

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

CJ HOLDING CO., *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 16-33590 (DRJ)
)
)
) (Jointly Administered)
)

**MOTION OF DEBTORS FOR ENTRY OF AN ORDER AUTHORIZING
THE PRIVATE SALE OF CERTAIN REAL PROPERTY
LOCATED IN LA GRANGE, TEXAS AND RELATED ASSETS**

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

THERE WILL BE A HEARING ON THIS MOTION ON JANUARY 5, 2017 AT 2:00 PM (CT) BEFORE THE HONORABLE DAVID R. JONES, 515 RUSK STREET, COURTROOM 400, HOUSTON, TEXAS 77002.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number (if any), are: CJ Holding Co. (4586); Blue Ribbon Technology Inc. (6338); C&J Corporate Services (Bermuda) Ltd.; C&J Energy Production Services-Canada Ltd.; C&J Energy Services, Inc. (3219); C&J Energy Services Ltd.; C&J Spec-Rent Services, Inc. (0712); C&J VLC, LLC (9989); C&J Well Services Inc. (5684); ESP Completion Technologies LLC (4615); KVS Transportation, Inc. (2415); Mobile Data Technologies Ltd.; Tellus Oilfield Inc. (2657); Tiger Cased Hole Services Inc. (7783); and Total E&S, Inc. (5351). The location of the Debtors' service address is 3990 Rogerdale, Houston, Texas 77042.

CJ Holding Co. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”) state the following in support of this motion (this “Motion”):

Relief Requested

1. The Debtors seek entry of an order (the “Order”), substantially in the form attached hereto as **Exhibit A** authorizing and approving the private sale by Debtor C&J Well Services, Inc. (“Well Services”) to La Grange Cargo, LLC (the “Buyer”) of certain real property located at 416 Airport Road, La Grange, Texas 78945 (the “Property”) and certain other related assets (if any) free and clear of liens, claims, encumbrances and other interests (the “Sale”) on the terms set forth in that certain Commercial Contract – Improved Property dated effective as of February 3, 2016 between Well Services and the Buyer (the “Original Contract”), as amended by that certain First Amendment to Commercial Contract – Improved Property dated as of September 8, 2016 between Well Services and the Buyer (the “Amendment”). The Original Contract, as modified by the Amendment shall hereinafter be referred to as the “Commercial Contract.” A copy of the Commercial Contract is attached hereto as **Exhibit B**.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and the Debtors confirm their consent of the United States Bankruptcy Court for the Southern District of Texas (the “Local Rules”) to the entry of a final order by the Court in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are sections 105 and 363 of title 11 of the United States Code (the “Bankruptcy Code”), and Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

Background

I. The Proposed Sale.

5. The Property consists of 6.82 acres of land together with a building containing a vacant mechanic shop and some office space. The building is vacant and has been for at least 18 months. The Debtors are not using and do not intend to use the Property.

6. Prior to the Petition Date, the Debtors entered into the Original Contract with the Buyer, pursuant to which the Buyer agreed to purchase the Property for \$75,000. After entry into the Original Contract, the parties agreed to reduce the purchase price for the Property to \$60,000 (the “Purchase Price”), as reflected in the Amendment.

7. The Debtors seek by this Motion to sell to the Buyer, for \$60,000 the Property, along with (i) all buildings, improvements and fixtures located thereon, (ii) all rights, privileges and appurtenances pertaining to the Property, including Well Services’ right, title and interest in any minerals, utilities, adjacent streets, alleys, strips, gores and rights of way, (iii) Well Services’ interest in all licenses and permits relating to the Property, (iv) Well Services’ interest in all third party warranties or guaranties, if transferable, relating to the Property or any fixtures, and (v) all of Well Services’ personal property located on the Property that is used in connection with the Property’s operations (collectively, the “Purchased Assets”). The Commercial Contract also purports to provide for the sale to Buyer of certain trade names and leases relating to the Property. However, the Property is vacant and abandoned, and there are no leases or trade names to be transferred. In any event, for the avoidance of doubt, the Order will make clear that

the Debtors are not authorized to assume or assign any executory contracts, leases or to assign any intellectual property or trade names of any kind.

8. The Sale would benefit the Debtors' estates by permitting Well Services to transfer the Purchased Assets – primarily (if not entirely) consisting of the Property, which the Debtors are not using and do not intend to use in the future – in exchange for \$60,000. The Debtors assert that the sale price for the Property is fair and reasonable and was the result of arm's length bargaining.

9. The Debtors filed these chapter 11 cases on July 20, 2016 (the "Petition Date"). The Debtors now seek authority to give effect to the Commercial Contract, subject to the terms of the Order, and consummate the Sale free and clear of all liens, claims, encumbrances, and interests.

10. The Property is one of many properties of minimal value that the Debtors have sold or sought to sell since the Nabors merger transaction occurred in March 2015. The Debtors believe that the sale of these properties is an "ordinary course" transaction that does not require court approval. However, at the request of the Buyer and in an abundance of caution, the Debtors seek approval of the Sale under Section 363(b) of the Bankruptcy Code.

11. In the Debtors' business judgment, the Sale is in the best interests of the Debtors and their estates. The Buyer is not affiliated with the Debtors in any way and has proceeded in good faith during the entirety of the Sale process. In light of the good faith and arm's-length negotiation process, the favorable terms of the Sale, the Debtors believe that proceeding with the Sale is in the best interest of the Debtors, their estates, and all parties in interest.

II. Material Terms of the Commercial Contract.

12. The following chart summarizes the key terms and conditions of the Commercial Contract:¹

Provision	Summary Description
Parties	<u>Seller</u> : C&J Well Services, Inc. <u>Buyer</u> : La Grange Cargo, LLC
Assets	The Property, along with (i) all buildings, improvements and fixtures located thereon, (ii) all rights, privileges and appurtenances pertaining to the Property, including Well Services' right, title and interest in any minerals, utilities, adjacent streets, alleys, strips, gores and rights of way, (iii) Well Services' interest in all licenses and permits relating to the Property, (iv) Well Services' interest in all third party warranties or guaranties, if transferable, relating to the Premises or any fixtures, and (v) all of Well Services' personal property located on the Property that is used in connection with the Property's operations. The Debtors will not be assuming or assigning any executory contracts or leases, and will not be transferring any trade names or intellectual property of any kind as a result of this Motion, notwithstanding the terms of the Commercial Contract.
Purchase Price	\$60,000
Assumed Obligations	NA
Non-Compete	NA
Guaranty	NA
Termination	Buyer may terminate within ten days of the effective date of the Commercial Contract, subject to certain conditions.

13. The following chart discloses certain "Extraordinary Provisions" required pursuant to this Court's *Guidelines for the Conduct of Asset Sales*.²

Provision	Summary Description
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¹ This summary is provided for the convenience of the Court and parties in interest. To the extent there is any conflict between this summary and the Commercial Contract, the Commercial Contract shall govern in all respects. Capitalized terms used but not defined in the following summary, if any, shall have the meaning ascribed to them in the Commercial Contract.

² This summary is provided for the convenience of the Court and parties in interest. To the extent there is any conflict between this summary and the Commercial Contract, the Commercial Contract shall govern in all respects. Capitalized terms used but not defined in the following summary, if any, shall have the meaning ascribed to them in the Commercial Contract.

Provision	Summary Description
Sale to Insider Guideline 1.G.v.a	None.
Agreements with Management Guideline 1.G.v.b	None.
Private Sale/No Competitive Bidding Guideline 1.G.v.c	No auction is contemplated. The Debtors believe that they engaged in adequate marketing of the Property prepetition and that an additional marketing process for the Property would not be in the best interests of the Debtors and their estates. The Debtors believe the Sale provides the best opportunity to maximize value.
Closing and Other Deadlines Guideline 1.G.v.d	Closing will occur, subject to the satisfaction of certain conditions, upon or after the Order approving this Motion becoming a final order.
Good-Faith Deposit Guideline 1.G.v.e	\$5,000 earnest money deposit.
Interim Arrangements with Proposed Buyer Guideline 1.G.v.f	None.
Use of Proceeds Guideline 1.G.v.g	None.
Tax Exemption Guideline 1.G.v.h	None.
Record Retention Guideline 1.G.v.i	N/A
Sale of Avoidance Actions Guideline 1.G.v.j	None.
Requested Findings as to Successor Liability Guideline 1.G.v.k	None.
Future Conduct Guideline 1.G.v.l	None.
Requested Findings as to Fraudulent Conveyance Guideline 1.G.v.m	The Order contains proposed findings that the Commercial Contract was not entered into, and Well Services and the Buyer have not entered into the Contract for the purpose of hindering, delaying, or defrauding the Debtors' present or future creditors.

Provision	Summary Description
Sale Free and Clear of Unexpired Leases Guideline 1.G.v.n	None. The Commercial Contract contemplates that the Debtors will transfer their interests in any leases for the Premises. The Premises is currently vacant and not subject to any leases.
Relief from Bankruptcy Rule 6004(h) Guideline 1.G.v.o	None.

Basis for Relief

I. The Sale Should Be Approved as an Exercise of Sound Business Judgment.

14. Section 363(b)(1) of the Bankruptcy Code provides that a debtor, “after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). A sale of the debtor’s assets should be authorized pursuant to section 363 of the Bankruptcy Code if a sound business purpose exists for the proposed transaction. *See, e.g., In re Cont’l Air Lines, Inc.*, 780 F.2d 1223 (5th Cir. 1986) (when a proposed use, sale, or lease of assets is outside the ordinary course of business, there must be “business justifications” for the proposed transaction); *Cadle Co. v. Mims (In re Moore)*, 608 F.3d 253, 263 (5th Cir. 2010) (“A sale of assets under § 363 . . . is subject to court approval and must be supported by an articulated business justification, good business judgment, or sound business reasons.”); *In re Oaktree Imaging, L.P.*, No. 06-80348-G3-7, 2007 Bankr. LEXIS 3115, at *4 (U.S. Bankr. S.D. Tex. Sep. 6, 2007) (“decision [to sell assets] should be approved, where a sound business purpose justifies such action.”); *In re Martin*, 91 F.3d 389, 395 (3d. Cir. 1996) (same); *see also In re Schipper*, 933 F.2d 513, 515 (7th Cir. 1991) (same); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1070 (2d Cir. 1983) (same); *In re Telesphere Commc’ns, Inc.*, 179 B.R. 544, 552 (Bankr. N.D. Ill. 1999) (same).

15. Once the Debtors articulate a valid business justification, “[t]he business judgment rule ‘is a rebuttable presumption that in making a business decision the directors of a

corporation acted on an informed basis, in good faith, and in the honest belief that the action taken was in the best interests of the company.” *Asarco LLC v. Ams. Mining Corp.*, 396 B.R. 278, 405 (S.D. Tex. 2008) (citations omitted); *In re Filene's Basement, LLC*, No. 11-13511 (KJC), 2014 WL 1713416, at *12 (Bankr. D. Del. Apr. 29, 2014) (“If a valid business justification exists, then a strong presumption follows that the agreement at issue was negotiated in good faith and is in the best interests of the estate”) (citations omitted); *Freuler v. Parker*, 803 F. Supp. 2d 630, 637 n. 6 (S.D. Tex. 2011) (“[W]here the business judgment [rule] presumptions are applicable, the board’s decision will be upheld unless it cannot be attributed to any rational purpose.”) (quotations omitted); *In re Integrated Res.*, 147 B.R. 650, 656 (S.D.N.Y. 1992); *Comm. of Asbestos-Related Litigants v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 615-16 (Bankr. S.D.N.Y. 1986) (“a presumption of reasonableness attaches to a debtor’s management decisions”).

16. Based on these principles, the Court should grant this motion as a sound exercise of the Debtors’ business judgment and authorize: (i) the Sale free and clear of all liens, claims, interests, and encumbrances, and (ii) the Debtors’ entry into the Commercial Contract. The Sale allows Well Services to divest the Purchased Assets, which are no longer in use, which will not be used in the future, and which have only limited value, and provides Well Services with fair and reasonable consideration in exchange. As such, the Sale is a prudent saving measure. Moreover, the Buyer is a non-insider and has proceeded in good faith and at arm’s length at all times during the Sale negotiation process.

17. Because a sound business reason exists, the Sale has been proposed and negotiated in good faith and without collusion, and adequate and reasonable notice will have

been provided, the Sale is based on the Debtors' sound business judgment and should be approved.

18. Notably, no consumer privacy ombudsman will be required in connection with the Sale because the Debtors do not contemplate selling any "personally identifiable information" in connection with the Sale. *See* 11 U.S.C. § 332.

II. The Proposed Sale Is Appropriate Pursuant to Bankruptcy Rule 6004(f).

19. Bankruptcy Rule 6004(f) authorizes a debtor to sell estate property outside of the ordinary course of business by private sale or public auction. Private sales are appropriate where the debtor demonstrates that the proposed sale is permissible pursuant to section 363 of the Bankruptcy Code. *See In re Cypresswood Land Partners, I*, 409 B.R. 396, 436 (Bankr. S.D. Tex. 2009) (noting that "there is no prohibition against a private sale or against a sale to insiders; and there is no requirement that the sale be by public auction") (quoting *In re Woodscape L.P.*, 134 B.R. 165, 174 (Bankr. D. Md. 1991)); *In re Dura Auto. Sys., Inc.*, No. 06-11202 (KJC), 2007 WL 7728109, at *88 (Bankr. D. Del. Aug. 15, 2007) "[S]ales of property rights outside the ordinary course of business may be by private sale or public auction."). Additionally, courts have held that a debtor has broad discretion to determine the manner in which its assets are sold. *See Berg v. Scanlon (In re Alisa P'ship)*, 15 B.R. 802, 802 (Bankr. D. Del. 1981); *In re Bakalis*, 220 B.R. 525, 531 (Bankr. E.D.N.Y. 1998) (noting that a trustee has ample authority to conduct a sale of estate property through private sale).

20. The Debtors have determined that a private sale of the Purchased Assets to the Buyer is in the best interests of their estates and their stakeholders. A public auction would cause significant delay, and require the Debtors' estates to incur substantial additional administrative costs. Those costs and expenses are not justified in light of the value of the Purchased Assets.

III. The Sale Should Be Approved “Free and Clear” Under Section 363(f).

21. Section 363(f) of the Bankruptcy Code permits a debtor to sell property free and clear of another party’s interest in the property if: (a) applicable nonbankruptcy law permits such a free and clear sale; (b) the holder of the interest consents; (c) the interest is a lien and the sale price of the property exceeds the value of all liens on the property; (d) the interest is the subject of a bona fide dispute; or (e) the holder of the interest could be compelled in a legal or equitable proceeding to accept a monetary satisfaction of its interest. *See* 11 U.S.C. § 363(f). The language of §363(f) is in the disjunctive such that a sale free and clear of an interest can be approved if any one of the aforementioned conditions contained in §363(f) is satisfied. *In re Nature Leisure Times, LLC*, No. 06-41357, 2007 Bankr. LEXIS 4333, at *7 (U.S. Bankr. E.D. Tex. Dec. 19, 2007) (“satisfaction of any one of the requirements [of Section 363(f)] will suffice to warrant the Debtors’ sale . . . free and clear of all interests”); *In re Kellstrom Indus., Inc.*, 282 B.R. 787, 793 (Bankr. D. Del. 2002) (“[I]f any of the five conditions are met, the debtor has the authority to conduct the sale free and clear of all liens.”).

22. The Debtors submit, and the evidence will show, that any interest related to the Purchased Assets that will not be an assumed liability satisfies or will satisfy at least one of the five conditions of section 363(f) of the Bankruptcy Code, and that any such interest will be adequately protected by either being paid in full at the time of closing, or by attaching to the net proceeds of the Sale, subject to any claims and defenses the Debtors may possess with respect thereto. “It has long been recognized that when a debtor’s assets are disposed of free and clear of third-party interests, the third party is adequately protected if his interest is assertable against the proceeds of the disposition.” *In re Sunland, Inc.*, 2014 WL 7011747, at *5 (Bankr. D.N.M. Dec. 11, 2014) (quoting *In re Johns-Manville Corp.*, 837 F.2d 89, 94 (2d Cir. 1988)). Additionally, to the extent that any lien or interest holder does not object to the proposed Sale,

that entity or person should be deemed to have consented to the relief sought herein, thus satisfying section 363(f)(2) of the Bankruptcy Code. *See In re DeCelis*, 349 B.R. 465, 470 (Bankr. E.D. Va. 2006) (“[L]ack of objection (provided of course there is notice) counts as consent. It could not be otherwise; transaction costs would be prohibitive if everyone who *might* have an interest in the bankrupt’s assets had to execute a formal consent before they could be sold.”) (quoting *Futuresource LLC v. Reuters Ltd.*, 312 F.3d 281, 285-86 (7th Cir. 2002)).

23. The Buyer would not agree to the Sale if it was unable to purchase the Purchased Assets free and clear of such interests. The Debtors accordingly request authority to convey the Purchased Assets to the Buyer free and clear of all liens, claims, rights, interests, charges, and encumbrances other than any permitted encumbrances or assumed obligations expressly provided for in the Commercial Contract, if any, with any such liens, claims, rights, interests, charges, and encumbrances to attach to the proceeds of the Sale.

IV. The Buyer Is a Good Faith Purchaser and Is Entitled to the Full Protection of 363(m) of the Bankruptcy Code.

24. Section 363(m) of the Bankruptcy Code provides that “[t]he reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith.” In the absence of a definition of “good faith” in the Bankruptcy Code and the Bankruptcy Rules, Courts determining whether a buyer was a “good faith purchaser” have “turned to traditional equitable principles, holding that the phrase encompasses one who purchases in ‘good faith’ and for ‘value’” and have looked to the “integrity of [the buyer’s] conduct in the course of the sale proceedings.” *See Hytken v. Williams*, No. H-06-2169, 2007 U.S. Dist. LEXIS 27671, at *14-15 (S.D. Tex. Mar. 30, 2007) (“Typically, the misconduct that would destroy a purchaser’s good faith status at a judicial sale

involves fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.”). Section 363(m) “reflects the salutary policy of affording finality to judgments approving sales in bankruptcy . . . [to] enhance the value of the assets sold in bankruptcy.” *In re Stadium Mgmt. Corp.*, 895 F.2d 845, 848 (1st Cir. 1990).

25. The Sale and the Commercial Contract are the product of good faith, arm’s-length negotiations. There is no indication of fraud, collusion or improper insider dealing. Accordingly, the Debtors request that the Court enter an order entitling the Buyer to the full protections of section 363(m) of the Bankruptcy Code as a good faith purchaser of the Purchased Assets.

V. The Purchase Price Constitutes Reasonably Equivalent Value for the Purchased Assets.

26. A debtor receives reasonably equivalent value for a transfer or sale of its assets if the debtor “received value that is substantially comparable to the worth of the transferred property.” *In re HDD Rotary Sales, LLC*, 512 B.R. 877, 885 (Bankr. S.D. Tex. 2014) (quoting *BFP v. Resolution Trust Corp.*, 511 U.S. 531, 548 (1994)); *see also Stanley v. US Bank Nat’l Ass’n (In re TransTexas Gas Corp.)*, 597 F.3d 298, 306 (5th Cir. 2010) (focusing on the “net effect of the transfers on the debtor’s estate [and] the funds available to unsecured creditors”); *Jimmy Swaggert Ministries v. Hayes*, 310 F.3d 796, 802 (5th Cir. 2002) (asking whether the sale “conferred an economic benefit on the debtor.”). Furthermore, under the Texas Uniform Fraudulent Transfer Act (“TUFTA”), consideration constitutes reasonably equivalent value if the consideration is “within the range of values for which the transferor would have sold the assets in an arm’s length transaction.” TEX. BUS. & COM. CODE ANN. § 24.004(d).

27. Here, the Commercial Contract resulted from good faith, arm’s-length negotiations. The Debtors believe that the sale proceeds represent reasonably equivalent value

for the Purchased Assets. Consequently, the Debtors will receive reasonably equivalent value in exchange for the sale of the Purchased Assets under the Bankruptcy Code, TUFTA and any other applicable laws of the United States (including any of its states, territories, possessions and the District of Columbia).

Notice

28. The Debtors will provide notice of this motion to: (a) the Office of the United States Trustee; (b) Greenberg Traurig, LLP as counsel to the Committee; (c) Davis Polk & Wardwell LLP and Diamond McCarthy LLP as counsel to Cortland Capital Market Services LLC as administrative agent under the Debtors' secured credit agreement and agent for the proposed debtor-in-possession financing facility; (d) the Buyer; (e) the United States Attorney's Office for the Southern District of Texas; (f) the Internal Revenue Service; (g) the Environmental Protection Agency; (h) the office of the attorneys general for the states in which the Debtors operate; (i) all entities known or reasonably believed to have asserted a lien, encumbrance, claim or other interest in any of the assets offered for sale; (j) the Securities and Exchange Commission; (k) applicable state and local taxing authorities; and (l) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

29. No prior request for the relief sought in this motion has been made to this or any other court.

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WHEREFORE, the Debtors respectfully request that the Court enter the Order, granting the relief requested herein and such other relief as the Court deems appropriate.

Dated: December 2, 2016

/s/ Bernard R. Given II

Bernard R. Given II

Lance N. Jurich

Daniel B. Besikof

LOEB & LOEB LLP

10100 Santa Monica Boulevard, Suite 2200

Los Angeles, California 90067

Tel: (310) 282-2000

Fax: (310) 282-2200

E-mail: bgiven@loeb.com

ljurich@loeb.com

dbesikof@loeb.com

- and -

Stephen Thomas Schwarzbach Jr.

(Texas Bar No. 24079288)

KIRKLAND & ELLIS LLP

KIRKLAND & ELLIS INTERNATIONAL LLP

600 Travis Street, Suite 3300

Houston, Texas 77002

Tel: (713) 835-3600

Fax: (713) 835-3601

E-mail: steve.schwarzbach@kirkland.com

- and -

James H.M. Sprayregen, P.C.

Marc Kieselstein, P.C.

Chad J. Husnick

Emily E. Geier

KIRKLAND & ELLIS LLP KIRKLAND & ELLIS
INTERNATIONAL LLP

300 North LaSalle

Chicago, Illinois 60654

Tel: (312) 862-2000

Fax: (312)862-2200

E-mail: james.sprayregen@kirkland.com

marc.kieselstein@kirkland.com

chad.husnick@kirkland.com

emily.geier@kirkland.com

Co-Counsel to the Debtors and Debtors in Possession

Certificate of Service

I hereby certify that on December 2, 2016, a true and correct copy of the above and foregoing Motion was caused to be served electronically on the parties registered to receive notice through the Court's ECF noticing system.

By: /s/ Bernard R. Given II
Bernard R. Given II

EXHIBIT B

Commercial Contract



TEXAS ASSOCIATION OF REALTORS® COMMERCIAL CONTRACT - IMPROVED PROPERTY

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED.
©Texas Association of REALTORS®, Inc. 2010

1. **PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: C&J Well Services, Inc.

Address: 3990 Rogerdale Road, Houston, Texas 77042
Phone: 713-325-6074 Fax: 713-325-5933 E-mail: aberliner@cienergy.com

Buyer: La Grange Cargo, LLC

Address: 2158 Atlanta Road, Smyrna, GA 30080
Phone: 770-433-0112 Fax: 770-438-1504 E-mail: sedens@smymatruck.com

2. **PROPERTY:**

- A. "Property" means that real property situated in Fayette County, Texas at 416 Airport Rd., La Grange, Texas 78945 and that is legally described on the attached Exhibit or as follows:

All that certain tract or parcel of land, 6.82 acres, part of the William H. Taylor League, A-97, Fayette County, Texas.

SAID PROPERTY TO BE MORE PARTICULARLY DEPICTED AND DESCRIBED BY ON-THE-GROUND SURVEY.

- B. Seller will sell and convey the Property together with:

- (1) all buildings, improvements, and fixtures;
 - (2) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
 - (3) Seller's interest in all leases, rents, and security deposits for all or part of the Property;
 - (4) Seller's interest in all licenses and permits related to the Property;
 - (5) Seller's interest in all third party warranties or guaranties, if transferable, relating to the Property or any fixtures;
 - (6) Seller's interest in any trade names, if transferable, used in connection with the Property; and
 - (7) all Seller's tangible personal property located on the Property that is used in connection with the Property's operations except: _____
- Any personal property not included in the sale must be removed by Seller prior to closing.

(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)

(If mineral rights are to be reserved an appropriate addendum should be attached.)

(If the Property is a condominium, attach condominium addendum.)

3. **SALES PRICE:** At or before closing, Buyer will pay the following sales price for the Property:

A. Cash portion payable by Buyer at closing. \$ 75,000.00

B. Sum of all financing described in Paragraph 4 \$ _____

C. Sales price (sum of 3A and 3B). \$ _____

(TAR-1801) 1-26-10 Initialed for Identification by Seller RCM and Buyer [Signature]

Commercial Contract - Improved Property concerning _____

4. FINANCING: Buyer will finance the portion of the sales price under Paragraph 3B as follows:

- A. Third Party Financing: One or more third party loans in the total amount of \$ N/A. This contract:
- ☒ (1) is not contingent upon Buyer obtaining third party financing.
 - ☐ (2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum.
- B. Assumption: In accordance with the attached Commercial Contract Financing Addendum, Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ N/A.
- C. Seller Financing: The delivery of a promissory note and deed of trust from Buyer to Seller under the terms of the attached Commercial Contract Financing Addendum in the amount of \$ N/A.

5. EARNEST MONEY:

- A. Not later than 3 days after the effective date, Buyer must deposit \$ 5,000 as earnest money with _____ Botts Title Company (escrow agent) at 200 S. Grimes, Giddings, Texas 78942 (address) Dalana Goetz (closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.
- B. Buyer will deposit an additional amount of \$ N/A with the escrow agent to be made part of the earnest money on or before:
- (i) _____ days after Buyer's right to terminate under Paragraph 7B expires; or
 - (ii) _____
- Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.
- C. Buyer may instruct the escrow agent to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

6. TITLE POLICY, SURVEY, AND UCC SEARCH:**A. Title Policy:**

- (1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by Botts Title Company (title company), in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
- (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
 - (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.
- (2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:
- (a) will not be amended or deleted from the title policy.
 - (b) will be amended to read "shortages in areas" at the expense of ☒ Buyer ☐ Seller.
- (3) Within 20 days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

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B. Survey: Within 14 days after the effective date:

- ☒ (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the: (i) ALTA/ACSM Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.
- ☐ (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the: (i) ALTA/ACSM Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.
- ☐ (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property along with an affidavit required by the title company for approval of the existing survey. If the existing survey is not acceptable to the title company, Seller, at Seller's expense, will obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to Buyer and the title company within 20 days after Seller receives notice that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 20 days if necessary for Seller to deliver an acceptable survey within the time required. Buyer will reimburse Seller _____ (insert amount) of the cost of the new or updated survey at closing, if closing occurs.

C. UCC Search:

- (1) Within N/A days after the effective date, Seller, at Seller's expense, will furnish Buyer a Uniform Commercial Code (UCC) search prepared by a reporting service and dated after the effective date. The search must identify documents that are on file with the Texas Secretary of State and the county where the Property is located that relate to all personal property on the Property and show, as debtor, Seller and all other owners of the personal property in the last 5 years.
- (2) Buyer does not require Seller to furnish a UCC search.

D. Buyer's Objections to the Commitment, Survey, and UCC Search:

- (1) Within 3 days after Buyer receives the commitment, copies of the documents evidencing the title exceptions, any required survey, and any required UCC search, Buyer may object to matters disclosed in the items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title to the real or personal property described in Paragraph 2 other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date Buyer actually receives the survey; or (ii) the deadline specified in Paragraph 6B.
- (2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.
- (3) Buyer's failure to timely object or terminate under this Paragraph 6D is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

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7. PROPERTY CONDITION:

A. Present Condition: Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing: _____

B. Feasibility Period: Buyer may terminate this contract for any reason within 10 days after the effective date (feasibility period) by providing Seller written notice of termination. (Check only one box.)

- ☒ (1) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ 1,500 that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the escrow agent. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.
- ☐ (2) Not later than 3 days after the effective date, Buyer must pay Seller N/A as independent consideration for Buyer's right to terminate by tendering such amount to Seller or Seller's agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

C. Inspections, Studies, or Assessments:

- (1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.
- (2) Seller, at Seller's expense, will turn on all utilities necessary for Buyer to make inspections, studies, or assessments.
- (3) Buyer must:
- (a) employ only trained and qualified inspectors and assessors;
 - (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
 - (c) abide by any reasonable entry rules or requirements of Seller;
 - (d) not interfere with existing operations or occupants of the Property; and
 - (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.
- (4) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information:

- (1) Delivery of Property Information: Within 15 days after the effective date, Seller will deliver to Buyer:
- (a) a current rent roll of all leases affecting the Property certified by Seller as true and correct;

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- (b) copies of all current leases pertaining to the Property, including any modifications, supplements, or amendments to the leases;
- (c) a current inventory of all personal property to be conveyed under this contract and copies of any leases for such personal property;
- (d) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
- (e) copies of all current service, maintenance, and management agreements relating to the ownership and operation of the Property;
- (f) copies of current utility capacity letters from the Property's water and sewer service provider;
- (g) copies of all current warranties and guaranties relating to all or part of the Property;
- (h) copies of fire, hazard, liability, and other insurance policies that currently relate to the Property;
- (i) copies of all leasing or commission agreements that currently relate to all or part of the Property;
- (j) a copy of the "as-built" plans and specifications and plat of the Property;
- (k) copies of all invoices for utilities and repairs incurred by Seller for the Property in the 24 months immediately preceding the effective date;
- (l) a copy of Seller's income and expense statement for the Property from _____ to _____;
- (m) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
- (n) real & personal property tax statements for the Property for the previous 2 calendar years; and
- (o) _____

(2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer and all copies that Buyer made of those items; and (b) deliver copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed. This Paragraph 7D(2) survives termination of this contract.

E. Contracts Affecting Operations: Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8. LEASES:

- A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:
- (1) any failure by Seller to comply with Seller's obligations under the leases;
 - (2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;
 - (3) any non-occupancy of the leased premises by a tenant;
 - (4) any advance sums paid by a tenant under any lease;
 - (5) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and
 - (6) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.

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- B. Estoppel Certificates: Within N/A days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than _____ by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TAR Form 1938 - Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.

9. BROKERS:

- A. The brokers to this sale are:

<u>N/A</u>	
Principal Broker	License No.
Agent	
Address	
Phone	Fax
E-Mail	License No.

Principal Broker: (Check only one box)
represents **Seller only**.

<u>N/A</u>	
Cooperating Broker	License No.
Agent	
Address	
Phone	Fax
E-Mail	License No.

Cooperating Broker represents Buyer
represents **Buyer only**.

- B. Fees: (Check only (1) or (2) below.)

- (1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.
- (2) At the closing of this sale, Seller will pay:

Principal Broker a total cash fee of:
N/A % of the sales price.

Cooperating Broker a total cash fee of:
N/A % of the sales price.

The cash fees will be paid in _____ County, Texas. Seller authorizes escrow agent to pay the brokers from the Seller's proceeds at closing.

NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

- C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

10. CLOSING:

- A. The date of the closing of the sale (closing date) will be on or before the later of:

(1) 15 days after the expiration of the feasibility period.

(2) 7 days after objections made under Paragraph 6D have been cured or waived.

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- B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.
- C. At closing, Seller will execute and deliver to Buyer, at Seller's expense, a general special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:
- (1) with no liens, assessments, or Uniform Commercial Code or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
 - (2) without any assumed loans in default; and
 - (3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.
- D. At closing, Seller, at Seller's expense, will also deliver to Buyer:
- (1) tax statements showing no delinquent taxes on the Property;
 - (2) a bill of sale with warranties to title conveying title, free and clear of all liens, to any personal property defined as part of the Property in Paragraph 2 or sold under this contract;
 - (3) an assignment of all leases to or on the Property;
 - (4) to the extent that the following items are assignable, an assignment to Buyer of the following items as they relate to the Property or its operations:
 - (a) licenses and permits;
 - (b) maintenance, management, and other contracts; and
 - (c) warranties and guaranties;
 - (5) a rent roll current on the day of the closing certified by Seller as true and correct;
 - (6) evidence that the person executing this contract is legally capable and authorized to bind Seller;
 - (7) an affidavit acceptable to the escrow agent stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the escrow agent to: (i) withhold from Seller's proceeds an amount sufficient to comply applicable tax law; and (ii) deliver the amount to the Internal Revenue Service together with appropriate tax forms; and
 - (8) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and the issuance of the title policy, all of which must be completed and executed by Seller as necessary.
- E. At closing, Buyer will:
- (1) pay the sales price in good funds acceptable to the escrow agent;
 - (2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
 - (3) sign and send to each tenant in the Property a written statement that:
 - (a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and
 - (b) specifies the exact dollar amount of the security deposit;
 - (4) sign an assumption of all leases then in effect; and
 - (5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.
- F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.
- 11. POSSESSION:** Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.

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12. SPECIAL PROVISIONS: *(If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)*

See Special Provisions Addendum attached hereto as Exhibit A.

Notwithstanding Seller's representations in Paragraph 19.B., Seller makes no representations regarding the Property. Buyer agrees that any interest Seller may have in the Property is being sold in its "AS IS, WHERE IS" condition, and "WITH ALL FAULTS".

13. SALES EXPENSES:

A. Seller's Expenses: Seller will pay for the following at or before closing:

- (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
- (2) release of Seller's loan liability, if applicable;
- (3) tax statements or certificates;
- (4) preparation of the deed and any bill of sale;
- (5) one-half of any escrow fee;
- (6) costs to record any documents to cure title objections that Seller must cure; and
- (7) other expenses that Seller will pay under other provisions of this contract.

B. Buyer's Expenses: Buyer will pay for the following at or before closing:

- (1) all loan expenses and fees;
- (2) preparation fees of any deed of trust;
- (3) recording fees for the deed and any deed of trust;
- (4) premiums for flood and hazard insurance as may be required by Buyer's lender;
- (5) one-half of any escrow fee; and
- (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

A. Prorations:

- (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.
- (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
- (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.

B. Rollback Taxes: If Seller changes the use of the Property before closing or if a denial of a special valuation on the Property claimed by Seller results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.

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- C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

15. DEFAULT:

- A. If Buyer fails to comply with this contract, Buyer is in default and Seller may:
- (1) terminate this contract and receive the earnest money, as liquidated damages and as Seller's sole remedy; or
 - (2) seek any other relief provided by law. Seller may not enforce specific performance.
- B. If, without fault, Seller is unable within the time allowed to deliver the estoppel certificates, survey or the commitment, Buyer may:
- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
 - (2) extend the time for performance up to 15 days and the closing will be extended as necessary.
- C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:
- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
 - (2) seek such other relief as may be provided by law. Buyer may not enforce specific performance.

16. CASUALTY LOSS AND CONDEMNATION:

- A. If any part of the Property is damaged or destroyed by fire or other casualty after the effective date, Seller must restore the Property to its previous condition as soon as reasonably possible and not later than the closing date. If, without fault, Seller is unable to do so, Buyer may:
- (1) terminate this contract and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer;
 - (2) extend the time for performance up to 15 days and closing will be extended as necessary; or
 - (3) accept at closing: (i) the Property in its damaged condition; (ii) an assignment of any insurance proceeds Seller is entitled to receive along with the insurer's consent to the assignment; and (iii) a credit to the sales price in the amount of any unpaid deductible under the policy for the loss.
- B. If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:
- (1) terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer; or
 - (2) appear and defend the condemnation proceedings and any award will, at Buyer's election, belong to: (a) Seller and the sales price will be reduced by the same amount; or (b) Buyer and the sales price will not be reduced.

17. ATTORNEY'S FEES: If Buyer, Seller, any broker, or any escrow agent is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

18. ESCROW:

- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, escrow agent may require
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payment of unpaid expenses incurred on behalf of the parties and a written release of liability of escrow agent from all parties.

- B. If one party makes written demand for the earnest money, escrow agent will give notice of the demand by providing to the other party a copy of the demand. If escrow agent does not receive written objection to the demand from the other party within 15 days after the date escrow agent sent the demand to the other party, escrow agent may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and escrow agent may pay the same to the creditors.
- C. Escrow agent will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- D. If escrow agent complies with this Paragraph 18, each party hereby releases escrow agent from all claims related to the disbursement of the earnest money.
- E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to escrow agent are effective upon receipt by escrow agent.
- F. Any party who wrongfully fails or refuses to sign a release acceptable to escrow agent within 7 days after receipt of the request will be liable to the other party for liquidated damages in an amount equal to the sum of: (i) three times the amount of the earnest money; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- G. Seller Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

19. MATERIAL FACTS: To the best of Seller's knowledge and belief: *(Check only one box.)*

- ☐ A. Seller is not aware of any material defects to the Property except as stated in the attached Property Condition Statement.
- ☒ B. Except as otherwise provided in this contract, Seller is not aware of:
 - (1) any subsurface: structures, pits, waste, springs, or improvements;
 - (2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
 - (3) any environmental hazards or conditions that materially affect the Property;
 - (4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
 - (5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
 - (6) any wetlands, as defined by federal or state law or regulation, on the Property;
 - (7) any threatened or endangered species or their habitat on the Property;
 - (8) any present or past infestation of wood-destroying insects in the Property's improvements;
 - (9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
 - (10) any material physical defects in the improvements on the Property; or
 - (11) any condition on the Property that violates any law or ordinance.

(Describe any exceptions to (1)-(11) in Paragraph 12 or an addendum.)

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20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

- ☒ A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
☒ B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

22. AGREEMENT OF THE PARTIES:

A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas. If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby.

B. This contract contains the entire agreement of the parties and may not be changed except in writing.

C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.

D. Addenda which are part of this contract are: *(Check all that apply.)*

- ☒ (1) Property Description Exhibit identified in Paragraph 2;
☐ (2) Commercial Contract Condominium Addendum (TAR-1930);
☐ (3) Commercial Contract Financing Addendum (TAR-1931);
☐ (4) Commercial Property Condition Statement (TAR-1408);
☐ (5) Commercial Contract Addendum for Special Provisions (TAR-1940);
☐ (6) Addendum for Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (TAR-1906);
☐ (7) Notice to Purchaser of Real Property in a Water District (MUD);
☐ (8) Addendum for Coastal Area Property (TAR-1915);
☐ (9) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916);
☐ (10) Information About Brokerage Services; and
☒ (11) Special Provisions Addendum

(Note: Counsel for the Texas Association of REALTORS® (TAR) has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by TAR are appropriate for use with this form.)

E. Buyer **(may)** assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all of Buyer's obligations under this contract.

23. TIME: Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

24. EFFECTIVE DATE: The effective date of this contract for the purpose of performance of all obligations is the date the escrow agent receipts this contract after all parties execute this contract.

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25. ADDITIONAL NOTICES:

- A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.
- B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.
- C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.
- D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included as part of this contract.
- E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract.
- F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.
- G. If apartments or other residential units are on the Property and the units were built before 1978, federal law requires a lead-based paint and hazard disclosure statement to be made part of this contract.
- H. Section 1958.154, Occupations Code requires Seller to provide Buyer a copy of any mold remediation certificate issued for the Property during the 5 years preceding the date the Seller sells the Property.
- I. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers.

26. CONTRACT AS OFFER: The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on 2/15/2016 the offer will lapse and become null and void.

Commercial Contract - Improved Property concerning _____

READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. **CONSULT** your attorney **BEFORE** signing.

Seller: _____	Buyer: _____
By: <u>C&S Energy Svcs</u>	By: <u>La Grange Cargo, LLC</u>
By (signature): <u>[Signature]</u>	By (signature): <u>[Signature]</u>
Printed Name: <u>Randy McMullen</u>	Printed Name: <u>Scott Edens</u>
Title: <u>President, CFO</u>	Title: <u>Managing Member</u>
By: _____	By: _____
By (signature): _____	By (signature): _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____

AGREEMENT BETWEEN BROKERS

(use only if Paragraph 9B(1) is effective)

Principal Broker agrees to pay N/A (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

\$ _____, or
 _____ % of the sales price, or
 _____ % of the Principal Broker's fee.

Escrow agent is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker
 By: _____

Cooperating Broker:
 By: _____

ATTORNEYSSeller's attorney: Austin BerlinerBuyer's attorney: George KleemanAddress: 3990 Rogerdale Road, Houston, TX 77042Address: 49 Atlanta St, Marietta, GA 30060Phone & Fax: 713-325-6074; 713-325-5912Phone & Fax: 770-422-1776E-mail: aberliner@cienergy.comE-mail: gkleeman@gregorydoylefirm.com

Seller's attorney requests copies of documents, notices, and other information:

- ☒ the title company sends to Buyer.
☒ Seller sends to Buyer.

Buyer's attorney requests copies of documents, notices, and other information:

- ☐ the title company sends to Seller.
☐ Buyer sends to Seller.

ESCROW RECEIPT

Escrow agent acknowledges receipt of:

- A. the contract on this day _____ (effective date);
 B. earnest money in the amount of \$ _____ in the form of _____ on _____

Escrow Agent: _____

Address: _____

By: _____

Phone & Fax: _____

Assigned file number (GF#): _____

E-mail: _____

SPECIAL PROVISIONS ADDENDUM

This Special Provision Addendum (this "Addendum") to Texas Commercial Contract-Improved Property (the "Contract") is entered into by and between La Grange Cargo, LLC ("Buyer") and C&J Well Services, Inc. ("Seller") effective as of the effective date of the Contract. Terms used but not defined herein shall have the meanings ascribed to them in the Contract.

ADDENDUM

Subject to the representations and warranties of Seller in the Contract, Seller and Buyer agree that Buyer is purchasing the Property in its As-Is Where-Is state and condition as set forth below and the terms and provisions set forth below are incorporated and made a part of the Contract as if fully set forth therein (and the following provision shall be inserted in Seller's Special Warranty Deed to be delivered at Closing):

EXCEPT FOR THE SELLER'S REPRESENTATIONS, WARRANTIES AND COVENANTS SET FORTH IN THE CONTRACT OR ANY CLOSING DOCUMENTS EXECUTED IN CONNECTION WITH THE CONTRACT, THE PROPERTY IS BEING SOLD IN ITS "AS IS, WHERE IS" CONDITION, AND "WITH ALL FAULTS". ACCORDINGLY, EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THE CONTRACT OR ANY CLOSING DOCUMENTS EXECUTED IN CONNECTION WITH THE CONTRACT, SELLER IS NOT MAKING AND HAS NOT MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND, EXPRESS OR IMPLIED, REGARDING THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO HABITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE (OTHER THAN SELLER'S SPECIAL WARRANTY OF TITLE TO BE SET FORTH IN THE SPECIAL WARRANTY DEED), ZONING, TAX CONSEQUENCES, PHYSICAL OR ENVIRONMENTAL CONDITION, UTILITIES, OPERATING HISTORY OR PROJECTIONS, VALUATION, OBTAINING ALL NECESSARY AND APPROPRIATE GOVERNMENTAL APPROVALS, THE COMPLIANCE OF THE PROPERTY WITH GOVERNMENTAL LAWS, THE TRUTH, ACCURACY OR COMPLETENESS OF ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER TO BUYER, OR ANY OTHER MATTER OR THING REGARDING THE PROPERTY. BUYER HEREBY WAIVES AND FOREVER RELINQUISHES ANY CAUSE OF ACTION, CLAIM, DEMAND OR LIABILITY OF BUYER WITH RESPECT TO ANY REPRESENTATION OR WARRANTY EXPRESS OR IMPLIED, VERBAL OR IN WRITING, PERTAINING TO THE PROPERTY OR ARISING IN CONNECTION WITH THE TRANSACTION CONTEMPLATED BY THE CONTRACT TO THE FULLEST EXTENT ALLOWED BY LAW.

UPON CLOSING, SELLER SHALL SELL AND CONVEY TO BUYER AND BUYER SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS, WITH ALL FAULTS". EXCEPT FOR SELLER'S REPRESENTATIONS, WARRANTIES AND COVENANTS SET FORTH IN THE CONTRACT OR ANY CLOSING DOCUMENTS EXECUTED IN CONNECTION

Initialed for Identification by Buyer _____ and Seller RCM

WITH THE CONTRACT, AND EXCEPT FOR THE SPECIAL WARRANTY OF TITLE TO BE CONTAINED IN THE SPECIAL WARRANTY DEED, AND EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THE CONTRACT OR ANY CLOSING DOCUMENTS EXECUTED IN CONNECTION WITH THE CONTRACT, BUYER HAS NOT RELIED AND WILL NOT RELY ON, AND SELLER IS NOT LIABLE FOR OR BOUND BY "ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTIES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY OR RELATING THERETO MADE OR FURNISHED BY SELLER OR ANY REAL ESTATE BROKER OR AGENT REPRESENTING OR PURPORTING TO REPRESENT SELLER, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, VERBALLY OR IN WRITING. BUYER REPRESENTS TO SELLER THAT BUYER HAS CONDUCTED, OR WILL CONDUCT PRIOR TO CLOSING, SUCH INVESTIGATIONS OF THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS BUYER DEEMS NECESSARY TO SATISFY ITSELF AS TO MATTERS AFFECTING DEVELOPMENT, USE, ZONING, SUBDIVISION AND TITLE, THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO ALL MATTERS AFFECTING THE PROPERTY AND THE IMPROVEMENTS THEREON, IF ANY, AND WILL RELY SOLELY UPON SAME AND NOT UPON ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER OR ITS AGENTS, EMPLOYEES, PARTNERS, CONSULTANTS AND REPRESENTATIVES FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES AND COURT COSTS) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, WHICH BUYER MIGHT HAVE ASSERTED OR ALLEGED AGAINST SELLER AT ANY TIME REGARDING THE PROPERTY AND THIS TRANSACTION TO THE FULLEST EXTENT ALLOWED BY LAW. BUT FOR BUYER'S AGREEMENT TO PURCHASE THE PROPERTY IN IT'S "AS-IS", "WHERE-IS" STATE AND CONDITION, SELLER WOULD NOT HAVE AGREED TO SELL THE PROPERTY TO BUYER ON THE TERMS AND CONDITIONS SET FORTH IN THE CONTRACT. BUYER REPRESENTS AND WARRANTS TO SELLER THAT BUYER IS A SOPHISTICATED, EXPERIENCED AND KNOWLEDGEABLE PURCHASER OF REAL ESTATE AND I EXPERIENCED IN PURCHASING PROPERTIES OF THE NATURE OF THE PROPERTY.

[Signature Page Follows]

Initialed for Identification by Buyer _____ and Seller RCM

IN WITNESS WHEREOF, the undersigned have caused this Addendum to be signed by their respective duly authorized officers, effective as of the date first above written.

SELLER:

C&J Well Services, Inc.

By: 

Name: Randy McMullen

Title: President, CFO

BUYER:

La Grange Cargo, LLC

By: _____

Name: _____

Title: _____



200 S. Grimes Street
Giddings, Texas 78942
Telephone: 979.542.3636
Facsimile: 979.542.5604

ESCROW RECEIPT

GF Number FA-16-016

Escrow Agent acknowledges receipt of only an Earnest Money Contract and/or \$ 5,000⁰⁰
Earnest Money in the form of (cash/check/other LaGrange Cargo LLC #1036)
representing earnest money being deposited pursuant to the attached Earnest Money Contract.
Escrow Agent (i) is not a party to the Earnest Money Contract, (ii) has no liability on a check until
the check has cleared (iii) shall not be liable for any interest or other charge on the Earnest Money
and shall be under no duty to invest or re-invest funds held by it at anytime, (iv) does not
represent title, allowable use or activity on the Property, (v) does not promise to deliver the
commitment within the time stated in the Earnest Money Contract, and (vi) requires the Buyer to
make written request of the Escrow Agent for copies of covenants and documents. Further, Escrow
Agent may, at its option, require written release authorization from all parties before paying
money or delivering or redelivering any document or other property to any party or to third
parties.

BOTTTS TITLE COMPANY (ESCROW AGENT)

By: Carrie Binford

Date: February 3, 2016

BROUGHT IN BY: Fedex @ 10:00 A.M. / P.M.



200 S. Grimes Street
Giddings, Texas 78942
Telephone: 979.542.3636
Facsimile: 979.542.5604

ESCROW RECEIPT

GF Number FA-16-016

Escrow Agent acknowledges receipt of only an Earnest Money Contract and/or \$5,000⁰⁰
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Escrow Agent (i) is not a party to the Earnest Money Contract, (ii) has no liability on a check until
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represent title, allowable use or activity on the Property, (v) does not promise to deliver the
commitment within the time stated in the Earnest Money Contract, and (vi) requires the Buyer to
make written request of the Escrow Agent for copies of covenants and documents. Further, Escrow
Agent may, at its option, require written release authorization from all parties before paying
money or delivering or redelivering any document or other property to any party or to third
parties.

BOTT'S TITLE COMPANY (ESCROW AGENT)

By: Carrie BinfordDate: February 3, 2016BROUGHT IN BY: Fedex @ 10:00 A.M./P.M.

Serving Austin, Bell, Bureson, Colorado, Fayette, Lee, Milam, Waller and
Washington Counties

THIS CHECK IS DELIVERED FOR PAYMENT ON THE FOLLOWING ACCOUNTS		LA GRANGE CARGO LLC		1036
DATE	AMOUNT	2158 ATLANTA ROAD		64-1972/511
		SMYRNA, GA 30080		
		DATE <u>2-2-2016</u>		
TOTAL		PAY TO THE ORDER OF <u>BOTT'S TITLE COMPANY</u>	\$ <u>5,000⁰⁰</u>	
LESS % DISCOUNT		<u>Five thousand & no/100</u>	DOLLARS	
LESS				
TOTAL DEDUCTIONS				
AMOUNT OF CHECK				

FOR LAND PURCHASE EARNEST MONEY

CBS Community Bank
SMYRNA, GEORGIA

[Signature]

**FIRST AMENDMENT
TO COMMERCIAL CONTRACT – IMPROVED PROPERTY**

THIS FIRST AMENDMENT TO COMMERCIAL CONTRACT – IMPROVED PROPERTY (this “Amendment”), dated as of September 8, 2016 (the “Amendment Effective Date”), is made and entered into by and between **La Grange Cargo, LLC** (the “Buyer”), and **C&J Well Services, Inc.** (the “Seller”).

RECITALS:

1. Seller and Buyer have entered into a Commercial Contract – Improved Property, dated effective as of February 3, 2016 (the “Contract”). Each capitalized term used but not otherwise defined herein shall have the meaning given to such term in the Contract.

2. Seller and Buyer desire to confirm and ratify the Contract, to reduce the Sales Price and to amend the Closing Date all as set forth in this Amendment.

AGREEMENTS:

NOW, THEREFORE, in consideration of the premises and the mutual agreements, representations and warranties herein set forth, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Seller and Buyer do hereby agree as follows:

1. Seller and Buyer acknowledge and agree that a true and correct copy of the Contract is attached hereto as Exhibit A. Seller and Buyer ratify and confirm that (i) the Contract is in full force and effect and governs the agreement between the parties regarding the Property, and (ii) the effective date of the Contract is deemed to be February 3, 2016.

2. Seller and Buyer agree that the Sales Price in Paragraph 3.A is reduced from seventy five thousand dollars (\$75,000.00) to sixty thousand dollars (\$60,000.00).

3. Seller and Buyer agree that the Closing Date is amended to occur on or before fifteen (15) days after Seller has completed to the satisfaction of the title company of Seller’s obligations set forth in paragraph 4 below.

4. Seller shall file within fifteen (15) days of the date of this Amendment an appropriate Motion to Sell Free and Clear under 11 USC § 363 *et seq.* the subject Property in Seller’s pending bankruptcy case under Chapter 11 under Bankruptcy Case No. 16-33601 in the U.S. Bankruptcy Court, Southern District of Texas, Houston Division (or if required in the consolidated bankruptcy filing under CJ Holding Co., et al under Case No. 16-33590 pending in the U.S. Bankruptcy Court, for the Southern District of Texas, Houston Division) and shall obtain a final Order allowing the sale of the subject Property in form satisfactory to the title company and to Buyer.

5. Seller and Buyer agree that Section 6.A. shall be deleted in its entirety and that Section 6.D. shall apply only to the survey. Similarly Seller not be held in default for failing to provide the commitment as provided under Section 15.B.

6. Seller and Buyer agree that the Seller's requirement to provide Buyer a General Special Warranty Deed on Closing, as provided in Section 10.C., shall be revised to require Seller provide Buyer a Deed Without Warranty on Closing.

7. Seller and Buyer agree that Section 10.D(8) shall be modified to read "any notices, statements, certificates, affidavits, releases and any other documents required by this contract, as amended, the commitment, or law necessary for closing of the sale as are usual and customary and as required by the title company for a closing not requiring the issuance of a title policy but where title company is acting only as escrow agent for funds receipt and disbursement, prorations, tax payments and document recording services, all of which must be completed and executed by Seller as necessary.

8. Seller and Buyer agree that the Special Provisions Addendum shall be replaced in its entirety with the Special Provisions Addendum attached hereto as Exhibit B.

9. Except as expressly amended hereby, the Contract shall remain in full force and effect. This Amendment (a) shall be binding upon and inure to the benefit of Seller and Buyer and their respective successors, assigns, receivers and trustees (provided, however, that no party may assign its rights hereunder except as provided in the Contract); (b) may be modified or amended only by a writing signed by Seller and Buyer; (c) shall be governed by and construed in accordance with the laws of the State of Texas and the United States of America; (d) may be executed in several counterparts, and by the parties hereto on separate counterparts, and each counterpart, when so executed and delivered, shall constitute an original agreement, and all such separate counterparts shall constitute but one and the same agreement; and (e) embodies the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes all prior agreements, consents and understandings relating to such subject matter. The headings herein shall be accorded no significance in interpreting this Amendment.

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be signed by their respective duly authorized officers, effective as of the date first above written.



SELLER:

C&J WELL SERVICES, INC.

By: N. Petronio
Name: NICHOLAS PETRONIO
Title: PRESIDENT

BUYER:

LA GRANGE CARGO, LLC

By: Scott M. Edens
Name: SCOTT M. EDENS
Title: MANAGING MEMBER

Exhibits:

Exhibit A – Contract

Exhibit B – Special Provisions Addendum

EXHIBIT A

Contract

[see attached]

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Initialed for Identification by Buyer  and Seller 

EXHIBIT B

SPECIAL PROVISIONS ADDENDUM

This Special Provision Addendum (this "Addendum") to Commercial Contract- Improved Property (the "Contract") is entered into by and between La Grange Cargo, LLC ("Buyer") and C&J Well Services, Inc. ("Seller") effective as of the effective date of the Contract. Terms used but not defined herein shall have the meanings ascribed to them in the Contract.

ADDENDUM

1. Subject to the representations and warranties of Seller in the Contract, Seller and Buyer agree that Buyer is purchasing the Property in its As-Is Where-Is state and condition as set forth below and the terms and provisions set forth below are incorporated and made a part of the Contract as if fully set forth therein (and the following provision shall be inserted in Seller's Deed Without Warranty to be delivered at Closing):

EXCEPT FOR THE SELLER'S REPRESENTATIONS, WARRANTIES AND COVENANTS SET FORTH IN THE CONTRACT OR ANY CLOSING DOCUMENTS EXECUTED IN CONNECTION WITH THE CONTRACT, THE PROPERTY IS BEING SOLD IN ITS "AS IS, WHERE IS" CONDITION, AND "WITH ALL FAULTS". ACCORDINGLY, EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THE CONTRACT OR ANY CLOSING DOCUMENTS EXECUTED IN CONNECTION WITH THE CONTRACT, SELLER IS NOT MAKING AND HAS NOT MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND, EXPRESS OR IMPLIED, REGARDING THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO HABITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, ZONING, TAX CONSEQUENCES, PHYSICAL OR ENVIRONMENTAL CONDITION, UTILITIES, OPERATING HISTORY OR PROJECTIONS, VALUATION, OBTAINING ALL NECESSARY AND APPROPRIATE GOVERNMENTAL APPROVALS, THE COMPLIANCE OF THE PROPERTY WITH GOVERNMENTAL LAWS, THE TRUTH, ACCURACY OR COMPLETENESS OF ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER TO BUYER, OR ANY OTHER MATTER OR THING REGARDING THE PROPERTY. BUYER HEREBY WAIVES AND FOREVER RELINQUISHES ANY CAUSE OF ACTION, CLAIM, DEMAND OR LIABILITY OF BUYER WITH RESPECT TO ANY REPRESENTATION OR WARRANTY EXPRESS OR IMPLIED, VERBAL OR IN WRITING, PERTAINING TO THE PROPERTY OR ARISING IN CONNECTION WITH THE TRANSACTION CONTEMPLATED BY THE CONTRACT TO THE FULLEST EXTENT ALLOWED BY LAW.

UPON CLOSING, SELLER SHALL SELL AND CONVEY TO BUYER AND BUYER SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS, WITH ALL FAULTS". EXCEPT FOR SELLER'S REPRESENTATIONS, WARRANTIES AND COVENANTS SET FORTH IN THE CONTRACT OR ANY CLOSING DOCUMENTS EXECUTED IN CONNECTION WITH THE

B-1

Initialed for Identification by Buyer



and Seller



CONTRACT, AND EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THE CONTRACT OR ANY CLOSING DOCUMENTS EXECUTED IN CONNECTION WITH THE CONTRACT, BUYER HAS NOT RELIED AND WILL NOT RELY ON, AND SELLER IS NOT LIABLE FOR OR BOUND BY "ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTIES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY OR RELATING THERETO MADE OR FURNISHED BY SELLER OR ANY REAL ESTATE BROKER OR AGENT REPRESENTING OR PURPORTING TO REPRESENT SELLER, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, VERBALLY OR IN WRITING. BUYER REPRESENTS TO SELLER THAT BUYER HAS CONDUCTED, OR WILL CONDUCT PRIOR TO CLOSING, SUCH INVESTIGATIONS OF THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS BUYER DEEMS NECESSARY TO SATISFY ITSELF AS TO MATTERS AFFECTING DEVELOPMENT, USE, ZONING, SUBDIVISION AND TITLE, THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO ALL MATTERS AFFECTING THE PROPERTY AND THE IMPROVEMENTS THEREON, IF ANY, AND WILL RELY SOLELY UPON SAME AND NOT UPON ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER OR HIS AGENTS, EMPLOYEES, PARTNERS, CONSULTANTS AND REPRESENTATIVES FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES AND COURT COSTS) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, WHICH BUYER MIGHT HAVE ASSERTED OR ALLEGED AGAINST SELLER AT ANY TIME REGARDING THE PROPERTY AND THIS TRANSACTION TO THE FULLEST EXTENT ALLOWED BY LAW. BUT FOR BUYER'S AGREEMENT TO PURCHASE THE PROPERTY IN IT'S "AS-IS", "WHERE-IS" STATE AND CONDITION, SELLER WOULD NOT HAVE AGREED TO SELL THE PROPERTY TO BUYER ON THE TERMS AND CONDITIONS SET FORTH IN THE CONTRACT. BUYER REPRESENTS AND WARRANTS TO SELLER THAT BUYER IS A SOPHISTICATED, EXPERIENCED AND KNOWLEDGEABLE PURCHASER OF REAL ESTATE AND I EXPERIENCED IN PURCHASING PROPERTIES OF THE NATURE OF THE PROPERTY.

2. On or before closing, Seller agrees to provide an affidavit executed by an officer or other designated representative of Seller in similar form to the affidavit attached hereto as Attachment A.

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Initialed for Identification by Buyer  and Seller 

ATTACHMENT A

AFFIDAVIT

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

Nicolas Petronio, being first duly sworn, of oath says:

1. That the undersigned is the President – Well Services of C&J Well Services, Inc., a Delaware corporation ("Company").
2. I have personal knowledge of all of the facts and matters set forth, stated, certified or sworn to herein:
 - a. Pool Company, a Delaware corporation, assigned all of its right, title and interest in the general partnership interest in Pool Company Texas Ltd., a Texas limited partnership to Pool Well Services Co. effective November 24, 1999. (See Exhibit "A" attached).
 - b. Effective July 1, 2005, Pool Company Texas Ltd. changed its name to Nabors Well Services Ltd. (See Exhibit "B" attached).
 - c. Nabors Well Services Ltd., a TX Limited Partnership, was owned by PCNV Finance I, LLC, a Delaware corporation (holding the 99% LP interest), and Nabors Well Services Co., a DE corporation (holding the 1% GP interest). When PCNV Finance I, LLC dissolved into PCNV, Inc., a Nevada corporation, on December 30, 2010, PCNV, Inc. assumed the 99% interest previously held by PCNV Finance I, LLC. (See Exhibit "C" attached).
 - d. Subsequent to the transaction described in Subsection b. above (and on the same date), Nabors Well Services Co., a Delaware corporation, merged with and into PCNV, Inc., with PCNV, Inc. being the surviving entity. (See Exhibit "D" attached).
 - e. Immediately after the above-referenced merger, PCNV, Inc. changed its name to Nabors Well Services Co. under the laws of the State of Nevada. (See Exhibit "E" attached).
 - f. As a result of the transactions described in Subsection c., the 1% GP interest in Nabors Well Services Ltd. previously owned by Nabors Well Services Co. (DE) was then owned by Nabors Well Services Co. (NV), as was the 99% Limited Partner interest. As a result of Nabors Well Services Co. (NV) being the only remaining partner, Nabors Well Services Ltd. liquidated into Nabors Well Services Co. (NV) and such entity was terminated. (See Exhibit "F" attached).

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Initialed for Identification by Buyer

and Seller

- g. Effective October 1, 2012, Nabors Diamond Holdings, Inc., a Delaware corporation, the sole shareholder of Nabors Well Services Co. (NV), transferred all of the issued and outstanding common stock of Nabors Well Services Co. (NV) to Nabors Completion & Production Services Co. (See Exhibit "G" attached).
 - h. Subsequent to such transfer of stock, all of the assets of Nabors Well Services Co. (NV) were distributed in complete liquidation to Nabors Completion & Production Services Co. and Nabors Well Services Co. (NV) was dissolved, effective November 8, 2012. (See Exhibit "H" attached).
 - i. Nabors Completion & Production Services Co. was renamed C&J Well Services, Inc. effective April 6, 2015. (See Exhibit "I" attached).
3. This Affidavit relates to the following real property in Fayette County, Texas, to wit:
- All that certain tract or parcel of land situated in Fayette County, Texas, a part of the William H. Taylor League, A-97, same being part of a 48.51 acre tract of land conveyed from William Eberle, Jr., et ux., to Jim McAfee, et ux., in a deed dated June 22, 1977 and recorded in Volume 504, Page 959, Deed Records of Fayette County, Texas, being more fully described upon the attached Exhibit "J" hereto and incorporated herein by reference for all purposes.
4. Nothing contained in this Affidavit shall be construed as an express or implied warranty of title for the real property described above but only of my personal knowledge and belief regarding the chain of title thereto.

Further, Affiant sayeth naught.


BY: Nicholas Petronio

Subscribed and sworn to before me
this 15th day of November, 2016

Notary Public _____ County, _____
My Commission Expires: _____

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Initialed for Identification by Buyer  and Seller 

EXHIBIT A

(See attached)

B-5

Initialed for Identification by Buyer  and Seller 