

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT dated _____, 2021 (referred to herein as this “Agreement” or the “Asset Purchase Agreement”) is entered into by and between Charles M. Ivey, III, as Trustee for the bankruptcy estate of Natty Greene’s Brewing Company, LLC (“Seller”) and _____ hereinafter (“Initial Purchaser”).

RECITALS

WHEREAS, on October 18, 2020 (“Petition Date”), Natty Greene’s Brewing Company, LLC (“Debtor”) filed a voluntary petition for relief under Chapter 7 of Title 11 of the United States Code. As a result of that filing Charles M. Ivey, III is the duly appointed, qualified and acting Trustee in this proceeding (“Trustee”).

WHEREAS, prior to filing the Debtor was in the business of operating a Beer/Brewery Company located at 1918 W. Gate City Blvd in Greensboro, North Carolina. The assets of the Debtor Corporation as contained at the location above are encumbered to Truist Bank, Successor by Merger of SunTrust Bank (“Bank”). The outstanding obligation owed on this secured obligation as of the date of filing is approximately \$627,003.29, upon information and belief.

WHEREAS, after the filing the Trustee was contacted by numerous parties concerning the potential sale of the assets of the Debtor Corporation. As a result, the Trustee has negotiated with and shown the assets to multiple parties. The Purchaser has proposed to purchase the assets based upon an opening confirmed bid of \$185,000.00 upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in conjunction with the foregoing and the mutual agreements, covenants, representations, warranties, and promises set forth herein, and in order to prescribe the terms and conditions of this Agreement the Parties agree as follows:

1.1 Purchase and Sale. Subject to the terms and conditions set forth in this Agreement, at the Closing (as defined below in Section 14), Seller agrees to sell, transfer, and

deliver to Purchaser, and Purchaser agrees to purchase, acquire and accept from Seller, all right, title and interest of Seller in and to all of the assets (the “Purchased Assets”) owned by the Seller except for the Excluded Assets (as defined below in Section 1.2). The Purchased Assets shall be transferred free and clear of all liens, claims, encumbrances, and interest to the maximum extent permitted by Section 363 of the Bankruptcy Code (as more particularly described in Section 1.4) and attached hereto and incorporated herein by reference as Exhibit “A”.

(a) All books and records of Seller (including promotional materials) relating to (i) the business operations of the Seller and (ii) the Purchased Assets. Seller shall be entitled to make and retain copies of such books and records. Purchaser shall retain such books and records for a period of three years from the Closing Date and shall allow Seller or its agents reasonable access to the same;

(b) Any and all patents, trademarks, copyrights, trade secrets, license rights and all other intellectual property owned or licensed by Seller and any and all rights associated therewith to enforce, maintain or otherwise preserve the same.

1.2. Excluded Assets. The Purchased Assets shall not include any of the following assets:

(a) Causes of action owned by the Seller under 11 U.S.C. § 541;

(b) Any and all avoidance actions as that term is defined in the United States Bankruptcy Code, including causes of action under 11 U.S.C. § 510, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551 and 724(a);

(c) 2007 Isuzu Box Truck;

(d) A forfeited deposit from a Highest Bidder (as defined in the Sale Motion) resulting from its failure to close.

1.3. No Assumption of Liabilities. No liabilities are being assumed. All Liabilities shall be dealt with pursuant to the terms as set forth in the United States Bankruptcy Code and as applicable in the Chapter 7 bankruptcy proceedings.

1.4. No Liens, Secured Interests, Encumbrances or Other Claims. The Purchased Assets shall be sold pursuant to, and to the fullest extent permitted by, 11 U.S.C. § 363(f) and all other applicable laws free and clear of any and all of the following (collectively, “Liens”): liens, security interests, encumbrances and claims (including, but not limited to, any “claims” as defined in 11 U.S.C. § 101(5), reclamation claims, mortgages, deeds of trust, pledges, covenants, restrictions, hypothecations, charges, indentures, loan agreements, causes of action, instruments, contracts, leases, licenses, options, rights of first refusal, offsets, recoupment, replevin, rights of recovery, judgments, orders and decrees of any court or foreign or domestic governmental entity, claims for reimbursement, successor liability, contribution, indemnity or exoneration, assignment, preferences, debts, charges, suits, rights of recovery, interests, products liability, merchantability, fitness for a particular purpose, any warranty as described in N.C.G.S. § 25-2A-211, alter-ego, environmental, successor liability, tax and other liabilities, causes of action and claims, and in each case whether secured or unsecured, choate or inchoate, filed or unfiled, scheduled or unscheduled, notice or unnoticed, recorded or unrecorded, perfected or unperfected, allowed or disallowed, contingent or non-contingent, liquidated or unliquidated, matured or unmatured, material or non-material, disputed or undisputed, or known or unknown whether arising prior to, on, or subsequent to the date on which Debtor filed its voluntary petition under Chapter 7 of the Bankruptcy Code, whether imposed by agreement, understanding, law, equity or otherwise (collectively, the “Liens and Claims”), with any Liens and Claims to attach only to the proceeds of sale with the same priority, validity, force and effect as they existed with respect to the Purchased Assets before the Closing Date. As a result of the Liens and Claims being transferred to the proceeds of sale, the parties holding secured claims shall not have rights to credit bid at the Auction Sale as would be authorized under 11 U.S.C. § 363(k) or as might otherwise be authorized by any applicable law; provided, however, that Purchaser may credit bid the amount of its security interests and liens.

1.5. Purchase Price.

(a) In consideration for the sale, transfer, and delivery of sale Assets, as closing as defined below, Purchaser shall deliver to Seller the sum of the Highest Acceptable Bid which is confirmed by the Court pursuant to the Auction Procedures as hereinafter set forth.

(b) Minimal Acceptable Bid shall be the opening bid as provided by the Seller herein in the amount of \$185,000.00.

(c) The Purchase Price shall be payable at closing to the Trust Account of Ivey, McClellan, Gatton & Siegmund, LLP, attorneys for the Trustee, plus the amount of any good faith deposit as hereinafter defined as “Good Faith Deposit”.

1.6. Allocation of Sale Proceeds (Carve Out). The sale proceeds shall be allocated in the following manner from the \$185,000.00 and any Acceptable Upset Bid and shall be as follows:

(a) \$10,000.00 for the Court Approved Auctioneer;

(b) \$15,000.00 as carve out for the Chapter 7 Estate, \$3,500.00 of said carve out will be allocated towards payment of marketing for the use by Auctioneer, therefore netting the Chapter 7 estate \$11,500.00;

(c) \$32,651.36 paid for unpaid property tax (amount estimated);

(d) \$127,348.64 to be paid to the secured creditor, Truist from the original bid of \$185,000;

(e) Any Acceptable Upset Bid shall include an additional 8% buyers premium (less \$10,000.00 auction/fee above). The buyers premium is to be paid directly to the Auctioneer. (Example: if minimum acceptable upset bid of 196,000.00 is highest bidder the total out of pocket will be \$196,000.00 plus net buyer premium of \$5,680.00, which equals \$201,680.00. (Example: buyers premium is \$15,680.00 with \$10,000.00 credit leaving \$5,680.00 owed to auctioneer);

(f) Any Acceptable Upset Bid shall be allocated at 100%, not including buyers premium, between \$185,000 and \$250,000.00 to Truist, 15% of any amount between \$250,000.00 and \$300,000.00 as a carve-out to Chapter 7 estate and 85% being paid to Truist Bank;

(g) Any Acceptable Upset Bid in excess of \$300,000.00 shall be allocated at 20% to the Chapter 7 estate and 80% to the secured creditor, Truist Bank;

(h) Any proceeds in excess of an amount to pay Truist Bank, in full, will be held in escrow subject to future orders of the Bankruptcy Court for any disbursement thereof concerning disputed liens or other encumbrances on said proceeds.

1.7. Good Faith Deposit. Simultaneously with the execution of this Agreement, Purchaser shall deliver to Seller's attorneys, Ivey, McClellan, Gatton & Siegmund, the sum of \$25,000.00 ("Good Faith Deposit"). Payment shall be made in certified funds only or in a method satisfactory to the Trustee.

1.8. Closing. The closing (the "Closing") of the purchase and sale of the Purchased Assets shall take place in the offices of Ivey, McClellan, Gatton & Siegmund, Greensboro, North Carolina, within ten (10) business days after the entry of the Sale Approved Order ("Closing Date"). The Closing may be accomplished remotely through the delivery of signatures by facsimile transmission or electronic mail, doc-u-serve, or similar electronic signature procedures, with original signatures to follow by overnight courier.

1.9. Deliveries by Seller. At Closing, Seller will deliver to Purchaser all documents, instruments and writings reasonably requested by Purchaser to be delivered by Seller at or prior to the Closing pursuant to this Agreement, including, but not limited to, a Bill of Sale listing all of the Purchased Assets.

2. Representations and Warranties of Seller. Seller is the duly appointed and qualified Chapter 7 Trustee for Natty Greene's Brewing Company, LLC, and as such the Trustee is selling all of the Purchase Assets without representation or warranty as to their condition.

(a) There are no representations or warranties associated therewith. **THE EXECUTION, DELIVERY AND PERFORMANCE BY SELLER OF THIS AGREEMENT REQUIRES NO ACTION BY, OR FILING WITH, ANY GOVERNMENTAL BODY, AGENCY OR OFFICIAL, OTHER THAN APPROVALS OR AUTHORIZATIONS BY THE BANKRUPTCY COURT. SUBJECT TO THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT, THE PURCHASED ASSETS ARE BEING SOLD "AS IS" AND "WHERE IS," AND PURCHASER, OR ULTIMATE HIGHEST BIDDER, HEREBY ACKNOWLEDGES AND AGREES THAT, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO ANY MATTER RELATING TO THE PURCHASE ASSETS. WITHOUT IN ANY WAY LIMITING THE FOREGOING, SELLER HEREBY DISCLAIMS ANY WARRANTY, EXPRESSED OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE AS TO ANY PORTION OF THE PURCHASED ASSETS. PURCHASER AND/OR ANY ULTIMATE HIGHEST BIDDER FURTHER ACKNOWLEDGES THAT IT HAS CONDUCTED AN INDEPENDENT INSPECTION AND INVESTIGATION OF THE PHYSICAL CONDITION OF THE PURCHASED ASSETS AND ALL SUCH MATTERS RELATING TO OR AFFECTING THE PURCHASED ASSETS AS AID PARTY DEEMS NECESSARY OR APPROPRIATE TO THE EXTENT THAT THEY DESIRE SUCH. PURCHASER WILL ACCEPT THE PURCHASED ASSETS AT CLOSING "AS IS" AND "WHERE IS."**

(b) The Trustee does warrant, represent, that the Trustee shall file the appropriate 11 U.S.C. § 363 pleadings with the United States Bankruptcy Court so as to obtain an Order approving this Sale which among of things will (i) pre-approve the initial bid of \$185,000.00; (ii) approve the sale procedures as hereinafter set forth; (iii) present to the Court, at the Confirmation Hearing, that all required court procedures have been followed so as to allow for the Closing and allow Closing Purchaser to be deemed a good-faith Purchaser who did not improperly collude with other bidders as those terms are used in 11 U.S.C. § 363(m) and 363(n).

3. Representations and Warranties of Purchaser. Purchaser represents and warrants to Seller as follows:

(a) Organization. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of South Carolina.

(b) Corporate Authorization. The execution, delivery and performance by Purchaser of this Agreement and the consummation of the Transactions are within the corporate powers of Purchaser and have been duly authorized by all necessary action on the part of Purchaser. This Agreement has been duly executed and delivered by Purchaser and, subject to entry by the Bankruptcy Court of the Sale Approval Order in the Bankruptcy Case, this Agreement constitutes a valid and binding agreement of Purchaser that is enforceable in accordance with its terms.

(c) No Conflicts. The execution, delivery and performance of this Agreement by Purchaser will not (i) violate any provision of any existing law, statute, rule, regulation or ordinance, or (ii) conflict with, result in a breach of, or constitute a default under (A) the certificate or articles of incorporation or by-laws of Purchaser, (B) any order, judgment, award or decree of any court, governmental authority, bureau or agency, or (C) any mortgage, indenture, lease, contract or other agreement or undertaking to which Purchaser is a party or by which Purchaser or any of its properties or assets may be bound.

(d) Governmental Authorization. The execution, delivery and performance by Purchaser of this Agreement require no action by, or filing with, any governmental body, agency or official other than approvals or authorizations by the Bankruptcy Court.

(e) Litigation. As of the date hereof, there is no action, suit, investigation or proceeding pending against or, to the knowledge of Purchaser, threatened against or affecting Purchaser before any court or arbitrator or any governmental body, agency or official, which in any manner challenges or seeks to prevent, enjoin, alter, or materially delay the Transactions.

(f) Certain Fees. Purchaser has not employed any broker, finder, investment banker, or other intermediary or incurred any liability for any investment banking fees, financial advisory

fees, brokerage fees, finders' fees, or other similar fees in connection with this Agreement or the Transactions.

(g) No Financing Contingency. Purchaser represents that the Transactions contemplated in this Agreement are not contingent upon Purchaser obtaining financing, and Purchaser is prepared to pay the Purchase Price in a timely manner as contemplated and set out in the Auction and Sale Procedures Order.

4. Covenants of Purchaser and Seller. Purchaser and Seller agree that:

(a) Efforts; Further Assurances. Purchaser and Seller will use commercially reasonable efforts to take all actions and to do all things necessary or desirable under applicable laws and regulations to consummate the Transactions. Seller and Purchaser agree to execute and deliver such other documents, certificates, agreements, and other writings and to take such other actions as may be necessary or desirable in order to vest in Purchaser good title to the Purchased Assets.

(b) Notices. If (i) Purchaser becomes aware of any material breach by Seller of any representation, warranty, covenant or agreement contained herein and such breach is capable of being cured by Seller, or (ii) Seller becomes aware of any material breach by Purchaser of any representation, warranty, covenant or agreement contained herein and such breach is capable of being cured by Purchaser, the party becoming aware of such breach shall promptly notify the other party in writing, in accordance with Section 10.1 of this Agreement. Upon such notice of breach, the breaching party shall have ten (10) days to cure such breach prior to the exercise of any remedies in connection therewith.

5. Auction and Sales Procedures. Trustee will request the following Auction Procedures related to the submission and consideration of competing offers (upset bids) be approved by the Bankruptcy Court with the entry of an Auction Procedures Order approving the Asset Purchase Agreement and the Auction Procedures are as follows:

(a) Sale Means. The Auction Sale shall be an absolute auction subject only to confirmation by the Court at the final hearing that the Sale and Auction Procedures Order was followed and that an Acceptable Bidder was the Highest Bidder. The Auction shall be an online auction with the following auction methods:

- (i) Use of online bidding portal that accepts bids only from qualified bidders.
- (ii) Auction information posted on the Auctioneers website and if available other related sites.
- (iii) Bidding will start on March 11th, 2021, or such other date as set by the Court. Initial bid is the Stalking Horse bid and will accept upsets bids in an amount equal to or in excess of acceptable upset bid amount.
- (iv) Parallel zoom or equivalent conferencing video will be made available to encourage bidding.
- (v) Initial bidding will start at 1:00 pm, at 2:00 the automatic extension period will begin. The automatic extension will be 30 minutes after an acceptable bid is received to allow additional bidding before the bidding is closed. The auctioneer in consultation with the Trustee reserves the right to modify the extension period. If the period is modified it will be announce and apply to all new bids going forward.

(b) Time and Date of Auction. The auction sale shall take place at 1:00 o'clock on the 11th day of March, 2021, or at a time as set by the Bankruptcy Court.

(c) Location. The Auction shall take place at such location and/or through teleconferencing as deemed necessary by the Court approved auctioneer.

(d) Acceptable Bidder. An Acceptable Bidder is a party who has provided all of the following on or before 4:00 p.m. four days prior to Date of Auction:

(i) A Party who executes an Acceptable Upset Bid (an "Acceptable Upset Bid") for all the Purchased Assets on the same terms as set out in the Asset Purchase Agreement in an amount equal to the Acceptable Opening Bid plus the sum of \$10,000.00 per the breakup fees and \$1,000.00. Said Initial Acceptable Bid therefore must equal or exceeded \$196,000.00.

(ii) A cash deposit in the amount of \$25,000.00 (“Acceptable Bidder Deposit”). The Trustee shall deposit said funds in a separate bank account which may include the Trust account for the Trustees’ attorneys, Ivey, McClellan, Gatton & Siegmund. The Trustee shall cause all deposits to be returned within three (3) business days following the Auction Sale if said depositor is not the Highest Bidder. The deposit shall be returned by first-class mail to the address and entity which the Acceptable Bidder in writing has instructed the attorney the Trustee to return the deposit. If an Acceptable Bidder desires that the deposit be return by wire transfer, then said instructions for said wire transfer shall be provided to Trustee upon submission of the deposit. Failure of the Acceptable Bidder to provide proper instructions for the return of deposit will authorize Trustee to hold said deposit pending written instructions.

(iii) An executed Asset Purchase Agreement including terms that are substantially similar to, and no less favorable to the Seller than, the Asset Purchase Agreement and is a firm offer not containing any contingencies to the validity, effectiveness or binding nature of the offer, including, without limitation, contingencies for financing, due diligence, or inspection.

(iv) Evidence establishing, to the Trustee’s satisfaction, such prospective bidder’s financial ability to consummate the sale in a timely manner if such bidder becomes the Highest Bidder at the Auction Sale.

5.2. Acceptable Bidder Access. Auctioneer shall arrange and coordinate with the Trustee to provide any party who appears to be able to qualify as an Acceptable Qualifying Bidder access to the location to physically review the Purchased Assets.

5.3. Acceptable Bidder Name. The Trustee shall promptly provide to the Initial Purchaser, the United States Bankruptcy Administrator, existing Acceptable Bidder, and any secured creditor who has requested notification in writing (or their counsel if they have appeared through counsel), the name of each Acceptable Bidder.

5.4. Acceptable Bidder Per Se. Initial Purchaser shall be deemed to be an Acceptable Bidder based upon its execution of the Asset Purchase Agreement.

5.5. Acceptable Opening Bid. The Acceptable Opening Bid shall be deemed to be made by Initial Purchaser upon the terms and conditions set forth in the Asset Purchase Agreement shall be deemed to be an Acceptable Bidder.

6. Acceptable Upset Bids. At the Auction Sale, an Acceptable Upset Bid may be made by any Acceptable Bidder. The first Acceptable Upset Bid must be in an amount equal to or greater than \$196,000.00. Thereafter, Acceptable Upset Bids must exceed the previous Acceptable Upset Bid by an amount equal to or greater than \$1,000.00. An Acceptable Upset Bid must be a bid to purchase all the Purchased Assets under the terms and conditions set forth in the Asset Purchase Agreement as approved by the Court. The ultimate highest bidder shall be referred to herein as the “Highest Bidder” and its bid the “Highest Upset Bid.”

7. Acceptable Bidder Dispute Resolution. The Bankruptcy Court shall hold a hearing within five (5) calendar days, or at such time deemed appropriate by the Bankruptcy Court, in advance of the auction date to hear and resolve any dispute which may exist between a prospective Acceptable Bidder and the Seller as to whether said prospective Acceptable Bidder should be designated an Acceptable Bidder. The Court retains the jurisdiction to determine such other times and dates as it deems appropriate to hear any dispute relative to a prospective Acceptable Bidder, and said hearing may be held upon an emergency notice as deemed appropriate in the sole discretion of the Court.

8. How to Make an Upset Bid. A valid Acceptable Upset Bid may be made only by a person who satisfies the conditions set forth in the Auction and Sales Procedures Order to qualify as an Acceptable Bidder.

9. Irrevocable Nature of Bids. The Acceptable Upset Bid made by the Highest Bidder shall remain open and be irrevocable through the Final Hearing and, if the Highest Bid is determined at such hearing to be approved as the final Acceptable Bid, the Highest Bid shall remain open and be irrevocable through the date of closing.

10. Finality of Auction Process. The Acceptable Upset Bid of the Highest Bidder is not subject to any upset bid after the close of the Auction Sale or at the Final Hearing.

11. Procedures if No Acceptable Upset Bid is Received. If no Acceptable Upset Bid is received, then the Acceptable Opening Bid by Initial Purchaser shall be deemed the highest and best offer for the Purchased Assets and shall therefore be submitted for approval by the Court at the Final Hearing.

12. Highest Bidder Deposit. The Highest Bidder shall cause to be deposited with the Seller an amount in addition to its Acceptable Bidder Deposit such that the total amount of such deposit is equal to twenty-four percent (24%) of the Highest Bid (the “Highest Bidder Deposit”); provided, however, that if Initial Purchaser makes the Highest Bid, it shall not be required to make the Highest Bidder Deposit. The Highest Bidder Deposit shall be submitted to and shall represent good funds on deposit with the Seller on or before Noon of the first business day following the Auction Sale.

13. Court Hearings.

(a) Initial Sale Hearing. An initial sale hearing is requested to be held by the Court which will approve the sale of the Purchased Assets, the requested Auction Procedures (including, without limitation, the Breakup Fee), deem Initial Purchaser as an Acceptable Bidder, and deem Initial Purchaser’s bid as the Acceptable Opening Bid.

(b) Final Hearing/Confirmation Hearing. A final hearing will be held three (3) business days after the Auction Sale or as soon thereafter as can be scheduled by the Court. It shall be the purpose of said hearing to confirm that the procedures as set forth in the Auction and Sales Procedures Order have been followed by the Seller and the Auction Sale conducted in accordance with the same, and to make such findings as are necessary to provide the purchaser with proper title in accordance with the terms and conditions of the Asset Purchase Agreement and the Sale Approval Order. This hearing shall hereinafter be referred to as the “Final Hearing.”

14. Closing Date. The closing date shall be deemed to be the date upon which the consideration is paid and all closing documents are signed. This may take place immediately after the entry of the Sale Approval Order but must occur within five (5) business days of the entry of the Sale Approval Order.

15. Failure of Highest Bidder to Close. If the Highest Bidder should fail to close on the Closing Date on the purchase of the Purchased Assets in accordance with the Highest Bid, and only in such event:

(a) The Highest Bidder Deposit shall be forfeited to the Seller on account of damages suffered by the Seller as a result of such failure by the Highest Bidder to close, without prejudice to the Seller's ability to seek to recover additional damages from the Highest Bidder;

(b) The Seller shall hold a new Auction Sale (the "New Auction Sale") of the Purchased Assets upon three (3) business days' notice to all entities previously determined to be Acceptable Bidders of the time selected by the Seller for the New Auction Sale;

(c) An entity that was not previously determined to be an Acceptable Bidder shall not have the opportunity to become an Acceptable Bidder, previously approved Acceptable Bidder shall be deemed to be an Acceptable Bidder, without having to provide additional Acceptable Bidder Deposit, for the New Auction Sale;

(d) If a New Auction Sale is scheduled by the Seller, all Acceptable Bidders that wish to participate in the New Auction Sale must make the Acceptable Bidder Deposit as provided in this Motion no later than 4:00 p.m. of the business day immediately prior to the commencement of the New Auction Sale, and such deposit shall be subject to return as provided in paragraph 5(d)(i), and if an Acceptable Bidder fails to timely make this Acceptable Bidder Deposit, such entity shall no longer be considered an Acceptable Bidder and shall be disqualified from participation in the New Auction Sale;

(e) If a New Auction Sale is scheduled by the Seller, the Highest Bidder from the Initial Auction Sale shall not be an Acceptable Bidder and shall be disqualified from participation in the New Auction Sale; and

(f) If a New Auction Sale is scheduled by the Seller and, if at the time scheduled for the New Auction Sale the sole Acceptable Bidder is Initial Purchaser, then the New Auction Sale shall not be held and the Acceptable Opening Bid shall be deemed to be the only bid for the Purchased Assets and the Seller shall request confirmation of the Acceptable Opening Bid in the Sale Approval Order.

16. Payment of Breakup Fee. If the Purchased Assets are sold to an Acceptable Bidder for a price in excess of the Acceptable Opening Bid, then at the closing of such sale, the Seller shall pay \$10,000.00 Breakup Fee in cash at Closing to the Initial Purchaser. However, if Initial Purchaser is the purchaser of the Purchased Assets at a price in excess of the Acceptable Opening Bid, then Initial Purchaser will be required to pay the actual amount represented by the Acceptable Highest Bid.

17. Absolute Sale. The Auction Sale shall be an absolute sale and not subject to upset bid after the Auction Sale. Cause exists to allow for the Court, pursuant to Bankruptcy Rule 6004(h), to authorize the Seller to close the sale of the Purchased Assets immediately upon entry of the Sale Approval Order.

18. Necessary Findings for Purchaser. A sale conducted pursuant to the procedures set forth herein shall result in the Purchased Assets being sold to the Highest Bidder as a good-faith purchaser. Initial Purchaser shall acquire all rights as can be conveyed pursuant to 11 U.S.C. § 363 including, but not limited to, the rights of a good faith purchaser pursuant to 11 U.S.C. § 363(m), and a finding, based upon the sworn representation of the Highest Bidder that the bidding was not pursuant to any improper collusive bidding practices, which would not allow for the sale to be avoided for reasons which would include 11 U.S.C. § 363(n).

19. Dispute Resolution. The United States Bankruptcy Court for the Middle District of North Carolina (“Bankruptcy Court”) shall retain exclusive jurisdiction to resolve any disputes which may arise concerning the Auction Procedures or other issues relevant to the sale of the Purchased Assets as outlined herein. All parties to this Agreement shall expressly stipulate and mutually agree that disputes arising under this Agreement, and the issues presented in any hearing or proceeding concerning the same, are deemed “core” within the meaning of 28 U.S.C. § 157(b). To any extent

otherwise, the parties nonetheless do hereby knowingly and voluntarily consent to the Bankruptcy Court having jurisdiction and authority to enter final judgment in any/all core and non-core matters.

20. Business Judgment. The Seller may exercise its reasonable business judgment in conducting the Auction Sale and in allowing a reasonable time for bids by Acceptable Bidders once the Auction Sale has commenced; however, it is intended that once commenced, the Auction Sale shall proceed to its conclusion without being continued to a subsequent day, and the Seller may determine in its business judgment when to close the Auction Sale, declare the Highest Bid, and preclude further bids. The Seller may exercise its reasonable business judgment to recommend to the Court the Highest Bid.

21. Emergency Court Hearing with Notice and Hearing. The Auction Procedures Order shall authorize the Court to hold emergency hearings to resolve any disputes that may rise prior to the auction. These emergency hearings would include, but not be limited to, any hearing as to whether a party should be designated as an Acceptable Bidder. All such emergency hearings shall be held on Notice and Hearing as determined by the Court to be necessary under the circumstances and may include limited notice and/or telephonic notice to the designated parties. Where deemed necessary, the Auction and Sales Procedures Order shall allow for *ex parte* orders to be issued by the Court to aid and assist in the consummation of this Sale.

22. Auctioneer. The Auction Sale shall be conducted by Iron Horse Auction Company and shall be paid in accordance with the allocation as indicated in Paragraph 5 above.

23. Tax Matters/Proration. Any *ad valorem*, use, real, personal and intangible property and any similar taxes related to, imposed upon or assessed directly against the Purchased Assets will be remitted to the collecting authorities by Seller if the same are due and payable on or before the Closing Date, and by Purchaser if due and payable thereafter; provided, however, that such taxes imposed upon or assessed directly against any Purchased Asset for the tax year in which the Closing Date occurs (the "Proration Period") will be apportioned and prorated between Seller and Purchaser, on and as of the Closing Date, with Purchaser bearing the expense of Purchaser's proportionate share of such taxes which shall be equal to the product obtained by multiplying a fraction, the numerator being the amount of the taxes and the denominator being the total number

of days in the Proration Period, by the number of days in the Proration Period following the Closing Date, and Seller shall bear the remaining portion of such taxes, and promptly pay over to Purchaser the amount thereof upon Purchaser's request. The provisions of this Section ____ shall survive the Closing and the consummation of the Transactions hereunder.

24. Employee Matters. Purchaser is not obligated to hire any employee of the Debtor Corporation. Purchaser may hire such former employee of the Debtor Corporation as Purchaser may choose in its sole and absolute discretion and may set its own initial terms and conditions of employment for such employees, including work rules, benefits, salary, and wage structure, all as permitted by applicable law.

25.1. Conditions to Obligations of Purchaser and Seller. The obligations of Purchaser and Seller to consummate the Transactions are subject to the satisfaction of the following conditions:

(a) The Bankruptcy Court shall have entered the Sale Approval Order in the Bankruptcy Case, authorizing the Transactions and approving this Agreement under Section 363 of the Bankruptcy Code:

(i) Provide that Purchaser is a good faith purchaser pursuant to Section 363(m) of the Bankruptcy Code;

(ii) Waive any stay that would otherwise be applicable pursuant to Bankruptcy Rules 6004(h) or 6006(d) or any other applicable Rule or Code Sections;

(iii) Provide that the sale of the Purchased Assets shall be free and clear of all Liens;

(iv) Provide that Purchaser is not a successor to Seller.

(b) No injunction, stay or similar order or decree, issued by any court, tribunal or governmental entity, shall be in effect that restrains, enjoins, stays or prohibits the consummation of the Transactions.

25.2. Conditions to Obligations of Purchaser. The obligation of Purchaser to consummate the Transactions is subject to the satisfaction (or waiver by Purchaser) of the following further conditions:

(a) Seller shall have performed in all material respects all of its obligations hereunder required to be performed by Seller on, or prior to, the Closing Date; and

(b) The representations and warranties of Seller contained in this Agreement shall be true and correct at, and as of, the Closing Date, as if made at, and as of, the Closing Date.

25.3. Conditions to Obligations of Seller. The obligation of Seller to consummate the Transactions is subject to the satisfaction (or waiver by Seller) of the following further conditions:

(a) Purchaser shall have performed in all material respects all of its obligations hereunder required to be performed by it at, or prior to, the Closing Date; and

(b) The representations and warranties of Purchaser contained in this Agreement shall be true and correct at, and as of, the Closing Date as if made at, and as of, the Closing Date.

26.1. Grounds for Termination. This Agreement shall terminate upon entry of the Sale Approval Order and without further action by the parties if Initial Purchaser is not the Highest Bidder:

(i) By mutual written agreement of Seller and Purchaser; provided, however, if such written agreement is entered into subsequent to the entry of the Auction and Sales Procedures Order, termination pursuant to this Section shall require approval of the Bankruptcy Court;

(ii) By Purchaser, at any time prior to the entry of the Auction and Sales Procedures Order, if any material condition set forth in this Agreement has not been satisfied, and such condition is incapable of being satisfied, unless Purchaser elects to waive such satisfaction;

(iii) By Seller, if any material condition set forth in this Agreement has not been satisfied, and such condition is incapable of being satisfied, unless Seller shall waive such satisfaction; or

(iv) By Purchaser, if the Sale Approval Order is not entered by the Bankruptcy Court on or before _____.

26.2. Notice of Termination. The party desiring to terminate this Agreement pursuant to this Section shall give notice of such termination to the other party in accordance with Section 10.1.

26.3. Effect of Termination. If this Agreement is terminated as permitted, herein such termination shall be without liability of any party.

26.4. Expenses of Termination. All costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

27. Executory Contracts. There are no Executory Contracts which are being assumed and assigned under this Agreement including but, not limited to, the lease of premises. Any Purchaser shall independently make such arrangements with the Landlord for the leasing of the property. Upon information and belief, the Initial Purchaser has made such arrangements with Brown Investment Properties, Inc., the Lessor agent. Upon further information and belief, the landlord is willing to enter into a lease for continued operations of these facilities upon the terms and conditions set forth in Exhibit "B" hereto. However, the landlord retains the sole and absolute right to determine the credit worthiness of any Purchaser before entering into said lease. **Any Purchaser therefore should take all such actions as it deems just necessary to make such arrangements with the landlord as it deems to be appropriate herein.** As indicated the Trustee is not in a position to assist in this process.

28. Miscellaneous.

(a) Notices. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission) and shall be given,

If to Purchaser, to:

_____, — _____

If to Seller, to:

Charles M. Ivey, III
Chapter 7 Trustee
Ivey, McClellan, Gatton & Siegmund
100 South Elm Street, Suite 500
Greensboro, NC 27401

All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a business day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding business day in the place of receipt.

(b) Waivers. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

(c) Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Seller acknowledges that Purchaser may assign its rights under this Agreement to an entity to be formed, however, such assignment shall not release Purchaser from its obligations hereunder.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of North Carolina and any applicable provisions of the Bankruptcy Code, without regard to the principles of conflicts of law that would provide for application of another law.

(e) Entire Agreement; Amendments; Counterparts. This Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof and may be amended only by a writing executed by Purchaser and Seller. This Agreement may be executed in counterparts, each of which shall constitute an original and both of which, taken together, shall constitute one and the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto.

(f) Captions; Headings; Interpretation. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. The headings contained in this Agreement are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.” In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of authorship of any provisions of this Agreement.

(g) Further Assurances. Each party shall, upon the reasonable request of the other party, execute and deliver such additional documents and take such further actions as may be necessary or desirable to consummate the transactions described herein and better vest unto Purchaser title in and to the Purchased Assets. The provisions of this Section shall survive the Closing and the consummation of the Transactions hereunder.

(h) Retention of Jurisdiction. Any and all disputes, disagreements, interpretations or other matters concerning the final consummation and enforcement of this Agreement shall be and remain in the exclusive jurisdiction of the Bankruptcy Court and, as a result thereof, any pleadings, causes of action or other requests for relief must be brought before said Court by the party seeking such relief.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

Charles M. Ivey, III, Trustee for Natty Greene's
Brewing Company, LLC.
(Seller)

By: _____
Name: _____
Title: _____

(Purchaser)

By: _____
Name: _____
Title: _____