

# **BIDDING PROCEDURES**

## **GREATER FOODS, LLC**

Credit Managers Association of California, dba CMA Business Credit Services ("CMA"), solely in its capacity as the Assignee for the Benefit of Creditors of Greater Foods, LLC and International Cheese Blends, Inc. (collectively, the "Company"), pursuant to the General Assignments in its favor executed on May 18, 2005, is holding a sale of certain tangible assets of the Company identified on Exhibit "A". The sale will take place on or after Friday, June 10, 2005 at 1:00 p.m. (Pacific Time) at CMA's offices located at 40 East Verdugo Avenue Burbank, California 91502.

### **Brief Description of the Assets to be Sold**

The assets to be sold at the sale consist of certain personal property assets of the Company located at 1051 Mary Crest Road, Suite D, Henderson, Nevada. The assets include all of the company's manufacturing equipment and some of the office furniture (the "Assets").

Due Diligence. All Bidders must conduct due diligence at their own expense. CMA will make the Assets available for due diligence at the collision centers by appointment only. To make an appointment, please contact CMA at the phone number listed in the accompanying cover letter.

### **Terms & Conditions of Sale**

All bidders are deemed by any bid made to have agreed to the following terms and conditions. These conditions and terms are non-waivable conditions of every bid and sale.

Earnest Money Deposit. Bidders must have delivered to Credit Managers Association of California, d/b/a CMA Business Credit Services, in its sole capacity as the assignee for the benefit of creditors of the Greater Foods, LLC, (the "Assignee"), an earnest money deposit not less than [\$50,000 or 25% of their bid amount] by cashier's check or wire transfer to participate in the sale. At the Assignee's discretion, all bids may be subject to overbids.

Sale Procedure. The Assets are being offered for sale in bulk. However, a bidder may bid on an individual Lot of Assets, groups of Lots in any combination, or all of the Lots. Although a bidder may submit a bid for more than one Lot, it must submit separate bids on each individual Lot that it desires to acquire. Each individual bid on a Lot, even where such a bid is part of an aggregate bid for multiple Lots, will be considered a binding offer to purchase that individual Lot. For example, if a bidder submits bids for four Lots, and it is the successful bidder on only two Lots, it will be deemed to have made a binding offer to purchase the two Lots for which it was the highest bidder. If the Assignee receives several bids on separate and distinct Lots and the aggregate of such bids exceeds the highest bulk bid, Assignee may accept each of the separate asset bids. The method of sale - either in bulk or by piecemeal - whichever garners the highest and best total bid will be considered the successful bid. Bids must be submitted in writing to the Assignee.

**CMA will have the sole discretion to determine whether the sale of the Assets in bulk, in**

**groups of Lots, or by individual Lots garners the highest and best bid and to accept what it considers to be the highest and best bid or bids. CMA may rearrange the order in which the Assets are offered, determine the bidding increments, reopen bids, settle disputes between bidders and resolve all other sale matters in its sole discretion. The Assignee may, at its sole discretion, cancel or continue the auction.**

With respect to submitting your bid(s) for Greater Foods, LLC, please send it via email no later than 1:00pm on Friday, June 10, 2005. Please direct them to both Michael Joncich at [mjoncich@creditservices.org](mailto:mjoncich@creditservices.org) and Charles Klaus at [cklaus@creditservices.org](mailto:cklaus@creditservices.org). Prior to or concurrent with your bid submission, please wire your 25% earnest money deposit to CMA.

Closing. The successful high bidders (hereafter, the "Buyer"), must provide payment of the purchase price (plus tax) in full by cashier's check or by wire transfer by June 15, 2005 at 1:00 p.m. (Pacific Time). If a Bidder is declared the successful high bidder on any Lot, said Buyer's Earnest Money Deposit will be retained by CMA. If a Bidder is not the successful high bidder, said Bidder's Earnest Money Deposit will be returned by June 16, 2005 by wire transfer or by check. CMA will collect information regarding the second highest bidder or other unsuccessful back-up bidder. The collection of such information does not create any option or any other rights of any kind for such bidders. CMA's decision regarding any disputes is final.

Closing Deadlines. All closings must occur by June 15, 2005 at 1:00 p.m. (Pacific Time) by execution of an Asset Purchase Agreement substantially in the form as the draft attached hereto as Exhibit "C". The failure to meet this closing deadline will result in cancellation of the contract and retaining of the Earnest Money Deposit as liquidated damages by CMA. If closing is delayed for any reason beyond the control of the Buyer, CMA reserves the right to extend the date of the closing for a reasonable period of time. Extensions will be made on a case-by-case basis.

Closing Costs. All sales must be coordinated with CMA and all expenses to remove purchased items will be paid by the Buyer. The Buyer will assume any outstanding taxes, encumbrances, and other charges. Sales taxes, as may be applicable, are the responsibility of the Buyer.

Assets. The Assets have been grouped into Lots which are listed on Exhibit "A". The Assets include substantially all of the Company's physical operating assets located at Henderson, Nevada. The Assets, however, do not include any inventory, accounts receivable, automobiles, tools, or leased equipment that belongs to third parties. The Assets also do not include intellectual property license, trademark, software, books and records of the company or any other items that require the consent of a third party before they can be transferred which are listed on Exhibit "B" as Excluded Assets.

**FINALLY, THE ASSETS DO NOT INCLUDE ANY REAL PROPERTY LEASEHOLD INTERESTS, IMPROVEMENTS TO THE BUILDING, ANY OTHER REAL ESTATE ASSETS OF THE COMPANY, OR GOVERNMENT PERMITS OR LICENSES OF ANY KIND. IF YOU BECOME THE BUYER, IT IS YOUR RESPONSIBILITY TO EITHER REMOVE THE ASSETS OR NEGOTIATE WITH THE LANDLORD/LESSOR FOR OCCUPATION OF THE PREMISES OR OBTAIN ASSIGNMENT OF THE LEASE ON OR BEFORE JUNE 29, 2005. IT IS ALSO YOUR RESPONSIBILITY TO OBTAIN ANY NECESSARY GOVERNMENT PERMITS OR LICENSES.**

CMA reserves the right to: (a) remove or add Assets to the sale(s) at its sole discretion; (b) reject any and all bids, (c) to waive any formalities or irregularities in any bid, or (d) to negotiate, re-offer or not sell any Asset. The CMA assumes no responsibility for errors in Asset listings. All sales shall be final, absolute and without recourse, and in no event shall the CMA be or become liable for any defects in title for any cause whatsoever, and no claim, demand or suit of any nature shall exist in favor of the purchaser, its heirs, successors or assigns, against the Assignee, arising from this sale. Quieting right or title, if necessary, is solely the responsibility of the successful bidder after closing.

Removal. The Buyer shall have until June 29, 2005 to either remove the purchased Assets from the facility and/or enter into a new real property lease with the landlord. Removal shall be at the Buyer's own expense. If any Buyer's Assets are not removed by such deadline, the Assignee may, in the Assignee's sole discretion, cancel the sale with respect to such Assets, with liquidated damages in the amount of the Assignee retaining Buyer's Earnest Money Deposit with no recourse by the Buyer, and, in addition, the Buyer will be liable for any storage charges and other damages incurred by the Assignee as a result of the Buyer's failure to remove the Assets by the deadline.

No Warranty. THE ASSETS WILL BE SOLD "AS IS", "WHERE IS", AND "WITH ALL FAULTS." AND PROSPECTIVE BIDDERS ACCEPT AND ASSUME THE RISK OF THE ASSET AS-IS, WHERE-IS WITH ALL FAULTS AND FURTHER ACKNOWLEDGE AND AGREE THAT THE ASSIGNEE MAKES NO REPRESENTATIONS OR WARRANTIES BUT INSTEAD HEREBY EXPRESSLY DISCLAIMS ANY AND ALL EXPRESSED OR IMPLIED WARRANTIES CONCERNING THE CONDITION OF THE ASSET AND ANY PORTIONS THEREOF, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Quit Claim Only. **ALL ASSETS WILL BE CONVEYED BY "QUIT CLAIM." That is, the Assignee is only surrendering and selling such right, title or interest as Greater Foods may have the right to convey, if any, in such Assets, and subject to any and all claims or controversies of any kind by any parties, if any, known or unknown.**

Financing. Buyers are responsible for obtaining their own financing. The Assignee will not provide direct financing in the purchase of any Assets in the sale. FAILURE TO CLOSE DUE TO THE INABILITY OF THE BUYER TO OBTAIN FINANCING WILL RESULT IN THE LIQUIDATED DAMAGES OF ASSIGNEE RETAINING BUYER'S EARNEST MONEY.