

## Terms of Sale

Development Specialists, Inc. (the “Seller”), solely in its capacity as assignee for the benefit of creditors of Cambrios Technologies Corporation (“Cambrios”), intends to auction all personal property of Cambrios and the assignment estate (the “Estate Property”) subject to the following terms:

1. Location and Timing. The auction of the Estate Property will be held at the office of Sheppard Mullin Richter & Hampton LLP, located at Four Embarcadero Center (17th Floor), San Francisco, California 94111. The date presently set for the auction is March 16, 2016 at 10:00 a.m. (Pacific Daylight Time). The Seller reserves the right to reschedule the sale on no less than 48 hours-notice; notice will be sent by e-mail to all parties that have expressed an interest in the sale and/or have deposited their bid deposit.
2. Consent of Champ Great Int’l Corporation. Champ Great Int’l Corporation (“Champ Great”), a Taiwan corporation, holds a first priority security interest against certain personal property within the Estate Property being made available at the sale as more fully described in the August 30, 2013 Security Agreement between Champ Great and Cambrios (the “Champ Great Collateral”). Champ Great has consented to the auction of the Estate Property according to these Terms of Sale.
3. Representations and Warranties by Seller. Seller is auctioning the Estate Property “as is, where is” with all faults and defects. Seller has not made and does not make, and Seller specifically disclaims, any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the nature, quality,

or condition of the Estate Property. Seller would not agree to auction the Estate Property without the disclaimers and other statements set forth in this section.

4. Auction Participation Requirements. To submit a bid at the auction, a bidder must deposit with the Seller one million dollars (\$1,000,000) in immediately available funds not later than one business day prior to the date of the auction (the “Bid Deposit”). All such deposits shall be held in a segregated trust account. Deposits from parties not the successful bidder will be returned twenty four hours after the sale concludes. Champ Great shall be entitled to bid at the sale but shall not be required to provide a Bid Deposit on account of its security interest in the Champ Great Collateral.

5. Auction Procedures.

- a. The Assignee presently intends to auction the Estate Property as one lot. The Assignee, however, reserves its right to auction the Estate Property in multiple lots if the Assignee determines that doing so will obtain the best recovery for creditors. The Assignee will make this determination prior to the start of the auction. Notice to all potential buyers of the final procedures will be delivered to those in attendance before the Auction; the sale will be on an all-cash basis
- b. The opening bid at the auction shall be the greater of two hundred and fifty thousand dollars (\$250,000), the value of the Estate Property, not including any patents or other intellectual property (“Non-IP Collateral”), as determined in a walk-through appraisal conducted no later than February 26, 2016 by Gordon Brothers, or the amount of any stalking horse bid the Seller obtains before the Auction;

- c. The Seller will consider a stalking horse bid before the auction. No break-up fee or expense reimbursement will be provided to such stalking horse bidder.
  - d. The initial overbid will be in an amount of not less than one hundred thousand dollars (\$100,000) with subsequent bids to be no less than twenty-five thousand dollars (\$25,000) higher than the last bid;
  - e. Champ Great shall be entitled to submit a “credit bid” for the Estate Property up to the Non-IP Collateral Value, as determined by the appraisal process previously described in this section (the “Champ Great Credit Bid”); all bids made for the Estate Property shall be disclosed to the other bidders at the auction so that they may have an opportunity to submit overbids for such property;
  - f. All bidders will be required to sign an acknowledgement that the sale by the Assignee is on an “as-is, where-is” basis, without representation or warranty;
  - g. The bidder at the auction that offers the highest cash price for the Estate Property (the “Purchase Price”) shall be the successful bidder at the auction (the “Purchaser”). Any Champ Great Credit Bid shall be deemed a cash bid to the extent of the appraised value of the Champ Great Collateral, as provided for previously in this section;
  - h. At the conclusion of the auction, the Purchaser shall pay the Purchase Price to the Seller by wire transfer of immediately available funds within 48 hours.
6. Bill of Sale. Upon payment of the Purchase Price, Seller shall deliver, to or for the benefit of Purchaser a bill of sale and assignment duly executed by Seller, pursuant to which Seller’s right, title, and interest in and to the Estate Property shall be assigned to the Purchaser; Champ Great will deliver a UCC release of its lien on its personal property

collateral; the Assignee will delivery any and all documents required to transfer title to the patent portfolio as needed.

7. Payment of Taxes. Any sales, purchase, transfer, sales or use taxes, stamp, documentary stamp, use or similar Taxes under the laws of the states in which any portion of the Estate Property is located, including but not limited to California, or any subdivision of any such state, or under any federal law or the laws or regulations of any federal agency or authority, which may be payable in connection with the sale or transfer of the Estate Property pursuant to the auction, if any, shall be borne and paid by Purchaser. Purchaser shall be solely responsible for the preparation and filing of all relevant tax Returns required to be filed in respect of such transfer taxes and shall pay all such transfer taxes, and, if required by applicable law, Seller shall join in the execution of any such tax returns. If Champ Great is the Purchaser, it may not use the Champ Great Credit Bit to pay such taxes, but rather, must pay in cash any such applicable taxes.
8. Condition of Premises. The Purchaser shall be responsible for leaving the premises leased by Cambrios in broom clean condition. The Seller will pay rent on such premises through the end of March 2016.
9. Revisions to the Terms of Sale. The Assignee reserves the right to revise these Terms of Sale prior to the beginning of the sale, provided notice is given to all parties with deposits on record with the Assignee.