

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM455730

SUBMISSION TYPE:	RESUBMISSION
NATURE OF CONVEYANCE:	ASSIGNMENT OF THE ENTIRE INTEREST AND THE GOODWILL
RESUBMIT DOCUMENT ID:	900429830

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Dorchester Media LLC		02/21/2012	Limited Liability Company: NEW YORK

RECEIVING PARTY DATA

Name:	FAA Investors
Street Address:	177 Sands St, Suite 2J
City:	New York
State/Country:	NEW YORK
Postal Code:	11201
Entity Type:	Limited Liability Company: NEW YORK

PROPERTY NUMBERS Total: 8

Property Type	Number	Word Mark
Registration Number:	1515337	TRUE STORY
Registration Number:	1438578	TRUE CONFESSIONS
Registration Number:	2180238	THE BEST OF SECRETS
Registration Number:	2180236	TRUE STORY ROMANCE SPECIAL
Registration Number:	3060105	TRUE EXPERIENCE
Registration Number:	3040929	THE BEST OF TRUE CONFESSIONS
Registration Number:	3053889	TRUE CONFESSIONS
Registration Number:	3282368	TRUE STORY REMEMBER WHEN

CORRESPONDENCE DATA

Fax Number: 7187442038

Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.

Phone: 3477834024

Email: loreta@truerenditionsllc.com

Correspondent Name: FAA Investors, Inc.

Address Line 1: 177 Sands Street, 2J

Address Line 4: Brooklyn, NEW YORK 11201

NAME OF SUBMITTER:	Loretta Folk
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SIGNATURE:	/lorettafolk/
DATE SIGNED:	12/22/2017
Total Attachments: 16 source=Notice#page1.tif source=CoverSheet#page1.tif source=Purchase Agreement with Dorchester Media signed Documents#page1.tif source=Purchase Agreement with Dorchester Media signed Documents#page2.tif source=Purchase Agreement with Dorchester Media signed Documents#page3.tif source=Purchase Agreement with Dorchester Media signed Documents#page4.tif source=Purchase Agreement with Dorchester Media signed Documents#page5.tif source=Purchase Agreement with Dorchester#page1.tif source=Purchase Agreement with Dorchester#page2.tif source=Purchase Agreement with Dorchester#page3.tif source=Purchase Agreement with Dorchester#page4.tif source=Purchase Agreement with Dorchester#page5.tif source=Purchase Agreement with Dorchester#page6.tif source=Purchase Agreement with Dorchester#page7.tif source=Purchase Agreement with Dorchester#page8.tif source=Purchase Agreement with Dorchester#page9.tif	



UNITED STATES PATENT AND TRADEMARK OFFICE

UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND
DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

December 22, 2017

PTAS

FAA INVESTORS, INC.
177 SANDS STREET, 2J
BROOKLYN, NY 11201



900429830

United States Patent and Trademark Office
Notice of Non-Recordation of an Assignment Document

The enclosed document has been examined and found non-recordable by the Assignment Recordation Branch of the U.S. Patent and Trademark Office. The reason(s) for non-recordation are stated below:

1. The documentation submitted for recording is not acceptable. The signature and date page is omitted.

Documents being resubmitted for recordation must reflect the corrected information to be recorded, the Document ID number referenced above and all pages from this submitted document. The original date of filing of this assignment document will be maintained if resubmitted with the appropriate correction(s) by **Monday, January 22, 2018**, as outlined under 37 CFR 3.51. The resubmitted document must include a stamp with the official date of receipt under 37 CFR 3. Applicants may use the certified procedures under 37 CFR 2.197 or 2.198 for resubmission of the returned papers if they desire to have the benefit of the date of deposit in the United States Postal Service.

To file the resubmission electronically, navigate to the ETAS website at <http://etas.uspto.gov>, click the Start Resubmission button and enter the following information:

Document ID: 900429830
Access Code: YLOWW371MM1N6H0

To file the resubmission in paper, send documents to: U.S. Patent and Trademark Office, Mail Stop: Assignment Recordation Branch, P.O. BOX 1450, Alexandria, VA 22313. If you have any questions regarding this notice, you may contact the Assignment Recordation Branch at 571-272-3350.

LANAI BUTLER
ASSIGNMENT RECORDATION BRANCH
PUBLIC RECORDS DIVISION

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM452145

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	ASSIGNMENT OF THE ENTIRE INTEREST AND THE GOODWILL		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Dorchester Media LLC		02/21/2012	Limited Liability Company: NEW YORK
RECEIVING PARTY DATA			
Name:	FAA Investors		
Street Address:	177 Sands St, Suite 2J		
City:	New York		
State/Country:	NEW YORK		
Postal Code:	10016		
Entity Type:	Limited Liability Company: NEW YORK		
PROPERTY NUMBERS Total: 8			
Property Type	Number	Word Mark	
Registration Number:	1515337	TRUE STORY	
Registration Number:	1438578	TRUE CONFESSIONS	
Registration Number:	2180238	THE BEST OF SECRETS	
Registration Number:	2180236	TRUE STORY ROMANCE SPECIAL	
Registration Number:	3060105	TRUE EXPERIENCE	
Registration Number:	3040929	THE BEST OF TRUE CONFESSIONS	
Registration Number:	3053889	TRUE CONFESSIONS	
Registration Number:	3282368	TRUE STORY REMEMBER WHEN	
CORRESPONDENCE DATA			
Fax Number:	7187442038		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	3477834024		
Email:	loretta@truerenditionsllc.com		
Correspondent Name:	FAA Investors, Inc.		
Address Line 1:	177 Sands Street, 2J		
Address Line 4:	Brooklyn, NEW YORK 11201		
NAME OF SUBMITTER:	Loretta Folk		
SIGNATURE:	/lf/		

OP \$215.00 1515337

EXHIBIT "A"

BILL OF SALE

This BILL OF SALE (this "Bill of Sale"), dated this day of March, 2012, is from John J. Backe, ("Backe" or "Seller"), an individual with an address at 27680 Marina Isle Court, Bonita Springs, Florida 34134, to FAA Investors, LLC, a New York corporation, with its principal offices located at 177 Sands Street, Suite 23, Brooklyn, NY 11201 ("FAA" or "Buyer"), and is being delivered in accordance with that certain Asset Purchase Agreement, dated as of February 17, 2012, by and between Backe, as Seller, and FAA, as Buyer (the "Asset Purchase Agreement") pertaining to the sale of certain of assets of Dorchester Media, LLC ("DM") pursuant to Article 9 of the Uniform Commercial Code, including certain Magazines and related intellectual property, production, and media domain rights relating thereto, all as more fully set forth in the Asset Purchase Agreement by Backe to FAA, (Capitalized terms used herein, unless herein defined, shall be used with the meanings ascribed to such terms in the Asset Purchase Agreement.)

NOW, THEREFORE, pursuant to the Asset Purchase Agreement, and in consideration of the payment of \$30,000.00 in Cash, the execution and delivery of a Secured Promissory Note in the amount of \$128,871.28 and for other Additional Consideration for the Assets, as further detailed in the Asset Purchase Agreement, and all other rights and interests provided for under the Asset Purchase Agreement, and for such other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged:

¶ Seller hereby (a) sells, transfers, conveys, assigns, and delivers all of Seller's right, title, and interest in and to the Assets to Buyer as more particularly set forth in the Asset Purchase Agreement in an "as is" "where is" condition with no representation or warranties of any kind or nature whatsoever. Buyer expressly acknowledges and agrees that the Sale of the Assets is without any warranty as to title, possession, quiet enjoyment, marketability, validity or the like as contemplated by UCC 9-610(e). The Assets include, without limitation, the following:

- (a) all Magazines;
- (b) all Books;
- (c) all Intellectual Property Rights, if any;
- (d) all U.S. and foreign copyrights, goodwill, and all other intellectual and intangible property rights relating to the Magazines;
- (e) all media rights to the Magazines including narrative archives, magazine back issues, digital back issues and material back issues in the possession and control of DM;
- (f) all material relating to the advertisements which have been placed in the Magazines, including but not limited to digital files, model releases, rate cards and all other records pertaining to the advertising.
- (g) all Kable Receipts;

(h) all electronic copies of the Magazines in the possession of DM; and

(i) all computer equipment owned by DM,

2 The terms and provisions of the Asset Purchase Agreement, together with the terms and provisions of this Bill of Sale, shall be binding in all respects upon, and shall inure to the benefit of, the parties thereto, and their respective affiliates, successors and assigns, and shall be binding in all respects upon any affected third parties, and all persons asserting a claim against or interest in any of the assets to be sold, transferred, conveyed, assigned, and delivered pursuant to the Asset Purchase Agreement,

3, Any individual, partnership, corporation or other entity may rely, without further inquiry, upon the powers and rights herein granted to Buyer and upon any notarization, certification, verification, or affidavit by any notary public of any state relating to the authorization, execution, and delivery of this Bill of Sale or to the authenticity of any copy, conformed or otherwise, hereof.

4, All of the terms and provisions of this Bill of Sale will be binding upon Seller and will inure to the benefit of Buyer and its respective successors and assigns.

5. This Bill of Sale shall be governed by the laws of the state of New York, without regard to conflicts of law principles thereunder,

6. Seller hereby covenants and agrees that, from and after the date hereof, Seller will execute such additional instruments of assignment, transfer and conveyance, and take (and cause any affiliates, if any, to take) such other actions as Buyer may reasonably request to evidence this transfer or to more effectively assign, transfer and convey to, or vest in Buyer, title to the Assets.

IN WITNESS WHEREOF, this Bill of Sale to be executed as of the date and year first set forth above.

Dated: March 2012

SELLER

By:


John D. Backs

ASSIGNMENT OF TRADEMARKS

This ASSIGNMENT OF TRADEMARKS ("Assignment"), dated this 9th day of March, 2012, is from John D. Backe ("Backe" or "Assignor"), to FAA Investors, ("FAA" or "Assignee"), and is being delivered in accordance with that certain Asset Purchase Agreement, dated as of February 17, 2012, by and between Backe, as Seller, and FAA, as Buyer (the "Asset Purchase Agreement"), pertaining to the sale of certain Assets to FAA under Article 9 of the Uniform Commercial Code and pursuant to the Asset Purchase Agreement. (Capitalized terms used herein, unless herein defined, shall be used with the meanings ascribed to such terms in the Asset Purchase Agreement.)

RECITALS

WHEREAS, Pursuant to the terms of the Asset Purchase Agreement, Assignor has agreed to sell to Assignee, and Assignee has agreed to purchase from Assignor, "as is" "where is", the Assets, including, without limitation, the trademarks of Assignor listed on Schedule A annexed hereto and incorporated herein by reference (the "Trademarks"). Pursuant to Section 8.3(d) of the Asset Purchase Agreement, Assignor has agreed to execute this Assignment of Trademarks; and

WHEREAS, Assignor desires to transfer and assign to Assignee, and Assignee desires to accept the transfer and assignment of the Trademarks.

NOW, THEREFORE, Assignor, for and in exchange for the payment of the Purchase Price set forth in the Asset Purchase Agreement, the receipt of which is hereby acknowledged, does hereby transfer and assign to Assignee, and Assignee hereby accepts the transfer and assignment of, the entire right, title and interest of Assignor in and to the Trademarks, together with the goodwill of the business associated therewith and which is symbolized thereby, all rights to sue for infringement of the Trademarks, whether arising prior to or subsequent to the date of this Assignment of Trademarks, and any and all renewals and extensions thereof that may hereafter be secured under the laws now or hereafter in effect in the United States and in any other jurisdiction, the same to be held and enjoyed by the said Assignee, its successors and assigns from and after the date hereof as fully and entirely as the same would have been held and enjoyed by the said Assignor had this Assignment of Trademarks not been made.

Except to the extent that federal law preempts state law with respect to the matters covered hereby, this Assignment of Trademarks shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, Assignor hereby executes this Assignment of Trademarks as of the date first above written.

ASSIGNOR:

John D. Backe


By John D. Backe

ASSIGNMENT O COPYRIGHTS

This ASSIGNMENT OF COPYRIGHTS ("Assignment"), dated this 9th day of March, 2012, is from John D. Backe ("Backe" or "Assignor"), to FAA Investors, ("FAA" or "Assignee"), and is being delivered in accordance with that certain Asset Purchase Agreement, Dated as of February 2012, by and between Backe, as Seller, and FAA, as Buyer (the "Asset Purchase Agreement"), pertaining to the sale of certain Assets to FAA under Article 9 of the Uniform Commercial Code and pursuant to the Asset Purchase Agreement. (Capitalized terms used herein, unless herein defined, shall be used with the meanings ascribed to such terms in the Asset Purchase Agreement.)

RECITALS

WHEREAS, Pursuant to the terms of the Asset Purchase Agreement, Assignor has agreed to sell to Assignee, and Assignee has agreed to purchase from Assignor, "as is" "where is" the Assets, including, without limitation, the U, S, and foreign copyrights of Assignor listed on Schedule A annexed hereto and incorporated herein by reference (the "Copyrights"), Pursuant to Section 8.3(d) of the Asset Purchase Agreement, Assignor has agreed to execute this Assignment of Copyrights; and

WHEREAS, Assignor desires to transfer and assign to Assignee, and Assignee desires to accept the transfer and assignment of the Copyrights.

NOW, THEREFORE, Assignor, for and in exchange for the payment of the Purchase Price set forth in the Asset Purchase Agreement, the receipt of which is hereby acknowledged, does hereby transfer and assign to Assignee, and Assignee hereby accepts the transfer and assignment of, the entire right, title and interest of Assignor in and to the Copyrights, together with the goodwill of the business associated therewith and which is symbolized thereby, all rights to sue for infringement of the Copyrights, whether arising prior to or subsequent to the date of this Assignment of Copyrights, and any and all renewals and extensions thereof that may hereafter be secured under the laws now or hereafter in effect in the United States and in any other jurisdiction, the same to be held and enjoyed by the said Assignee, its successors and assigns from and after the date hereof as fully and entirely as the same would have been held and enjoyed by the said Assignor had this Assignment of Copyrights not been made.

Except to the extent that federal law preempts state law with respect to the matters covered hereby, this Assignment of Copyrights shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the principles of conflicts of laws thereof,

IN WITNESS WHEREOF, Assignor hereby executes this Assignment of Copyrights as of the date *first* above written,

ASSIGNOR:

John D. Backe


By: **John D. Backe**

EXECUTION COPY

ASSET PURCHASE AGREEMENT

This Agreement ("Agreement") is made this 17th day of February, 2012 by and between John D. Backe, an individual with an address at 27680 Marina Isle Court, Bonita Springs, Florida 34134 (hereinafter "Backe" or the "Seller"), FAA Investors, LLC, a New York corporation, with its principal offices located at 177 Sands Street, Suite 2J, Brooklyn, NY 11201 (hereinafter "FAA" or the "Buyer"), Loretta Folk (hereinafter "Folk"), Kelley L. Allen (hereinafter "Allen"), and Frances Adrian (hereinafter "Adrian"). Each of Folk, Allen and Adrian shall be referred to herein, individually, as a "Guarantor" and collectively as the "Guarantors".

RECITALS

WHEREAS, Seller is the holder of a secured Promissory Note, dated June 24, 2009, in the original principal amount of \$2,900,000 executed and delivered by Dorchester Media, LLC ("DM") and Dorchester Publishing Co., Inc. ("DP" and collectively with DM, "Dorchester"), jointly and severally as borrower, to and in favor of Seller, as lender, as amended by that certain Amendment to Secured Promissory Note dated December 22, 2010 acknowledging the increase in the principal balance of the Note to \$3,400,000 (as so amended, the "Note");

WHEREAS, Seller and Dorchester are parties to that certain Security Agreement, dated June 24, 2009, by and between Dorchester as borrower, and Seller as the secured lender, which agreement secures Dorchester's obligations under the Note (the "Security Agreement").

WHEREAS, the lien granted to Backe against the DM collateral under the Security Agreement was duly perfected by the filing of a UCC-1 financing statement with the New York Secretary of State;

WHEREAS, among the assets secured by the Note and Security Agreement are certain Magazines and related intellectual property, production, media domain rights relating thereto owned by DM.

WHEREAS, Dorchester is in default under its obligations to Seller under the terms of the Note and Security Agreement and based on such default, Seller has accelerated Dorchester's obligations thereunder and determined to exercise its rights under the Security Agreement and applicable law.

WHEREAS, consistent with its rights under the provisions of Article 9 of the Uniform Commercial Code (the "UCC") and subject to the terms, requirements and limitations thereof, Seller desires to sell, assign, and deliver to Buyer, and Buyer desires to purchase, accept, and take delivery from Seller, all of DM's right, title and interest to the Assets (as hereinafter defined), free and clear from all encumbrances, in accordance with, and upon the terms and subject to the conditions and limitations set forth in this Agreement.

WHEREAS, subject to the provisions of the UCC and in accordance therewith, the Assets will be sold at a public Auction, subject to higher and better offers, and in accordance with such terms and conditions of sale as are herein contained and otherwise determined by Seller at such public auction.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual representations, warranties, covenants and promises contained herein, the adequacy and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. **DEFINITIONS AND USAGE OF CERTAIN TERMS.** For purposes of this Agreement, the following terms have the meanings specified or referred to in this Section 1:

“**Assets**” has the meaning set forth in Section 2.1.

“**Assumed Liabilities**” has the meaning set forth in Section 2.4.

“**Auction**” has the meaning set forth in Section 6.1.

“**Books**” means all of DM’s rights, titles and interest throughout the world in and to the book titles published under the names of *True Story and True Confessions*, all e-book titles published under the names of *One Winter Night, Home for Christmas, Miracles (2nd Volume) and Tales of Inspiration (2nd Volume)*, and related Intellectual Property Right.

“**Business Day**” means any day other than (i) Saturday or Sunday or (ii) any other day on which banks in New York, New York are permitted or required to be closed.

“**Closing Date**” means the date on which the Closing, as defined in section 2.6 below, actually takes place.

“**Excluded Assets**” has the meaning set forth in Section 2.2.

“**Guarantors**” means jointly and severally, each of Folk, Allen and Adrian.

“**Guaranty**” means the individual, unlimited, unconditional, joint and several, personal guaranty executed by each of the Buyer’s members, Loretta Folk, Kelley L. Allen and Frances Adrian, in favor of the Seller pursuant to which the Guarantors agree to guarantee the payment of all obligations due to Seller, under the Secured Note.

“**Intellectual Property Rights**” shall mean, solely as relates to the Magazines and Books, any unencumbered worldwide intellectual property rights, including patents, patent applications, common law trademarks, registered trademarks, applications for trademarks, related internet domain names, works of authorship, copyrights, copyright registrations and applications for registration.

“**Kable Receipts**” means the net receipts from single coy sales, after deductions of RDAs.

“**Liability**” with respect to any Person, means any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable

(e) all media rights to the Magazines including narrative archives, magazine back issues, digital back issues and material back issues in the possession and control of DM;

(f) all material relating to the advertisements which have been placed in the Magazines, including but not limited to digital files, model releases, rate cards and all other records pertaining to the advertising.

(g) all Kable Receipts;

(h) all electronic copies of the Magazines in the possession of DM; and

(i) all computer equipment owned by DM.

2.2 Excluded Assets. Any and all assets of DM, other than the Assets to be purchased in accordance with the provisions of Section 2.1, shall be excluded from the Sale.

2.3 Consideration. Subject to the terms hereof, Buyer agrees to pay to Seller, the following purchase price in consideration for the sale of the Assets:

(a) \$30,000.00 in cash (the "Cash Payment") payable on the Closing Date;

(b) \$128,871.28 in the form of a secured promissory note (the "Secured Note"), substantially in the form of Exhibit A hereto, to be executed and delivered by Buyer to Seller on the Closing Date, and payable over a term of three (3) years in 156 equal weekly installments of \$890.00 inclusive of interest at a rate of 5% per annum (the "Note Payments"). The Secured Note shall be secured by the Mortgage, substantially in the form attached hereto as Exhibit B, and the Guaranties, substantially in the form attached hereto as Exhibit C.

(c) In addition to the Cash Payment and Note Payments, a portion of the consideration shall consist of the Buyer's assumption of the following liabilities (the "Additional Consideration", and together with the Cash Payment and Note Payment, the "Purchase Price"):

(i) all RDA obligations due as of the Closing Date, in an amount not to exceed \$79,003.00;

(ii) all accrued obligations due to any of DM's writers as of the Closing Date.

2.4 Personal Guaranties. Each of the Buyer's members shall execute and deliver an individual, unlimited, unconditional, joint and several, Guaranty in favor of Seller, in the form attached hereto as Exhibit C.

2.5 Assumed Liabilities. From and after the Closing, Buyer shall assume and become responsible for and shall thereafter pay, perform, and discharge in accordance with their terms all liabilities arising under or relating to any Asset.

2.6 Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Garfunkel Wild, PC, 111 Great Neck, New York, NY 11021, commencing at 10:00 a.m. local time on the date that is not later than five (5) business days following the satisfaction or waiver of all conditions to the obligations of the Parties to consummate the transactions contemplated hereby (other than conditions with respect to actions the respective Parties will take at the Closing itself) or such other date as Buyer and Seller may mutually determine (the "Closing Date"); but in no event later than March 10, 2012.

2.7 Post Closing Payments, Security. At the Closing, Buyer shall execute and deliver the Secured Note (in the form attached hereto as Exhibit A), for the principal sum of One Hundred Twenty Eight Thousand Eight Hundred and Seventy-One Dollars and Twenty-Eight Cents (\$128,871.28), which represents the balance of the Purchase Price, payable over three years (3) years in 156 equal weekly installments of \$890.00 inclusive of interest accruing thereon at a rate of five percent (5%) per annum. As security for payment of the Secured Note, (i) Buyer shall execute and deliver the Mortgage (in the form attached hereto as Exhibit B); and (ii) each of Buyer's members shall execute and deliver a Guaranty in favor of Seller (in the form attached hereto as Exhibit C). Seller's security interest in the Real Property shall be recorded and grant a first priority lien on the Real Property in accordance with the terms of the Mortgage. Buyer shall pay at Closing any required recording or filing fees in connection with the filing of the Mortgage.

3. **REPRESENTATIONS AND WARRANTIES OF SELLER.** Seller hereby represents and warrants to Buyer as follows:

3.1 "As Is, Where Is". The Assets are being sold "AS IS" "WHERE IS" without any representations and/or warranties by the Seller of any kind or nature. Buyer expressly acknowledges and agrees that the Sale of the Assets is without any warranty as to title, possession, quiet enjoyment, marketability, validity or the like as contemplated by UCC 9-610(e).

4. **REPRESENTATIONS AND WARRANTIES OF BUYER.** Buyer hereby represents and warrants to Seller as follows:

4.1 Organization and Good Standing. Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation and has all requisite corporate power and authority, and all requisite qualifications to do business as a foreign corporation, to conduct its business in the manner in which its business is currently being conducted. Buyer has delivered or made available to Seller a true and correct copy of its certificate of incorporation and bylaws, each as amended to date (collectively, the "Buyer Charter Documents"), and each such instrument is in full force and effect. Buyer is not in violation of any of the provisions of the Buyer Charter Documents.

4.2 Power, Authorization and Non-Contravention. Buyer has the corporate power, legal capacity and authority to (i) carry on its business as now conducted; (ii) own, operate, and lease its properties in the manner in which its properties are currently owned, used and leased. The execution, delivery, and performance of this Agreement has been duly and validly approved and authorized by Buyer's Members.

5. **REPRESENTATIONS AND WARRANTIES OF GUARANTORS.**

5.1 Power, Authorization and Non-Contravention. Each Guarantor has the power, legal capacity and authority to (i) enter into this Agreement, (ii) carry on his/her business as now conducted and (iii) own, operate, and lease its respective properties in the manner in which his/her properties are currently owned, used and leased. The execution, delivery, and performance of this Agreement has been duly and validly approved and authorized by each Guarantor and constitutes a legal, valid and binding obligation of the Guarantor, enforceable against Guarantor in accordance with its terms.

6. **INDEMNIFICATION.**

6.1 Buyer's Indemnification. Buyer shall indemnify and hold Seller, its Affiliates, its agents and/or representatives harmless from and pay any and all damages, whether directly or indirectly resulting from, relating to, arising out of or attributable to any of the following: (a) any breach of any warranty or representation of this Agreement; (b) any breach, violation or default by Buyer of any obligation of Buyer in this Agreement; and (c) amounts due by any third parties for Assumed Liabilities after the Closing Date.

7. **CONDITIONS TO OBLIGATIONS OF SELLER.** Seller's obligations hereunder are subject to the fulfillment or satisfaction, on and as of the Closing, of each of the following conditions (any one or more of which may be waived by Seller, but only in writing signed on behalf of Seller by an authorized officer):

7.1 Higher and Better Offers. This Agreement shall be subject to a public sale (the "Auction") in accordance with the terms and requirements of Article 9 of the UCC and the consideration of higher and better offers, as determined by Seller in its sole discretion, in accordance with the requirements set forth herein for competing bids. In order to be considered by Seller, any competing bid ("**Competing Bid**") must be deemed a "qualified" bid by the Seller. In order to be deemed "qualified", a Competing Bid must satisfy, in the Seller's discretion, the following criteria:

(a) each Competing Bid must confirm that the bidder will consummate the transaction on terms herein set forth or on terms otherwise no less favorable than those proposed by the Buyer;

(b) any initial Competing Bid must be at least \$25,000.00 over the Purchase Price and any subsequent bids at the Auction must be in minimum increments of \$5,000 over the previous bid;

(c) each Competing Bid must provide documentation establishing that the proposed purchaser has sufficient financial wherewithal to ensure such prospective purchaser's ability to meet its commitments pursuant to the bid;

(d) each Competing Bid be accompanied by a deposit of at least 20%;

(e) the Competing Bid must not contain any due diligence or financing contingencies of any kind; and

(f) the Competing Bid must not request or entitle the proposed bidder to any transaction fee or break-up fee, expense reimbursement or similar type of payment.

The Auction shall be conducted in accordance with the Terms of Sale annexed hereto on Exhibit 6.1. Notwithstanding anything herein contained, the determination after the Auction of the highest and best bid for the Assets shall lie within the sole discretion of Seller.

7.2 Accuracy of Representations and Warranties. Each of the representations and warranties of Buyer set forth in Article 4 of this Agreement shall be true and correct in all material respects (or in all respects, to the extent any such representation and warranty is already qualified by materiality) on and as of the date hereof and on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date, except that to the extent such representations and warranties address matters only as of a particular date, such representations and warranties shall, to such extent, be true and correct as of the date hereof and on and as of such particular date as if made on and as of such particular date.

7.3 Compliance with Law. There shall be no order by any governmental authority or any other fact or circumstance, which would prohibit or render illegal the transactions contemplated by this Agreement.

8. **CONDITIONS TO OBLIGATIONS OF BUYER.** The obligations of Buyer hereunder are subject to the fulfillment or satisfaction on, and as of the Closing, of each of the following conditions (any one or more of which may be waived by Buyer, but only in a writing signed on behalf of Buyer):

8.1 Compliance with Law. There shall be no order by any governmental authority, or any other fact or circumstance, which would prohibit or render illegal the transactions contemplated by this Agreement.

8.2 Absence of Litigation. No litigation or proceeding shall be pending which could reasonably be expected to have the effect of enjoining or preventing the consummation, or altering the terms, of any of the transactions provided for in this Agreement.

8.3 Other Deliveries. Seller shall have delivered to Buyer the following:

- (a) an executed copy of this Agreement by Seller.
- (b) a customary bill of sale executed by Seller for all of the Assets which are tangible personal property, duly executed by Seller;
- (c) a customary assignment executed by Seller of all of the Assets which are intangible personal property;
- (d) customary assignments of all Intellectual Property Rights and customary separate assignments of all registered trademarks, servicemarks, patents, and copyrights, and all applications therefore executed by Seller;

(e) such other deeds, bills of sale, assignments, certificates of title, documents, and other instruments of transfer and conveyance as may reasonably be requested by Buyer, each in form and substance reasonably satisfactory to Buyer and its legal counsel and executed by Seller.

9. **BROKERAGE FEE.** The Seller is represented by OEM Capital Corp., which will be entitled to a fee payable by the Seller at closing. The Buyer represents and warrants that it has not employed any broker or finder in connection with this transaction. Each party shall indemnify the other and hold the other harmless from and against any claim for payment of any such broker's or finder's fee in connection with the sale and assignment of the Assets.

10. TERMINATION.

10.1 Termination. Buyer and Seller may terminate this Agreement by mutual written consent at any time prior to the Closing. Seller may terminate this Agreement by giving written notice to Buyer at any time prior to the Closing in the event Buyer has breached any material representation contained in this Agreement. Buyer may terminate this Agreement by giving written notice to Seller at any time prior to the Closing in the event Seller has breached any material representation contained in this Agreement.

10.2 Liquidated Damages for Breach by Buyer. In the event of a violation or a breach of this Agreement by the Buyer, or if, after the Auction, a Closing does not occur within fifteen (15) days thereof, or the transaction otherwise fails to close other than as a consequence of a breach by Seller of its material obligations under this Agreement, Seller's sole remedies shall be to sue for specific performance or to retain the Deposit as liquidated damages (the parties hereby agreeing that damages would otherwise be impossible to calculate), and thereupon, Seller would have no other claim or liability against Buyer or its officers, directors, employees or agents.

10.3 Remedies for Breach by Seller. In the event of a violation or breach of this Agreement by the Seller, or if, after the Auction, the transactions contemplated by this Agreement fail to close as a consequence of a breach by the Seller of its obligations under this Agreement, or fail to close other than as a consequence of a breach by Buyer of its material obligations under this Agreement, Buyer shall not have a claim for monetary damages against the Seller, other than the return of the Deposit.

11. **NOTICES.** All notices required or permitted to be given by any party shall be in writing and shall be deemed to have been properly given if sent by registered or certified mail, or by recognized overnight courier service (the "Courier Service"), postage prepaid, to the parties at the addresses set forth below or to such other address as any party may from time to time give notice pursuant to this section. All notices shall be deemed received when delivered but in no event later than five (5) business days after they are deposited with either the United States Postal Service or the Courier Service, whichever shall first occur. Notice shall be given at the following addresses:

To Buyer:
FAA Investors, LLC
c/o The Michaelson Law Firm

