

SALE PROCEDURES FOR SECURED PARTY SALE

1. Assets to be Sold

YA Global Investments, L.P. (the “**Secured Party**”) intends to conduct a secured party sale (the “**Auction**”) of substantially all personal property assets in which the Secured Party has been granted a security interest (collectively, the “**Assets**”) by NEOMEDIA TECHNOLOGIES, INC. (the “**Debtor**”), including, without limitation, all goods, inventory, equipment, instruments, documents, accounts, contracts and contract rights, chattel paper, trademarks and trademark registrations, patents and patent applications, and general intangibles, provided, however, that the Debtor’s right, title, and interest in and to that certain Settlement and License Agreement dated as of December 31, 2014 by and between the Debtor and Scanbuy, Inc., and all products and proceeds thereof, are specifically excluded from the Assets being sold.

2. Public Auction Date, Time and Place

The Auction shall take place pursuant to a public foreclosure auction scheduled to occur on June 29, 2016 at 11:00 AM (New York, NY time) (as such date may be adjourned, the “**Auction Date**”) at the offices of Riemer & Braunstein LLP, 7 Times Square, New York, New York (arrangements will be made for qualified bidders to also participate by telephone and on the World Wide Web). The Secured Party reserves the right to cancel, postpone, or adjourn the Auction to such other time or times as the Secured Party may deem proper by announcement made at the Auction, and any subsequent adjournment thereof, either before or after the commencement of bidding, without written notice or further publication. The Auction may be resumed without further notice or publication at the time and place at which such Auction may have been adjourned.

3. Due Diligence

The Secured Party has made the following information available on the World Wide Web at www.pesco.com: (i) this Sale Procedures for Secured Party Sale document (the “**Bidding Procedures**”), (ii) the form Purchase and Sale Agreement (the “**Purchase Agreement**”), (iii) the form Secured Party’s Bill of Sale (the “**Bill of Sale**”) pursuant to which the Secured Party shall transfer all of the Debtors’ right, title and interest in the Assets to the Successful Bidder (as defined below) at the Auction, and (iv) a form Disclaimer, Waiver, and Confidentiality Agreement (the “**Non-Disclosure Agreement**”). Upon receipt of an executed Non-Disclosure Agreement from a party that has expressed an interest in purchasing the Assets or a party whom the Secured Party believes may have an interest in purchasing the Assets (each an “**Interested Party**”), the Secured Party shall provide to such Interested Party: (i) a list of the Assets; and (ii) certain information provided by the Debtor pertaining to the Assets, including financial information. All information and documents provided by the Secured Party to an Interested Party in connection with the Auction is referred to herein collectively as the “**Evaluation Materials**”. Executed Non-Disclosure Agreements should be faxed to the Secured Party at 908-232-3647, Attn: Legal Department. Additional information and/or further opportunities to conduct due diligence may be provided upon reasonable request by an Interested Party subject to the Secured Party’s sole and exclusive discretion. As further set forth in the Non-Disclosure

Agreement, no information provided to an Interested Party shall constitute a representation or warranty of any kind whatsoever to such Interested Party or to the public by the Secured Party, the Auctioneer (as defined below), or any of their respective agents or employees, with respect to the Assets, the accuracy or completeness of the Due Diligence Materials, or otherwise.

Each prospective bidder shall be deemed to acknowledge and represent: that it has had an opportunity to conduct any and all due diligence regarding the Assets that are the subject of the Auction prior to making any bids; that it has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the Assets in making its bids; and that it did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Assets, or accuracy or the completeness of any Due Diligence Materials provided in connection therewith.

4. **Qualified Bidders**

Only Qualified Bidders will be permitted to bid at the Auction. To qualify as a **“Qualified Bidder”**, prior to the commencement of the Auction a prospective bidder must submit to Paul E. Saperstein & Co., Inc. (the **“Auctioneer”**) the following (collectively the **“Bidding Deliverables”**) (a) a good faith deposit (the **“Good Faith Deposit”**) in an amount equal to \$50,000.00, in good and collected funds via wire transfer in accordance with the wire transfer instructions set forth below, cashier’s check, or certified check, (b) an executed Purchase Agreement, and (c) to the extent not previously provided to the Secured Party, an executed Non-Disclosure Agreement, each in the form provided by the Secured Party. Notwithstanding the foregoing, prospective bidders who wish to participate in the Auction on the World Wide Web or by telephone, and any prospective bidder submitting the Good Faith Deposit via wire transfer, must submit the Bidding Deliverables to the Auctioneer at least forty-eight (48) hours prior to the Auction Date in order to qualify as a Qualified Bidder. Qualified Bidders who wish to participate in the Auction by telephone may, after submitting the Bidding Deliverables to the Auctioneer as set forth above, contact the Auctioneer for the dial in number and instructions on how to do so. Qualified Bidders who wish to participate in the Auction on the World Wide Web at www.pesco.com may, after submitting the Bidding Deliverables to the Auctioneer as set forth above, contact the Auctioneer for instructions on how to do so. In addition to the Bidding Deliverables, each prospective bidder may be required to demonstrate to the Secured Party’s satisfaction in advance of bidding its financial ability to tender payment for the Assets if it is selected as the Successful Bidder (as defined below) or a back-up bidder.

The Good Faith Deposits of all Qualified Bidders shall be held in a separate account for the Secured Party’s benefit. The Good Faith Deposit of the Successful Bidder shall be remitted to the Secured Party at the conclusion of the Auction and shall be non-refundable. The Auctioneer shall return the Good Faith Deposit of each party that is not a Successful Bidder upon the earlier of (i) five (5) business days after the Auction Date or (ii) July 7, 2016.

The Secured Party and any affiliate thereof designated by the Secured Party shall each be deemed to be a Qualified Bidder, and will not need to provide the Bidding Deliverables.

Auctioneer Wire Transfer Instructions:

Paul E. Saperstein Co., Inc
Escrow Account
Via Citizen's Bank Wire Department
1 Citizens Drive, Riverside, RI 02915
Mail Code: ROP480
ABA#: 011500120
Account#: 1328869269

5. Auction Procedure

The Secured Party intends to offer the Assets in their entirety as a single lot and/or in two (2) or more separate lots. If the aggregate amount of the highest bids received for the separate lots of Assets does not exceed the highest bid received for the Assets when offered in their entirety, then the Secured Party reserves the right, but shall have no obligation, to sell the Assets in their entirety despite having offered the Assets in separate lots. The Secured Party reserves the right by announcement at the Auction to offer any portion of the Assets to be sold separately at the Auction if the Secured Party determines to do so. Bids may be made on the World Wide Web at www.pesco.com, by telephone, or in person.

The Auctioneer shall conduct the Auction. The Auctioneer will establish a minimum bid, initial overbid, if applicable, and subsequent overbids, if applicable. Bidding at the Auction will continue until the Secured Party determines it has received the highest and best bid (the **“Winning Bid”**) at which time the Auctioneer will close the Auction, subject, however, to the Secured Party’s right to re-open the Auction if necessary. At the close of the Auction, the Auctioneer, after consultation with the Secured Party, will announce the Winning Bid and the holder of the Winning Bid (the **“Successful Bidder”**).

If the Assets are sold in their entirety, then the Successful Bidder will be required to execute and deliver to the Secured Party the Purchase Agreement setting forth the amount of the Winning Bid and the Deposit (as defined below). Upon receipt of an original signed Purchase Agreement as and when set forth above, the Secured Party shall execute and deliver the Purchase Agreement to the Successful Bidder. Within five (5) business days of the Auction Date, the Successful Bidder will be required to make a further non-refundable deposit which, together with the Good Faith Deposit, shall be in an aggregate amount equal to ten percent (10%) of the Winning Bid (the **“Further Deposit”**, and together with the Good Faith Deposit, the **“Deposit”**). The Further Deposit shall be made directly to the Secured Party’s counsel as escrow agent in good and collected funds via wire transfer in accordance with the instructions to be provided by the Secured Party, cashier’s check, or certified check. The Deposit shall be held and disbursed in accordance with the terms and conditions of the Purchase Agreement.

On or before the date that is thirty (30) days from the Auction Date (the **“Closing Date”**), the Successful Bidder shall (i) pay to Secured Party an amount equal to the Winning Bid less the Deposit, in good and collected funds via wire transfer in accordance with the instructions set forth immediately above, cashier’s check, or certified check, and (ii) execute and deliver an original of the Bill of Sale to the Secured Party. Upon receipt of the balance of the Winning Bid

in good and collected funds and an original signed Bill of Sale as and when set forth above, the Secured Party shall execute and deliver the Bill of Sale to the Successful Bidder.

If the Assets are sold in two (2) or more separate lots, and the aggregate of a Successful Bidder's Winning Bids exceeds the Good Faith Deposit, then each Successful Bidder to which the foregoing applies will be required to execute and deliver to the Secured Party the Purchase Agreement setting forth the amount of the applicable Winning Bid and the applicable Deposit. Upon receipt of an original signed Purchase Agreement as and when set forth above, the Secured Party shall execute and deliver the Purchase Agreement to such Successful Bidder. Within five (5) business days of the Auction Date, such Successful Bidder will be required to make the Further Deposit directly to the Secured Party in good and collected funds via wire transfer in accordance with the instructions set forth above, cashier's check, or certified check. On or before the Closing Date, such Successful Bidder shall (i) pay to Secured Party an amount equal to the Winning Bid less the Deposit, in good and collected funds via wire transfer in accordance with the instructions set forth above, cashier's check, or certified check, and (ii) execute and deliver an original of the Bill of Sale to the Secured Party. Upon receipt of the balance of such Winning Bid in good and collected funds and an original signed Bill of Sale as and when set forth above, the Secured Party shall execute and deliver such Bill of Sale to such Successful Bidder.

If the Assets are sold in two (2) or more separate lots, and the aggregate of a Successful Bidder's Winning Bids does not exceed the Good Faith Deposit, then each Successful Bidder to which the foregoing applies will be required to execute and deliver an original Bill of Sale to the Secured Party. Upon receipt of an original Bill of Sale as and when set forth above, the Secured Party shall execute and deliver such Bill of Sale to such Successful Bidder. The Auctioneer shall return the difference between the Good Faith Deposit and the Winning Bid to each Successful Bidder to which the foregoing applies within five (5) business days after the Auction Date.

6. Failure to Close and Back-Up Offers

If the Successful Bidder fails to consummate its purchase of the Assets or any portion thereof on or before the Closing Date, the Secured Party may retain the Deposit, not as a penalty, but as liquidated damages for the cost of the sale and for loss of a bargain. If the Successful Bidder fails to provide the Further Deposit as and when required herein, the Successful Bidder acknowledges and agrees that (i) the Secured Party shall be entitled to liquidated damages in the amount of the required Deposit, (ii) the Secured Party may retain the Good Faith Deposit in partial satisfaction of such liquidated damages, and (iii) the Successful Bidder shall remain liable to the Secured Party for the balance of such liquidated damages. By bidding at the Auction, each bidder agrees to the foregoing, and acknowledges that it would be difficult or impossible to ascertain the Secured Party's actual damages under such circumstances, and that the amount of the Deposit bears a reasonable relationship to the damages that the Secured Party would suffer.

In addition, if the Successful Bidder fails to consummate its purchase of the Assets or any portion thereof, the Secured Party or its nominee may either assume the Winning Bid, or the Secured Party may cause the applicable Assets then to be sold to the next highest bidder from the Auction, without further notice.

7. **Reservation of Rights**

(a) Determination of Highest and Best Bid

The Secured Party reserves the right to (i) determine in its reasonable discretion which bid is the highest or best bid and (ii) reject at any time prior to the execution of the Bill of Sale, any offer that the Secured Party in its reasonable discretion deems to be (x) inadequate or insufficient, or (y) contrary to the best interests of the Secured Party.

The selection of a Winning Bid shall be within the reasonable business judgment of the Secured Party. Economic considerations shall not be the sole criteria upon which the Secured Party may base its decision. The Secured Party may impose such other terms and conditions on the Qualified Bidders as the Secured Party may determine to be in the best interests of the Secured Party and other parties in interest.

(b) Right to Credit Bid

The Secured Party or any affiliate thereof designated by the Secured Party to bid for and purchase the Assets shall be a Qualified Bidder at the Auction, and such party may bid for and purchase the Assets and credit the expenses of the sale and all or a portion of the obligations of the Debtor to the Secured Party against the purchase price. Any such credit bid shall be treated as a cash bid for the purposes of determining the best and highest bid for the Assets.

(c) Modification of Bidding Procedure

The Secured Party reserves the right to (i) extend the deadlines set forth in the Bidding Procedures, (ii) offer any portion of the Assets to be sold separately at the Auction if the Secured Party determines to do so, or to withdraw any Assets from the Auction at any time prior to or during the Auction, and to make subsequent attempts to market the same, (iii) reject any or all bids if, in the Secured Party's reasonable business judgment, no bid is for a fair and adequate price, and (iv) otherwise modify the Bidding Procedures in its reasonable discretion. In the event that the Secured Party elects to offer the Assets in more than one lot, then all references to "Successful Bidder", "Winning Bid", "Deposit", "Purchase Agreement", "Bill of Sale", and other similar references shall be deemed to be plural and shall apply to each applicable Successful Bidder, Winning Bid, Deposit, Purchase Agreement, Bill of Sale, and the like.

(d) "AS IS, WHERE IS, WITH ALL FAULTS" SALE

As set forth in more detail in the Purchase Agreement and the Bill of Sale, the Assets are being sold "AS IS, WHERE IS, WITH ALL FAULTS" and without any recourse, warranty, or guaranty whatsoever, whether express or implied, including, without limitation, as to the value, condition, merchantability, or fitness for use or particular purpose of any of the Assets. The Secured Party has not made, and shall not be deemed to have made, any representations or warranties as to the Assets or the Due Diligence Materials, and all sales and excise taxes, use taxes, or other taxes or charges, due with respect to the Assets shall be the sole responsibility of the Successful Bidder. Without limiting the generality of the foregoing, the Secured Party expressly disclaims all representations or warranties with regard to the Assets and the Due Diligence Materials, including, without limitation, those relating to title to, possession, quiet

enjoyment, and the like, the completeness or accuracy of any description of, or the rights and liabilities that accompany, the Assets or the Due Diligence Materials.