

**UNITED STATES BANKRUPTCY COURT
MICHIGAN EASTERN DISTRICT
SOUTHERN DIVISION**

In re Charles A. Knight Inc.,
Debtor.

Case No. 16-54642-pjs
Chapter 11
Phillip J. Shefferly, Judge

Debtor's First Amended §363 Motion

DEBTOR hereby asks this Court to enter an order for the sale of all Debtor's transferable real and personal property, tangible and intangible, including assumed contracts, to Trenton Gas Property LLC, % Mekani, Orow, Mekani, Shallal & Hindo P.C., 255 South Old Woodward Avenue Suite 310, Birmingham, MI 48009 ("Purchaser"), for a total of \$430,000, according to the Purchase Agreement attached hereto as Exhibit A, free and clear of all other liens, claims, encumbrances and other interests and other related relief, with the liens to attach to proceeds. The sale will be subject to higher and better offers. In support of this Motion, the Debtor states as follows:

1. In order to maximize the value of the Debtor's assets, Debtor has been marketing its assets to third parties for over 12 months.
2. The current offer for \$430,000.00 is the highest offer for the assets of Debtor that has been received by Debtor in that time.
3. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).
4. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

5. The statutory bases for the relief requested herein are sections 105(a), 363 of the Bankruptcy Code, 11 U.S.C. §§ 101-1330 (the “Bankruptcy Code”), and Rules 2002, 6004(g), 6006(d) and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and the Local Rules of the Bankruptcy Court for the Eastern District of Michigan (the “Local Rules”).

6. By this Motion, the Debtor seeks authority to sell the Assets to the Purchaser free and clear of liens, claims, encumbrances and other interests with liens to attach to proceeds. The Debtor further requests that the Court waive the 14 day automatic stay of the sale, imposed under Bankruptcy Rule 6004(g). A copy of a recent appraisal is attached.

Basis for Relief

I. Approval of the Proposed Sale Is Appropriate and in the Best Interests of the Debtor’s Estate and Its Creditors.

7. The Debtor has determined that the sale of the Asset to the Purchaser will enable the Debtor to obtain the highest and best offer for the Asset and is in the best interests of the Debtor, its estate and creditors.

A. The Sale of the Asset Pursuant to the Sale is Authorized by Section 363 as a Sound Exercise of the Debtor’s Business Judgment.

8. Section 363(b) of the Bankruptcy Code provides, in relevant part, that “the trustee, after notice and a hearing, may [sell] ... other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b). A court has the statutory authority to authorize a debtor to sell property of the estate pursuant to section 363(b)(1) of the Bankruptcy Code when such sale is an exercise of the debtor’s sound business judgment and when the sale of the property is proposed in good faith. Stephen Indus., Inc. v. McClung, 789

F.2d 386, 390 (6th Cir. 1986) (adopting the “sound business purpose” standard for sales proposed pursuant to section 363(b)(1)); In re Delaware & Hudson Ry. Co., 124 B.R. 169, 176 (D. Del. 1991); In re Lionel Corp., 722 F.2d 1063, 1070 (2d Cir. 1983); see also Fulton State Bank v. Schipper, 933 F.2d 513, 515 (7th Cir. 1991) (a debtor’s decision must be supported by “some articulated business justification”); In re Montgomery Ward Holding Corp., 242 B.R. 147, 153 (D. Del. 1999); In re Ernst Home Center, Inc., 209 B.R. 974, 979 (Bankr. W.D. Wash. 1997).

9. Under section 363(b), a debtor has the burden to establish that it has a valid business purpose for using estate property outside the ordinary course of business. See Lionel, 722 F.2d at 1070-71. Once the debtor has articulated such a valid business purpose, however, a presumption arises that the debtor’s decision was made on an informed basis, in good faith and in the honest belief that the action was in the debtor’s best interest. See In re Integrated Resources, Inc., 147 B.R. 650, 656 (S.D.N.Y. 1992). A party in interest seeking to challenge the debtor’s valid business purpose must “produce some evidence supporting its objections.” Montgomery Ward, 242 B.R. at 155.

10. The Debtor has proposed the sale of the Asset after thorough consideration of all viable alternatives and has concluded that such sale is supported by a number of sound business reasons, including that it is not feasible for Debtor to continue to operate and that a sale of the Debtor’s assets will maximize value.

11. The Debtor also believes that the value of the consideration to be received for the Asset is fair and reasonable. The Debtor submits that the Sale constitutes the highest and best offer for the Asset and will provide a greater recovery for the Debtor’s estate than would be provided by any other available alternative.

12. Accordingly, the Debtor's determination to enter into the transaction is a valid and sound exercise of its business judgment.

B. The Sale Satisfies the Requirements of Section 363(f) of the Bankruptcy Code for a Sale Free and Clear of Liens, Claims, Encumbrances and Other Interests other than as to liens to taxing authorities.

13. This Court has authority to authorize the sale of the Asset free and clear of liens, claims, encumbrances and other interests with liens to transfer to proceeds. See 11 U.S.C. § 363(f). Under section 363(f) of the Bankruptcy Code, a debtor-in-possession may sell property free and clear of any lien, claim or interest of an entity in such property if, among other things:

- applicable nonbankruptcy law permits sale of such property free and clear of such interest;
- such entity consents;
- such interest is a lien and the price at which the property is sold is greater than all liens on such property;
- such interest is in bona fide dispute; or
- such entity could be compelled, in a legal or equitable proceeding, to accept money satisfaction of such interest.

11 U.S.C. § 363(f). Because section 363(f) of the Bankruptcy Code is drafted in the disjunctive, satisfaction of any one of its five requirements will be sufficient to permit the sale of the Asset free and clear of liens, claims, encumbrances and other interests.

14. The Debtor believes that one or more of the tests of section 363(f) are satisfied with respect to the transfer of the Assets. In particular, the Debtor believes that at least section 363(f)(2) will be met in connection with the Sale because each of the parties holding liens, claims, encumbrances and other interests on the asset, if any, will consent, or absent any objection to this Motion, will be deemed to have consented to, the sale.

15. Any lienholder also will be adequately protected by having its liens, claims, encumbrances and other interests, if any, attach to the sale proceeds received by the Debtor for the sale of the Asset to the Purchaser in the same order or priority and with the same validity, force and effect that such creditor had prior to such sale, subject to any claims and defenses that Debtor and its estate may possess with respect thereto.

16. Section 363(f) of the Bankruptcy Code is satisfied in such instance because all holders of liens, claims, encumbrances and other interests could be compelled to accept a money satisfaction of its liens in legal or equitable proceedings in accordance with section 363(f)(5) of the Bankruptcy Code. Such legal or equitable proceedings include proceedings to confirm a plan of reorganization, under which the holder of a lien may be compelled to accept payment in satisfaction of its lien pursuant to section 1129(b)(2)(a) of the Bankruptcy Code. Accordingly, section 363(f) authorizes the sale of the Asset free and clear of any liens, claims, encumbrances and other interests.

C. The Purchaser Is a Good Faith Purchaser and Is Entitled to the Full Protection of Section 363(m) of the Bankruptcy Code, and the Transfer and Sale of the Asset Does Not Violate Section 363(n).

17. Under section 363(m), the reversal or modification on appeal of an authorization of the sale of property pursuant to section 363 does not affect the validity of such sale to an entity that purchased the property in good faith. See 11 U.S.C. §363(m). As the transaction has been negotiated at arm's-length and in good faith, the Purchaser is entitled to the full protections of section 363(m). A party would have to show fraud or collusion between the buyer and the debtor in possession or trustee or other bidders in order to demonstrate a lack of good faith. See Kabro Assocs. of West Islip, LLC v. Colony Hill Assocs. (In re Colony Hill Assocs.), 111 F.3d 269, 276 (2d Cir. 1997) (“[t]ypically, the misconduct that would

destroy a [buyer]'s good faith status at a judicial sale involves fraud, collusion between the [buyer] and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders"); see also In re Angelika Films, 57th, Inc., 1997 WL 283412, at *7 (S.D.N.Y. 1997); In re Bakalis, 220 B.R. 525, 537 (Bankr. E.D.N.Y. 1998).

18. The Debtor and the Purchaser have engaged in arm's length negotiations over the terms of the sale, and there has been no fraud or collusion in those negotiations. By way of full disclosure, Purchaser is one of Debtor's creditors, is owed over \$450,000, and has a first-place secured position against Debtor's real and personal assets. Purchaser's proof of claim is attached as Exhibit B. Purchaser's sole member, Iven Sharrak, is also the principal of Trenton Gas, Inc., a company that Debtor hired pre-petition to manage Debtor's operations, including supplying gasoline products. Trenton Gas Inc. is owed about \$50,000, and has a third-place secured position against Debtor's personal assets. Debtor's agreements with Trenton Gas Inc. are attached as Exhibit C, and Trenton Gas Inc.'s proof of claim is attached as Exhibit D.

19. Debtor believes that Purchaser's offer is fair and reasonable given the physical condition of its property and the financial state of its business operations. To avoid the possibility that Purchaser's price is unduly low, Debtor has asked the Court for permission to hire a neutral third party, the Kohut Law Group, to act as marketer and auctioneer for purposes of the sale.

20. Further, the transaction contemplated by the Sale does not constitute an avoidable transaction pursuant to section 363(n). Under section 363(n), a debtor-in-possession may avoid a sale "if the sale price was controlled by agreement among potential bidders at such sale." No party to the negotiations of the Sale, including the Debtor, believes

that there is any indication of collusion among potential bidders in the instant circumstances. To remove even the possibility of such collusion, Debtor has asked the Court for permission to hire a neutral third party, the Kohut Law Group, to act as marketer and auctioneer for purposes of the sale. Accordingly, the Purchaser should receive the protections afforded good faith purchasers under section 363(m).

II. Cause Exists to Modify the Stay Imposed By Bankruptcy Rules 6004(g).

21. Bankruptcy Rule 6004(g) provides that “an order authorizing the sale . . . of property . . . is stayed until expiration of 14 days after entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6004(g). The Debtor requests that the Auction be permitted to conclude immediately following entry of any order of this Court approving the sale. In particular, the transaction is the highest and best offer received. Additionally, assuring that the sale closes promptly will maximize value to be distributed. Therefore, the Debtor believes that “cause” exists for modification of the time periods set forth in Bankruptcy Rules 6004(g) and 6006(d).

22. Purchaser wishes to close as soon as possible.

Format of Auction

23. Debtor intends to retain Kohut Law Group PLLC (“KLG”) to assist in the marketing of the property. See Debtor’s Application to Employ, Docket #33 (3-14-17). A copy of KLG’s consulting agreement is attached to this motion as Exhibit E. Debtor wishes to hire KLG as a neutral third party to market and auction its property to do away with any potential conflicts of interest stemming from Debtor’s relationship with Purchaser and its affiliate Trenton Gas

Inc., and to ensure that the auction will yield the highest proceeds from the sale of Debtor's assets.

24. KLG will market the property to likely bidders in a way calculated to reach the most likely bidders for Debtor's property, namely a gas station and convenience store. KLG will compile an informational package on Debtor's assets to be sold, including statements of past financial performance, a list of current contracts, and a list of current creditors. KLG will make this package available to all interested potential bidders. KLG will also hold at least one open house at the Debtor's business location in advance of the auction.

25. All potential bidders, apart from the existing stalking-horse buyer, will be required to give notice of their interest to KLG no later than fifteen (15) days before the auction date, and will be required at the same time to submit a Fifty Thousand Dollar (\$50,000.00) refundable deposit to KLG.

26. The sale will be a stalking horse auction, which means that it will be subject to higher and better offers. The sale will be to Purchaser unless there is a higher and better offer. The terms of the auction would be that overbids would be in increments of \$5,000.00. There will be a break-up fee of \$5,000.00. A stalking horse auction shall be held at the Debtor's Consultant's office on the date set forth in the Order. At that time, any parties may bid greater than \$430,000 for the Assets, subject to \$5,000 overbids and the breakup fee of \$5,000.00. Any such parties must bring proof of funds for the bids that they make, and must consummate the sale within 48 hours of the Closing. Debtor shall keep track of the bids, and if the winning bidder does not consummate the transaction, Debtor shall contact the next highest bidder and give it the opportunity to consummate the transaction within 48 hours of

notice. Purchaser shall be entitled to a credit bid in the amount of money owed to it as it has a perfected security interest.

Notice

26. Notice of this Motion has been given to the Debtor's matrix.

No Prior Request

27. No prior requests for the relief requested have been made.

WHEREFORE, the Debtor respectfully request the entry of an order, substantially in the form attached hereto (a) authorizing and directing the Debtor to consummate the sale of its Assets, free and clear of all liens, claims, encumbrances and other interests, (b) waiving the stay of the sale, under Bankruptcy Rule 6004, (c) granting such other and further relief as is just and proper.

Respectfully submitted,

/s/ Peter S. Halabu
HALABU LAW GROUP, P.C.
Peter S. Halabu (P74086)
Attorneys for Debtor
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Birmingham, MI 48009
(248) 559-5999
peter@halabu.net

DATED: 5/3/2017

EXHIBIT A
Proposed Order

**UNITED STATES BANKRUPTCY COURT
MICHIGAN EASTERN DISTRICT
SOUTHERN DIVISION**

In re Charles A. Knight Inc.,
Debtor.

Case No. 16-54642-pjs
Chapter 11
Phillip J. Shefferly, Judge

Upon the motion (the "Motion") of the above-captioned Debtor ("Seller") and Trenton Gas Property LLC, % John N. Hindo, Esq., Mekani, Orow, Mekani, Shallal & Hindo, P.C., 255 South Old Woodward, Suite 310, Birmingham, Michigan 48009, or any entity that bids a greater amount at the stalking horse auction ("Purchaser"), to purchase the assets listed in the Purchase Agreement between Debtor and Purchaser (the "Assets") for a total of \$430,000 unless increased at the stalking horse auction, to the Purchaser free and clear of liens , claims, encumbrances and other interests, with liens, claims, encumbrances and other interests to transfer to proceeds in the order of their priority (the "Sale"), and waiving the stay imposed by Bankruptcy Rule 6004(g); and granting certain other related relief; it appearing that the relief requested is in the best interest of the Debtor's estate, its creditors and other parties in interest; it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157; it appearing that venue of this proceeding and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; it appearing that notice of the Motion and the opportunity for a hearing on the Motion was appropriate under the particular circumstances and that no other or further notice need be given; and

after due deliberation and sufficient cause appearing therefor, IT IS HEREBY FOUND AND CONCLUDED THAT:

A. Good and sufficient reasons for approval of the Sale to the Purchaser have been articulated, and the relief requested in the Motion is in the best interests of the Debtor, its estate, its creditors and all other parties in interest. The Debtor has demonstrated both: (a) good, sufficient and sound business purposes and justification; and (b) compelling circumstances for the Sale other than in the ordinary course of business, pursuant to section 363(b) of the Bankruptcy Code. The transaction was negotiated and entered into in good faith and from arm's length bargaining positions. The Debtor's efforts to market the Asset for sale were good and sufficient under the circumstances. The Purchaser is a good faith purchaser under Section 363(m) of the Bankruptcy Code and, as such, is entitled to all the protections afforded thereby.

The consideration provided by the Purchaser: (a) is fair and reasonable; (b) is the highest and best offer for the Assets; (c) will provide a greater recovery for the Debtor estates than would be provided by any other practical, available alternative; and (d) constitutes reasonably equivalent value and fair consideration for the Asset.

B. The form and manner of notice of the Sale of the Assets were appropriate in all respects.

C. "Cause" exists to waive and modify the stay of the Sale authorized by this Order imposed by Bankruptcy Rule 6004(g),

THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is granted in its entirety.
2. The Sale, and the transactions contemplated thereby are approved.
3. The Debtor is authorized and directed to sell the Assets to the Purchaser free and clear of all liens, claims, encumbrances and other interests pursuant to section 363(f) of the Bankruptcy Code, with all such liens, claims, encumbrances and other interests attaching only to the sale proceeds in the same validity, extent and priority as immediately prior to the transaction, subject to any rights, claims and defenses of the Debtor and other parties in interest.
4. The transfer of the Assets to the Purchaser shall be, and hereby is deemed to be, a legal, valid and effective transfer of the assets, and vests with or will vest in the Purchaser all right, title and interest of the Debtor in the Assets, free and clear of liens, mortgages, security interests, conditional sales or other title retention agreements, pledges, claims, judgments, demands and encumbrances, including, without limitation, claims and encumbrances that purport to give to any party a right or option to effect any forfeiture, modification or termination of the Debtor's or the Purchaser's interests in the Assets (collectively, the "Liens") with all such Liens attaching only to the sale

proceeds in the same validity, extent and priority as immediately prior to the transaction, subject to any rights, claims and defenses of the Debtor and other parties in interest.

5. Any objections to the entry of this Order or the relief granted herein and requested in the Motion that have not been withdrawn, waived or settled, and all reservations of rights included therein, are hereby denied and overruled on the merits with prejudice.
6. The Debtor is authorized and directed to (a) execute, deliver, perform under, consummate and implement the Sale, collectively with all additional instruments and documents that may be reasonably necessary or desirable to implement the Sale, and (b) take all further actions as may be requested by the Purchaser for the purpose of transferring the Asset to the Purchaser or as may be necessary or appropriate to the performance of the obligations contemplated by the Sale.
7. This Order shall be construed and shall constitute for any and all purposes a full and complete general assignment, conveyance and transfer of the Asset or a bill of sale transferring good and marketable title in the Asset to the Purchaser. Each and every federal, state and local governmental agency or department is hereby directed to accept any and all documents

and instruments necessary and appropriate to consummate the transactions contemplated by the Sale.

8. This Order: (a) is and shall be effective as a determination that all interests and claims of any kind or nature whatsoever existing as to the Assets as of the closing have been unconditionally released, discharged and terminated, and that the conveyances described herein have been effected; and (b) shall be binding upon and shall govern the acts of all entities, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state and local officials, and all other persons and entities who may be required by operation of law, the duties of its office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to the Asset.
9. Upon the entry of this Order, the Purchaser shall be entitled to protection under section 363(m) of the Bankruptcy Code. The transactions contemplated are undertaken by the Purchaser in good faith, as that term is used in section 363(m) of the Bankruptcy Code, and, accordingly, the reversal or modification on appeal of the authorization provided herein to consummate

the Sale shall not affect the validity of the Sale to the Purchaser, unless such authorization is duly stayed pending such appeal.

10. This Court retains jurisdiction to enforce and implement the terms and provisions of this Order, and of any agreements executed in connection therewith in all respects, including, but not limited to, retaining jurisdiction to: (a) resolve any disputes arising under or related to the Sale, except as otherwise provided therein; and (b) interpret, implement and enforce the provisions of this Order.
11. Debtor's creditors are authorized and directed on or before the closing to execute such documents and take all other actions as may be necessary to release their interests in or claims against the Assets, if any, as such interests or claims may have been recorded or otherwise exist.
12. All of the provisions of this Order are nonseverable and mutually dependent.
13. Notwithstanding the provisions of Fed. R. Bankr. P. 6004(g) and Rule 62(a) of the Federal Rules of Civil Procedure, this Order shall not be stayed for 14 days after the entry hereof, but shall be effective and enforceable immediately upon entry hereof.
14. This Order shall be binding upon and inure to the benefit of any successors or assigns of the Debtor and the Purchaser, including any trustee appointed in any of the Debtor's bankruptcy cases

for any of the Debtor's bankruptcy estates, whether appointed under chapter 11 or in a subsequent case under chapter 7 of the Bankruptcy Code, or any examiner hereafter appointed for any of the Debtor's bankruptcy estates.

15. Debtor's 363-sale consultant, Kohut Law Group PLLC ("KLG"), will market the property to likely bidders in a way calculated to reach the most likely bidders for Debtor's property, namely a gas station and convenience store. KLG will compile an informational package on Debtor's assets to be sold, including statements of past financial performance, a list of current contracts, and a list of current creditors. KLG will make this package available to all interested potential bidders. KLG will also hold at least one open house at the Debtor's business location in advance of the auction.
16. All potential bidders, apart from the existing stalking-horse buyer, will be required to give notice of their interest to Debtor or its agent KLG no later than fifteen (15) days before the auction date, and will be required at the same time to submit a Fifty Thousand Dollar (\$50,000.00) refundable deposit to KLG.
17. A stalking horse auction shall be held at the offices of Debtor's 363-sale consultant, Kohut Law Group PLLC, on _____ at _____. At that time, any parties may bid greater than \$430,000 for the Assets (plus the breakup fee of \$5,000 which is approved),

subject to \$1,000 overbids. Any such parties must bring proof of funds for the bids that they make, and must consummate the sale within 48 hours of the Closing. Debtor shall keep track of the bids, and if the winning bidder does not consummate the transaction, Debtor shall contact the next highest bidder and give it the opportunity to consummate the transaction within 48 hours of notice.

18. At the closing, a sufficient sum shall be escrowed for taxes assessed by governmental entities against the Assets to the date of closing (including real property taxes, personal property taxes, and sales and withholding taxes), Seller's portion of any closing costs, and administrative expenses in this case (including United States Trustee fees and professional fees), and the balance of the proceeds shall be held in the client trust account of Purchaser's counsel pending further Court Order. The necessary escrow amount shall be included in the purchase price, but must be paid in cash and may not be credit-bid.
19. Debtor's counsel which shall file a motion to distribute the sale proceeds within 30 days of Closing.
20. Any secured claimants' rights to credit bid shall be preserved, except as provided in Section 18 above.

**UNITED STATES BANKRUPTCY COURT
MICHIGAN EASTERN DISTRICT
SOUTHERN DIVISION**

In re Charles A. Knight Inc.,
Debtor.

Case No. 16-54642-pjs
Chapter 11
Phillip J. Shefferly, Judge

**NOTICE OF OPPORTUNITY TO RESPOND TO DEBTOR'S MOTION TO SELL ASSETS
PURSUANT TO 11 U.S.C. §363 FREE AND CLEAR OF LIENS, CLAIMS AND INTERESTS,
AND FOR RELATED RELIEF**

PLEASE TAKE NOTICE that the Debtor has filed the above-captioned motion to authorize a sale of its assets free and clear of liens, claims and interests, and for related relief.

YOUR RIGHTS MAY BE AFFECTED. You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. (If you do not have an attorney, you may wish to consult one.)

The Motion is available for review at the office of the Clerk of the U.S. Bankruptcy Court for the Eastern District of Michigan, located at 211 W. Fort Street, 17th Floor, Detroit, Michigan, or may be obtained by sending a **written** request to Peter Halabu, Esq., at the address below. If you do not want the Court to grant the relief sought in the motion, or if you want the Court to consider your views on the motion, within 21 days unless shortened by the Court, you or your attorney must communicate with the Court regarding your response or an answer explaining your position, at: United States Bankruptcy Court, 211 W. Fort Street, 17th Floor, Detroit, Michigan. You must also communicate your response to Peter Halabu, Esq. at the address stated below.

If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the motion and may enter an order granting the relief requested in the motion.

Respectfully submitted,

/s/ Peter S. Halabu
HALABU LAW GROUP, P.C.
Peter S. Halabu (P74086)
Attorneys for Debtor
255 S. Old Woodward, Ste. 310
Birmingham, MI 48009
(248) 559-5999
peter@halabu.net
DATED: 5/3/2017

**UNITED STATES BANKRUPTCY COURT
MICHIGAN EASTERN DISTRICT
SOUTHERN DIVISION**

In re Charles A. Knight Inc.,
Debtor.

Case No. 16-54642-pjs
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Phillip J. Shefferly, Judge

PROOF OF SERVICE

The undersigned served, or caused to be served, copies of DEBTOR'S MOTION TO SELL ITS ASSETS PURSUANT TO STALKING HORSE AUCTION, PURSUANT TO 11 U.S.C. §363, FREE AND CLEAR OF LIENS, CLAIMS AND INTERESTS AND FOR RELATED RELIEF WITH LIENS TO ATTACH TO PROCEEDS, Notice of Time to Respond and Proof of Service upon the following by U.S. Mail or via the ECF system which is designed to serve notice upon the following, where applicable:

Office of the United States Trustee
211 W. Fort Street, 7th Floor
Detroit, MI 48226

Matrix

Respectfully submitted,

/s/ Peter S. Halabu
HALABU LAW GROUP, P.C.
Peter S. Halabu (P74086)
Attorneys for Debtor
255 S. Old Woodward, Ste. 310
Birmingham, MI 48009
(248) 559-5999
peter@halabu.net
DATED: 5/3/2017

**AGREEMENT FOR SALE OF
REAL ESTATE AND BUSINESS ASSETS**

This Agreement is made, effective as of the date of Sellers' execution hereof, by and between:

SELLER: **Charles A. Knight, Inc.**
3610 West Road
Trenton, MI 48183

PURCHASER: **Trenton Gas Property, LLC**
c/o John N. Hindo, Esq.
Mekani, Orow, Mekani, Shallal & Hindo, P.C.,
255 South Old Woodward, Suite 310,
Birmingham, Michigan 48009

(sometimes collectively referred to as the "parties").

RECITALS

This Agreement is made with reference to the following representations, facts, and circumstances, all of which are true and are incorporated as a part of the agreement of the parties:

- A. Real Estate Seller is the owner of certain real property legally described on attached **Exhibit A** (the "Real Estate" or the "Property"). Real Estate Seller desires to sell the real estate, together with all improvements, fixtures and appurtenances, and Real Estate Purchaser desires to purchase the real estate but none of the liabilities of Seller.
- B. Business Asset Seller owns and desires to sell certain retail gas station equipment as set forth on **Exhibit B** (the "Gas Station Equipment") all the convenience store business assets operated on the Property including Michigan Lottery Licenses (the "Convenience Store Business"), including the goodwill, trade name, telephone and fax numbers together with the other assets described on **Exhibit C** (collectively, the "Store Personal Property"), and Purchaser desires to purchase the Convenience Store Business, including the Store Personal Property but none of the liabilities of Seller.
- C. Business Asset Seller, also owns and desires to sell all of the inventory of petroleum products held for resale at the time of the closing, the inventory of merchandise held for resale at the time of the closing, and the inventory of supplies held for use in the operation of the Convenience Store Business or the Gasoline Station Business (or both) at the time of the closing (collectively, the "Inventory"), and Purchaser desires to purchase the Inventory.

- D. In connection with the sale, Seller agrees to transfer, to the extent transferable, all licenses, contracts, and permits issued to it and used in connection with the Convenience Store Business and Purchaser desires and agrees to acquire, by transfer, the same.

AGREEMENT OF THE PARTIES

In consideration of the mutual covenants contained in this Agreement, plus other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

- 1 *Agreement to Purchase and Sell.* Seller agrees to sell, transfer and assign to Purchaser, and Purchaser agrees to purchase and accept the transfer and assignment of the Real Estate, the Gas Station Equipment, the Convenience Store Business, including the Store Personal Property, the Gasoline Station Business, the Gasoline Inventory and the Merchandise Inventory (collectively, the “Businesses” and the “Business Assets”), as further described in this Agreement.
 - 1.1 *Sale of Real Estate.* Real Estate Seller agrees to sell and Purchaser agrees to purchase the Real Estate (including all available lot splits).
 - 1.2 *Sale of Convenience Store Business.* Seller agrees to sell and Purchaser agrees to purchase the Convenience Store Business, Store Personal Property, and Licenses and Contracts.
 - 1.3 *Sale of Gasoline Station Business.* Seller agrees to sell and Purchaser agrees to purchase the Gasoline Station Business including the Gas Station Equipment.
 - 1.4 *Inventory.* Seller agrees to sell and Purchaser agrees to purchase the Inventory used by Seller in the Convenience Store Business and the Gasoline Station Business. Merchandise inventory shall be new and unexpired.
 - 1.5 *Specific Assets Included.* Purchaser acknowledges that the assets being purchased by Purchaser under this Agreement include the business assets and inventory as described herein limited to the assets and inventory located at **3610 West Road, Trenton, MI 48183** only.
 - 1.6 *Exclusions.* Except as otherwise expressly provided, this Agreement contemplates the purchase and sale of the all assets related to either or both of the Businesses, but excluding all: (a) liens and encumbrances; (b) liabilities; (c) taxes; and (d) assets identified on **Exhibit D** (collectively, the “Excluded Assets”).
 - 1.7 *Tax Considerations.* At any party’s election, such party may engage in a deferred exchange of like-kind property utilizing a qualified intermediary pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended, for all or a portion of the transaction. Notwithstanding any provision herein to the contrary, in the event either party elects to engage in a deferred like-kind exchange, the other party agrees to consent to the assignment

of such party's rights under this Agreement to a qualified intermediary in order to facilitate the deferred like-kind exchange. The parties agree to execute any and all documents necessary to consummate the purposes of this section. Any actions taken by Purchaser and Seller in conformance with this section shall be at the cost of the party electing such exchange, and such documents shall not relieve the executing party of any of its obligations or liabilities under this Agreement.

To the extent that any tax-free exchange treatment requires that any portion of the transaction contemplated by this Agreement to be concluded through a qualified intermediary, the party or parties seeking to have any portion of the contemplated transaction treated as part of a tax-free exchange shall be entitled to choose its own qualified intermediary and each shall hold harmless the qualified intermediary it has chosen from any and all costs, liabilities or claims arising in connection with such exchange, except with respect to costs, liabilities or claims caused by acts or omissions of such qualified intermediary that constitute wrongful misconduct or fraud. Any additional costs or expenses associated with such a tax-free exchange, including the fees and other costs charged by the qualified intermediary, shall be solely borne by the party or parties electing tax-free exchange treatment. There shall be no loss of rights or remedies of any party to this Agreement because of the election of another party or parties to this Agreement to seek tax-free exchange treatment and such exchange treatment shall not result in any delay of the closing. With respect to any election made by Seller under Section 1031, Purchaser agrees to pay the purchase price or any portion thereof otherwise due to Seller to the qualified intermediary designated by Seller.

- 2 *Purchase Price- Personal Property and Real Estate.* The purchase price for the Business Assets and Real Estate shall be Four Hundred Thirty Thousand and 00/100 Dollars (\$430,000.00), allocated as follows:

Real Estate:	\$320,000.00
Convenience Store Inventory:	\$050,000.00
Gasoline Station Inventory:	\$005,000.00
Furniture, Fixtures and Equipment	\$030,000.00
Goodwill	\$025,000.00

The parties agree to be bound by the allocation of the purchase price in this paragraph for all federal, state and local income tax purposes. The parties further agree to submit Internal Revenue Service Form 8594 (or other forms required by law) in accordance with the allocation of the purchase price in this paragraph.

- 3 *Purchase Price - Inventory.* The purchase price for the Inventory shall be at the then current wholesale cost using Seller's most recent invoices. The parties shall determine the Inventory by joint physical inspection between the close of business on the day before the closing and the opening of business on the day of the closing. If an inventory service is utilized, the cost of which shall be shared equally between Seller and Purchaser. Seller shall not price any

inventory higher than the current local market price. Purchaser shall not be required to purchase any deteriorated, damaged, overpriced or outdated inventory.

4 *Terms of Payment.*

4.1 *Deposit.* Not applicable.

4.2 *Payment of Purchase Price- Real Estate and Convenience Store Business and Inventory.* The Purchaser Price shall be paid in cash or cash equivalent at the time of closing.

5 *Adjustments.* At the closing, the following shall be adjusted or apportioned:

5.1 *Personal Property Taxes.* Purchasers shall pay taxes and assessments, extraordinary as well as ordinary that may be levied on any personal property being purchased and sold and that first become due after the date of the closing. Seller shall pay such taxes that may be due before and including the date of the closing whether or not such taxes or assessments are due installments and further provided that all taxes which become a lien on the assets and inventory to be purchased shall be paid by Seller prior to or at the time of closing

5.2 *Real Estate Taxes.* All taxes and assessments of every kind and description, extraordinary as well as ordinary, and now of record, that have been levied on the Property shall be paid by Seller; provided, however, any future installments for ordinary, special, or extraordinary taxes that are now a lien on the Property but are not due and payable shall be paid by Purchaser as such installments become due and payable;.

5.3 *Tax Proration.* Current real and personal property taxes shall be adjusted and prorated in the customary method of the local taxing authority. Further, rents and public utilities, if any, shall be prorated and adjusted by the due date and the date of closing.

5.4 *Recording Fees.* Purchaser shall pay the costs of recording the Deed when it is delivered by Seller to Purchaser.

5.5 *Transfer Tax and Revenue Stamps.* Seller shall pay the cost of the transfer tax and issuance of revenue stamps when the Deed is delivered by Seller to Purchaser.

5.6 *Closing Expenses.* Seller shall pay one-half (1/2) and Purchaser shall pay one-half (1/2) of all closing expenses charged by the title company to hold the closing hereof. Further, each party shall be responsible for their own attorney fees, if any.

6 *Title.*

6.1 *Personal Property.* The title to all Business Assets (other than the Real Estate) is, or at closing shall be, free, clear and unencumbered and will be delivered by way of a "Bill of Sale" that shall contain the usual warranties and affidavits of ownership.

- a. *Real Estate.* The title to the Real Estate is, or will be at closing, free, clear and unencumbered.
- b. *Evidence of Title.* As evidence of marketable title, Seller shall, at its expense, furnish Purchaser with a commitment for title insurance policy without standard exceptions in an amount not less than the purchase price, bearing a date later than the date of this Agreement. At closing, Seller will purchase the policy of title insurance at its expense.
- c. *Objections to Marketability of Title.* On receipt of the title insurance commitment provided by Seller as evidence of marketable title, Purchaser shall have Thirty (30) business days to object to title. If objection to title is made based on a written opinion of Purchaser's attorney that the title is not in the condition required for performance under this Agreement, Seller shall have thirty (30) days from the date Seller is notified in writing of the particular defects claimed to: (i) remedy the title; (ii) obtain title insurance, as set forth in this Agreement; or (iii) refund the deposit in full termination of this Agreement if Seller is unable to remedy title or obtain title insurance. If Seller shall remedy title or obtain a title insurance policy within the time specified, Purchaser agrees to complete the sale within ten (10) days after receiving written notification of such action and after satisfaction of all the conditions contained herein, or on the date set for the closing, whichever occurs later. If Seller fails to remedy the title, to obtain such title insurance, or give Purchaser written notification within such thirty (30) days, the deposit shall be refunded immediately in full termination of the rights of the parties under this Agreement Provided that Seller shall discharge any and all monetary obligations at the time of Closing.

7 *Representations, Covenants and Warranties of Seller.* Seller, jointly and severally, makes the following representations, warranties and covenants to Purchaser:

7.1 *Title to Business Assets.* Seller has, or at closing will have, good and marketable title to all Business Assets and, at closing, none of the Business Assets will be subject to any mortgage, pledge, lien, encumbrance, security interest, or charge, except for property taxes and special assessments that are not yet due and payable. Further, except as set forth in this Agreement, there will be no imperfections of title that would affect marketability of title of any of the Business Assets. Purchaser shall take title to the Business Assets free and clear of any liens, per order of the Bankruptcy Court for the Eastern District of Michigan.

7.2 *Condition of Business Assets.* To the best of each of the Seller's knowledge, information and belief, all of the Business Assets (other than Inventory) are, and will be at closing, in good operating condition, fit for their intended purposes, and fit for their current use in the Businesses, and the Inventory is, and will be at closing, in good, useable and saleable condition, free of damages and defects. Any transferable manufacturer's warranties for any equipment conveyed hereunder shall be assigned by Seller to Purchaser.

- 7.3 *Litigation.* To the best of Seller's knowledge, information and belief, there is no litigation or other proceeding, including divorce and/or bankruptcy proceedings, either pending or threatened against, affecting or otherwise relating to either the Businesses or any of the Business Assets, and there are no outstanding citations by any federal, state or local governmental agency having jurisdiction over either of the Businesses or any of the Business Assets, except the following: Chapter 11 bankruptcy case #16-54642-pjs now pending in the Eastern District of Michigan.
- 7.4 *Organization and Good Standing.* Seller has been at all relevant times, and will be until closing, duly organized and existing in good standing as a business corporation under the laws of the State of Michigan.
- 7.5 *Legal Authority.* Sellers have all necessary legal authority to conduct the Convenience Store Business and the Gasoline Station Business as they are currently being conducted, and have had, at all relevant previous times, all necessary legal authority to conduct the Businesses as they have previously been conducted from time to time, and will have until closing all necessary legal authority to conduct the Businesses as they will be conducted until closing, including, but not limited to a sales tax license in good standing with the Michigan Department of Treasury. Each Seller has all necessary legal authority to enter into this Agreement, and will have at closing all necessary legal authority to consummate the transaction pursuant to this Agreement.
- 7.6 *Binding Obligation.* This Agreement, and each of the related agreements, when signed by Sellers, will be binding obligations of Sellers, enforceable in accordance with the provisions of this Agreement and the related Agreements.
- 7.7 *No Conflict.* Entering into this Agreement and each of the related agreements, and performing this Agreement and each of the related agreements, will not violate any agreement to which Seller is a party or by which any Seller may be bound.
- 7.8 *Assets Used in Business.* Except as excluded in Section 1.6 above, the Business Assets include all licenses, permits, equipment, fixtures and other assets necessary to operate the Businesses as now operated by Sellers, and as operated by Sellers during the one-year period ending on the date of this Agreement, and include all equipment, fixtures and other assets currently used by Sellers to operate the Businesses even if not necessary for the operation of the Businesses.
- 7.9 *Taxes.* All federal, state and local tax returns that have become due from Sellers have been properly filed. There are no tax audits currently pending and affecting either of the Businesses or any of the Business Assets. All of the taxes shown due on the returns and, in the case of taxes due without a return, all other taxes relating to either of the Businesses or any of the Business Assets have been paid, except for taxes, penalties and interest (if any) that can and will be paid either before or at the closing.

- 7.10 *Contracts.* **Exhibit E** describes each significant contract and other agreements, regardless of whether written, to which any Seller is a party, or by which any Seller may be bound, and affecting either of the Businesses or any of the Business Assets. Purchaser agrees to accept and assume these contracts.
- 7.11 *Employment Matters.* There is no employment agreement or obligation with any of Seller's employees relating to either of the Businesses or any of the Business Assets, nor will there be until closing, other than an employment relationship which is terminable at will, without cause and without notice.
- 7.12 *Supply Agreement.* Seller has a gasoline supply Consignment Agreement with Trenton Gas, Inc., dated August 31, 2016, and having a term of twenty (20) years.
- 7.13 *Tank Tightness.* To the best of Seller's knowledge, all underground storage tanks are not leaking and meet all applicable laws and regulations. Within fourteen (14) days from the effective date of this Agreement, Seller shall furnish the Purchaser with copies of all tank tightness testing reports in Seller's possession, if any.
- 7.14 *Representations & Warranties--Hazardous Waste.* Seller hereby represents and warrants to Purchaser, as follows:
- (i) That to Seller's knowledge, the establishment is fully equipped and is in full compliance with the provisions of state statutes concerning businesses that sell gasoline, and that the establishment complies with the health ordinances and regulations of the local City, County and State with respect to the ownership and operation of said business.
 - (ii) To Seller's knowledge, Seller is now and has been in full compliance with all Environmental Laws in all material respects. Seller has all approvals, consents, licenses, permits and orders necessary to carry out its business as currently conducted, except for those the absence of which would not have a Material Adverse Effect. There is no pending environmental litigation, enforcement actions, administrative orders or notices of violation brought under any Environmental Law concerning any of Seller's facilities and Seller does not know of any threats of such litigation, enforcement actions, administrative orders or notices of violation.
 - (iii) Seller has not received any requests for information, notice of claim, demand or other notification that it may be potentially responsible for any threatened or actual release of Hazardous Substances or Petroleum Products which may be the subject of federal, state or local enforcement actions or other investigations which may lead to claims against Seller or Purchaser for the cost of environmental tests, studies, investigations, or for remedial work, or for damage to natural resources or for personal injury claims.
 - (iv) Seller has not been accused, or found liable under any Environmental Law and, to the best of the knowledge of Seller, Seller is not now under investigation in respect

thereof and no Real Property, Leased Premises or site or facility (as defined under CERCLA) of Seller is listed or proposed for listing on the National Priorities List or is listed on the Comprehensive Environmental Response, Compensation, Liability Information System List or any comparable list maintained by any foreign, federal, state, regional, county or local authority. There are no proceedings pending, or to the knowledge of Seller threatened, under any Environmental Law against or affecting Seller, the Real Property or the Leased Premises in any court or before any governmental authority or arbitration board or tribunal which, if adversely determined, would or could have a Material Adverse Effect. To the knowledge of Seller, Seller is not in default with respect to any order of any court or governmental authority or arbitration board or tribunal.

- (v) Seller will defend and indemnify Purchaser for any such claims if the claims are for contamination or actions occurring prior to Purchaser's possession.

For purposes of this Agreement, "Hazardous Materials or Substances" include, without limitation, any flammable explosives, radioactive materials, hazardous wastes, hazardous or toxic substances or related materials as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 USC Sec. 9601, et. seq.), the Hazardous Materials Transportation Act, as amended (49 USC Sec. 1801, et. seq.), and in the regulations adopted and publications promulgated pursuant thereto, or any other obligations and liabilities Seller may have to Purchaser in common law and shall survive the execution of the Agreement and the closing of this transaction. The warranties and representations set forth herein survive the closing and Seller acknowledges that Purchaser has relied on all of Seller's representations as inducement to purchase the Property.

- 7.15 That Seller has not received any notice nor does it have any knowledge of any violation by Seller of any laws, zoning ordinances or building rules or regulations affecting the property nor has Seller received any knowledge or information as to any existing or threatened condemnation or other legal action of any kind involving the property.
- 7.17 *Reliance.* The foregoing representations, warranties and covenants are made with the knowledge and expectation that Purchaser is placing complete reliance upon them.
- 8 *Representations and Warranties of Purchaser.* Purchaser makes the following representations, warranties and covenants to Seller:
 - 8.1 *Organization and Good Standing.* Purchaser's entities are or will be at closing duly organized and existing in good standing as businesses under the laws of the State of Michigan.
 - 8.2 *Business Assets.* Notwithstanding anything herein to the contrary, Purchaser acknowledges that it has had an opportunity to inspect and is familiar with the Real Estate and Business Assets and agrees to accept the same "AS IS" in their present condition and assume all risks of the condition of the same.

- 8.3 *Reliance.* The foregoing representations, warranties and covenants are made by Purchasers with the knowledge and expectation that Sellers are placing complete reliance on them.
- 9 *No Assumption of Liabilities.* Purchaser does not assume any liabilities of Seller. Purchaser does not assume any salaries, wages and fringe benefits payable, accounts payable, federal, state or local taxes, or other liabilities of any Seller. Seller shall remain responsible for payment of all outstanding liabilities relating to either of the Businesses or any of the Business Assets and arising out of acts or omissions occurring before the closing.
- 10 *Conduct of Businesses before Closing.* Seller shall continue to operate the Businesses in substantially the same manner as operated on the date of this Agreement, and shall keep the Business Assets in good repair, until the closing. Seller shall not sell, encumber, lease, or otherwise transfer any of the Business Assets, except the Merchandise Inventory and the Gasoline Inventory, in the ordinary course of business, to any other person before the closing. Seller shall not modify its pricing structure.
- 11 *Fire or Other Casualty/Risk of Loss.* In the event that any improvements located upon the Property shall be damaged or destroyed by fire, storm, or other casualty on or before the Closing, Purchaser, at Purchaser's option, shall receive an immediate return of his Earnest Money Deposit or be entitled to receive an absolute assignment from Seller of any interest Seller may have otherwise had in the proceeds of the insurance on the Property and Seller shall pay to Purchaser at the Closing the amount of any deductible.
- 12 *Right to Terminate Agreement.* If the subject matter of this Agreement is materially damaged at any time before the actual time of the closing, and the damages cannot reasonably be repaired on payment of the sums available by insurance settlement or from any sums to be paid by Purchaser to Seller at the closing either party shall have the right to terminate this Agreement. On giving notice of such election, Purchaser shall immediately receive a refund of any deposit in full termination of the rights under this Agreement, notwithstanding any other provision of this Agreement. This section shall not apply if damages are caused by or related to the negligence of Purchaser or Purchaser's agents.
- 13 *Seller's Indemnification of Purchaser.* Seller, jointly and severally, shall indemnify the Purchaser from all liabilities and expenses of every kind (including attorney fees and other legal expenses) and shall defend Purchaser from all claims of every kind relating to either of the Businesses or any of the Business Assets and arising out of acts or omissions occurring before the closing. The indemnification and defense obligation includes liabilities, expenses and claims relating to termination of contracts with lessors, lenders, suppliers, and other creditors.
- 14 *Purchaser's Indemnification of Seller.* Purchaser shall indemnify Seller from all liabilities and expenses of every kind (including attorney fees and other legal expenses) and shall defend Seller from all claims of every kind, relating to the Business or any of the Business

Assets and arising out of acts or omissions occurring after the closing. The indemnification and defense obligation includes liabilities, expenses and claims relating to the environmental condition of the Real Estate, even if they are the result of events that occurred before the closing and except for breach of any representation or warranty of any Seller. Even though Purchaser is obligated to Defend Seller, any Seller may nevertheless independently conduct Seller's own defense, and Purchaser shall nevertheless indemnify Seller for the reasonable expenses of defense.

- 15 *Conditions Precedent.* This Agreement and all of the obligations of the parties under this Agreement are subject to the fulfillment, before or at the time of the closing, or earlier as specified below, of each of the following conditions:
- 15.1 *Representations, Warranties and Covenants True and Fully Performed at the Closing.* The representations, warranties and covenants of the parties contained in this Agreement shall be true and fully performed at the time of the closing and Sellers and Seller's shareholders individually shall execute a warranty and representation certificate at the time of closing.
- 15.2 *Performance.* The obligations, agreements, documents and conditions required to be signed and performed by the parties shall have been performed and complied with the same before or at the date of the closing.
- 15.3 *Approval of Bankruptcy Court.* The sale and purchase is conditioned upon Seller obtaining approval from the Bankruptcy Court for the Eastern District of Michigan to transfer its assets to Purchaser as specified herein.
- 15.4 *Transfer of Lottery License.* The purchase and sale is NOT conditioned upon the approval of the Michigan Lottery Commission for the transfer of all lottery licenses from Seller to Purchaser, if any. The current lottery licenses are not transferable. Purchaser understands that it must apply for its own new lottery license.
- 15.5 *Inspections.* Within Thirty (30) days from the effective date of this Agreement, Purchaser, at Purchaser's expense, shall have the opportunity to obtain inspections of the Real Estate, building, business assets and financial aspects of the business, by inspectors of Purchaser's choice, and shall have the right to monitor the business and review books and records, the results of which must be satisfactory to Purchaser. In the event that Purchaser is not satisfied with the results of any of its inspections for whatever reason or no reason at all, then Purchaser shall have the right to terminate this Agreement and receive a refund of its Earnest Money Deposit and neither of the parties shall have any further obligation to the other. Purchaser shall restore the property to its condition prior to the inspections.
- 15.6 *Environmental Inspection.* The purchase and sale is conditioned upon Purchaser's receipt of a satisfactory environmental inspection which shall be at Purchaser's sole expense. Seller hereby grants Purchaser a license for a thirty (30) day period from the date of this Agreement to enter the Real Estate at reasonable times to conduct soil, groundwater, and/or surface

water testing. Purchaser shall not disclose the results of the inspection to any third party unless this transaction closes. Purchaser, at its sole expense, shall restore the property to its condition prior to the inspection or testing. In addition, the purchase and sale is conditioned upon Purchaser's receipt of copies of any and all existing Environmental analyses and any existing tank tightness tests.

15.7 *MESC Compliance.* Seller shall comply with MCLA 421.15(g) and provide the necessary MESC information to Purchaser.

15.8 Purchaser shall have obtained all necessary permits and licenses necessary to operate the business and assets in substantially the same form

15.9 None of the licenses or permits used in the conduct of the business will have been suspended or revoked, except as has already been disclosed to Purchaser.

16 *Default and Termination.*

16.1 *Default by Purchaser.* If Purchaser defaults and the default is not cured within a reasonable period, Seller's sole and absolute remedy is to declare a forfeiture and retain the Earnest Money Deposit as liquidated damages in full termination of this Agreement.

16.2 *Default by Seller.* If any Seller defaults and the default is not cured within a reasonable period, Purchaser may, by written notice, elect to: (a) enforce the terms of this Agreement, including specific performance or enforcement; or (b) terminate this Agreement, and in either case obtain an immediate refund of the Earnest Money Deposit in addition to the sum of all out of pocket expenses incurred by Purchaser and Purchaser may pursue any other remedy allowed by law. Seller acknowledges that the real property and assets being conveyed herein are of a unique nature and that in the event a breach by Seller of this Agreement, that the recovery of money damages only would not be an adequate remedy and, accordingly, Seller agrees that this Agreement may be specifically enforced and that amongst other remedies, Purchaser may seek temporary or permanent injunction against any and all breaches and further breaches by Seller in any court of competent jurisdiction and Seller further agrees that in any such proceeding and/or proceedings, that it will not assert as a defense that Purchaser has an adequate remedy at law.

16.3 *Termination.* In the event of a termination by Seller which does not constitute a default, the Earnest Money Deposit shall be immediately refunded to Purchaser.

17 *Closing.*

17.1 *Date.* The scheduled date of the closing shall be for a mutually convenient date and time, as soon as possible after the contingencies set forth herein are fulfilled or waived.

17.2 *Documents.* At the closing and any time after it, the parties shall execute all documents necessary to put into effect the terms of this Agreement including the execution of a Deed to

be placed in escrow with the title company with Deed Escrow Instructions reasonably satisfactory to Purchaser.

- 17.3 *Place.* The closing shall be held at the offices of the title insurance company issuing the policy of title insurance as provided herein, or at such other place as may be designated by Seller and acceptable to Purchaser.
- 17.4 *Tax Clearance.* Within one (1) month after the date of Closing, Seller shall present Purchaser's attorney with a satisfactory Tax Clearance Certificate from the Michigan Department of Treasury (C3322) which shall clearly indicate that the Company is not owing the Department of Treasury any Sales/and Use, Income Tax Withheld from Employees, and Single Business Tax.
- 18 *Employees.* Purchaser may offer employment to one or more of the employees of Seller, and Seller shall assist Purchaser in hiring such employees. All such employees hired by Purchaser shall be considered to be new employees of Purchaser, and Purchaser will not, merely by hiring the employees, assume any past or future obligations of Seller to such employees.
- 19 *Further Assistance.* Each party shall take whatever further action that may become necessary or appropriate after the closing in order to carry out the intent and accomplish the purpose of this Agreement and each of the related agreements. After the closing, in order to assist Purchaser in taking over the ownership of the Business Assets and the operation of the Business, Seller shall make themselves available at reasonable times for consultation regarding the Business and Business Assets and receive reasonable compensation for such services from Purchaser. Seller shall promptly forward all supplier correspondence, trade publications and other mail to Purchaser, except for items relating solely to the ownership of the Business Assets or operation of the Business.
- 20 *Notices.* All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if sent by email to the email address of the respective attorney or delivered or mailed, first-class, postage prepaid, to Seller at their addresses set forth above in this Agreement, or Purchaser, at its address set forth in this Agreement, or such other address as Purchaser or Seller may designate in writing.
- 21 *Brokers.* The parties acknowledge that there are no brokers to this transaction.
- 22 *Miscellaneous.*
- 22.1 *Amendment.* This Agreement shall not be amended, altered or terminated except by a writing executed by each party.
- 22.2 *Governing Law.* This Agreement shall be governed in all respects by the laws of the State of Michigan.

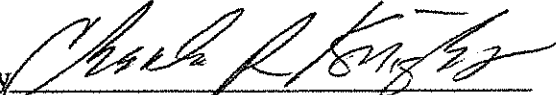
- 22.3 *Headings.* The paragraph headings used in this Agreement are included solely for convenience.
- 22.4 *Entire Agreement.* This Agreement sets forth the entire understanding of the parties and supersedes any previous agreement between the parties.
- 22.5 *Waiver.* The waiver by any party of any breach or breaches of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach of any provision of this Agreement.
- 22.6 *Binding Effect.* This Agreement, inclusive of its terms and provisions, shall survive the closing and shall be binding upon and inure to the benefit of, and be enforceable by, the respective heirs, legal representatives, successors and assigns of the parties.
- 22.7 *Good Faith Cooperation.* The parties mutually agree each in good faith shall take all steps reasonably necessary to facilitate the purchase and sale contemplated in this Agreement and to execute such documents reasonably necessary to carry out and otherwise put into effect the terms and provisions of this Agreement.
- 22.8 *Interpretation.* In the interpretation of this Agreement and all related agreements, it shall be construed as if it were written jointly by Seller and Purchaser, and no inference or presumption shall be made or drawn either for or against Seller or Purchaser by virtue of who might have prepared this document. The term “related agreements” means all other ancillary agreements and documents contemplated by this Agreement or otherwise necessary or appropriate to consummate the transaction.
- 22.9 *Representations and Warranties.* All representations, warranties and agreements made by the parties pursuant to this Agreement shall survive the consummation of the transactions contemplated by this Agreement.

THE NEXT PARAGRAPH IS THE SIGNATORY PARAGRAPH OF THE PARTIES.

The parties have executed this Agreement on the following dates:

SELLER:
Charles A. Knight, Inc.

Dated: 4-18, 2017

By: 
Charles A. Knight, its President

PURCHASER:
Trenton Gas Property, LLC

Dated: 4-18, 2017

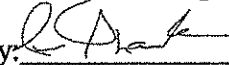
By: 
Iven Sharrak, its Member

EXHIBIT A

Description of Real Property

Lot 7, West-Grange Subdivision, as recorded in Liber 85, Page 39 of Plats, Wayne County Records.

Commonly known as 3610 West Road, Trenton, Michigan 48183

Tax I.D. # 54-010-06-0007-000

The Property shall also include (a) all buildings located thereon, (b) all rights of Seller in and to all air, oil, gas, mineral and riparian rights, and all tenements, hereditaments, privileges and appurtenances belonging or in any way appertaining thereto, (c) and land lying in the bed of any street, road or avenue adjoining the Property to the center line thereof, but only to the extent of Seller's Interest, if any, therein, and (d) all easements, whether or not recorded, strips and rights-of-way abutting, adjacent, contiguous, or adjoining the Property, but only to the extent of Seller's interest; if any, therein.

EXHIBIT B

List of Retail Gas Station Equipment

Gas station console, dispensers, and canopy currently on-site

Gas storage tanks currently on-site

All associated piping, containment, and equipment

Gas inventory currently on-site and owned by Seller

EXHIBIT C

Assets of Seller

Description	Manufacturer	Model number	Serial number
Walk in cooler	SRC Refrigeration	NA	CDP 47
2 door cooler	True	GDM-47	1-4335101
Microwave	Whirlpool	MT-1110SKQ	FGL-4707703
Cash register	Royal	583-CX	00553247S
Cash register	Royal	583-CX	80346538S
Fax machine	Brothers	FAX-275	U56454M9K0
Ice maker	Follett	L40A	B2414-03102
Sandblast cabinet	Clarke	SB9006	03S
Tire machine	Coats	40-40A	none
Battery tester	Sun	VAT-40	22211
Analyzer	Sun	EEMS305A	10287
A/C Recovery	Robin Air	34700	40419
Welder	Miller	721-A2	none
Grinder	Sears	39719671	none
Band Saw	Central Machinery	93762	none
Battery Charger	R/N	P160	3979
Battery Charger	R/N	P160	3980
Analyzer	Sun	SUN-115	38B-1629
Acetylene Torch	Lisle	none	none
FCB machine	Cornelius	561441000	56A0202FL107
Pop dispenser	Follett	none	none
Cappuccino machine	Curtis	PC-4D 10-01	10676772
Cappuccino machine	Curtis	PC-4D 10-01	10396982
Cappuccino machine	Curtis	PC-4D 10-01	10310554
Currency Counter	Cummins	6693	16693 0826 08305
Copy Machine	Sharp	AL-1655CS	65025934
Gondolas/Shelving	Maddix	none	none
Dell Computer	Dell	210L	2G6QY91
Dell Computer	Dell	210L	4G6QY91
Dell Monitor	Dell	S2340MC	CN-0293M3-64180
Monitor	HP	L01706	PX849A
Monitor	Insignia	NS-19E310NA15	B437EPD02560
Printer	Epson	XP620	UFEY095974
DVR	Alabi	ALI-HVR5016H	n/a
Asst. file cabinets	none	none	none
Wheel Balancer	Sun	1730	none
Tank Monitor	Red Jacket	Pro-Link	none
Air Compressor	Champion	none	none
Hand Cart	Dayton	6W047	none
Upright Freezer	GE	none	none
Upright Freezer	none	none	none
Chest Freezer	Montgomery Ward 10	FFT809	none
Chest Freezer	Montgomery Ward 5	n/a	n/a
Fuel Care	Sun	EEFS305A	n/a
Time Clock	Acroprint	150ER3	13617BO
Asst. shelving	n/a	n/a	n/a

EXHIBIT D

List of Excluded Assets

Equipment, supplies, inventory, and intangible assets (including licenses, permits, and contracts) of on-site post-office operations

Any equipment leased, rather than owned, by Debtor

Any inventory held by Debtor on consignment, rather than owned by Debtor

All personal property of Debtor's principal, wherever located

EXHIBIT E

List of Seller Licenses and Contracts

Consignment Agreement between Seller and Trenton Gas, Inc., dated August 31, 2016

Management Agreement between Seller and Trenton Gas, Inc., dated August 31, 2016