

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
United Cutlery Corporation		01/17/2007	CORPORATION: TENNESSEE
RECEIVING PARTY DATA			
Name:	Bud K World Wide, Inc.		
Street Address:	475 US Highway 319 S		
City:	Moultrie		
State/Country:	GEORGIA		
Postal Code:	31768-0508		
Entity Type:	CORPORATION: GEORGIA		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	1397417	UNITED	
CORRESPONDENCE DATA			
Fax Number:	(404)581-8330		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	404-581-8275		
Email:	srbrown@jonesday.com		
Correspondent Name:	Sidney R. Brown		
Address Line 1:	1420 Peachtree Street, N.E.		
Address Line 2:	Suite 800		
Address Line 4:	Atlanta, GEORGIA 30309-3053		
ATTORNEY DOCKET NUMBER:	568715-600001		
NAME OF SUBMITTER:	Sidney R. Brown		
Signature:	/Sidney R. Brown/		
Date:	04/25/2007		

OP \$40.00 1397417

Total Attachments: 20

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IN RE ASSIGNMENT OF "UNITED," U.S. REG. NO. 1,397,417

The undersigned officer of Bud K World Wide, Inc., a Georgia corporation ("Assignee"), hereby declares and affirms that the above-referenced trademark and registration have been assigned to Assignee by United Cutlery Corporation, a Tennessee corporation ("Assignor"), pursuant to a certain Asset Purchase Agreement dated January 17, 2007 (the "Purchase Agreement") and a certain Order Granting Motion of United Cutlery Corporation to Sell Inventory and Other Personal Property Free and Clear of Liens issued by the United States Bankruptcy Court for the Eastern District of Tennessee, Northeastern Division at Greeneville, on January 16, 2007 (the "Court Order"). True and correct copies of the Purchase Agreement (together with Exhibit B thereto), the related Bill of Sale, and the Court Order are attached hereto as Schedules 1, 2, and 3, respectively.

Pursuant to the Purchase Agreement and Bill of Sale, Assignor assigned all "Assets" (consisting of Assignor's personal property), including all "Intellectual Property," which itself included all trademarks and registrations therefor listed on Exhibit B to the Purchase Agreement. Such exhibit includes the above-referenced mark and registration.

Executed this 24th day of April, 2007:

BUD K WORLD WIDE, INC.

By: 
Rodney Hunter
Chief Financial Officer

ASSET PURCHASE AGREEMENT

United Cutlery Corporation (“**Seller**”) and Bud K Worldwide, Inc. (“**Buyer**”) agree as follows:

I. Defined Terms

The following capitalized terms shall be defined as set forth:

- A. “Agreement” shall mean this “Asset Purchase Agreement,” including all attachments, exhibits and consents hereto.
- B. “Approval Order” shall mean an order to be entered by the Court in the Case approving and authorizing the Closing of the sale of the Assets.
- C. “Assets” shall mean Seller’s personal property, including without limitation, the items set forth on the Inventory, the Intellectual Property, and the FF&E to be sold by Seller and purchased by Buyer pursuant to this Agreement, but shall not include “Excluded Assets”.
- D. “Break-up Fee” shall be the sum of Fifty Thousand Dollars (\$50,000.00) payable by Seller, if Smoky Mountain Knife Works, Inc. and Phil Martin d/b/a Blue Ridge Knives are the unsuccessful bidders for the purchase of the Assets.
- E. “Buyer” shall mean Bud K Worldwide, Inc., a Georgia corporation.
- F. “Case” shall mean the Chapter 11 case of Seller pending in the Court, Case No. 2:06-bk-50884.
- G. “Closing” shall mean the consummation of the sale of the Assets, including without limitation, the satisfaction of all conditions, the payment of the Purchase Price, and the transfer of the Assets to Buyer or other successful purchaser of the Assets.
- H. “Closing Date” shall mean the calendar day on which the Closing occurs.

I. "Code" shall mean the Federal Bankruptcy Code, as amended (11 U.S.C. §§101 et seq.) and "Court" shall mean the United States Bankruptcy Court for the Eastern District of Tennessee sitting in Greeneville, Tennessee.

J. "Excluded Assets" shall mean accounts receivable; cash and cash equivalents; all inventory located at K-Mart locations; real property interests; avoidance actions arising under the Code; contractual rights not involving the Intellectual Property; security deposits; and other claims and/or rights to payment or refund or setoff; all minute books, stock records and corporate seals; all insurance policies and rights thereunder; all personnel records; all claims for refund of taxes and other government chargers of whatever nature; all assets and rights in connection with, and obligations under, employee benefit plans; the Seller's financial and accounting records; all rights of Seller relating to prepaid expenses; Navision software and upgrades, including without limitation all property described in those certain Microsoft Loan and Security Agreements dated December 7, 2004, and April 7, 2005, together with server on which such software and upgrades are installed and a computer with all peripheral devices.

Additionally, "Excluded Assets" include New Line licensed articles and all molds, printing plates, artwork, films, silk screens, and/or any materials which reproduce or were used in the design and exploitation of the New Line licensed articles.

"Excluded" Assets are identified in Collective Exhibit F.

K. "Execution Date" shall mean the calendar date on which all parties have executed this Agreement and all attachments, exhibits, and consents hereto are approved by each party and consenting party.

- L. "FF&E" shall mean furniture, fixtures, equipment, and vehicles owned by Seller to be transferred to Buyer pursuant to this Agreement, excluding any leased or financed (other than by Secured Creditor) personal property.
- M. "Intellectual Property" shall mean intellectual property owned by Seller to be transferred to Buyer pursuant to this Agreement, excluding any licenses between Seller and third parties.
- N. "Inventory" shall mean the Seller's December 22, 2006 written inventory of the Assets.
- O. "Landlord" shall mean "Hall Partners, L.P.," owner of the Premises.
- P. "Premises" shall mean the Seller's leased premises at 1425 United Cutlery Boulevard in Sevierville, Tennessee.
- Q. "Procedures Order" shall mean an order to be entered by the Court in the Case approving the notice, bidding and break-up procedures which shall govern this Agreement.
- R. "Purchase Price" shall be the sum of Two Million, Twenty-Five Thousand Dollars (\$2,025,000.00) which is the consideration to be paid by Buyer to Seller for the Assets.
- S. "Section 363" shall mean 11 U.S.C. §363, including all subparts.
- T. "Secured Creditor" shall mean SunTrust Bank.
- U. "Security Deposit" shall be the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00) paid by Buyer pursuant to this Agreement.
- V. "Seller" shall mean United Cutlery Corporation, a Tennessee corporation.
- W. Any other term or word capitalized in this Agreement shall have the meaning given to it in §101 of the Code or as otherwise set forth in this Agreement.

II. The Transaction

1. Seller agrees to sell and Buyer agrees to purchase the Assets free and clear of any and all interests in the Assets, on the terms and conditions set forth in this Agreement. The sale of the Assets shall be "as is, where is" with Seller making no warranties, whether express or implied, except as set forth in this Agreement, including the warranties of merchantability and fitness for a particular use or purpose.
2. A schedule of the Inventory, which is incorporated herein by this reference, is attached to this Agreement as **Exhibit A**.
3. A schedule of the Intellectual Property, which is incorporated herein by this reference, is attached to this Agreement as **Exhibit B**. Seller shall not be responsible for any cure payment required to assume any executory contract or unexpired lease.
4. A schedule of the FF&E, which is incorporated herein by this reference, is attached to this Agreement as **Exhibit C**.
5. A fixed sum of \$50,000.00 (the "**Fixed Vehicle Proceeds**") is specifically allocated for the six (6) unencumbered motor vehicles (the "**Vehicles**"). Other than the Vehicles, which are unencumbered, Secured Creditor holds the only security interest in the Assets. Within three (3) business days after the Execution Date, Buyer shall provide to Seller and attorneys for Secured Creditor and the Creditors Committee satisfactory written evidence of available funds to pay the Purchase Price. Buyer shall pay the Purchase Price in accordance with paragraph 4 of Article III.
6. Secured Creditor shall consent to this Agreement by executing a written consent, in form and substance satisfactory to Seller and counsel, attached to this Agreement as **Exhibit D**, which is incorporated herein by this reference.

7. Landlord shall consent to this Agreement by executing a written consent, in form and substance satisfactory to Seller and counsel, attached to this Agreement as **Exhibit E**, which is incorporated herein by this reference. Buyer shall have until January 29, 2007 for removal of the Assets from the Premises, at no charge to Buyer, whether for rent, utilities, or otherwise. Buyer shall leave the Premises in "broom clean" condition. Buyer assumes the risk of loss related to the Assets from and after the Closing Date, assuming Buyer's access to the Premises. Landlord shall maintain its insurance on the Premises and Buyer shall procure its own insurance on the Assets, from and after the Closing Date. Buyer shall exercise reasonable care in removing the Assets from the Premises, and assumes all reasonable risks and liabilities associated with the removal of the Assets. Seller shall be responsible for the removal from the Premises of all Excluded Assets.

8. Within three (3) business days after the Execution Date, Buyer shall post the Security Deposit, which shall be retained by counsel for the Seller in his firm's agent or trust account in an interest bearing account, with interest payable to the ultimate recipient. The Security Deposit shall secure Buyer's full and faithful performance of this Agreement and shall be forfeited to Seller if Buyer defaults in its performance of this Agreement. Otherwise, the Security Deposit shall be credited against the Purchase Price at Closing or returned to Buyer, if Buyer is not the successful purchaser of the Assets as approved by the Court.

9. Within two (2) business days after the Execution Date, Seller shall cause to be filed in the Case the appropriate and necessary pleadings as required by the Code, requesting that the Court enter an order (the "**Procedures Order**") in the form of Exhibit G, which is incorporated herein by this reference.

10. Seller shall also file in the Case the appropriate and necessary pleadings as required by the Code, requesting that the Court enter an order (the "Sale Approval Order") in the form of Exhibit H, which is incorporated by this reference.

III. The Closing

1. The Closing shall occur on the first business day after the entry of the Approval Order, but no later than January 17, 2007.

2. The Closing shall occur subject to the satisfaction of the following conditions:

a. The Procedures Order shall be entered by the Court. The Sale Approval Order shall be final and non-appealable, not otherwise stay or bonded, and/or it shall provide Code §363(m) protection in a form and substance satisfactory to Buyer and its counsel.

b. No third party consent to this Agreement shall have been rescinded or withdrawn.

c. Seller shall not make any sale or other disposition of any item of Assets on or after December 22, 2006. The Assets shall be in substantially the same condition as of the date of the Inventory.

d. Buyer shall forfeit the Security Deposit if all Closing conditions are satisfied and Buyer fails to close. The Security Deposit shall not be deemed to be a liquidated damage payment.

3. At Closing, Buyer and Seller shall each execute such Closing documents (including without limitation, transfer documents, bills of sale, corporate consents, and other customary closing documents) as the other party may reasonably request, consistent with this Agreement and the Sale Approval Order.

4. At Closing, Buyer shall pay the Purchase Price (less credit for the Security Deposit) as provided in Exhibit I, which is incorporated by this reference, and Seller shall transfer the Assets and make the Premises immediately available to Buyer. At Closing, Seller's attorney shall wire transfer \$50,000.00 from Buyer's Security Deposit to an escrow account in accordance with the provisions of the Sale Order. All remaining proceeds from the sale shall be paid directly to Secured Creditor at the time of sale closing, and applied toward Secured Creditor's secured claim.

5. Following the Closing, Seller will execute and deliver such other instruments and documents as Buyer may reasonably request in order to evidence or perfect the transactions contemplated by this Agreement.

IV. Miscellaneous

1. Each party has been represented by counsel of its choice in negotiating this Agreement. All attachments, exhibits, consents, pleadings, notices, orders and closing documents shall be subject to the approval of each party, by and through its respective counsel.

2. Any dispute or litigation related to or arising out of the Agreement or any underlying transaction shall be submitted to the Court for resolution, with the losing party paying the reasonable attorney's fees and costs of the prevailing party.

3. This Agreement incorporates all prior agreements, negotiations and discussions of the parties. This Agreement can be changed only in writing, signed by the party to be charged therewith, subject to the Procedures Order and Approval Order.

4. After Closing, Buyer shall have access to Seller's product database, purchase history, pricing information, and sales history. At Buyer's request, Seller shall make copies of or shall download such information onto a diskette or other medium, provided that Buyer will pay

Seller's reasonable costs of the same. Seller shall have the right to retain copies of its sales and other records necessary in the administration of its bankruptcy case and the windup of its financial affairs.

UNITED CUTLERY CORPORATION

SELLER: By: _____

David K. Hall

Its: President

Date: _____

1-17-07

BUD K WORLDWIDE, INC.

BUYER: By: _____

(Print Name)

Date: _____

Its: _____

(Print Title)

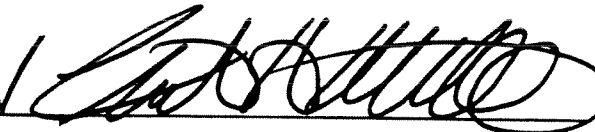
Seller's reasonable costs of the same. Seller shall have the right to retain copies of its sales and other records necessary in the administration of its bankruptcy case and the windup of its financial affairs.

UNITED CUTLERY CORPORATION

SELLER: By: _____
David K. Hall

Date: _____ Its: President

BUD K WORLDWIDE, INC.

BUYER: By: 
Clint Kadel
(Print Name)

Date: _____ Its: President
(Print Title)

EXHIBIT B

United's Trademark Listing

Mark	Owner	Applied	Att Ref.	Reg. #	Issued	Renewal
United & Globe & Wreath Design	China - Registered Trademark of United Cutlery Corp.		30195.86	3827195	6/21/06	6/20/2016
United Cutlery & Globe Design	China - Registered Trademark of United Cutlery Corp.		30509.87	3827196	6/21/06	6/20/2016
United Cutlery Brands & Design	China - Registered Trademark of United Cutlery Corp.		30209.86	3827194	6/21/06	6/20/2016
Anathar®	Registered Trademark of United Cutlery Corp.	05/18/04	30123.82	3,143,055	9/12/06	
Anathros®	Registered Trademark of United Cutlery Corp.		30258.82	2,769,090	9/30/2003	9/30/2013
Archeros®	Registered Trademark of United Cutlery Corp.		30230.82	2,918,176	1/11/05	1/11/2015
Black Legion®	Registered Trademark of United Cutlery Corp.	P&B 2/7/05	31045.82	78/587,557		
Cinthorc®	Registered Trademark of United Cutlery Corp.	03/18/03	30221.82	2,902,375	11/9/04	11/9/2013
Cryoeedge®	Registered Trademark of United Cutlery Corp.		30198.82	2,576,676	6/4/02	6/4/2012
Dragon Lord®	Registered Trademark of United Cutlery Corp.		30199.82	2,033,925	1/28/97	1/28/2007
Elexorien®	Registered Trademark of United Cutlery Corp.		30257.82	2,769,093	9/30/03	9/30/2013
Elite Forces®	Registered Trademark of United Cutlery Corp.	10/25/04	30688.82	3,081,970	4/18/06	
Fang of Baclin®	Registered Trademark of United Cutlery Corp.		30256.82	2,769,092	9/30/03	9/30/2013
Fossil Hunter®	Registered Trademark of United Cutlery Corp.		30255.82	2,771,375	10/7/03	10/7/2013
Game Zipper®	Registered Trademark of United Cutlery Corp.		30210.82	1,889,621	4/18/95	4/18/2005
Kilgorin®	Registered Trademark of United Cutlery Corp.		30254.82	2,771,381	10/7/2003	10/7/2013
Kraken®	Registered Trademark of United Cutlery Corp.		30253.82	2,771,380	10/7/03	10/7/2013
Legends In Steel®	Registered Trademark of United Cutlery Corp.		30207.82	2,227,429	3/2/99	3/2/2009
LS®	Registered Trademark of United Cutlery Corp.			2,189,282	9/15/1998	9/15/2008
Luciendar®	Registered Trademark of United Cutlery Corp.			2,771,379	10/7/03	10/7/2013
Max Edge Stainless Steel®	Registered Trademark of United Cutlery Corp.		30252.82	2,485,754	9/4/01	9/4/2011
Max Edge Stainless Steel® stylized	Registered Trademark of United Cutlery Corp.		30213.82	2,485,755	9/4/01	9/4/2011
Max Edge®	Registered Trademark of United Cutlery Corp.		30212.82			
Metal Glo®	Registered Trademark of United Cutlery Corp.					
MOAB™	Registered Trademark of United Cutlery Corp.					
Molotoch®	Registered Trademark of United Cutlery Corp.	05/01/03	30204.82	1,401,784	7/22/1986	7/24/2006
Morthoseth®	Registered Trademark of United Cutlery Corp.		30231.82	3,018,463	11/22/05	11/22/2010
Negotiator®	Registered Trademark of United Cutlery Corp.		30222.82	2,902,376	11/9/04	11/9/2024
ON TARGET®	Registered Trademark of United Cutlery Corp.		30241.82	2,771,378	10/7/03	10/7/2013
ON TARGET® (Stylized)	Registered Trademark of United Cutlery Corp.		30215.82	2,495,004	10/2/01	10/2/2011
Pine Knot	Registered Trademark of United Cutlery Corp.		30196.82	1,414,760	10/28/86	10/28/2006
Pocketech®	Registered Trademark of United Cutlery Corp.		30202.82	1,414,759	10/28/86	10/28/2006
Police Task Force®	Registered Trademark of United Cutlery Corp.			1,493,925	6/28/1988	6/28/2008
Raptor®	Registered Trademark of United Cutlery Corp.		30208.82	2,412,765	12/12/2000	12/12/2010
	Registered Trademark of United Cutlery Corp.		30240.82	2,769,094	9/30/03	9/30/2013
	Registered Trademark of United Cutlery Corp.		30205.82	1,878,454	2/14/1995	2/14/2005

United's Trademark Listing

Mark	Owner	Applied	Att Ref.	Reg. #	Issued	Renewal
Raven®	Registered Trademark of United Cutlery Corp.		30131.82	1,828,057	3/29/94	3/29/2014
Rigid®	Registered Trademark of United Cutlery Corp.		30200.82	1,656,015	9/10/91	5/24/2011
Rigid™						
RocLOC®	Foreign - Trademark of United Cutlery Corp.		30549.89	5,003,082	11/15/05	
Roll Tech®	Registered Trademark of United Cutlery Corp.	10/13/03	30226.82	3,006,514	10/11/05	10/11/2011
Sharpmaster®	Registered Trademark of United Cutlery Corp.		30232.82	2,766,642	9/23/03	9/23/2013
Steel Apocalypse Collection®	Registered Trademark of United Cutlery Corp.		30197.82	1,418,188	11/25/1986	11/27/2006
Sword of Darkness®	Registered Trademark of United Cutlery Corp.		30223.82	2,911,705	12/14/04	12/14/2013
Sword of Vaelen®	Registered Trademark of United Cutlery Corp.		30239.82	2,771,384	10/7/03	10/7/2013
Swords of the Ancients®	Registered Trademark of United Cutlery Corp.		30238.82	2,779,309	11/4/03	11/4/2013
The Jackal®	Registered Trademark of United Cutlery Corp.	11/30/04	30735.82	3,045,895	1/17/06	
Tomahawk Brand (and Design)	Registered Trademark of United Cutlery Corp.					
Tomahawk Brand (work mark)	Registered Trademark of United Cutlery Corp.					
Trelek®	Registered Trademark of United Cutlery Corp.		30225.82	1,814,733	1/4/94	1/6/2014
Trophy Master®	Registered Trademark of United Cutlery Corp.		30224.82	1,794,704	9/28/93	9/28/2013
Umethar®	Registered Trademark of United Cutlery Corp.		30228.82	2,879,589	8/31/04	8/31/2014
United (in Japan-work mark)	Registered Trademark of United Cutlery Corp.		30216.82	1,786,500	8/10/1993	8/20/2013
United (in Korea-work mark)	Registered Trademark of United Cutlery Corp.		30237.82	2,769,091	9/30/03	9/30/2013
United® (word mark)	Registered Trademark of United Cutlery Corp.			2,500,116		1/29/2013
United® Cutlery Brands - stylized	Registered Trademark of United Cutlery Corp.		30201.93			
United® Cutlery Brands-dsgn/brdr	Registered Trademark of United Cutlery Corp.		30201.82	1,397,417	6/17/86	6/19/2006
Valdis®	Registered Trademark of United Cutlery Corp.		30209.82	2,270,274	8/17/99	8/17/2009
Valermos®	Registered Trademark of United Cutlery Corp.		30206.82	2,282,574	10/5/99	10/5/2009
Velocity®	Registered Trademark of United Cutlery Corp.		30236.82	2,779,308	11/4/03	11/4/2013
Wolfhound®	Registered Trademark of United Cutlery Corp.		30235.82	2,771,382	10/7/2003	10/7/2013
Wolfpup®	Registered Trademark of United Cutlery Corp.	08/28/03	30229.82	2,924,409	2/1/05	2/1/2015
Motorool®	Registered Trademark of United Cutlery Corp.		30234.82	2,771,383	10/7/03	10/7/2013
Avaquar™	Sup. Reg. Trademark of United Cutlery Corp.		30233.82	2,769,087	9/30/03	9/30/2013
RoadRunner™	Trademark of United Cutlery Corp.		30211.82	2,367,248	7/11/2000	7/11/2010
Mother of all Blades™	Trademark of United Cutlery Corp.	05/18/04	30124.82	78/420,880		
Road Kill Cooking	Trademark of United Cutlery Corp.					
Road Kill Cooking & Design	Registered Trademark of United Cutlery Corp.		30130.82	78/245,484		Drop
Whittlin' Jack®	Registered Trademark of United Cutlery Corp.		30203.82	1,989,674	7/30/1996	7/30/2006
Rigid®	Registered Trademark of United Cutlery Corp.			2,139,932	3/3/1998	3/3/2008
	Taiwan - Registered Trademark of United Cutlery Corp.		30217.82	1,925,086	10/10/1995	10/10/2005
				574,204	1/1/92	12/30/2011

TRADEMARK

United's Trademark Listing

Mark	TM	Owner	Applied	Att Ref.	Reg. #	Issued	Renewal
Rigid ®		Japan- Registered Trademark of United Cutlery Corp.			4,070,840	10/17/97	10/17/2007
United ®		Taiwan - Registered Trademark of United Cutlery Corp.			547,209	1/1/92	12/30/2011
United ®		Japan - Registered Trademark of United Cutlery Corp.			2,500,116	1/29/93	1/29/2013
United ®		Taiwan - Registered Trademark of United Cutlery Corp.			672,956	3/1/95	2/27/2015

**FORM OF
BILL OF SALE**

KNOW ALL MEN BY THESE PRESENTS, that, effective as of the 17th day of January, 2007, UNITED CUTLERY CORPORATION, a Tennessee corporation ("Transferor"), in consideration of the agreements, terms and provisions contained in the Asset Purchase Agreement (the "Purchase Agreement"), by and among BUD K WORLDWIDE, INC., a Georgia corporation ("Transferee"), and Transferor, dated January 17, 2007, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, sell, assign, convey, transfer and deliver unto Transferee the Assets, as defined in the Purchase Agreement, free and clear of all claims, charges, liens, contracts, rights, options, security interests, mortgages, encumbrances and restrictions whatsoever. Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Purchase Agreement.

TO HAVE AND TO HOLD all and singular said Assets unto Transferee, its successors and assigns, to its own use and benefit forever.

This Bill of Sale is subject in all respects to the terms of the Purchase Agreement, and all of the agreements contained therein, all of which shall survive the execution and delivery of this Bill of Sale.

This Bill of Sale and the rights and obligations of Transferee and the Transferor hereunder shall be construed in accordance with and governed by the internal laws of the State of Tennessee, without giving effect to the conflict of laws principles thereof.

IN WITNESS WHEREOF, the Transferor has executed this Bill of Sale on January 17, 2007.

UNITED CUTLERY CORPORATION

By: _____

David K. Hall
President



SO ORDERED.

SIGNED this 16 day of January, 2007.

**THIS ORDER HAS BEEN ENTERED ON THE DOCKET.
PLEASE SEE DOCKET FOR ENTRY DATE.**

**Marcia Phillips Parsons
UNITED STATES BANKRUPTCY JUDGE**

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TENNESSEE
NORTHEASTERN DIVISION AT GREENEVILLE**

In re

**UNITED CUTLERY CORPORATION
d/b/a UNITED CUTLERY BRANDS**

**Case No. 2:06-bk-50884
Chapter 11**

**In re
ARROWHEAD MANUFACTURING
COMPANY, LLC**

**Case No. 2:06-bk-50885
Chapter 11**

**In re
ARROWHEAD PARTNERS, L.P.**

**Case No. 2:06-bk-50886
Chapter 11**

Debtors

**ORDER GRANTING MOTION OF UNITED CUTLERY CORPORATION
TO SELL INVENTORY AND OTHER PERSONAL PROPERTY
FREE AND CLEAR OF LIENS**

On December 22, 2006, United Cutlery Corporation ("United") filed its Motion Of United Cutlery Corporation To Sell Inventory And Other Personal Property Free And Clear Of Liens. Notice of the January 11, 2007 hearing on the Motion was given by United's attorney to all creditors and parties in interest; additionally, the Notice was sent to 135 prospective

purchasers of United's Assets. The only objection to the Motion was filed by NetBank Business Finance. Based on the representation the collateral for NetBank's claim is not among the Assets to be sold, the NetBank Objection (Docket #138) is overruled. The Official Committee of Unsecured Creditors filed a Statement reciting it does not oppose the Motion but requesting certain provisions be included in any order approving the Motion. The requested provisions are included in this Order. Any and all requirements of the Code or the Court for the sale, including appropriate "notice and a hearing," have been met or waived.

At the Sale Hearing, prior to competitive bidding, it was announced an agreement had been reached by New Line Productions, Inc., SunTrust Bank and United, to carve out from the sale New Line Productions, Inc. licensed articles and all molds, printing plates, artwork, films, silk screens, and/or any materials which reproduce or were used in the design and exploitation of the New Line licensed articles. A schedule of Excluded Assets was provided to representatives of the Lead Bidder and Bud K Worldwide, Inc., also a Qualified Bidder. Additionally, the Qualified Bidders were advised the winning bidder shall have access to United's product database, purchase history, pricing information, and sales history. United shall have the right to retain copies of its sales and other records necessary in the administration of its bankruptcy case and the windup of its financial affairs.

Competitive bidding ended with a \$2,025,000.00 bid by Bud K Worldwide, Inc. Accordingly, the sale of the Assets, excluding the New Line Productions, Inc. items, to Bud K Worldwide, Inc. for \$2,025,000.00 is APPROVED. The bid by Bud K Worldwide, Inc. was the highest and best bid and represents the maximum value that United was able to obtain fairly. Bud K Worldwide, Inc. bid in good faith and without collusion, and the bidding process was adequate, fair, and in compliance with this Court's Order Granting Motion of United Cutlery

Corporation to Approve Bidding Procedures for Sale of Inventory and Other Personal Property.
No setoff shall be allowed against the purchase price to be paid by Bud K Worldwide, Inc.

The sum of \$50,000.00 allocated for six (6) vehicles shall be held by SunTrust Bank in a separate escrow account subject to further order of the Court. The remaining proceeds from sale, minus the \$50,000.00 Break-Up Fee, shall be paid directly to SunTrust at the time of closing and applied to SunTrust's secured claim. Any monies paid to SunTrust Bank are without prejudice to any potential avoidance action the Committee or any other party in interest may initiate, subject to the terms and conditions regarding the commencement of any avoidance action as set forth in the Cash Collateral Order entered by this Court on November 22, 2006.

Further, the terms and conditions and transactions contemplated by the Asset Purchase Agreement are hereby approved in all respects, and the Sale is hereby approved under section 363(b) of the Bankruptcy Code. United may consummate the Asset Purchase Agreement and execute all reasonable and necessary Closing documents. Pursuant to section 363(f) of the Bankruptcy Code, upon the closing under the Asset Purchase Agreement, the Assets shall be transferred to Bud K Worldwide, Inc. ("Buyer") free and clear of all security interests, liens, claims, encumbrances, or charges or interests of any other kind or nature. The Buyer shall be entitled to the protections of section 363(m) of the Bankruptcy Code if this Sale Order or any authorization contained herein is reversed or modified on appeal. The Asset Purchase Agreement and its consummation by United (including all underlying transactions) does not violate any order of the Court or agreement by United with any entity.

Subject to the provisions of, and except as provided in the Asset Purchase Agreement, this Court retains jurisdiction (i) to enforce and implement the terms and provisions of the Asset Purchase Agreement, (ii) to compel delivery of the Assets to the Buyer, (iii) to compel delivery

of the Purchase Price, (iv) to resolve any dispute, controversies or claims arising out of or relating to the Asset Purchase Agreement, and (v) to interpret, implement and enforce the provisions of this Sale Order. The omission of any particular provisions of the Asset Purchase Agreement in this Sale Order shall not diminish nor impair the efficacy of such provisions, it being the intent of the Court that the Asset Purchase Agreement be approved in its entirety. The 10-day stay period under Rule 6004(g) of the Federal Rules of Bankruptcy Procedure is waived and United and the Buyer may close the sale upon entry of this Order.

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APPROVED FOR ENTRY:

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MKG/bd:Pleadings 5608 Order Sell Inventory 01-12-2007