

**UNITED STATES BANKRUPTCY COURT
FOR THE CENTRAL DISTRICT OF ILLINOIS
PEORIA DIVISION**

IN RE:)	Chapter 11
)	
CENTRAL ILLINOIS COMPOUNDING, INC.,)	Case No. 17-81031
)	
Debtor.)	

**MOTION TO APPROVE ASSET SALE
PURSUANT TO § 363 OF THE BANKRUPTCY CODE**

The above-captioned debtor and debtor in possession (the “Debtor”), by and through it undersigned counsel, hereby moves this Court (the “Motion”) pursuant to sections 363, 365, 1107(a), and 1108 of title 11 of the United State Code (the “Bankruptcy Code”) and Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) for entry of an order to approve the sale (the “Sale”) of certain of the Debtor’s assets pursuant to § 363 of the Bankruptcy Code.

Jurisdiction

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

2. On July 17, 2017, (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (the “Chapter 11 Case”) in the United States Bankruptcy Court for the Central District of Illinois (the “Bankruptcy Court”). The Debtor is functioning as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. The Debtor is a Compounding Pharmacy. The Debtor is headquartered in Peoria, Illinois, and for over two decades has been well known for providing quality pharmaceutical services. The Debtor is owned by Wade and Jennifer Siefert.

4. Historically, the Debtor’s sales have been steady, annually exceeding over 1 million dollars. Unfortunately, however, the Debtor experienced a flood of its premises when contractors struck a water main. The result was that the Debtor lost use of a large portion of its

premises which hurt revenue. Further, the Debtor's insurance company denied its insurance claim. The Debtor also experienced a loss in revenue as a result of Caterpillar changing its health insurance for its employees. These events had a significant impact on the Debtor's profitability.

5. The Debtor filed this Chapter 11 Case in order to ensure that it will be able to provide uninterrupted top-tier service to its customers while maximizing value by, among other things, working to effectuate a "going concern" sale of its assets. To that end, the Debtor has entered into an asset purchase agreement (the "APA") on September 29, 2017. A copy of the APA is attached hereto and incorporated herein as Exhibit A

6. The primary terms of the Sale and a summary of the APA is as follows:¹
- (1) The buyer is Corey Dolan;
 - (2) The seller is Central Illinois Compounding, Inc d/b/a Preckshot Professional Pharmacy;
 - (3) The purchase price is three hundred seventy-five thousand dollars (\$375,000);
 - (4) The buyer will pay an earnest money deposit of ten thousand dollars (\$10,000);
 - (5) The acquired assets are defined in greater detail in Exhibit B to APA, and includes, but is not limited to: customer relationships, equipment, inventory, intellectual property, and furniture;
 - (6) The buyer is only assuming liabilities that it chooses to assume that relate to the acquired assets;
 - (7) The closing shall occur not less the fourteen (14) days and not more the twenty-eight (28) days after satisfaction of all conditions precedent; and
 - (8) The sale is subject to approval of the Bankruptcy Court.

Relief Requested

7. By this Motion, the Debtor respectfully requests that this Court enter an order approving the sale of assets pursuant to § 363 of the bankruptcy code.

¹ The summary of certain terms of the APA contained herein is by no means exhaustive and may not accurately reflect the exact intent of the APA since it lacks the additional context contained therein. As a result, creditors interested in understanding the APA should not rely on the summary herein, but should instead refer directly to the APA (which speaks for itself and is controlling to the extent of any consistency between the APA and the descriptions contained herein).

Basis for Relief Requested

A. The Sale is Supported by the Debtor's Reasonable Business Judgment

8. This Court's power to authorize a sale under section 363(b) of the Bankruptcy Code is to be exercised at its discretion, utilizing a flexible, case by case approach. *In re: Baldwin United Corp.*, 43 B.R. 905 (Bankr. S.D. Ohio 1984). The Court must find that a good business reason exists for the sale. *In re: Schipper*, 933 F.2d 513 (7th Cir. 1991); *Stephens Industries, Inc. v. McClung*, 789 F.2d 386 (6th Cir. 1986). As noted in *In re: Walter*, 83 B.R. 14, 19-20 (9th Cir. BAP 1988), citing *In re: Lionel Corporation*, 722 F.2d. 1063, 1070-71 (2nd Cir. 1983):

[T]here must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.....Whether the proffered business justification is sufficient depends on the case. As the Second Circuit held in *Lionel*, the bankruptcy judge should consider all salient factors pertaining to the proceeding and, accordingly, act to further the diverse interests of the Debtor, creditors, and equity holders alike. He might for example, look to such relevant factors as the proportionate value of assets of the estate as a whole, the amount of time elapsed time since the filing, the likelihood that a plan of reorganization will be proposed and confirmed in the near future, the effect of the proposed disposition on the future plan of reorganization, the proceeds to be obtained from the disposition vis-à-vis any appraisals of the property, which of the alternatives of use, sale or lease the proposal envisions, and, most importantly perhaps, whether the asset is increasing or decreasing in value. This list is not intended to be exclusive, but merely to provide guidance to the bankruptcy judge.

9. The paramount goal in any proposed sale of property of the estate is to maximize the proceeds received by the estate. *See, e.g. Four B. Corp v. Food Barn Stores, Inc. (In re: Food Barn Stores, Inc.)* 107 F.3d 558, 564-65 (8th Cir. 1997) (noting that, in bankruptcy sales, "a primary objective of the Code [is] to enhance the value of the estate at hand."); *see also, In re: Integrated Resources, Inc.* 147 B.R. 650, 659 (S.D. N.Y. 1992) (It is well established principle of bankruptcy law that the...[Debtor's] duty with respect to such sale is to obtain the highest price or greatest overall benefit possible for the estate.") (quoting *Cello Bay Co. v. Champion Int'l Corn (In re: Atlanta Packaging Prods., Inc.)*, 99 B.R. 124, 131 (Bankr. N.D. Ga. 1988)).

10. Once a valid business judgment is established, the business judgment rule “is a 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 was taken in the best interests of the company.” *In re: S.N.A. Nut Company*, 186 B.R. 98, 102 (Bankr. N.D. Ill. 1995) (citing *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)); *Integrated Resources*, 147 B.R. at 656. Therefore, the relief requested in this Motion should be granted if the Debtor demonstrates a sound business justification for the request. *See Schipper*, 933 F.2d at 515; *In re: Lionel Corp.*, 722 F.2d at 1071.

11. Here, in order to maximize value for secured creditors, the Debtor believes that it is crucial to quickly realize some value for its remaining customer relationships and equipment – assets that will not be enhanced by a long stay in chapter 11. The Debtor has identified the buyer as the most likely buyer for the assets, and the agreement reflected in the APA is the result of arms-length negotiations designed to achieve the highest possible price for the assets under the circumstances.

12. It is also worth noting that it is not an accident that the Debtor chose the buyer. The Debtor believes that the buyer is the party ultimately willing to pay the most for the assets. The Debtor solicited and received bids from multiple parties prior to submitting this Motion; and, the buyer has made the highest bid and is willing to pay the most money for the assets. Accordingly, the Debtor respectfully submits that the Sale related relief proposed herein reflects a sound exercise of its business judgment and should be approved.

13. The buyer has also reached an agreement with the Debtor’s landlord to keep the pharmacy in its current location. A Letter of Intent (“LOI”) between the landlord and buyer is attached as Exhibit B.

B. The Acquired Assets May be Sold Free and Clear Under Section 363(f) of the Bankruptcy Code.

14. The Debtor believes that some or all of the acquired assets are subject to the liens of United Community Bank, Live Oak Bank, and the Internal Revenue Service (the “Secured Parties”).

15. Section 363(f) of the Bankruptcy Code provides that a debtor in possession may sell property free and clear of any lien, claim, or interest in such property if, among other things,

all holders of interests (i) consent to such sale, or (ii) can be compelled to accept a money satisfaction of such interests in legal or equitable proceedings.

16. Here, the Debtor believes that the Secured Parties will consent to the sale of the assets as described herein. Accordingly, the Debtor requests that the sale order provide for the transfer of the acquired assets to the buyer free and clear of any claims and interests.

Bankruptcy Rule 6004(h)

17. The Debtor requests that the Court waive the stay imposed by Bankruptcy Rule 6004(h), which provides that “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after the entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6004(h). Given that a “drop dead” date is imposed in the agreed order authorizing limited use of cash collateral for this transaction to close, it is imperative that the Debtor is authorized to sell the acquired assets immediately. Accordingly, the Debtor respectfully requests that the Court waive the fourteen day stay imposed by Bankruptcy Rule 6004(h), to the extent applicable, as the exigent nature of the relief sought herein justifies immediate relief.

Notice

18. Debtor has provide a Notice of Intent to Sell to (a) the Office of the United States Trustee, (b) the top 20 unsecured creditors listed on the Debtor’s petition, (c) all secured creditors, and (d) any other party requesting notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, the Debtor respectfully submits that this notice satisfies the requirements of the Bankruptcy Rule 6004 and that no further notice is required.

WHEREFORE, the Debtor requests that the Court enter an order granting the Motion in its entirety and (a) approving the sale of the acquired assets pursuant to § 363 of the Bankruptcy Code and (b) granting any related relief it deems appropriate.

Dated: October 1, 2017

Respectfully Submitted,
CENTRAL ILLINOIS COMPOUNDING, INC.
Debtor-In-Possession

By: /s/ Casey C. Kepple
One of its Attorneys

CERTIFICATE OF SERVICE

The undersigned certifies that in addition all parties will be served through the court's electronic noticing system at their addresses of record on October 1, 2017.

Kepple Law Group, LLC
2426 W. Cornerstone Court, Suite 209
Peoria, IL 61602
(309) 282-1545 (p)

By: /s/ Casey C. Kepple

EXHIBIT A

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (“Agreement”) is made this 29 day of September, 2017 by and between CENTRAL ILLINOIS COMPOUNDING, INC., an Illinois corporation, d/b/a PRECKSHOT PROFESSIONAL PHARMACY hereafter referred to as “Seller” and COREY DOLAN or his assignee corporation or limited liability company, hereafter referred to as “Buyer”.

RECITALS

WHEREAS, Seller is actively engaged in the business of a compounding pharmacy in Peoria, Illinois (the “Business”); and

WHEREAS, Seller’s primary place of business is located at 5832 N. Knoxville Avenue, Peoria, Illinois under a Lease Agreement with New Junction Ventures, LLC, a copy of which is attached hereto as Exhibit A and is hereafter referred to as the “Junction Lease”; and

WHEREAS, Seller desires to sell and Buyer desires to purchase the operating assets of Seller being generally described as Seller’s tangible personal property, including, but not limited to equipment and inventory, all formulas and processes for compounding, entire database, furniture, fixtures, telephone numbers, including all cellular phones and cellular phone numbers for employees, being (309) 679-2047, (309) 679-2054, (855) PRECKSHOT, facsimile numbers, being (309) 679-2051 and 966-1716, website www.preckshot.com, domain name, email addresses, leasehold improvements and intangibles, including but not limited to goodwill, business name and customer lists, customer records, files and medical forms, collectively referred to as “Property” and more specifically described in Exhibit B, free of any liens, encumbrances and obligations.

NOW, THEREFORE, in consideration of the promises and covenants and the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Buyer hereby presents the offer as follows, and Seller approves and is willing to accept the following terms:

**ARTICLE I
PURCHASE AND SALE**

Subject to the terms and conditions set forth in this Agreement, at the Closing referred to herein, Seller shall sell, assign, transfer and deliver to Buyer all of Seller’s right, title and interest in and Buyer shall purchase, acquire and take assignment and delivery of all of the Property, including the items described in Exhibit B.

Buyer is specifically not purchasing or assuming any of Seller’s debts or obligations, accounts payable, or any contracts of any type unless Buyer specifically executes an assumption and assignment for any given contract. All such items are excluded from the sale. In the event any such debts or obligations are not discharged in the current bankruptcy filing for Seller, Seller agrees to hold harmless and indemnify Buyer from any such items, debts or obligations.

ARTICLE II
PURCHASE PRICE

2.1 Purchase Price.

The total Purchase Price for the Property and all inventory is the sum of \$375,000.00 (USD). Seller shall continue to pay for all of said items of inventory and accounts payable as ordered by the court, in order that Buyer may, if Buyer so chooses, continue to work with Seller's suppliers. Seller, or the court, shall retain all cash on hand, bank accounts, and accounts receivable up through the date of Closing.

2.2 Payment of Purchase Price.

The Purchase Price shall be paid as follows.

A. Earnest Money. Earnest money in the amount of \$10,000.00 shall be paid to Seller by delivery of cashier's or certified funds or wire transfer on date of this Agreement. Such amount shall be held in Seller's attorney's trust account in accordance with this Agreement.

B. Balance of the Purchase Price. The balance of the Purchase Price in the amount of \$365,000.00, as adjusted by items specified in this Agreement, shall be paid at Closing by wire transfer to Seller's attorney's trust account, or the bankruptcy court or trustee as ordered by the court.

ARTICLE III
CLOSING

3.1 Time of Closing.

Closing shall occur on a date specified by Seller which is not less than fourteen (14) and not more than twenty-eight (28) days after satisfaction of the Conditions Precedent described in Article IV. The time of Closing shall be reasonably agreed to by the parties.

3.2 Place of Closing.

The Closing shall occur at the offices of Seller's attorney or such other place as the parties shall reasonably agree within the City of Peoria, Illinois.

ARTICLE IV
CONDITIONS PRECEDENT

The Closing of this transaction shall be subject to the satisfaction of the following described Conditions Precedent. In the event any one of the Conditions Precedent has not been satisfied within forty (40) days after date hereof ("Due Diligence Period"), this Agreement shall terminate, all earnest money shall be returned to Buyer and the parties shall have no further obligations under this Agreement.

4.1 Court Approval.

This Agreement shall be subject to approval by the Bankruptcy Court of the Central District of Illinois and satisfaction of all terms and conditions of a Court Order entered in case

number 17-81031. As soon as reasonably possible after date of this Agreement, Seller shall seek Court approval of the sale in accordance with law and rules of the Court.

4.2 Junction Lease Assignment.

This Agreement shall be subject to Buyer entering into an agreement to: (i) execute a new lease with the Landlord for the current location with New Junction Ventures, LLC; or (ii) execute a lease at a different location of Buyer's choice. Either of the above referenced items shall be Buyer's exclusive choice and Buyer shall provide notice within the Due Diligence Period to Seller. Written evidence of such agreement for assignment signed by Buyer and landlord shall be provided to Seller.

4.3 Governmental Approvals.

This Agreement shall be subject to obtaining any and all governmental approvals as required to allow for the continued operation of Seller's business following Closing. Such governmental approvals may include, but are not limited to, governmental licenses, certificates, accreditations and permits relating to the operation of Seller's business.

ARTICLE V
PRE-CLOSING CONDITIONS

From and after date hereof and until time of Closing the following conditions shall be satisfied as provided herein.

5.1 Continued Operations.

From and after date hereof, Seller shall operate its business in the usual and customary manner subject to the requirements of the Court, maintaining substantially the same services and products and hours of operation as exist on date hereof. Additionally, from and after date hereof until Closing, Seller shall maintain gross sales during such period averaging not less than \$21,500.00 per week. If such sales are not maintained, Buyer shall have the right to terminate this Agreement.

5.2 Inspection of Property.

Buyer represents that it has inspected the Property and is satisfied as to its condition on date hereof. From and after date hereof at reasonable times and with a reasonable notice, Buyer shall have the right to inspect the Property and review Seller's books, records, and transactions prior to Closing. Immediately prior to Closing Buyer shall have the further right of inspection to determine if the condition of the Property has materially changed after date of this Agreement. If the condition of the Property has materially changed and Buyer is not reasonably satisfied with the condition of the Property, Buyer shall have the right to terminate this Agreement.

5.3 Deliveries.

All of the deliveries described in Article VI shall be made at Closing. Unless otherwise agreed by the parties, the failure to make a delivery described in Article VI shall cause this Agreement to terminate as provided in Article XIII.

5.4 Governmental Audit. Seller shall, within five (5) days of execution of this Agreement, deliver to Buyer all test results from any governmental audit or other report conducted in 2017 regarding Seller.

ARTICLE VI
DELIVERIES AT CLOSING

At time of Closing the following deliveries shall be made by Buyer and Seller which shall include the execution and delivery of enumerated documents.

6.1 Deliveries by Buyer.

- A. Payment of the balance of the Purchase Price in accordance with Article II. Earnest money held by Seller's attorney shall be paid to Seller together with the balance of the Purchase Price or as ordered by the court;
- B. A new lease for the current location in Junction City as determined by Buyer; and
- C. Bill of Sale and Assignment in the form attached as Exhibit C.

6.2 Deliveries by Seller.

- A. Certified copy of the Order of the Bankruptcy Court of the Central District of Illinois approving the sale as described in Article IV; and
- B. Bill of Sale and Assignment in the form attached as Exhibit C.

ARTICLE VII
LIABILITIES OF SELLER

Buyer shall assume no liabilities of Seller and the sale to Buyer shall be "free and clear" of any and all liabilities of Seller or liens or claims on the Property. No successor liabilities shall attach to Buyer. The sale shall be made pursuant to the Order of the Bankruptcy Court under Section 363 of the Bankruptcy Code.

ARTICLE VIII
REPRESENTATIONS AND WARRANTIES

8.1 Seller warrants that the following representations are true and correct as of the Execution Date, will be true and correct on the Closing Date and, where applicable, will survive the Closing for a period of two (2) years:

- A. This Agreement constitutes the legal, valid and binding obligation of the Seller.
- B. The Property constitute substantially all of the properties, rights and interests owned or utilized by Seller in the operation of the Business.
- C. Seller owns merchantable and marketable title to the Property, and such Property are not subject to any liens that will not be removed from the above referenced bankruptcy filing.

D. Seller is duly qualified under the laws of Illinois to carry on the Business as now conducted, and Seller has operated, and will continue to operate the Business in substantial accordance with all material laws, ordinances and rules relating thereto.

E. No state or federal tax audits or investigations of Seller are, to the knowledge of Seller, pending. Seller has not received any notice that any such audits or investigations will be instituted and there is not outstanding any assessment of deficiency or additional taxes levied against Seller, except as specifically listed in the Bankruptcy Petition No. 17-81031 ("Bankruptcy Petition").

F. There is, to the knowledge of Seller, no action, claim, dispute, suit, proceeding or investigation pending or threatened against Seller, at law, in equity or otherwise, in, by or before any Court or governmental department, commission, board or agency, except Bankruptcy Petition.

G. Seller has received no notice of any environmental, zoning or code violations regarding the Property.

H. Seller warrants that the financial information as described on Exhibit D provided by the Seller to Buyer prior to the execution of this Agreement is accurate and has been prepared in conformity with currently accepted accounting standards to the best of Seller's knowledge.

I. Seller has not issued credits or gift certificates to anyone other than \$10.00 off coupons to various physicians or other individuals identified to Buyer. Seller has not, nor will Seller, advertise any sales or offer any discounts on any service, parts or equipment at any time prior to Closing.

J. To the knowledge of the Seller, no customer has informed Seller of any cessation or reduction in business having been or to be provided by Seller to said customer, and no notice of other circumstance has arisen to allow Seller to reasonably believe that there shall be a reduction in business or total sales for the Business.

K. Seller hereby represents and warrants that to Seller's knowledge, the Premises comply in all material respects with all statutes, ordinances, regulations and administrative or judicial orders or holdings, whether or not appearing in public records, and the consummation of the transactions contemplated by this Agreement shall not violate any such statutes, ordinances, regulations and administrative or judicial orders or holdings or any other agreement or indenture by which Seller is bound.

8.2 Buyer warrants that the following representations are true and correct as of the Execution Date, will be true and correct on the Closing Date and, where applicable, will survive the Closing for a period of two (2) years:

A. This Agreement constitutes the legal, valid and binding obligation of the Buyer.

B. Buyer shall organize an entity to purchase the Property which shall be duly organized and validly existing under the laws of the State of Illinois and qualified to do business therein. Buyer has all requisite power and authority necessary to own and operate the Business.

C. The financial information provided to Seller prior to the execution of this Agreement is accurate and has been prepared in conformity with currently accepted accounting standards.

ARTICLE IX CONTRACTS

9.1 Except as disclosed, Seller is not as of the Execution Date, and will not be on the Closing Date, a party to any:

A. Contract of employment by or in connection with the Business that is not terminable at will by Seller;

B. Contract with any labor union representing or purporting to represent persons employed by or in connection with the Business;

C. Contract or agreement relating to the purchase or sale of inventory, machinery or equipment by or in connection with the Business; or

D. Lease of equipment utilized in the operation of or otherwise relating to the Business, which shall be terminated by Seller as of the Closing Date.

9.2 Seller, at the request of Buyer, will assign to Buyer at the Closing the contracts selected and designated by Buyer prior to the Closing, accompanied by proper consents to such assignments where consents are required by the terms of the contracts. These contracts may include photocopier or other maintenance contracts. Buyer, however, is not obligated by this Agreement to assume any of the contracts. Seller shall be responsible for paying all vendors, subject to court order, including but not limited to utility bills, through Closing. Upon Closing, Buyer shall immediately notify all vendors in conjunction with a written statement from Seller of Buyer's acquisition.

ARTICLE X DEFAULT

10.1 Any expenses incurred by either party in enforcing the terms of this Agreement, including reasonable attorney fees and costs of litigation incurred by reason of any breach of the terms of the Agreement, shall be reimbursed and paid by the other party.

10.2 The parties agree that in the event of a violation of any provision of this Agreement, the non-breaching party shall have the right to seek injunctive relief to enforce the provisions of this Agreement, in addition to any other existing rights provided in this Agreement or by operation of law, without the requirement of posting bond. Each party agrees that, for this purpose, the other party lacks an adequate remedy at law.

10.3 The parties' foregoing rights and remedies shall be cumulative and in addition to all other rights and remedies available in law and in equity. Any claim for breach of the Agreement shall be brought within two (2) years of the Closing.

10.4 In addition to the above rights, Seller shall have the following rights upon the default of Buyer: Buyer shall further deliver and execute a Bill of Sale to transfer title to the Assets back to Seller free and clear of all liens and encumbrances.

ARTICLE XI
EMPLOYEE RELATIONS

Prior to the Closing, Seller will pay the wages and salaries, bonuses, and all other employee benefits, including, without limitation, premiums with respect to any group health insurance plan maintained by Seller directly to the employees or the respective benefit companies, accrued by or otherwise payable to or on behalf of such persons by Seller as of the Closing Date except for accrued, non-expired, unused personal, sick and vacation time. Seller shall provide a schedule to Buyer at Closing for all of the above described benefits for each employee. Buyer has not agreed to accept any of the employees and shall re-hire any such employees at Buyer's sole option and discretion.

ARTICLE XII
BREAK-UP FEE

In the event Buyer is not the purchaser of the Property in accordance with the terms of this Agreement, provided that Buyer did not commit a default of this Agreement that was not cured by Buyer, Buyer shall receive, upon the consummation and completion of the sale of the Property to any third party who submits a bid for a purchase price higher than the Purchase Price set forth in this Agreement, Buyer shall receive from such proceeds of the sale the sum of Ten Thousand Dollars (\$10,000.00) as a break-up fee, in addition to the return of Buyer's earnest money.

ARTICLE XIII
TERMINATION

This Agreement shall terminate on the failure of a Condition Precedent as provided in Article IV. Termination shall also occur as provided in Article V for failure of a Pre-closing Condition. On termination all earnest money shall be returned to Buyer and the parties shall have no further obligations under this Agreement, provided, however, that in the event termination occurs solely by reason of Buyer's failure to deliver the balance of the Purchase Price at Closing, the earnest money shall be forfeited by Buyer and retained by Seller as liquidated damages.

ARTICLE XIV
MISCELLANEOUS

12.1 Expenses.

All expenses for the preparation, execution and consummation of this Agreement and of the transactions contemplated hereby, including, without limitation, attorney's, accountant's and outside advisor's fees, shall be borne by the party incurring such expenses.

12.2 Notices.

Whenever any notice, demand or other communication shall or may be given by one party to the other, notice shall be addressed to the parties at their respective addresses as set forth herein and delivered by (i) personally, (ii) a nationally recognized overnight express courier, (iii) registered or certified mail return receipt requested. The notice shall be deemed to have been served on either (i) the date of personal service or the date personal service is refused, (ii) the next

business day in the case of delivery by overnight courier, or (iii) three business days following mailing the notice in the case of registered or certified mail.

Seller: Central Illinois Compounding, Inc.
c/o Wade Seifert and Jennifer Seifert
5832 N. Knoxville Avenue
Peoria, Illinois 61614

With a copy to its attorney: Casey C. Kepple, Esq.
2426 W. Cornerstone Court
Suite 209
Peoria, Illinois 61614

Buyer: Corey Dolan
corey@admedigitalmedia.com

With a copy to attorney: James W. Benckendorf, Esq.
Benckendorf & Benckendorf, P.C.
100 N. Main Street
Morton, IL 61550

12.3 Entire Agreement.

This Agreement contains the entire agreement of the parties, supersedes all prior agreements and understandings relating to the subject matter hereof and shall not be amended except by written instrument signed by all of the parties hereto.

12.4 Governing Law.

The validity of this Agreement shall be governed by the laws of the State of Illinois and, as applicable, the laws governing the United States Bankruptcy Court and its procedures.

12.5 Headings.

All headings of this Agreement are for reference only and shall not limit or control the meaning thereof.

12.6 Assigns.

This Agreement shall be binding on and inure to the benefit of the successors and assigns of the parties. The parties acknowledge that Corey Dolan shall consummate this purchase in an entity of which he is an owner.

12.7 No Warranties.

No warranties are made by Seller except as otherwise specified herein. On Closing, Buyer accepts the Property "as is". It is Buyer's responsibility to conduct its own research and due diligence on all matters relating to this transaction. No liability of whatsoever kind shall attach to Seller, Seller's principals, agents or representatives.

IN WITNESS WHEREOF, the parties have caused this Agreement and offer from Buyer to be duly executed and delivered as of the date set forth above.

Buyer:



COREY DOLAN 9-29-17

APPROVED:

Seller:
Central Illinois Compounding, Inc.,
d/b/a Preckshot Professional Pharmacy,
An Illinois corporation.

By:  9-29-17

Its President ~~VICE~~

Attest: _____
Its Secretary

**EXHIBIT A TO
ASSET PURCHASE AGREEMENT**

EXHIBIT B TO ASSET PURCHASE AGREEMENT

PPP EQUIPMENT LIST	Approx \$	Comments
Hoods Compounding Lab [15 Units @ \$13,000]	\$195,000	NuAir
Autoclave Tuttnauer	\$ 12,000	
Pellet Press	\$ 18,000	Siefert's
Ram Mixer	\$ 25,000	Siefert's
Jaansun Capsule Machines / Plates / All Cap Sizes	\$ 37,500	
Jaansun Buplates	\$ 2,095	
Forced Air Convection Oven	\$ 5,000	
Incubator	\$ 900	
Refrigeration: Refrigerators in Lab / Pharmacy	\$ 17,500	Johnson Mechanical
Homogenizer	\$ 4,000	
Exact Ointment Mill [4 Units @ \$5400]	\$ 21,600	
EMP [2 @ \$6550]	\$ 13,100	
Tube Sealer [4 @ \$2300]	\$ 9,200	
Molds	\$ 16,020	
Lolli Pop Mold [8 Units @ \$550	\$ 4,400	
Loaders for Lollipops [8 Units @ \$200	\$ 1,600	
Molds for Rapid Dissolve Tablets	\$ 1,100	
Heat Sealing Gun [3 Units @ \$300	\$ 900	
Digital Temp & Humidity Loggers [15 @ \$140]	\$ 2,100	
Chemo Waste Containers [3 Units @ \$50	\$ 150	
Laboratory Tables [Stainless Steel]	\$ 750	
Analytical and/or Digital Scales [10 @ 5000]	\$ 50,000	
Scale Printer [6 @ \$427]	\$ 2,562	
Bubble Point Tester [2 @ \$500]	\$ 1,000	
Blender	\$ 445	
Commercial Lab Dishwashers [2 @ \$15,000]	\$ 30,000	Not Yet Installed
Reverse Osmosis Water Systems	\$ 40,000	“ “ “
Breakroom Refrigerator	\$ 3,000	Sherman's
Mixing Blades	\$ 500	
RR Mold [2 @ \$444]	\$ 888	
Tablet Triturate Mold	\$ 420	
Electronic Mortar & Pestle / Unguator [4 @ \$3400]	\$ 13,600	
Microwave Oven	\$ 289	
Laser Scanners, [14 Units @ \$500]	\$ 7,000	Integrated PK Software
Digital pH Meter Solution / Replacement Packs \$	\$ 500	
Miscellaneous:	\$ 7500	
Tablets. Capsules. Jars. Suppository Shells. Syringes. Filters. Containers. Weigh boats. Bags. EMP Blades. Spin Bars.		
Tech: Computers / Scanners / Network Tower	\$ 73,245	Sora Technologies
AV Equipment	\$ 20,052	AV Performance
Sterile Lab Built-in Furniture / Equipment	\$111,624	Travis Clean Air
<hr style="border-top: 1px dashed black;"/>		
Formulas / Data Base [16,000 x \$35]	\$560,000	Intellectual Property

**EXHIBIT D TO
ASSET PURCHASE AGREEMENT**

EXHIBIT B

September 29, 2017—Lease Proposal

RE: Preckshot Pharmacy Space

Dear New Junction Ventures, LLC:

Please let this letter serve to express our interest in leasing the demised premises, as described below under the following terms and conditions:

Landlord: New Junction Ventures, LLC
5901 N. Prospect Road, Suite 7B
Peoria, IL 61614

Tenant: Dolan Central Illinois Compounding Pharmacy, Ltd.

Guarantor: Corey Dolan

Location: Junction City Shopping Center
5901 N. Prospect Road, Suite E
Peoria, IL 61614

Demised Premises: Approximately 4,572 Square Feet
located in the Junction City Shopping Center as shown on Exhibit "A"
In "As-is" condition with no Landlord improvements

Lease Term: An initial term of Five (5) Years
commencing on the "Commencement Date" as hereinafter defined.

Extended Term: Tenant shall have one option to renew the Term for a period of Five (5)
Years

Possession Date: Upon lease execution

Commencement Date: Upon Lease Execution

Fixed Rent: Tenant's Fixed Yearly Rent for the initial term of the lease will be:
Year 1-4: \$20.00 P.S.F. (base rent) + NNN
Years 4-9: \$20.00 P.S.F. (base rent) 2% annual increases on base rent
+ NNN
Extended Term: to be determined by parties

NNN: Approximately \$6.00 P.S.F. including property taxes

Utilities: Tenant will pay for its own utilities

Signage: Subject to Landlord's approval

Landlord's Maintenance

Responsibilities: Landlord shall be responsible for the roof and structural replacements and replacement of HVAC.

Tenant's Responsibilities: Tenant shall keep the demised premises in good, clean and habitable condition and at its sole cost and expense be responsible for all maintenance, repair and/or replacement including, but not limited to, plate glass, doors, and door openers.

Permitted Use: Tenant shall use and occupy the Demised Premises for the operation of a retail pharmacy with related product sales and services, and for no other purpose without Landlord's written consent.

Condition of Premises: Landlord shall deliver the Demised Premises: *As-Is*

Exclusives: None

Continuous Occupancy: Tenant shall continuously occupy and use the Demised Premises solely for conducting the business specified as the Permitted Use.

Subject to approval by Landlord, Landlord will prepare the Lease, the terms and conditions of which will be subject to the review and approval of counsel for Landlord and Tenant.

It is expressly understood that no contract shall exist until a formal lease is executed and delivered by both parties.

Thank you for your consideration of our offer.

Dolan Central Illinois Compounding Pharmacy, Ltd.

By: _____ 9-29-17
Corey Dolan, President

Corey Dolan, Individually 9-29-17

ACCEPTED BY LANDLORD:

New Junction Ventures, LLC

By: _____

EXHIBIT "A"—SITE PLAN FOR DEMISED PREMISES