

12/2/09

**Cascade Grain Chapter 7 Bankruptcy Auction  
Bidding procedures for Qualified Bidders:**

1. Date and Time: The Auction will be held on December 9, 2009 commencing at 10:30 am. In the courtroom of Honorable Elizabeth Perris, Courtroom No. 1, 1001 SW Main Street, 8<sup>th</sup> Floor. For access, please go to the 7<sup>th</sup> floor and proceed through security. You will need photo ID. You may then proceed to the 8<sup>th</sup> Floor, Courtroom No. 1.
2. Participants: Any bidders who submitted timely qualified bids or receives an order from the Court authorizing their participation shall be entitled to participate in the Auction. Other parties may attend, but are not entitled to participate in the Auction.
3. Attendance by Phone: One representative of each bidding party with authority to bind the bidding party must be present at the auction. Other representatives may participate by phone. To participate by phone contact the Meet Me Line at 503- 326-6337 – 111#
4. Rules of the Auction: The auction will start with an announcement of the rules. Each bidder will be asked to confirm his or her agreement to the rules prior to the start of the auction.
5. Starting Bids. The trustee will announce the highest bid of the bids received prior to the auction. The auction will start from the highest bid, and Trustee will call for higher bids in minimum \$100,000 increments.
6. Kelly Credit Bid: Kelly will have the right to credit bid in the amount of \$25,000,000 plus the amount of its post petition loans to the estate in the approximate amount of One Million Dollars to Two Million Dollars. Kelly's bids will be made in increments identical to other bidders. If Kelly is the successful bidder, Kelly and Trustee will determine after the auction how much of the bid will be credit vs cash.
7. Time outs: each bidding party is entitled 2 breaks during the auction of 3 minutes each in order to provide conferral time.
8. Cash Bids Only: All bids must be for cash at closing, with the terms and conditions of the sale as outlined in the APA.
9. Failure of Successful Bidder to Close: If the successful bidder fails to close, Trustee will reserve the right to seek damages and will proceed to close with the next highest bidder. The next highest bidder shall be bound to close at their last bid price.
10. Deposits: The Trustee will return the deposits of unsuccessful bidders (other than the second highest bidder) at or as soon after the auction as feasible. The Trustee will retain the deposit of the successful bidder and credit the deposit towards the purchase price. The Trustee will retain the deposit of the second highest bidder until the earlier of (1) closing of the sale to the successful bidder; or (2) a time at which Trustee in his sole discretion believes it will not be necessary to go to the back up bid.

11. Terms: The sale will be free and clear of certain claims and interests, including monetary liens and encumbrances. The sale is AS IS without representation or warranties.

12. Executory Contracts and Leases: To the extent a buyer wishes to take an assumption and assignment of any contracts, the Buyer must pay in addition to the purchase price, any cure costs associated with assumption and assignment of the contracts or leases.

13. Trustee reserves the right to change the bidding procedures at the Trustee's sole discretion.