

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Release of all Security Interests per Court Order		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
BRANCH BANKING AND TRUST COMPANY OF VIRGINIA		01/17/2012	Banking Corporation:
FIRST UNION NATIONAL BANK		01/17/2012	National Banking Association:
LANA, LLC		01/17/2012	LIMITED LIABILITY COMPANY:
RECEIVING PARTY DATA			
Name:	Sherwood Brands of RI Inc.		
Street Address:	275 FERRIS AVENUE		
City:	Rumford		
State/Country:	RHODE ISLAND		
Postal Code:	02916		
Entity Type:	CORPORATION: RHODE ISLAND		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	2119938	HOT CO-COW	
CORRESPONDENCE DATA			
Fax Number:	2023448300		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	2023444976		
Email:	rliebowitz@venable.com, trademarkdocket@venable.com		
Correspondent Name:	Rebecca Liebowitz		
Address Line 1:	P.O. Box 34385		
Address Line 2:	Venable LLP		
Address Line 4:	Washington, DISTRICT OF COLUMBIA 20043		
ATTORNEY DOCKET NUMBER:	23460-202184		

CH \$40.00 2119938

NAME OF SUBMITTER:	Rebecca Liebowitz
Signature:	/rebecca liebowitz/
Date:	02/15/2013
<p>Total Attachments: 18</p> <p>source=Sherwood Bankruptcy Order#page1.tif source=Sherwood Bankruptcy Order#page2.tif source=Sherwood Bankruptcy Order#page3.tif source=Sherwood Bankruptcy Order#page4.tif source=Sherwood Bankruptcy Order#page5.tif source=Sherwood Bankruptcy Order#page6.tif source=Sherwood Bankruptcy Order#page7.tif source=Sherwood Bankruptcy Order#page8.tif source=Sherwood Bankruptcy Order#page9.tif source=Sherwood Bankruptcy Order#page10.tif source=Sherwood Bankruptcy Order#page11.tif source=Sherwood Bankruptcy Order#page12.tif source=Sherwood Bankruptcy Order#page13.tif source=Sherwood Bankruptcy Order#page14.tif source=Sherwood Bankruptcy Order#page15.tif source=Sherwood Bankruptcy Order#page16.tif source=Sherwood Bankruptcy Order#page17.tif source=Sherwood Bankruptcy Order#page18.tif</p>	

TRADEMARK
REEL: 004964 FRAME: 0132

§§ 1408 and 1409; and adequate notice of the Motion and opportunity for objection having been given; and this Court having reviewed and considered the Motion and the objections thereto, if any; and upon consideration of all the pleadings filed with this Court; and this Court having determined that just cause exists for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

THE COURT HEREBY FINDS THAT:

A. This Court has jurisdiction to hear and determine the Motion pursuant to 28 U.S.C. §§ 157(b)(1) and 1334(a). This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (N) and (O). Venue is proper in this District and in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

B. This Sale Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a). Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), and to any extent necessary under Bankruptcy Rule 9014 and Rule 54(b) of the Federal Rules of Civil Procedure, as made applicable by Bankruptcy Rule 7054, this Court expressly finds that there is no just reason for delay in the implementation of this Sale Order, and the Sale Order shall be immediately effective upon its entry.

C. The statutory predicates for the relief requested in the Motion are Sections 105(a), 363 and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, 9007 and 9014 and Local Rules 6004-1 and 6006-1.

Notice of the Motion

D. Notice of the Motion and a reasonable opportunity to object or be heard with respect to the Motion and relief requested therein has been afforded to all known interested

persons and entities entitled to receive such notice, including, but not limited to the following parties:

- i. the Office of the United States Trustee for the District of Maryland;
- ii. All creditors of the Debtors, as identified in their Chapter 11 petitions and the mailing matrix filed with the Bankruptcy Court;
- iii. all taxing authorities and other governmental agencies having jurisdiction over any of the Assets, including the Internal Revenue Service;
- iv. all parties that have requested or that are required to receive special notice pursuant to Bankruptcy Rule 2002; and
- v. all Persons known or reasonably believed to have asserted a lien or claim on any of the Assets, including all licensors; and

E. As evidenced by the affidavits of service previously filed with this Court, proper, timely, adequate, and sufficient notice of the Motion, and the Sale has been provided in accordance with Sections 102(1), and 363 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006 and 9014 and Local Rules 6004-1 and 6006-1. The notices described above were good, sufficient and appropriate under the circumstances, and no other or further notice of the Motion, the Sale or the Sale Hearing is required. No other or further notice of the Motion, the Sale, the Sale Hearing, or of the entry of this Order is necessary or shall be required.

F. All disclosures and notices made by the Debtors concerning the Agency Agreement, the Bid Procedures and the Sale were good, complete and adequate.

G. The Debtors have demonstrated good and sufficient business justification to support the sale of the Assets pursuant to Section 363 of the Bankruptcy Code.

H. To maximize the value of the Assets and preserve the Assets of the Debtors' estates, it is essential that the Sale of the Assets occur within the time constraints set forth in the Agency Agreement. Time is of the essence in conducting the Sale.

I. The consummation of the transactions contemplated by the Agency Agreement is legal, valid and properly authorized under all applicable provisions of the Bankruptcy Code, including, without limitation, Sections 105(a), 363(b), 363(f) and 363(m), and all of the applicable requirements of such sections have been complied with in respect of the transaction.

J. As demonstrated by testimony proffered at the hearing on the Motion and representations of counsel to the Debtors and other parties in interest made at the Hearing, the Debtors (i) have full corporate power and authority to execute and deliver the Agency Agreement (as defined in the Motion) and all other documents contemplated thereby, and the sale of the Debtors' Assets has been duly and validly authorized by all necessary corporate action of the Debtors, (ii) have all of the corporate power and authority necessary to consummate the transactions contemplated by the Agency Agreement and (iii) have taken all corporate action necessary to authorize and approve the Agency Agreement and the consummation of the transactions contemplated thereby. No consents or approvals, other than those expressly provided for in the Agency Agreement or in this Order or as represented in the Motion or the hearing on this Motion, are required for the Debtors to consummate such transactions.

K. The Agency Agreement was negotiated and entered into in good faith, based upon arm's length bargaining, and without collusion or fraud. The Debtors have not engaged in any conduct that would prevent application of section 363(m) of the Bankruptcy Code or cause the application of or implicate Section 363(n) of the Bankruptcy Code to the Agency Agreement or to the consummation of the transactions contemplated thereby.

L. The Expense Reimbursement is fair and reasonable in amount and is related to the Auction Firm's actual and reasonable expenses with respect to the sale of the Assets. The Expense Reimbursement is the product of extensive, arms-length negotiations between the

Debtors and the Auction Firm. The Expense Reimbursement described in the Agency Agreement is (i) an actual and necessary cost and expense of preserving the Debtors' estates within the meaning of sections 503(b)(1) and 507(a)(2) of the Bankruptcy Code; (ii) commensurate to the real and substantial benefit conferred upon the Debtors' estates by the Auction Firm, (iii) reasonable and appropriate, in light of the size and nature of the proposed sale transaction and comparable transactions, the commitments that have been made and the efforts that have been and will be expended by the Auction Firm; and (iv) is necessary to induce the Auction Firm to continue to act as exclusive agent of the Debtors for the purpose of selling the Debtors' Assets.

M. The proposal received from the Auction Firm to act as the Debtors' exclusive agent to sell the Debtors' Assets on the terms and conditions set forth in the Agency Agreement is in the Debtors, their creditors and estates best interests.

NOW, therefore, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is granted in its entirety. All objections to the Motion that have not formally been withdrawn and all reservation of rights included in such objections, are overruled in all respects on the merits and denied.

2. The Debtors are hereby authorized and empowered to enter into the Agency Agreement, and the Agency Agreement is hereby approved in its entirety and is incorporated herein by reference. All amounts payable to the Auction Firm under the Agency Agreement as expressly provided therein shall be payable to the Auction Firm without the need for any application of the Auction Firm therefor or by further order of the Court.

3. Pursuant to Sections 105(a), 363(b), and 363(f) of the Bankruptcy Code, the Debtors are authorized to conduct Pre-Auction Sales and an Auction of the Assets, and Successful Bidder(s) is/are directed to pay the Purchase Price to the Auction Firm as provided in the Bid Procedures, as may be modified without further Order of the Court.

4. Pursuant to Sections 105(a) and 363(f) of the Bankruptcy Code, except as otherwise expressly set forth in the Agency Agreement, the Assets shall be transferred to the Successful Bidder(s) free and clear of (i) all mortgages, security interests, conditional sale or other title retention agreements, rights of first refusal, options, pledges, liens (including, but not limited to, any and all "liens" as defined in Section 101(37) of the Bankruptcy Code), taxes, tax liens, judgments, demands, encumbrances, easements, restrictions or charges of any kind or nature, if any, excepting that the Assets shall be transferred "as is, where is" and the Successful Bidder(s) shall be responsible for any required licensor approvals, if and as applicable; and (ii) all debts arising in any way in connection with any acts or omissions of the Debtors, any claims (including, without limitation, any and all "claims" as defined in section 101(5) of the Bankruptcy Code) against the Debtors and obligations (including, but not limited to, obligations under the Employee Retirement Income Security Act, the Comprehensive Omnibus Budget Reconciliation Act, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act (or any comparable state law), CERCLA, or any other federal or state laws (including all state and federal environmental laws), or arising from the cessation of the Debtors' operations, dismissal of employees, or termination of employment or collective bargaining or other labor agreements or pension, welfare, compensation or other employee benefit plans, agreements, practices and programs, demands, guaranties, options, licenses, rights, contractual commitments, restrictions, interests and matters) of or against any of the Debtors of any kind and

nature, whether arising prior to or subsequent to the commencement of these cases, whether matured or unmatured, liquidated or unliquidated, whether known or unknown, and whether imposed by agreement, understanding, law, equity or otherwise, including without limitation, any claim based upon successor liability (whether statutory or otherwise) and those claims of the kind specified in Sections 502(g), 502(h) and 502(i) of the Bankruptcy Code; or (iii) other interest which any person or entity has or asserts with respect to the Assets (collectively, "Liens and Claims"). The Successful Bidder(s) shall have no successor or vicarious liabilities of any kind or character whether known or unknown as of the Closing Date, now existing or hereafter arising, whether fixed or contingent, with respect to the Debtors or any affiliate thereof under or by reason of any theory at law or equity. Under no circumstance will the Successful Bidder(s) be deemed a successor of or to the Debtors or any affiliate thereof for Interests (as defined in the Motion) against the Debtors or the Assets, and the Successful Bidder(s) shall have no liability as a successor to the Debtors or any affiliate thereof. The Interests (as defined in the Motion) shall attach to the proceeds of the Auction (and Pre-Auction Sales) and any other amounts payable to the Debtors under the Agency Agreement (collectively, the "Transaction Proceeds") with the same validity, force and effect as the same had with respect to the Assets at issue, subject to any and all defenses, claims, and/or counterclaims or setoffs the Debtors may possess. Without limiting the foregoing, the Transaction Proceeds will be Cash Collateral and shall be subject to the Cash Collateral Order.

5. The Bid Procedures attached hereto as Exhibit 1 and incorporated herein by reference are approved. Notwithstanding the foregoing, the Debtors, with the consent of the Auction Firm and Branch Banking & Trust Company, shall be permitted to modify the Bid Procedures without further Order of Court, provided that such amended bid procedures be filed

with the Court and served on all creditors, parties-in-interest, and those parties that have expressed an interest in the Debtors' Assets prior to the Auction.

6. Within fourteen (14) days of the conclusion of the Auction, the Debtors shall file a notice with the Court itemizing the Expenses of the Auction Firm. Provided no objection(s) to the Auction Firm's Expenses are filed within fourteen (14) days of the date of such notice, the Debtors shall immediately be authorized to pay the Expense Reimbursement to the Auction Firm without further Order of the Court. The Debtors' obligation to pay the Expense Reimbursement shall survive the termination of the Agency Agreement.

7. The Auction for the Assets will be held on **February 9, 2012 at 11:00 a.m.** Eastern Time and shall be held at Sherwood Brands, 350 Sherwood Drive, Keysville, Va. 23947, or at such other time and place as provided in the Bid Procedures, as may be modified. The Auction shall also be held by live-webcast as set forth in the Bid Procedures.

8. The Auction shall be governed by the Bid Procedures attached hereto as Exhibit 1, as may be modified by the Debtors, through the Auction Firm, without further Order of the Court.

9. Branch Banking & Trust Company ("BB&T") shall be permitted to credit bid against its debt for the Assets pursuant to Section 363(k). For purposes of such a credit bid, BB&T's debt shall be the lesser of (a) Six Million Dollars (\$6,000,000.00); (b) the amount stated in BB&T's proof of claim filed with the Bankruptcy Court; or (c) the amount agreed to by the Debtors and BB&T. Provided Lana, LLC revives its corporate charter prior to the commencement of the Auction, Lana, LLC shall also be permitted to credit bid against its debt for the Assets pursuant to Section 363(k). For purposes of such a credit bid by Lana, LLC on Assets in which it holds a lien junior to BB&T, Lana LLC's credit bid shall be Two Million Five

Hundred Thousand Dollars (\$2,500,000.00), provided that the Pre-Auction Sales or the Auction yields proceeds sufficient to satisfy BB&T's allowed claim.

10. All of the transactions contemplated by the Agency Agreement shall be protected by section 363(m) of the Bankruptcy Code in the event that this Order is reversed or modified on appeal. The transactions contemplated by the Agency Agreement are not subject to avoidance pursuant to section 363(n) of the Bankruptcy Code.

11. The Debtors and the Auction Firm are hereby authorized to take such actions as may be necessary and appropriate to implement the Agency Agreement and shall be permitted to conduct Pre-Auction Sales and the Auction without the necessity of further order of this Court as provided by the Agency Agreement.

12. Except as otherwise provided for in the Agency Agreement, title to each Asset shall remain with the applicable Debtors' estate and each Asset shall remain property of the applicable Debtors' estate until the sale of such Asset by the Auction Firm to a third party.

13. The provisions of this Order, the Agency Agreement, and any actions taken pursuant hereto or thereto shall survive the entry of any order which may be entered confirming or consummating any plan of reorganization of the Debtors, dismissal or conversion of the Debtors' cases from chapter 11 to chapter 7, and the terms and provisions of the Agency Agreement, as well as the rights and interests granted pursuant to this Order and the Agency Agreement shall continue in this or any superseding case and shall be binding upon the Debtors, the Auction Firm and their respective successors and permitted assigns, including any trustee or other fiduciary appointed as a legal representative of the Debtors under chapter 7 or chapter 11 of the Bankruptcy Code. Any trustee appointed in these cases shall be and hereby is authorized to operate the business of the Debtors to the fullest extent necessary to permit compliance with the

terms of this Order and the Agency Agreement, and the Auction Firm and the trustee shall be and hereby are authorized to perform under the Agency Agreement upon the appointment of a trustee without further order of this Court.

14. To the extent that anything contained in this Order conflicts with a provision in the Agency Agreement, this Order shall govern and control. This court shall retain exclusive jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the implementation of this Order or otherwise arising from or related to the Agency Agreement.

15. Notwithstanding Bankruptcy Rules 4001 and 6004, this Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing. In the absence of any person or entity obtaining a stay pending appeal, the Debtors and the Auction Firm are free to perform under the Agency Agreement at any time, subject to the terms of the Agency Agreement.

16. The form and manner of the notice of the Sale is appropriate under the circumstances and are hereby approved.

Copies to:

Office of the United States Trustee
Jeanne M. Crouse
6305 Ivy Lane
Suite 200
Greenbelt, MD 20770

F. Thomas Rafferty
Jeffrey Greenberg, Esquire
Ober Kaler Grimes Shriver
120 E. Baltimore Street
Baltimore, MD 21202-1643

Uziel Frydman
9601 Blackwell Road
Rockville, MD 20850

Douglas M. Bregman
7315 Wisconsin Avenue
Suite 800 West
Bethesda, MD 20814

END OF ORDER

BID PROCEDURES FOR AUCTION SALE OF DEBTORS' ASSETS

A. INTRODUCTION AND BACKGROUND.

Sherwood Brands, LLC, Sherwood Brands, Inc., Sherwood Brands of Rhode Island, Inc., Sherwood Brands of Virginia, LLC and Sherwood Brands Zip, LLC (collectively, the “**Debtors**”) are debtors in possession in jointly administered chapter 11 cases pending in the United States Bankruptcy Court for the District of Maryland (the “**Court**”), case number 11-23807-PM, which is designated as the lead case. Debtors’ legal counsel is James M. Greenan, Esquire and the law firm of McNamee Hosea Jernigan Kim Greenan & Lynch, P.A., telephone: 301-441-2420; facsimile: 301-982-9450 (“**Debtors’ Counsel**”).

Prior to the Petition Date, the Debtors were engaged in the development, distribution, marketing and sale of confectionary products. Other than liquidating their assets through this Chapter 11 case, the Debtors are no longer conducting business operations. The Debtors' assets consist primarily of equipment, vehicles, intellectual property, customer lists, vendor lists and inventory (the “**Personal Property**”). One or more of the Debtors also own two warehouses located in Keysville and Chase City, Virginia (the “**Real Property**”). The Personal Property and the Real Property are collectively referred to herein as the “**Assets**”.

Subject to Court approval, the Debtors have entered into an Agency Agreement with Tiger Remarketing Services (“**Tiger**”) and Fox & Associates Partners, Inc. (“**Fox**”, and collectively with Tiger, the “**Auctioneer**”) to assist the Debtors in the liquidation of their Assets through Pre-Auction Sales and Auction Sale(s). As is more fully described in the Amended and Restated Motion of the Debtors for Entry of an Order: (I) Approving Auction Agreement with Tiger Remarketing Services and Fox Associates Partners, Inc.; (II) Authorizing the Sale of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances and Interests; (III)

Approving Expense Reimbursement; (IV) Approving the Form and Manner of the Notice; and (V) Granting Related Relief (the “**Motion**”), the Debtors intend to liquidate all of their Assets through an Auction, as well as Pre-Auction Sales.

The Court has authorized the Debtors to conduct an auction (the “**Auction**”) to sell the Assets in accordance with these procedures (the “**Bid Procedures**”), which have been approved by the Court pursuant to that certain order entered on _____, 2011 (the “**Sale Order**”).

PLEASE NOTE THAT THE FOLLOWING PROCEDURES ARE SUBJECT TO MODIFICATION WITHOUT FURTHER ORDER OF THE COURT. BIDDERS WILL BE NOTIFIED OF MODIFIED BID PROCEDURES, IF ANY, AS PROMPTLY AS POSSIBLE IN LIGHT OF THE CIRCUMSTANCES GIVING RISE TO THE MODIFICATION. MODIFIED BID PROCEDURES, IF ANY, SHALL GOVERN THE CONDUCT OF THE AUCTION.

B. KEY DATES.

The key dates for the Auction and sales process are expected to be as follows. In the event the dates of the Asset Viewing and Auction change, creditors and parties-in-interest will be so notified in advance:

- February 7, 2012 from 9:00 a.m. to 4:00 p.m. – Viewing in Keysville
- February 8, 2012 from 9:00 a.m. to 4:00 p.m. – Viewing in Chase City
- Other Site Viewings to be Announced
- February 9, 2012 at 11:00 a.m. -- Auction

C. AUCTION.

Bidders will convene for the Auction of the Assets on **February 9, 2012 at 11:00 a.m.** Eastern Time at Sherwood Brands, 807 South Main Street, Chase City, VA, or may participate in

the Auction via webcast, by visiting Tiger's website at www.tigergroupllc.com and following the links to the auction.

Should the date, time and/or location of the Auction change, creditors and parties in interest will be notified as promptly as possible in light of the circumstances giving rise to the change.

The Auction shall be governed by the following additional procedures, provided that the Debtors, in their discretion and in consultation with Branch Banking & Trust Company (the "Bank"), shall have the right to adopt such other rules for the Auction (including rules that may depart from those set forth herein) that will better promote the goals of the Auction and that are not inconsistent with any of the other provisions hereof or the Bankruptcy Code or Bankruptcy Court Order(s).

- i. The Auction shall be without limit and without reserve;
- ii. The sale to any bidder shall be "as is, where is" and any bidder shall be responsible for all required licensor approvals, if applicable;
- iii. Bidding increments shall be determined at the sole discretion of the Auctioneer at the time of the sale;
- iv. Bids shall not contain any due diligence or financing contingencies of any kind;
- v. Bidders will be required to sign a terms and conditions of sale and provide an entrance deposit to participate in the Auction;
- vi. Personal Property Bidders shall be required to provide an entrance deposit in the amount of \$500 in the form of cash or certified funds in order to bid; online bidders will provide the entrance deposit by credit card authorization. Bidders will further be required to maintain a deposit on all successful bids in an amount equal to 25% of their cumulative successful bids ("Good Faith Deposit");
- vii. The sale of the Debtors' Personal Property Assets shall be offered in individual lots, as well as in as many as 40 group lots. Bidders on group lots shall compete against individual lot bidders. In each instance, Tiger shall evaluate the group lot bid, compare it to the aggregate of the individual bids, and award the sale to the higher of the two, provided the higher bid exceeds the lower bid by at least 10%.

Such award of bid shall occur immediately upon the close of bids, without further Court approval;

- viii. Bidders shall pay a 15% buyers' premium on all Personal Property sales;
- ix. Successful Personal Property Bidder(s) shall, within 24 hours of the Auction, provide payment in full for their purchases by cash, certified funds, wire transfer or credit card (credit cards are accepted for purchases up to \$10,000 only);
- x. In the event the Successful Bidder fails to consummate the sale as a result of Successful Bidder's default or breach, the Debtors shall retain the Good Faith Deposit as liquidated damages and be free to enter into a new agreement with the Back-up Bidder without the need for an additional hearing before, or order of, the Court; and
- xi. Additional terms and conditions with respect to the Real Property Auction are attached hereto as Exhibit 1. To the extent paragraphs (i) – (x) conflict with the terms and conditions set forth in Exhibit 1, the terms and conditions embodied in Exhibit 1 shall govern the conduct of the Real Property Auction.

D. PRE-AUCTION SALES.

Prior to the Auction, Bidders may submit offers to Tiger for the purchase of Personal Property in advance of the Auction. Tiger, at its discretion and in consultation with Debtors and the Bank, shall approve such sales that it deems are in the best interest of the Debtors' estates, without an additional hearing before or order of the Bankruptcy Court. Such Pre-Sales shall not be subject to any overbidding procedures.

E. GENERAL

1. These Bid Procedures are subject to modification from time to time by Debtors, if circumstances warrant. The Debtors, in collaboration with the Auctioneer, may adopt additional rules for the Auction at or prior to the Auction that, in their reasonable discretion, will better promote the goals of the Auction and that are not inconsistent with any of the provisions of the Sale Order or the Bankruptcy Code. All such additional rules will be provided to each of the Bidders at the Auction. Further, at or before the hearing on the Motion, the Debtors, in their discretion, may impose such other terms and conditions as the Debtors may determine to be in

the best interests of the Debtors' estates, their creditors and other parties in interest; provided, however, that any such terms or conditions may not be materially inconsistent with the terms of these Bid Procedures. The Bid Procedures set forth herein may not be modified except with the express written consent of the Debtors, the Bank, and the Auctioneer, or upon Court Order.

2. No bidder has any rights against the Auctioneer, the Bank, the Debtors or their estates by virtue of these Bid Procedures, by virtue of any modification to these Bid Procedures, or by virtue of not having its bid (a) deemed the Successful Bid, or (b) approved by the Court.

3. Photocopies of papers referred to in these Bid Procedures may be obtained by making a written request for the same to Debtors' Counsel.

TERMS AND CONDITIONS OF SALE

350 Sherwood Drive, Keysville, VA 23947
807 South Main Street, Chase City, VA 23924

By bidding at the Auction, you are agreeing to the following terms and conditions in respect to the real property that is the subject of the sale (the "Property"):

IDENTIFICATION:

All buyers are required to have a Bidder's Number to bid, giving full name, address, and phone number. Evidence of correct form of deposit must be made in order to register for the auction.

CONTRACTS AND DEPOSITS:

The successful bidder (the "Buyer") must sign a sales contract and all other documents specified by the auctioneer immediately upon conclusion of the auction. In order to bid, a minimum nonrefundable deposit of \$25,000 shall be required to be presented to the auctioneer prior to the sale. The Buyer's deposit will be retained by the auctioneer and applied against the 10% deposit specified below. All deposit checks must be in the form of a cashier's or certified check. No third party checks will be accepted. Successful bidders will be required to place a deposit equal to 10% of the total purchase price of the Property (\$25,000 minimum deposit in certified funds) at the time of signing the sales contract. Balance of the 10% deposit (over the \$25,000) may be a personal or business check. The total deposit shall be applied to the Buyer's credit at settlement. The auctioneer reserves the right to waive or modify the above deposit requirement at any time. Please note: All cashier's or certified checks should be made payable to yourself. The successful bidder will be required to endorse the check over to Tranzon Fox. See specific Terms of the Sale for actual deposit requirements.

BUYER'S PREMIUM:

A buyer's premium of ten percent (10%) shall be added to the successful bidder's high bid and included in the total purchase price to be paid by the successful bidder.

PROPERTY SOLD "AS IS, WHERE IS, WITH ALL FAULTS" WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND:

The Property shall be sold subject to all conditions, restrictions, right-of-way easements, and reservations, if any, of record, filed and unfiled mechanics and materialmen's liens, if any, and all other matters of record taking priority, subject to the rights, if any, of tenants-in-possession, and further subject to all conditions announced at sale; and confirmation of the sale by the seller. The property, and all the improvements to the property, if any, shall be conveyed in "as is" condition and without warranty of any kind, including any warranty as to the physical condition, extent of zoning, or environmental conditions (including, without limitation, the existence of radon gas, formaldehyde gas, airborne asbestos fibers, toxic chemicals, underground storage tanks, lead, mold or other pollutants in the soil, air or water).

REAL ESTATE CLOSING:

The Buyer must close the sale of the Property within 45 days of auction (or court confirmation if required). Time is of the essence. The entire purchase price must be paid by cashier's or certified check, attorney's escrow check, or wired funds at closing. The Buyer's purchase of the Property is not contingent on financing. The Property will be conveyed to the Buyer by Special Warranty Deed upon full payment of all amounts due under this Agreement.

AGENCY:

The Auctioneer is acting as agent on behalf of the seller(s) only, and reserves the right to protect the seller's interest by bidding as agent, unless the Property is being sold absolute to the highest bidder. The Auctioneer is not responsible for the acts of his agents or principals. During bidding, the Auctioneer has the right to reject any bid that, in his opinion, is not commensurate with the Property value. In the event of any dispute after the sale, Tranzon Fox's determination shall be conclusive.

MEGAN'S LAW DISCLOSURE

Purchaser(s) should exercise whatever due diligence they deem necessary with respect to information on any sexual offenders registered under Chapter 23 (19.2 – 387 et. seq.) of Title 19.2. Such information may be obtained by contacting your local police department or the Department of State Police, Central Criminal Records Exchange, at 804-674-2000 www.state.va.us/vsp/vsp.html.

LEAD BASED PAINT:

The ten (10) day inspection period for residential property is prior to the auction, and the opportunity is hereby waived from and after the date and time of auction.

REAL ESTATE BROKERS:

A 1% commission (as stated in the Property Information Package) calculated on the successful buyer's high bid shall be paid from the proceeds of sale to the licensed, qualified broker, whose properly registered buyer is the successful bidder at the auction, and whose buyer completes the purchase of the Property. Brokers must register their prospective buyer on the required form completely filled out and signed. In the event a commission reduction is required to consummate a sale, Fox reserves the right to proportionately reduce the commission herein. Broker must accompany their buyer to the Auction. The form is included in the Property Information Package or may be obtained by calling 757-473-3000 and must be submitted to Tranzon Fox no later than 4 pm on the last business day prior to the Auction. Fax the completed form to 757-473-9787.

ADDITION OR WITHDRAWAL FROM SALE; CONDITION OF SALE:

The sale of the real Property shall be contingent upon the seller and lender's confirmation, unless the sale is specified as absolute at the time of sale. The Auctioneer reserves the right to withdraw from sale the Property listed, and also reserves the right to group one or more properties into one or more selling lots or to subdivide into two or more selling lots. The Auctioneer reserves the right to cancel the auction sale up to the time prior to the commencement of bidding. All properties are sold in gross in all cases. If a subsequent survey by the Buyer shows a greater or lesser number of acres or square footage this will not affect the purchase or purchase price.

RIGHTS:

Seller and auctioneer reserve the right to announce additional terms and conditions at the time of the sale, which additional terms and conditions will be binding upon the Buyer and the seller(s). All announcements made the day of sale take precedence over any conflicting prior written or verbal terms of sale. The Buyer will acquire the Property(s) subject to the rights of all parties in possession. If any conditions contained herein are not complied with by the Buyer, Tranzon Fox may, in addition to asserting all remedies available by law, including the right to hold the Buyer liable for the purchase price, either (a) cancel the sale, retaining as liquidated damages any payment made by the Buyer; (b) resell the Property at public auction; or (c) take such other action as it deems necessary or appropriate. The retention of the bidder's deposit shall not limit any rights or remedies of Tranzon Fox or the sellers with respect to the Buyer's default. If the Property is resold, the Buyer shall be liable for payment of any deficiency in the purchase price and all costs and expenses of both sales, reasonable attorney's fees, commissions, incidental damages and all other charges due hereunder.

JURISDICTIONS:

The respective rights and obligations of the parties with respect to the Terms and Conditions of Sale and the conduct of the auction shall be governed and interpreted by the laws of the Federal Bankruptcy Court upon which this case resides. By bidding at this auction, whether present in person or by agent, by written bid, or other means, the Buyer shall be deemed to have consented to this jurisdiction. This auction is conducted by Tranzon Fox acting as auctioneer/listing agent. Tranzon Fox is a member company of Tranzon, L.L.C., is independently owned and operated, and uses the Tranzon name by license from Tranzon, L.L.C., which is not conducting or otherwise involved in this auction.

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