above-entitled matter came before the undersigned, on the Assignee's Motion to Sell Certain Property Free and Clear of Liens. Appearances and written submissions were as noted for the record. Based upon the Motion, accompanying Memorandum, the Affidavit of Samuel J.H. Sigelman, arguments of counsel, and upon all of the records and proceedings herein:

IT IS HEREBY ORDERED, ADJUDGED AND DETERMINED AS FOLLOWS:

1. The record of these proceedings establishes that the sale and marketing process undertaken by the Assignee were skillfully and diligently undertaken in a manner that maximized the value of the assets being offered for sale and that the ensuing sale process, which culminated in an agreement to purchase the assets for \$1,800,000 ("Purchase Price"), served to maximize such value. Accordingly, the Assignee's Motion to sell certain Assets of Wayzata Home Products, LLC and cliqstudios.com LLC (together, the "Assignors"), upon the terms and conditions set forth in that certain Asset Purchase Agreement between the Assignee and CLIQSTUDIOS CABINETS, LLC (the "Buyer"), dated as of April 2, 2020 and attached to the Affidavit of Samuel J.H. Sigelman as Exhibit B ("APA"), and to perform all obligations set forth therein is in all respects GRANTED.

2. Upon Buyer's timely and faithful performance of its obligations under the APA, to the extent that there are any liens, claims, encumbrances or interests of any kind, the sale of the assets to be sold as identified in the APA (the "Assets") shall be free and clear said liens, claims, encumbrances and interests of every kind, nature and description (jointly, "Encumbrances"), and all parties who claim or may claim any lien or interest in such Assets are hereby barred and enjoined from asserting any claim or other interest in or to the Assets. The sale proceeds shall be applied in accordance with Minn. Stat. § 576.51.

3. The closing was completed on April 3, 2020, subject to court approval. The transfer of the Assets to Buyer at closing constituted a legal, binding, valid, and effective transfer of all the rights and interests of the Assignors and the Assignee in the Assets and shall vest Buyer with all right, title, and interest of the Assignors and/or the Assignee to the Assets free and clear of all Encumbrances, if any, and any other interests of any kind or nature whatsoever, including any rights or claims based on, or otherwise arising under, any doctrines of successor or transferee liability, employment, pensions, or torts, and, except as provided in the APA, any rights or claims relating to taxes arising from or related to the Assets prior to the closing, and all such Encumbrances, and other interests, including any rights or claims based on, or otherwise arising under, any doctrines of successor or transferee liability, shall attach to the net proceeds of the sale in the order of their priority, with the same validity, force, and effect that they now have as against the Assets, subject to any claims and defenses of the Assignors or any other party in interest may possess with respect thereto. As of the date of closing, this Order shall be construed and shall constitute for any and all purposes a full and complete general assignment, conveyance, and transfer of the interest of each of the Assignors and/or Assignee in the Assets.

4. The Purchase Price funds have been held in escrow by Assignee pending this court's approval of the sale. This Court hereby approves the sale, and immediately authorizes Assignee to release funds held in escrow from the closing to be administered to the Assignment Estate in accordance with Minnesota law.

5. Buyer (a) is not a successor to the Assignors or any of them, (b) has not, de facto or otherwise, merged with or into Assignors or any of them, and (c) is not a continuation or substantial continuation of any of the Assignors. The transfer of the Assets to Buyer does not and will not subject Buyer or the Assets to any claims, obligations, demands, or liabilities whatsoever with respect to the operation of any of the Assignors' businesses prior to closing, by reason of such transfer, or for any other reason.

6. The Assignee is hereby authorized to recover reasonable fees and expenses incurred by the Assignee in connection with the sale of the Assets out of the sale proceeds.

7. This Court shall retain exclusive jurisdiction to enforce the terms and conditions of the APA and this Order.

Dated: _____

BY THE COURT:

The Honorable David L. Piper
District Court Judge