

“Code”).

FACTS

4. On November 6, 2017, (the “Petition Date”), the Debtors filed voluntary petitions for relief under Chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330 (as amended, the “Code”). The Debtors continue to manage and operate their financial affairs as debtors-in-possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code. No creditors’ committee has yet been appointed in this case by the United States Trustee. No trustee or examiner has been requested or appointed.

5. The Debtors were both formed on January 27, 2012. SoLAT, LLC was a Texas limited liability company formed with the intent of owning commercial real property to be used in housing a Chevron gas station and convenience store located at 5115 Thousand Oaks, San Antonio, TX 78256 (“Property”). LuLAT, LLC was a Texas limited liability company formed with the intent of operating the Property.

6. The Property is collateral for a loan with Texas Champion Bank, which holds a first lien on the Property. The United States Small Business Administration holds a second lien on the Property. The Texas Champion Bank lien is approximately \$1.86 million and the SBA’s lien is approximately \$1.255 million. The property taxing authorities have filed a secured claim over the real estate in the amount of \$106,930 and a secured claim over the inventory and equipment of \$747.61.

7. Debtor’s have filed a motion to employ NRC Realty & Capital Advisors, LLC as broker to conduct the auction and the proposed auction procedures are attached as Exhibit 1.

REAL PROPERTY TO BE SOLD

8. The real property of the estate to be sold by this Motion is Debtors’ interest, if any, in the property described as follows:

- a. The legal description of the lot located at 5115 Thousand Oaks, San Antonio, TX 78256 is Longhorn Quarry Replat, Plat Book 9648, Page 168, NCB 14945, Block 13 Lot 2, Bexar County, Texas.

Said property is to be sold AS IS and WHERE IS, free of all liens and claims.

AUCTION PROCEDURES

9. The Debtors propose to sell the Debtors' interest in the real property described above, if any, to 5115 Thousand Oaks, San Antonio, TX 78256, at auction pursuant to the bid procedures attached as Exhibit 1. A summary of the procedures follows; however, all interested parties should refer to Exhibit 1 for the complete procedures. Any conflict between this Section "Auction Procedures" and the written procedures in Exhibit 1, shall be resolved in favor of Exhibit 1.

10. The auction shall be conducted by sealed bid. Due diligent material shall be available online or directly from the broker. All bids shall be delivered to the Broker no later than noon on February 22, 2018, unless this date is extended by the broker with consent of the Debtors and Texas Champion bank. Any extension to the bid deadline shall be posted on the broker's sale website. Bids must be accompanied by a bid deposit equal to 2.5% of the bid price. Within two days of receiving notice that a bidder has made the successful bid, the bidder shall deposit an Additional Bid Deposit sufficient to equal 10% of the sales price.

11. All bids that do not strictly comply with Exhibit 1, shall be deemed Nonconforming Bids and may be disqualified by the Debtor. The broker reserves the right to after the sealed bidding to solicit Best and Final bids (BAFO"). No BAFO may be lower than the original bid. If no BAFO is made and accepted that is larger than the winning original bid, then the original bid shall remain in full force and effect. If BAFO bids are requested, they shall be due to the broker no later than noon on the 4th business day following the original bidding and shall follow the same procedures as the original sealed bidding.

12. The Debtors intend on requesting a hearing date to approve the sale of the property prior to the auction. That date shall be available from Debtors' counsel or the bankruptcy court clerk. The winning bidder may be required to send a representative to the approval hearing.

13. Without waiving any remedies against the winning bidder available at law or equity, if the winning bidder fails to close the sale pursuant to Exhibit 1, then the Debtors may elect to close the sale with the second highest and best bid or sequentially highest and best bids upon approval of Texas

Champion Bank or the Court after notice and hearing, subject to the closing date requirements set forth in Exhibit 1.

14. Inventory and gasoline shall be sold to the winning bidder pursuant to Exhibit 1.

15. NRC will be permitted, at its discretion, to provide an edited version of the Procedures contained in Exhibit 1 on the sale website for purposes of omitting portions, which are not relevant to participating in the sale process.

FAILURE TO CLOSE AND SECURED CREDITORS' RIGHT TO CREDIT BID

16. All secured parties shall have the right to credit bid on the Property up to the amount of their allowed claim.

17. Notwithstanding Exhibit 1 and the Auction Procedures listed above, if the sale of the property does not close as provided for in Exhibit 1, then the Property and all inventory, gasoline, furniture, equipment and fixtures (excluding the Honda Accord) shall be relinquished to Texas Champion Bank in exchange for full and final settlement of Texas Champion Bank's claims related to the Property, inventory, gasoline, and furniture, equipment and fixtures. The Property shall only remain subject to ad valorem taxes and claims for inventory and gasoline delivered in the 20 days prior to the closing date, to the extent that any such taxes or claims exist and are legally cognizable. The value of the Property, inventory, gasoline, and furniture, equipment and fixtures, minus the value of all claims for property taxes, and inventory and gasoline delivered to the Property in the 20 days prior to closing (to the extent that such claims exist and are legally cognizable) shall be deemed equal to Texas Champion Bank's claims against the Property, inventory, gasoline, and furniture, equipment and fixtures.

18. If the Property, inventory, gasoline, and furniture, equipment and fixtures, are sold to Texas Champion Bank pursuant to a credit bid or bid failure, NRC, the broker, shall not be entitled to any Buyer's Premium except, to the extent any bidder's deposit is retained by the estate, the Broker shall be entitled to ½ of the deposit. The remaining ½ deposit shall be transferred to Texas Champion Bank. Further the transfer shall not be deemed a disbursement and no fees shall be payable to the United States Trustee for the value of the transfer.

19. Texas Champion Bank and the United States Small Business Administration retain their rights under section 363 of the bankruptcy code to object to any sale that does not pay their allowed claim in full.

TAX CONSEQUENCES

20. The Debtor believes there are no tax consequences to this sale. The maximum tax gain is approximately 20% of the gross sales price and sale of the property will be a substantial loss. Bidders should discuss their potential tax liability with their own tax professional.

LIENS

21. Texas Champion Bank has a first lien over the PProperty of approximately \$1,860,000.00 and a first lien over the fixtures, furniture, equipment, inventory and gasoline in the amount of approximately \$45,000. The United States Small Business Administration has claimed a secured interest in the property of approximately \$1,255,000.00. The property taxing authorities have filed a secured claim over the real estate in the amount of \$106,930 and a secured claim over the inventory, gasoline, and equipment of \$747.61.

APPLICATION OF PROCEEDS

22. If the Property, inventory, gasoline and furniture, equipment and fixtures are sold to a bidder other than Texas Champion Bank, the Proceeds shall be distributed as follows.

- a. Proceeds from sale of the Property (other than the Buyer's Premium) shall be distributed in the following order:
 - i. Administrative costs of sale ie recording costs, etc.;
 - ii. Outstanding real and personal property taxes;
 - iii. All United States Trustee fees, which shall be estimated for the quarter the Property is sold;
 - iv. Texas Champion Bank for its secured claim over the property;
 - v. \$25,000 shall be carved out for Debtor's approved attorney fees that are directly related to selling the Property;

vi. The United States Small Business Administration; and

vii. The bankruptcy estate.

b. If the inventory and gasoline are sold to an entity other than Texas Champion Bank, proceeds from sale thereof shall be distributed in the following order:

i. Administrative costs of sale (i.e., recording costs, etc.)

ii. Outstanding real and personal property taxes;

iii. Suppliers of inventory and gasoline to the Property that supplied inventory or gasoline to the Property in the 20 days prior to the closing.

1. Within two business days of the closing, Debtor shall send written notice to all parties known to have delivered gasoline and inventory to the Property in the 20 days prior to the closing and file a certificate of service with the Court. The vendors shall have 20 days from the date of mailing to file an administrative proof of claim with the court. If no objection to a claim is filed within 21 days of the claim filing, the claim shall be allowed and paid as provided for herein.

iv. Texas Champion Bank for its secured claim over the inventory and gasoline;

v. The bankruptcy estate.

c. Buyer's Premium. Shall be distributed to NRC subject to the limitations outlined herein and in Exhibit 1.

23. It is the Debtor's position that a sale in this manner is in the best interest of the estate, the Debtor, the creditors, and all interested parties and will net the estate the most, if any, money for distribution to creditors. A copy of this Motion is being forwarded to all creditors and parties in interest in accordance with Local Rule 9014.

FOR THESE REASONS, the Debtor requests that this Court:

1) Authorize the sale of the Property and its related inventory, gasoline, furniture, equipment and fixtures by auction as provided herein and in Exhibit 1;

- 2) Set a hearing for March 2, 2018, for approval of the sale;
- 3) At the sale approval hearing, enter an order approving the sale of the lot free and clear of all liens and encumbrances to the winning bidder of the Auction as provided for herein; and
- 4) Grant all other relief the Court deems Debtor is entitled.

Dated: January 29, 2018

Respectfully submitted,

/s/ Ronald J. Smeberg
RONALD J. SMEBERG
Texas State Bar No. 24033967
The Smeberg Law Firm, PLLC
2010 West Kings Highway
San Antonio, Texas 78201
(210) 695-6684, Telephone
(210) 598-7357, Facsimile
ATTORNEY FOR DEBTOR

CERTIFICATE OF SERVICE

I hereby certify that on January 29, 2018, true and correct copies of the foregoing motion were forwarded by U.S. first class mail, postage prepaid, on, all parties listed on the attached Service List or served via the Court's electronic servicing system.

/s/ Ronald J. Smeberg
RONALD J. SMEBERG

SERVICE LIST

AT&T
Attn: Bankruptcy Dept.
PO Box 5001
Carol Stream, IL 60197-5001

American Honda Finance
Corporation
PO Box 168088
Irving, TX 75016-8088

Bexar County Tax Assessor—
Collector
Attn: Bankruptcy Dept.
P.O. Box 839950
San Antonio, TX 78283-3950

Cintas
3349 SE Loop 410
San Antonio, TX 78222

CPS Energy
Attn. Bankruptcy Section
145 Navaro Mail Stop 110910
San Antonio, TX 78205

ExecuPay
10500 Heritage Blvd, Suite 110
San Antonio, TX 78216

Internal Revenue Services
Special Procedures Branch

300 E. 8th St. STOP 5026 AUS
Austin, TX 78701

2626 W Freeway Bldg B
Fort Worth, TX 76102

Law Security Corporation
12027 Huebner Road
San Antonio, TX 78230

Texas Comptroller of Public
Account
Attn: Bankruptcy
P.O. Box 149359
Austin, TX 78714-9359

Massey
PO Box 547668
Orlando, FL 32854-7668

Texas Disposal Systems
PO Box 660816
Dallas, TX 75266-0816

Linebarger Goggan Blair &
Sampson
711 Navarro, Suite 300
San Antonio, TX 78205

The ICEE Company
1205 S. Dupont Ave
Ontario, CA 91761

National Carwash Solutions
PO Box 776428
Chicago, IL 60677-6428

United States Small Business
Administration
4300 Amon Carter Blvd., Suite 114
Fort Worth, Texas 76155

Petroleum Solutions, Inc
PO Box 2436
McAllen, TX 78502

U.S. Trustee
Attn: James Rose
P.O. Box 1539
San Antonio, TX 78295-1539

Red River Software
2311 45th St. SW
Suite B
Fargo, ND 58104

U.S. Attorney
Attn: Bkcy Division
601 NW Loop 410, Suite 600
San Antonio, Texas 78216

Rosenthal Pauerstien Sandoloski
Agather
755 E Mulberry
Suite 200
San Antonio, TX 78212

Yumi Ice Cream Co, Inc.
510 Regal Row
Dallas, TX 75247

SAWS
Attn Bankruptcy Dept
PO Box 2449
San Antonio, TX 78298-2449

Hilco Real Estate Auction
5 Revere Dr. Ste 420
Northbrook, IL 60062

Ryko Manufacturing Co.
1500 SE 37th Avenue
Grimes, IA 50111

South Texas Fuel Distributors LLC
1701 19th St
Hondo, TX 78861

SOS Liquid Waste Haulers LTD Co
PO Box 201480
San Antonio, Texas 78220-8480

Texas Champion Bank Savings &
Loan
Attn Bankruptcy

BID PROCEDURES

The following bid procedures (the “Bid Procedures”) will be used for the sale and transfer of interests in certain real property in re: SoLat, LLC and LuLat, LLC (collectively the “Debtor”), Case No. 17-52594-cag (the “Proceeding”), which was commenced under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Western District of Texas (the “Bankruptcy Court”). The Debtor has determined that certain real property (the “Property”) is to be sold through a sealed bid sale (the “Sale”) pursuant to section 363 of the Bankruptcy Code. The Property is subject to the terms and conditions outlined herein and due diligence material concerning the Property, as made available electronically, online, or in another form, and in any assumption and assignment agreements or purchase and sale agreement (collectively, the “Transfer Documents”).

Transferred Property. The Property is an approximately 1.8-acre parcel with an operating gas station and convenience store owned by the Debtor, or an affiliate, in fee simple interest located at 5115 Thousand Oaks, San Antonio, Texas. The Property shall be sold to the bidder who submits the best offer and will be conveyed or assigned, as described below pursuant to a Purchase and Sale Agreement (“PSA”) and, as applicable, section 363 of the Bankruptcy Code, free and clear of any liens, claims or interests asserted by any party, except as expressly provided below. Transfer of the Property shall include all equipment located on the Property except 1) equipment listed as excluded on the Sale Website referenced below; 2) one Honda Accord owned by the Debtors; 3) the convenience store’s inside inventory and gasoline, which shall be purchased by the winning bidder as provided for below.

Terms and Conditions. The offering and sale of the Property in this Sale is subject to the terms and conditions (the “Terms and Conditions”) contained in these Bid Procedures. Prospective bidders are advised to carefully review the Bid Procedures. Failure to comply either as a participant in the sale or in the preparation or submission of a sealed bid may, in the sole discretion of NRC with Seller’s consent, may cause a sealed bid to be deemed non-conforming (a “Non-conforming Bid”) and disqualified from consideration. NRC, with the consent of the Debtor, reserve the right to amend, supplement or modify these Terms and Conditions from time to time. In the event of a conflict between these Terms and Conditions and any Transfer Documents, the provisions of the Transfer Documents shall control.

Court Approval. All bids for the Property of the Debtor are subject to approval by the Bankruptcy Court.

Credit Bidding. Creditors with a secured interest in the Property have the right to credit bid up to the amount of their collateral.

Bid Deadline. All bids must be received by NRC Realty & Capital Advisors, LLC (“NRC”) by a date and time to be determined by the Debtors (the “Bid Deadline”), which will be published on the NRC website, www.nrc.com/1801 (the “Sale Website”). All bids should be sent to:

NRC Realty & Capital Advisors, LLC
445 W. Erie Street
Suite 210 Chicago, Illinois 60654
Attn: Sale 1801 – SoLat, LLC and LuLat, LLC

Bids received by NRC after the Bid Deadline may be deemed Non-conforming. NRC reserves the right, with consent of the Debtor and Texas Champions Bank, to extend the Bid Deadline in advance of the Bid Deadline, on notice to interested parties. Any changes to the Bid Deadline will be published the Sale Website.

Bid Deposit. Bidders must include a bid deposit (the “Bid Deposit”) with their bid in the amount of 2.5% of the purchase price, inclusive of the Buyer’s Premium by certified or cashier’s check or money order made payable to NRC Realty & Capital Advisors, LLC or wire transfer of immediately available funds to NRC’s escrow account (wire instructions may be obtained from NRC). Personal or company checks will not be accepted. All parties submitting a credit bid are exempt from this requirement.

Additional Earnest Money Requirement. Within two business days after receiving written notice from NRC of the Debtor’s acceptance of a sealed bid, the successful bidder is required to deposit sufficient additional funds (the “Additional Bid Deposit”) that, when added to the initial Bid Deposit, equals 10% of the purchase price, inclusive of the Buyer’s Premium of the accepted sealed bid. The Additional Bid Deposit is required to be made by certified or cashier’s check or money order made payable to NRC Realty & Capital Advisors, LLC or wire transfer of immediately available funds to NRC’s escrow account (wire instructions may be obtained from NRC). Personal or company checks will not be accepted. The Bid Deposit together with the Additional Bid Deposit is collectively referred to herein as the “Earnest Money Deposit”. The Earnest Money Deposit will be held by NRC for the benefit of the parties and without obligation to invest funds. Upon receipt of the Additional Bid Deposit, all deposit funds from the winning bidder shall be deposited with Chicago Title Insurance Company, 270 N. Loop 1604 East, Suite 120, San Antonio, Texas 78232 Attention: Robert Jordan. All parties submitting a credit bid are exempt from this requirement.

Bid Package. The bid package for the Property contains bid submission instructions, the approved PSA to be completed, signed and submitted along with a pre-qualification form (the “Bid Package”). The Bid Package for the Property will be available for download on the NRC Sale Website. To obtain a Bid Package for the Property and other due diligence materials, a prospective bidder is required to register for the Sale by creating a user account on the Sale Website.

Buyer's Premium. At closing, the successful bidder will pay, in addition to the bid price, a Buyer’s Premium at an amount equal to 5% of the bid price. The Buyer’s Premium shall be added to the bid price to determine the total purchase price for the Property. If the Property, inventory, gasoline, and furniture, equipment and fixtures, are transferred to Texas Champion Bank pursuant to a credit bid or bid failure, the NRC, the broker, shall not be entitled to any Buyer’s Premium except, to the extent any bidder’s deposit is retained by the estate, the Broker shall be entitled to ½ of the deposit. The remaining ½ deposit shall be paid to Texas Champion Bank.

Further the transfer shall not be deemed a disbursement and no fees shall be payable to the United States Trustee for the value of the transfer; however, the transfer of the deposit to the Broker and Texas Champion Bank shall be a disbursement and the US Trustee fees shall be withheld from the deposit payments

Purchase and Sale Agreement. All bids for the Property must be made on the PSA contract form contained in the Bid Package. The PSA is required to be fully and correctly completed. Bids received in any other format or on a PSA that is incomplete, incorrect or modified in any other respect will be deemed a Non-conforming Bid. Instructions on how to complete the PSA in compliance with the Bid Procedures are contained in the Bid Package.

Non-Conforming Bids. NRC reserves the right, with The Debtor's consent, to disqualify from consideration and reject any Non-conforming Bid. After a Non-conforming Bid is rejected, NRC will return the related Bid Deposit by mail within seven business days after the later to occur of (i) the date of such rejection, and (ii) the date that the related funds have cleared NRC's escrow account.

Best and Final Bids. NRC may elect to solicit best and final offers ("BAFO"). Bidders will be notified of a BAFO by phone, fax, mail, or email, in which case bidders will be given an opportunity to raise their bids. BAFOs will be incorporated by written amendment to the Transfer Documents. Bidders may not lower BAFO bids below their original bid amount. If no BAFO is received, the original bid amount will remain in full force and effect.

Evaluation and Award of Bids. All bids received by the Bid Deadline will be reviewed by NRC and presented to the Debtor for consideration, other than rejected Non-conforming bids. After such evaluation by NRC, which shall include consultation with the Debtors, NRC shall select the bid that it deems is the highest and best for the Property. In making the highest and best bid determination, NRC, in consultation with the Debtor shall have the right to, among other considerations, evaluate and review financial information concerning the bidder's ability to close the sale prior to executing the Transfer Documents. Debtor may accept or reject sealed bids, in its sole and absolute discretion.

Non-Revocation of Bid. Sealed bids will be deemed in force as of the Bid Deadline and will remain in full force and effect for twenty (20) days after their submission to NRC. A bid may not be revoked or withdrawn by the bidder during that time, during which period the Debtor or other appropriate parties will execute the Transfer Documents for the successful bidder for the Property, and the bidder will be bound by the Transfer Documents, subject only to Bankruptcy Court approval.

Rejected Bids. Bid Deposits for rejected bids will be returned by mail approximately seven (7) days after the Bid Deadline.

Objection to Sale. Texas Champion Bank and the United States Small Business Administration retain their rights under section 363 of the Bankruptcy Code to object to any sale that does not pay their allowed claims in full.

Hearing to Approve Sale. The Debtors are requesting the Court set a hearing for March 2, 2018, in advance to approve the sale to the winning bidder. The winning bidder may be required to send a representative to the hearing and failure to appear will, at Debtor's option, be grounds for the winning bid to be rejected and the Property sold to the next highest and best bid.

Property Inspections. Bidders may inspect the Property during normal business hours, but "back office" and other private store areas are not available for inspection. In no event shall such inspections include any environmental testing or sampling. Bidders and the successful purchaser will not be allowed to ask questions of the store managers or employees.

Due Diligence Materials. Various due diligence materials pertaining to the Property, will be available for download at no charge at www.nrc.com/1801 for prospective purchasers who register for the Sale on the Sale Website. Available documents will include, as available, property-specific physical, financial, legal, tax bills, surveys or site plans, and title information.

Effective Date of Award of Bid. The effective date of the award of the bid for the Property shall be the date that the Debtor executes the Transfer Documents. Since time is of the essence, the successful bidder will be notified of the award via fax or email, if possible, with the executed Transfer Documents to be sent by overnight or electronic mail.

Closing. The Closing of the Property shall occur the later of 30 days after the Effective Date or fifteen (15) days after the date of final Bankruptcy Court approval, but under no circumstances later than March 31, 2018. Failure to close in a timely fashion will result in the forfeiture of the bidder's Earnest Money Deposit. The Debtor shall have the right by agreement with Texas Champion Bank or with Court approval after notice and hearing, to extend the closing date. To the extent that Texas Champion Bank agrees to an extension of the closing date or the Court orders and extension of the closing date, the Earnest Money Deposit, Bid Deposits, and Additional Bid Deposits shall be given to and become the property of Texas Champion Bank, save and except any additional earnest money required for the extension, which upon default shall be first paid toward the NRC fee and any remaining additional earnest money retained by the bankruptcy estate. Additionally, the transfer of the deposit to the Broker and Texas Champion Bank shall be a disbursement and the US Trustee fees shall be withheld from the deposit payments.

Inventory Purchase.

The winning bidder agrees to acquire from Debtor Lulat, LLC, and Debtor agrees to sell and convey to the winning bidder, the inventory inside the Property and gasoline stored at the Property at the Closing on the following terms:

(a) Estimated Inventory Value. Not less than seven (7) days prior to the anticipated Closing Date, Debtor or NRC shall deliver by facsimile to winning bidder an estimated value of the Inventory (the "Estimated Inventory Value"). winning bidder shall deposit with NRC one hundred ten percent (110%) of the Estimated Inventory Value at least five (5) days prior to the

Closing Date by wire transfer of immediately available funds (the "Inventory Deposit"). Failure to make the Inventory Deposit as set forth herein shall be considered a default.

(b) **Actual Inventory Value.** A physical inventory and audit of all Inventory on hand at the Property (the "Audit") shall be conducted on the Closing Date, or substantially contemporaneous therewith, by an outside audit firm designated by Debtor ("Auditor") and shall be overseen by on-site representatives of winning bidder and Debtor. Upon the conclusion of the Audit, the Auditor shall provide a statement reflecting the actual inventory value to both Debtor and Winning bidder (the "Actual Inventory Value") for both Debtor and winning bidder's signature which will be reviewed and executed by Debtor's and winning bidder's representative on the day the Audit is conducted. The price to be paid for all non-gasoline Inventory (including cigarettes but excluding supplies) shall be Debtor's cost. The price to be paid for petroleum Inventory shall be the cost per gallon paid by Debtor for Debtor's last deliver of fuel, plus freight, taxes and fees. winning bidder is required to purchase the entire Inventory, including any proprietary branded merchandise to the extent such items are not removed by Debtor before or at Closing. Inventory shall not include (i) supply items not for separate resale, which contain the Debtor's logo or trademark, including cups, napkins and other containers or packaging, (ii) for Properties with a car wash, the car wash chemicals, soaps and waxes, and (iii) any out-of-code or damaged merchandise and Debtor shall remove all out-of-code or damaged merchandise prior to conclusion of the physical inventory at the Property. The cost of the Audit shall be paid at the Closing by the winning bidder. Any objections regarding the Audit must be raised by Debtor or winning bidder with the Auditor at the time of the Audit or any such objections shall be deemed waived and the determination made by the Auditor shall be binding upon both Debtor and winning bidder. If the Estimated Inventory Value is greater than the Actual Inventory Value, the excess shall be refunded to winning bidder within three (3) business days following the Closing Date. In the event the Estimated Inventory Value is less than the Actual Inventory Value, winning bidder must remit such additional amounts to NRC within three (3) business days following the Closing Date.

c) funds from sale of the inventory shall be used to pay any outstanding inventory and gasoline invoices for gasoline and inventory delivered to the Property in the 20 days prior to sale.

d) if the sale of the Property does not close as provided herein, then the Property and all inventory, gasoline, furniture, equipment and fixtures (excluding the Honda Accord) shall be relinquished to Texas Champion Bank in exchange for full and final settlement of Texas Champion Bank's claims related to the Property, inventory, gasoline, and furniture, equipment and fixtures, and subject only to ad valorem taxes and claims for inventory and gasoline delivered in the 20 days prior to the closing date, to the extent that any such taxes or claims exist and are legally cognizable. The value of the Property, inventory, gasoline, and furniture, equipment and fixtures, minus the value of all claims for inventory and gasoline delivered to the Property in the 20 days prior to closing (to the extent that such claims exist and are legally cognizable) shall be deemed equal to Texas Champion Bank's claims against the Property, inventory, gasoline, and furniture, equipment and fixtures.

Debtor's Reservations. NRC, after consultation with the Debtors and the applicable Lender, reserves the right to decline any and all bids, postpone, extend or cancel the Bid

Deadline, and, in its sole discretion, to withdraw the Property from the sale at any time without notice.

Free and Clear of All Liens. The Property will be conveyed free and clear of all liens pursuant to orders of the Bankruptcy Court or by the provision of title insurance which will insure the purchaser and its lender against any liens not transferred or released at closing, except for certain permitted exceptions outlined in the title commitment provided. Title insurance coverage will be at the bidder's sole expense. Real estate taxes and personal property taxes will be brought current as of the date of closing, unless a creditor is exercising a credit bid and elects to take the property subject to the taxes past due. The property will be conveyed "AS IS, WHERE IS, WITH ALL FAULTS," regarding any conditions affecting the Property, with no representations or warranties whatsoever, express or implied. ALL BIDS EXCEPT CREDIT BIDS SHALL EXPLICITLY **INCLUDE** ALL REAL ESTATE TAXES AND PERSONAL PROPERTY TAXES OUTSTANDING AS OF THE AUCTION DATE TO BE PAID AT CLOSING FROM SALES PROCEEDS.

Licenses, Permits and Authorization. The successful bidder will be responsible for obtaining, at its expense, any licenses, permits and authorizations (collectively, "Licenses") required to acquire, manage, develop and/or operate the Property. Obtaining such Licenses will not be a condition to the successful bidder's obligation to close.

Confidentiality. All information contained in the due diligence materials is confidential and is to be kept confidential by each person and entity receiving same. By downloading due diligence materials, bidders shall be deemed to consent to the contents of this paragraph. However, such party may disclose information obtained from the any due diligence materials, on a "need to know" basis, to the following persons and entities provided that they first agree to keep the information confidential: (a) the employees, officers, and directors of such party or of such party's affiliates, (b) third parties being utilized to perform investigations, analyze information, so as to advise bidders with respect to bidding upon the Property; or (c) third parties providing bidders with financing for purchase of the Property. The foregoing provisions of this paragraph requiring confidentiality shall terminate as to a party only if and when such party consummates the closing of such Property.

Conflicts. In the event of a conflict between these Bid Procedures and any Transfer Documents, the provisions of the Transfer Documents shall control.

Amendments. These Bid Procedures, the Transfer Documents, and any other required sale or closing documents may be amended only in writing and with the prior consent of the Debtor.

Disclaimer. The Debtor and NRC, and their employees, agents, subsidiaries and affiliates, acknowledge that the Debtor and NRC may not have complete knowledge of the physical or economic characteristics of any Property being sold. Accordingly, except as otherwise specifically stated in the Transfer Documents, the Debtor and NRC and their employees, agents, subsidiaries and affiliates, hereby disclaim any warranty, guaranty or representation, express or implied, oral or written, past, present, or future, of, as to, or

concerning (a) the condition or state of repair of the Property, including, but not by way of limitation, any condition arising in connection with the generation, use, transportation, storage, release, or disposal of petroleum products, toxic or hazardous substances, on and under, above, upon, or in the vicinity of the Property, such as water, soil and geology, and the suitability thereof and of the Property for any and all activities and use which the purchaser may elect to conduct thereon; (b) the extent of any right-of-way, lease, possession, lien, encumbrance, easements, license, reservation, or condition in connection with the Property; (c) the compliance of the Property or its operation with any applicable laws, ordinances, or regulations of any government or other body, including without limitation, compliance with any land use, Americans with Disabilities Act, wetland, or zoning law or regulation, or applicable environmental or coastal laws, rules, ordinances and regulations; (d) title to or the boundaries of the Property; and (e) the physical condition of the Property, including without limitation, the structural, mechanical and engineering characteristics of the improvements to the Property.

Except as stated above and as set forth in the Transfer Documents, the sale of the Property shall be on an "AS IS, WHERE IS, WITH ALL FAULTS," basis, and purchaser expressly agrees that the Debtor and NRC, and their employees, agents, subsidiaries or affiliates, make no warranty or representation, express or implied, or arising by operation of law, including, but not limited to, any warranty of condition, habitability, merchantability or fitness for a particular purpose, with respect to the Property. Purchaser is buying the Property based on their own investigation, and, by accepting title to all or part of the Property, acknowledge that they have conducted such investigations as they have deemed necessary or advisable and that the purchaser is not relying upon any representations of the Debtor, NRC, or any of their agents whatsoever. The materials and information concerning the Property contained herein, together with any marketing material, websites and bid package, and any and all other information provided by the Debtor, NRC, their counsel and/or their employees, agents, subsidiaries or affiliates, is based in part upon information and materials obtained from sources deemed reliable without independent verification. Bidders must not base their bids upon information disseminated in the Sale Website, any marketing material, due diligence information, and bid package, such as, but not limited to, environmental studies, repair estimates, or other studies, pro forma and financial information that may be provided by the Debtor or NRC, but shall rely solely on their own estimates and studies. No warranty or representation, express or implied, is made by either the Debtor, NRC, or any of their employees and agents, as to the accuracy or completeness of any or all such information.