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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WISCONSIN

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In re:

H2D MOTORCYCLE VENTURES, LLC, et al.¹ Chapter 11 Proceedings
Case No. 19- 26914-beh
(Jointly Administered)
Debtors.

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DEBTORS' MOTION SEEKING ENTRY OF (I) SALE PROCEDURES ORDER: (A) APPROVING BIDDING PROCEDURES, (B) APPROVING THE FORM AND MANNER OF NOTICE, (C) SCHEDULING AN AUCTION AND SALE HEARING, AND (D) ESTABLISHING EXECUTORY CONTRACT CURE AMOUNTS AND DEADLINES; (II) SALE APPROVAL ORDER: (A) AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE DEBTOR H2D MOTORCYCLE VENTURES, LLC'S ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS INTERESTS AND ENCUMBRANCES, (B) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT AND, REJECTION, AS APPLICABLE OF CERTAIN EXECUTORY CONTRACTS AND LEASES IN CONNECTION THEREWITH, (C) GRANTING THE SUCCESSFUL BIDDER GOOD FAITH STATUS, (D) APPROVING A BREAK-UP FEE, (E) WAIVING THE FOURTEEN DAY STAY OF SALE ORDER, AND (F) GRANTING RELATED RELIEF; AND (III) GRANTING REQUEST FOR HEARING TO CONSIDER ENTRY OF BIDDING PROCEDURES ORDER ON SHORTENED NOTICE PURSUANT TO BANKRUPTCY RULE 9006(c)

**TO: THE HONORABLE BETH E. HANAN,
UNITED STATES BANKRUPTCY JUDGE:**

H2D Motorcycle Ventures, LLC (“**H2D**”) and JHD Holdings, Inc. (“**JHD**”; collectively, where appropriate, the “**Debtors**”) the debtors and debtors-in-possession in the above captioned cases, by and through their undersigned counsel, hereby move this Court, pursuant to sections 105(a), 363(b), (f) and (m), 365, 503, 507, 1146(a) of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the “**Bankruptcy Code**”), Rules 2002(a)(2), 6004(a), (b), (c), (e), (f) and (g),

6006(a) and 9c), 9007 and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), for entry of three Orders:

- **Sale Procedures Order** (substantially in the form annexed hereto as **Exhibit A**):
(i) approving bidding procedures, annexed hereto as **Exhibit B**; (ii) approving the form and manner of notice of the Sale (defined below), the Bidding Procedures, the Auction and the Sale Hearing; (iii) scheduling an auction to sell (the “**Sale**”) substantially all of H2Ds’ assets (collectively, the “**Assets**”), subject to higher and better bids (the “**Auction**”) and scheduling a hearing to approve the Sale of the Assets in accordance with the Auction (the “**Sale Hearing**”); and (vi) Establishing Executory Contract Cure Amounts and Deadlines.
- **Sale Approval Order**: (i) approving the Sale of H2D’s Assets in accordance with the results of the Auction to the highest bidder(s) (the “**Successful Bidder**”), (ii) authorizing the assumption and assignment and rejection, as applicable, of certain executory contracts and leases in connection with the Sale; (iii) granting the Successful Bidder good faith status; (iv) approving a Break-Up Fee (defined herein); and (iv) waiving the fourteen day stay of the Order;
- **Order Scheduling Hearing on Shortened Notice** (substantially in the form annexed here to as **Exhibit C**) granting the Debtors’ request for a hearing to consider entry of the Bidding Procedures Order on shortened notice pursuant to Bankruptcy Rule 9066(c).

JURISDICTION AND VENUE

1. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of the Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A).
2. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

¹ Jointly Administered with *JHD Holdings, Inc.*, Case No. 19-26915-beh

3. This proceeding has been initiated pursuant to Bankruptcy Code §§ 105(a), 363(b), (f) and (m), 365, 503, 507, 1146(a) and Bankruptcy Rules 2002(a)(2), 6004(a), (b), (c), (e), (f) and (g), 6006(a) and 9c), 9007 and 9014.

BACKGROUND

4. On July 17, 2019 (the “**Petition Date**”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

5. The Debtors are commonly owned companies with the same shareholder/ member and officer.

6. Prior to the Petition Date, H2D operated a Harley-Davidson dealership at 1925 S. Moorland Road, New Berlin, Wisconsin. H2D is 100% owned by Sara Pomeroy and managed by its manager, Eric Pomeroy.

7. Prior to the Petition Date, JHD operated a Harley-Davidson dealership at 3223 N. Pontiac Drive, Janesville, Wisconsin. JHD is also owned by Sara Pomeroy and managed by its managers, Sara and Eric Pomeroy.

8. Despite the fact that the Debtors have separate operations, books and records, the Debtors, due to their capital structure, each have the same owner, the same franchisor, the same landlord, and substantially the same secured creditors (in differing amounts owed) who have asserted liens against all of the Debtors’ assets, and whose obligations are, in certain circumstances, cross-guaranteed against each Debtor.

9. On August 5, 2019, the Court entered an order authorizing joint administration of these Chapter 11 cases for procedural purpose only.

10. The Debtors’ chapter 11 filings were precipitated by accumulated losses incurred under prior operations management teams. The Debtors intend to use the Chapter 11 process to

immediately conduct a nationwide marketing and sale process to sell their dealerships in an effort to maximize a return to their respective creditors.

11. The Debtors have already begun working feverishly on marketing their dealerships for sale. Prior to the Chapter 11 filings, in or about late 2018, the Debtors began exploring the option of selling their dealerships. To the end, in January 15, 2019, each Debtor engaged Performance Brokerage Services (the “**Broker**”) to market and endeavor to sell the dealerships. However, no transactions resulted from such engagement.

12. Since the Chapter 11 filings, the Debtors and the Broker revised the terms of engagement, and an application for an Order authorizing Broker’s retention was filed with the Bankruptcy Court on August 6, 2019.

13. The Broker has been continuously working with the Debtors to actively market and sell the dealerships. The Debtors, just prior to the Chapter 11 filings, were approached by several different potential purchasers about acquiring the Debtors’ dealerships.

The Debtors’ Exigent Need For Strategic Transactions

14. Prior to the Petition Date, several interested parties had expressed an interest in buying the dealerships. However, due to the Debtors’ lack of cash and revenue to maintain operations, the Debtors found itself in a position where they could not sustain operations without an immediate infusion of cash. Accordingly, prior to the Petition Date, both dealerships “went dark” and are currently closed for operations. As such, the Debtors’ Assets, which are comprised primarily of inventory, parts and the “good will” value of the Harley-Davidson dealerships, are in jeopardy of further de-valuation and/or erosion if not sold immediately.

15. Accordingly, the Debtors are seeking an expeditious marketing and sale process, with an approximate 90-day post-Petition Date marketing campaign, culminating with an auction

on or about October 15, 2019, a sale hearing on or about October 20, 2019, or as soon as possible thereafter, and closing on or before November 15, 2019.

16. These dates and timeframe have been discussed and supported by Harley-Davidson Credit Corporation (“**HDCC**”), the Debtors’ first-priority secured creditor.

17. If the Debtors cannot conduct an expeditious sale process, their current values will be further diminished, and a forced liquidation in Chapter 7 would be likely unavoidable.

18. Accordingly, the Debtors and their advisors have concluded that an immediate sale or other strategic transaction is necessary in order to avoid further erosion of value and irreparable harm to the creditors and the estate, respectively.

The Debtors’ Marketing Efforts

19. For months prior to the Filing Date, the Debtors had been approached by numerous entities expressing an interest in either acquiring the Assets or effectuating a strategic transaction, with much of these activities having occurred without the direct involvement of the Broker or any business consultant, investment bank, business broker or other similar professional.

20. To further the Debtors’ marketing efforts and expand the field of potential suitors for the company, the Debtors have retained the Broker) to, *inter alia*, market and sell the dealerships, including determining a range of estimated values for the 2 dealerships, communicating directly with potential purchasers, and accessing the Broker’s vast network of potential purchasers.

21. The Broker is recognized as one of the preeminent national brokers of Harley-Davidson dealerships and whose principal, George Chaconas, previously successfully brokered the purchase and sale of NewRoc Harley-Davidson in New Rochelle, New York in its Chapter 11

proceeding back in 2012 (which Debtors' counsel represented the debtor in that proceeding) and has also brokered dozens of sales of Harley-Davidson dealerships.

22. In 2010, Broker formed its automotive division and has since become one of the largest and most experienced dealership brokerage firms in the United States. Since inception, Broker's business has increased every year and today the company is proud of its leadership role in the automobile industry with over 600 dealerships sold. Broker is staffed with highly experienced deal makers and intermediaries. Each has benefited from comprehensive training, and each has access to Broker's vast knowledge and experience. Broker is committed to providing the Debtors the best in dealership brokerage services, with the goal of competently and confidentially serving the Debtors.

23. Broker's Harley-Davidson division is the nation's largest broker of automobile and motorcycle dealerships and brings Harley-Davidson dealers more than 25 years and 2 generations of success. Broker has sold over 75 Harley-Davidson dealerships, more than 600 automobile dealerships and over 100 businesses.

24. Broker's marketing program will expose the Assets for sale on a regional and national basis. Broker's process will allow the Assets to be placed under contract(s) on a noncontingent all cash basis and effectuate an immediate sale.

25. Competitive bidding will motivate buyers into the marketplace and generate market pricing without setting a ceiling on pricing. The marketing strategy has been designed to capitalize on both a targeted direct outreach effort coupled with a very broad promotional message. This approach will provide a compelling message that will drive the prospective bidders to the purchase opportunity.

26. In addition to Broker's continued web presence and proprietary database of investors, owners, and operators of motorcycle and auto dealerships, Broker proposes advertising in the following online media venues:

PUBLIC RELATIONS CAMPAIGN

An aggressive public relations campaign will be implemented. Broker will prepare a press release announcing the Sale(s), which will be distributed to the appropriate media outlets, including the print media vehicles mentioned above, as well as all other major metropolitan daily and weekly newspapers and other local publications as well.

BROKER OUTREACH

Broker outreach will be an essential component of Broker's program to identify qualified buyers for the Assets. Utilizing its broker database, Broker will announce the auction through direct mail and an E-marketing campaign.

DEDICATED WEB PAGE / BIDDER ACTIVITY COLLECTION & DATA ANALYTICS TOOL

A dedicated website will be created to highlight the offering. This web page will be a critical measurement tool to gauge buyer interest. The dynamic site will feature a photo gallery, satellite map (linked to Google Maps), any public relation articles generated during the program and an opportunity to review further detail about inspection and bidding procedures and deadlines.

In order for an individual to download a brochure or receive detailed property information, the person will be required to "Register to Continue". An individual's registration allows Broker to better manage the auction-marketing program and provide status reports to the Debtors and other interested parties. Broker's platform is a fully integrated system that allows the company to provide real-time analysis on marketing programs. This state-of-the-art information technology platform immediately feeds the individual's registration information into Broker's management software. With the registration information entered into the software, Broker is able to provide up-to-the-minute status reports, measure individual interest, source tallies showing what marketing is generating the greatest response, and thus better manage marketing decisions and expenditures throughout the entire auction program.

DUE DILIGENCE PACKETS (BIDDER INFORMATION PACKAGES)

Serving the same role as a prospectus in capital markets, the presentation of the property-specific information creates the “deal” to which the buyers ascribe value. Completeness, accuracy and presentation in a commercially reasonable way are the hallmark of Broker’s marketing process. Incomplete presentations and unresolved issues will always lead to uncertainty in the buyer’s mind, preventing maximum pricing, or giving way to pre-closing issues as the buyer will not have achieved a satisfactory comfort level.

The key elements to be reviewed and prepared for dissemination include:

- Purchase & Sale Agreement
- Copies of any utility bills
- Leases
- Historical financial information
- Dealership agreements
- Insurance certificates
- Inventory and parts lists
- Equipment, system or roof warranties (if any)

VIRTUAL DEAL ROOM (DATA MANAGEMENT SITE)

A Virtual Deal Room will be utilized to disseminate all of the due diligence and underwriting materials for the property. Once users are approved in the Virtual Deal Room, they will have traceable access and be tracked every time they download or view the available information. Buyers can share information with their attorneys, brokers, and advisors within the Virtual Deal Room. In addition, they will receive automatic updates on new revisions and additional due diligence materials as they are posted.

27. Over the past weeks, H2D, through the Broker and H2D’s undersigned bankruptcy counsel, has been extensively in negotiations with Hannum’s Sales of New Berlin, Inc., a Pennsylvania corporation, an entity wholly owned by Thomas B. Hannum III (the “**H2D Purchaser**”). The H2D Purchaser has, upon information and belief, no connection or relationship to the Debtors, or any of their insiders, professionals, or creditors. The H2D Purchaser already owns and operates 4 Harley-Davidson dealerships in Pennsylvania and is in good standing with Harley-Davidson Motor Corporation.

28. H2D and the H2D Purchaser negotiated, at arms' length, an Asset Purchase Agreement (the "H2D APA"). A copy of the executed H2D APA is annexed hereto as **Exhibit D**.

The H2D Asset Purchase Agreement

29. On September 13, 2019, after arms-length negotiations, H2D and the H2D Purchaser executed the H2D APA. Subject to this Court's approval of higher and/or better offers through an auction process, the Debtors seek approval to sell the H2D Assets (as defined in the H2D APA) to the H2D Purchaser on the following terms and conditions:

Seller	H2D
Purchaser	Hannum's Sales of New Berlin, Inc., a Pennsylvania corporation, an entity wholly owned by Thomas B. Hannum III
Purchase Price	\$2,150,000, subject to adjustments
Deposit	\$10,000 on execution; \$205,000 upon approval of Sale Procedures Order
Acquired Assets	All inventory, parts, accessories, equipment, leasehold improvements good will, intangibles, dealership rights.
Excluded Assets	(i) All cash on hand or on deposit in any operating account or other bank account or reserve; (ii) The Purchase Price; (iii) All accounts receivable and causes of action belonging to H2D's bankrupt estate, including but not limited to causes of action arising under Sections 544 through 553 of the Bankruptcy Code, and all proceeds derived therefrom; (iv) All pre-paid expenses; (v) Deposits, including security deposits; (vi) All tax refunds and benefits; (vii) All insurance, insurance benefits and unearned insurance premiums and premium refund claims;
Assumed Agreements	H2D shall assume and assign to the Purchaser all of its rights under the contracts that are listed on Schedule 4.13 of the APA. H2D shall be responsible for all Cure Costs associated with such assumption and assignment, if any. H2D shall not assume and assign the lease for the New Berlin Dealership Premises.

Assumed Liabilities	All consumer coupons, gift cards, credits, deposits, warranty and service claims not to exceed \$130,000. The Purchaser will not assume any other obligations of H2D from and after the Closing Date. All liabilities, obligations or commitments of H2D other than the Assumed Liabilities shall remain the sole responsibility of H2D's estate.
Representations and Warranties; Covenants	The representations and warranties and covenants are customary for a transaction of this type, including, without limitation, representations warranties regarding the authority to enter into the sale transaction and the agreement to abide by all laws with respect to the sale, litigation, material contracts, permits, environmental matter, employee benefits, ownership of assets, taxes and condition of the Acquired Assets, , contract cure obligations, the best efforts of the parties, notices and consents, access to information and the risk of loss.
Conditions	Subject to either (a) acquiring the Dealership Premises, (b) entering into a new lease for same or (c) finding and moving the dealership an alternative location within the dealership territory as may be approved by HDMC. Also subject to entry of Sale Approval Order, consent of HDMC and State of Wisconsin and H2D Purchaser obtaining new floor plan financing from HDCC.
Closing Date	The consummation of the transaction contemplated hereby (" <u>Closing</u> "), as evidenced by the payment and release of the Purchase Price to Seller, shall occur on or before 3:00 pm (eastern time) on the date (with the actual date of Closing being referred to herein as the " <u>Closing Date</u> ") which is on or before November 15, 2019, subject to certain extensions (" <u>Outside Closing Date</u> "). The Closing shall occur through an escrow administered by Escrow Agent, with the Purchase Price and all transaction documents (unless otherwise mutually agreed) deposited with the Escrow Agent as escrowee. At Closing, Seller and Purchaser shall perform the obligations set forth in, respectively, Section 8.1 and 8.2 of the H2D APA, the performance of which obligations shall be concurrent conditions to Closing.

RELIEF REQUESTED

30. By this motion, the Debtors are seeking entry of two orders, the Sale Procedures Order and the Sale Approval Order.

BASIS FOR RELIEF

I. The Sale Procedures Order

A. The Proposed Bidding Procedures

31. The Sale of the H2D Assets pursuant to the H2D APA is subject to higher and/or better offers. In order to ensure that the highest and best offer is received for the H2D Assets, the Debtors have established the proposed Bidding Procedures to govern the submission of competing bids at an auction. Accordingly, the Debtors seek this Court's approval of the Bidding Procedures set forth in **Exhibit B** and incorporated herein in their entirety.

33. The Debtors believe that these bidding procedures will yield the maximum potential Bidders interested in acquiring the H2D Assets.

35. In addition, the Bidding Procedures provide that bidders submit initial overbids in an amount of (a) \$2,250,000, which represents \$75,000 in excess of the aggregate Purchase Price under the H2D APA, which \$50,000 of said amount is equal to the H2D Break-Up Fee plus \$25,000.00 in an initial overbid increment, plus assumption of the Assumed Liabilities up to \$130,000 plus the Cure Amount (as defined below) in the event the bidder wishes to assume the Debtor's existing lease for its dealership premises.

36. All bids submitted for the purchase of the H2D Assets shall remain open, and all deposits held in the attorney escrow account of the Debtors' counsel until the sale of the H2D Assets to the Successful Bidder is consummated. In the event that the Successful Bidder is/are unable to consummate on the sale of the H2D, the next highest and/or best bidder (the "**Backup Bidder**") will then be required to consummate on the sale of the particular Assets.

B. Bidder Qualification

37. In order for a purchaser of any of the Assets to qualify as a Bidder, the Debtors propose that the purchaser's Competing Bid must be received by October 10, 2019 at 4:00 p.m. CST (the "**Bid Deadline**") and must comply with all of the following requirements:

- (a) it is in writing and is irrevocable through a closing of the sale of the Assets;
- (b) it includes a duly authorized and executed asset purchase agreement substantially in the form of the APA together with all exhibits thereto, as well as copies of such materials marked to show any amendments and modifications to the APA (the "**Marked Agreement**") and a marked copy of the proposed order to approve the Sale by the Bankruptcy Court;
- (c) it provides for (i) a cash purchase price for the Assets, expressed in U.S. Dollars, of not less than \$2,250,000 for H2D plus assumption of the Assumed Liabilities not to exceed \$130,000 plus the Cure Amount in the event the bidder wishes to have the H2D lease assumed and assigned to it;
- (d) it includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow the Debtors to make a reasonable determination as to the Bidder's financial and other capabilities to consummate the transaction contemplated by the Marked Agreement;
- (e) it is not conditioned on any contingencies, such as, without limitation: (i) the outcome of unperformed due diligence by the Bidder, and/or (ii) obtaining financing;
- (f) it includes an acknowledgement and representation that the Bidder: (i) has had an opportunity to conduct any and all required diligence regarding the Assets prior to making its offer; (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid; (iii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Assets or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in the Marked Agreement; and (iv) is not entitled to any expense reimbursement or break-up fee in connection with its bid;
- (g) it is accompanied by a good faith deposit in the form of a wire transfer (to a bank account specified by the Debtors' counsel), certified check or such other form acceptable to the Debtors, payable to the order of the Debtors' counsel as

attorneys for the Debtors (or such other party as the Seller may determine) in an amount equal to ten (10%) percent of the Competing Bid; and

- (h) it includes an acknowledgement and representation that Bidder understands that, if its offer contemplates an assignment and assumption of the Harley-Davidson dealership agreement, its offer and qualification as a successful bidder is subject to approval by Harley-Davidson Motor Corporation (collectively, a “**Qualified Competing Bid**”).

38. For the avoidance of doubt, and notwithstanding the foregoing, any overbid submitted by the H2D Purchaser at any Auction on substantially the same terms as its initial offer (apart from any increase in price) shall be deemed a Qualified Competing Bid.

39. The Debtors believe that the aforementioned proposed Bidding Procedures are fair and reasonable and will permit all parties truly interested in acquiring the Assets an opportunity to submit a bid that can be weighed or compared against the H2D Purchaser’s “stalking horse” offer.

C. The Proposed Bidding Procedures Are Adequate and Should Be Approved

40. The purpose of procedural bidding orders is to facilitate an open and fair public sale designed to maximize value for the estate. *In re Edwards*, 228 B.R. 552, 561 (Bankr. E.D. Pa. 1998). Bankruptcy courts may only approve bidding procedures that provide a benefit to the estate by maximizing the value of the assets to be sold. *See, e.g., In re Dura Auto. Sys., Inc.*, 2007 Bankr. LEXIS 2764, at *253 (Bankr. D. Del. Aug. 15, 2007) (citing *Calpine Corp. v. O'Brien Env'tl. Energy, Inc. (In re O'Brien Env'tl. Energy, Inc.)*, 181 F.3d 527, 535-37 (3rd Cir. 1999), *See also Dura Auto. Sys.*, 2007 Bankr. LEXIS 2764, at * 253 (“[t]he paramount goal in any proposed sale of property of the estate is to maximize the proceeds received by the estate”).

41. To maximize the proceeds received by the estate, courts recognize that bidding procedures must be fair and reasonable and should enhance competitive bidding. *See id.* at *254 (citing *Calpine Corp. v. O'Brien*, 181 F.3d at 537; *In re Integrated Res., Inc.*, 147 B.R. 650, 656-

57 (Bankr. S.D.N.Y. 1992)).

42. The Debtors believe that the Bidding Procedures proposed will additionally procure serious parties interested in acquiring the Assets and will result in realizing the full value of the H2D Assets. The Bidding Procedures are designed to facilitate a competitive bidding process in an expeditious manner, especially in light of the fact that the Debtors have significant time constraints to sell and close under the H2D APA. The Bidding Procedures will allow the Debtors to conduct the Auction in an open fashion that will encourage participation from those bidders that demonstrate they are financially capable to consummate the transaction.

43. In addition, the Bidding Procedures provide for an “overbid” provision. For a qualified Bid to be considered, it must be in a cash amount equal to the aggregate Purchase Price under the H2D APA, plus the Break-Up Fee of \$50,000, plus \$25,000 in an additional overbid increment (the “**Initial Minimum Overbid**”).

44. The Initial Minimum Overbid is necessary not only to compensate the Debtors for the risk that it assumes in foregoing a known, willing and able purchaser for a new potential acquirer, and additionally to ensure that there is an increase in the net proceeds to the estates, after payment of the Break-Up Fee and expense reimbursement. The Debtors believe that the Initial Minimum Overbid will enable competitive bidding and maximize the value of the Assets, without a chilling effect.

45. The Debtors believe, in their business judgment, that the Bidding Procedures are adequate and will result in maximizing the value of its assets and are therefore appropriate under the relevant standards governing auction proceedings.

D. The Proposed Form and Manner of Notice of Sale is Adequate

46. Bankruptcy Rule 2002(a) and (c) requires the Debtors to notify creditors of the proposed sale of the H2D Assets, including the date, time and place of the Auction, terms of the Sale, and the deadline for filing any objections.

47. The Debtors propose to comply with these requirements by serving via first class mail within three (3) days of entry of the Sale Procedures Order copies of: (i) Sale Procedures Order, (ii) Bidding Procedures, and (iii) this Motion.

48. The Debtors propose to serve the following parties: (i) the Office of the U.S. Trustee; (ii) the Debtors' secured creditors and their respective counsel; (iii) all taxing authorities; (iv) counsel to the Purchaser, (v) the Debtors' landlords, and their counsel; (vi) all counterparties to each of the Debtor's executory contracts and/or leases, including Harley-Davidson Motor Corporation; (vii) all creditors; and (viii) all potential buyers known by the Debtors as having previously expressed interest in acquiring any of the Debtors' assets.

49. The Debtors submit that the foregoing notice fully complies with the requirements set forth in Bankruptcy Rule 2002. Based upon the foregoing, the Debtors respectfully request that this Court approve the form and manner of the notice proposed above.

E. Procedures for Lease Cure Claims and Adequate Assurance of Future Performance

50. Set forth on the schedule annexed to the APA are the executory contracts the Purchaser intends to assume as part of the Sale (the "**Assumed Executory Contracts**"), together with amounts the Debtors have determined will be, as of the closing date of the Sale to Purchaser or the Successful Bidder(s), as the case may be, the amounts necessary to be paid by the Debtor(s) pursuant to §365 of the Bankruptcy Code in order to assume and assign such executory contract and/or unexpired lease to Purchaser or the successful bidder (the "**Cure Amount**"). The

Debtors request that unless the non-Debtor party to an executory contract or unexpired lease (each a “**Third Party**”, and collectively, the “**Third Parties**”) files an objection to this Motion asserting a claim for any amounts due and owing under an executory contract and/or unexpired lease in an amount different than the Cure Amount scheduled on **Exhibit E** (the “**Disputed Cure Amount**”) on the objection deadline for the Sale Approval Hearing (the “**Cure Objection Deadline**”), that such third party to the subject Executory Contract and/or Unexpired Lease will be forever barred from asserting a Cure Amount different from that set forth on Exhibit E and from asserting any additional cure or other amounts with respect to its Unexpired Lease and/or Executory Contract, as the case may be, relating to the period prior to assignment.

51. The Debtors believe there are no cure amounts required for any Assumed Executory Contracts² under the H2D APA.

52. In the event that a bidder wishes to assume the Debtor’s lease for the H2D Dealership premises, it must pay an additional amount of (a) \$360,000 to the landlord as cure of all pre-closing obligations and (b) \$470,000 to the Debtor as an adjustment for tis security deposit.

53. Notwithstanding, the Debtors requests that any Cure Amounts, or Disputed Cure Amount that is fixed by the Court or otherwise agreed by the Debtor(s) (as the case may be, the “**Resolved Cure Amount**”) be deemed to include any such other pecuniary or other losses, if any, under the respect executory contract and/or unexpired leases. Consequently, payment of any Cure Amounts and/or Resolved Cure Amount, as the case may be, as determined by the Court or otherwise agreed to by the Debtors will compensate the appropriate party for any such other loss.

² The H2D APA does not contemplate assuming the lease for the H2D Dealership Premises.

54. The Sale Approval Hearing (at which the assumption on assignment of an Executory Contract and/or Unexpired Lease, as the case may be, will be considered) gives the other parties in interest an opportunity to consider any assignment issues that may be resolved only after identification of a particular assignee and an opportunity to file objections, if any, to such matters.

55. Under these circumstances, the Debtors submit that it has established, or will establish at the Auction and/or the Sale Approval Hearing, the requisite adequate assurance of future performance pursuant to § 365 of the Bankruptcy Code with respect to the potential assumption and assignment of the Executory Contracts and/or Unexpired Leases, as the case may be.

II. The Sale Approval Order

A. This Court Should Approve the Sale of the Assets to the Successful Bidder(s)

56. On September 13, 2019, the Debtors executed the H2D APA for a sale of the H2D Assets. The Purchase Price is \$2,150,000, subject to adjustments, plus assumption of the Assumed Liabilities up to \$130,000, payable by a good faith deposit of \$215,000 upon entry of the Sale Procedures Order, with the balance to be paid in cash at the Closing.

57. Following the Auction, the Debtors will seek this Court's approval of the sale of the H2D Assets free and clear of all liens, claims and encumbrances to the bidder(s) that submit(s) the highest and best offer(s) at the Auction (the "**Successful Bidder**"). The Debtors will seek this Court's assistance in determining which bid(s) maximizes the value of the Debtors' estates and thereby determining which of the bidders is the Successful Bidder(s).

58. All of the sale proceeds will be received by H2D's estate, with all liens, claims and encumbrances to attach to the proceeds in accordance with Section 363(f) of the Bankruptcy

Code.

59. Pursuant to Section 363(b) and (f) of the Bankruptcy Code, the Debtors seek entry of an order authorizing the sale, assignment and transfer of the Assets. Section 363(b)(1) of the Bankruptcy Code provides, in pertinent part, "The trustee, after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate." §363 (f) of the Code states as follows:

(f) The trustee may sell property under subsection (b) or (c) of this section free and clear of any interest in such property of an entity other than the estate, only if--

(1) applicable nonbankruptcy law permits sale of such property free and clear of such interest;

(2) such entity consents;

(3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;

(4) such interest is in bona fide dispute; or

(5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

60. The conditions set forth in 11 U.S.C. §363(f) are in the disjunctive, which means that only one of the tests must be met. The Debtors believe that the Purchase Price for the sale of the H2D Assets in this manner is in the best interests of the estates and their creditors, for a variety of reasons, including the following: (i) the Debtors believe that an immediate sale of the H2D Assets is in the best interests of creditors and the estates at large; (ii) the H2D Purchase Price is adequate and represents fair market value of the H2D Assets to be sold; and (iii) the sale proceeds will be distributed to creditors pursuant to further order of the Bankruptcy Court.

61. H2D is indebted to various creditors who have asserted a lien and/or security interest on the H2D assets. In summary, H2D's assets are, upon information and belief: subject to the following claim interests:

A. Harley-Davidson Credit Corp.

62. On or about April 27, 2016, the Debtor H2D executed and delivered to Harley-Davidson Credit Corp. ("HDCC") (a) a Customer Financing Agreement, (b) Collateralized Guaranty and (c) Continuing Guaranty, pursuant to which HDCC provided revolving floor plan financing to H2D (collectively, the "HDCC H2D Loan Documents").

63. HDCC perfected its interest by filing on April 26, 2016 a UCC1 financing statement with the Delaware Department of State, the state of H2D's incorporation, evidencing its security interest in all of H2D's equipment, fixtures, inventory, documents relating to inventory, software, general intangibles, accounts, contract rights, chattel paper and instruments, and all spare and repaid parts, special tools, equipment and replacements for, and all returned and repossessed goods the sale of which give rise to, the foregoing, wherever located, whether now owned or acquired in the future, and all additions and accessions to and all proceeds and products of the foregoing (the "HDCC H2D Collateral").

64. As of the Filing Date, HD asserts that the current balance owed to HDCC is approximately \$3,149,361.09, of which \$2,034,577.34 represents amounts past due for vehicles and parts sold without the remitting of appropriate repayment, together with interest and fees thereon (the "H2D Past Due Amount").

65. HDCC holds a valid, perfected and enforceable first priority lien on and security interest in the HDCC H2D Collateral, which collateral secures HDCC's claims, pursuant to and in accordance with the HDCC H2D Loan Documents, by virtue of the filing and recording of a

UCC-1 with the Delaware Department of State and that its lien in the HDCC H2D Collateral is duly perfected, valid, existing, and legally enforceable.

B. ByLine Bank

66. On or about June 16, 2016, the Debtor H2D executed and delivered to Ridgestone Bank (“Ridgestone”) a \$2,040,000 SBA Loan Agreement, SBA Note, and SBA Security Agreement, pursuant to which Ridgestone provided H2D with acquisition financing under an Article 7(a) SBA guaranteed loan (collectively, the “Ridgestone H2D Loan Documents”).

67. Ridgestone perfected its interest by filing on June 17, 2016 a UCC1 financing statement with the Delaware Department of State evidencing its security interest in, inter alia, all of H2D’s equipment, fixtures, inventory, general intangibles, accounts, contract rights, chattel paper and instruments, and all accessions to and all proceeds and products of the foregoing (the “Ridgestone H2D Collateral”).

68. On May 17, 2017, Ridgestone assigned its interests in the Ridgestone H2D Loan Documents and UCC to ByLine Bank (“ByLine”).

69. As of the Filing Date, H2D asserts that the current balance owed to ByLine is approximately \$1,640,076.38, together with interest and fees thereon.

C. Vital Cap

70. Upon information and belief, on November 27, 2018, Vital Cap allegedly filed, through an entity known as CT Corporation System As Representative, a UCC 1 financing statement with the Delaware Secretary of State. The Debtors do not have a copy of such financing statement. As a result, the Debtors do not admit herein that Vital Cap hold perfected security interests in any of H2D’s assets and shall continue its investigation into same.

71. Notwithstanding, Vital Cap is likely to assert a security interest in H2D's assets that may constitute cash collateral within the meaning of Section 363(a) of the Bankruptcy Code.

72. Courts in this Circuit and others have required that the decision to sell assets outside the ordinary course of business be based upon the sound business judgment of the debtors. See *Orman v. Cullman*, 794 A.2d 5, 19-20 (Del.Ch.2002); See also, *Westmoreland County Employee Retirement System v. Parkinson*, 727 F.3d 719 (7th Cir.2013) (The business judgment rule establishes 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 taken was in the best interests of the company.); *In re Abbotts Dairies of Pennsylvania, Inc.*, 788 F.2d 143 (3d Cir. 1986); see also *Myers v. Martin (In re Martin)*, 91 F.3d 389,395 (3d Cir. 1996); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1071 (2d Cir. 1983); *Dai-Ichi Kangyo Bank, Ltd. v. Montgomery Ward Holding Corp., (In re Montgomery Ward Holding Corp.)*, 242 B.R. 147, 153 (D. Del. 1999); *In re Delaware & Hudson Ry. Co.*, 124 B.R. 169, 176 (D.D.C. 1991).

73. The "sound business judgment" test requires a debtor to establish four elements in order to justify the sale or lease of property outside the ordinary course of business, namely, (a) that a "sound business purpose" justifies the sale of assets outside the ordinary course of business, (b) that adequate and reasonable notice has been provided to interested persons, (c) that the debtors have obtained a fair and reasonable price, and (d) good faith. *Abbotts Dairies, Id.*, 788 F.2d 143; *Titusville Country Club v. Pennbank: (In re Titusville Country Club)*, 128 B.R. 396, 399 (Bankr. W.D. Pa. 1991); *In re Sovereign Estates, Ltd.*, 104 B.R. 702, 704 (Bankr. E.D. Pa. 1989).

74. In this case, the Debtors submit that the decision to proceed with the Sale of the H2D Assets and the Sale Procedures related thereto is based upon their sound business judgment and should be approved. A debtor's showing of a sound business purpose need not be unduly exhaustive but, rather, a debtor is "simply required to justify the proposed disposition with sound business reasons." *In re Baldwin United Corp.*, 43 B.R. 888,906 (Bankr. S.D. Ohio 1984). Whether or not there are sufficient business reasons to justify a transaction depends upon the facts and circumstances of each case. *Lionel*, 722 F.2d at 1071; *Montgomery Ward*, 242 B.R. at 155 (approving funding of employee incentive and severance program; business purpose requirement fulfilled because stabilizing turnover rate and increasing morale were necessary to successful reorganization).

75. It is therefore submitted that Section 363(f) is satisfied, and an immediate sale of the Assets is in the best interests of creditors and the estate and will prevent unnecessary, irreparable harm to the creditors and the estate.

76. In connection with this motion, the Debtors propose to invite interested parties to make higher or better offers by way of conducting an auction of the H2D Assets in contemplation of sales free and clear of all liens, claims and encumbrances, with all such liens, claims and encumbrances to attach to the sale proceeds.

77. The Debtors respectfully submit that the H2D APA, subject to higher and better offers received at an Auction, will provide the greatest recovery for the Debtors' estate than would be provided by any other available alternative. In addition, the terms and conditions of the H2D APA will be tested in the market through an auction process, which will support the fairness and reasonableness of the consideration being received. Therefore, the Debtors request that the Court authorize and approve the Sale of the H2D Assets.

C. The Break-Up Fee is Appropriate

78. As part of the Bidding Procedures, the Debtors seek approval of the Break-Up Fee in favor of the H2D Purchaser in the amount of \$50,000, which represents 2.19% of the aggregate of the Purchase Price and Assumed Liabilities under the H2D APA. The Break-Up Fee is only payable in the event of a closing of a transaction involving a sale of all or substantially all of the H2D Assets to a Successful Bidder other than the H2D Purchaser, that is higher and/or better than the terms and conditions of the H2D APA, following an Auction in which the H2D Purchaser is the stalking horse bidder (an “**Alternative Transaction**”). Pursuant to the H2D APA, the payment of the Break-Up Fee will constitute an allowed administrative expense of H2D’s estate.

79. The paramount goal in any proposed sale of property of the estate is to maximize the proceeds received by the estate. *See In re Mushroom Transp. Co.*, 382 F.3d 325, 339 (3d Cir. 2004) (debtor in possession "had a fiduciary duty to protect and maximize the estate's assets"); *Official Comm. of Unsecured Creditors of Cybergenics, Corp v. Chinery*, 330 F.3d 548, 573 (3d Cir. 2003) (same); *Four B. Corp. v. Food Barn Stores, Inc. (In re Barn Stores, Inc.)*, 107 F.3d 558, 564-65 (8th Cir. 1997) (in bankruptcy sales, "a primary objective of the Code [is] to enhance the value of the estate at hand"). To that end, the United States Court of Appeals for the Seventh Circuit recognizes that bid protections, including traditional breakup fees and expense reimbursement provisions, will be approved where they are necessary for the preservation of the debtor's estate. *See, e.g., In re Comdisco, Inc.*, Case No. 01-24795 (RB) (Bankr. 8. N.D. Ill. Aug. 9, 2002) (finding proposed termination fee to be of substantial benefit to the debtor’s estate); *In re Kmart Corp.*, Case No. 02-02474 (SPS) (Bankr. N.D. Ill. May 10, 2002); *In re Reliant Energy Channelview LP*, 594 F.3d 200,206 (3d Cir. 2010) (citing *Calpine Corp. v. O'Brien*

Environmental Energy, Inc. (In re O'Brien Environmental Energy, Inc.), 181 F.3d 527,537 (3d Cir. 1999); see also *Official Comm. of Subordinated Bondholders v. Integrated Res. Inc. (In re Integrated Res. Inc.)*, 147 B.R. 650, 659 (S.D.N.Y. 1992) (bidding procedures "encourage bidding and ... maximize the value of the debtor's assets"), See, *In re Reliant Energy Channelview LP*, 594 F.3d 200, 205 (3d Cir. 2010).

80. Allowance of break-up fees must be determined by the same standard applied to the allowance of any administrative expense. That is, break-up fees may be allowed when it is shown that the fees are actually necessary to preserve the value of the estate assets. See *In re S.N.A. Nut Co.*, 186 B.R. 98, 104 (Bankr. N.D. Ill. 1995); *In re Beth Israel Hosp. Ass'n of Passaic*, 06-16186 (NLW), 2007 WL 2049881 (Bankr. D.N.J. July 12, 2007)

81. In *O'Brien*, the Third Circuit referred to nine factors that the bankruptcy court viewed as relevant in deciding whether to award a break-up fee or expense reimbursement: (1) the presence of self-dealing or manipulation in negotiating the break-up fee; (2) whether the fee harms, rather than encourages, bidding; (3) the reasonableness of the break-up fee relative to the purchase price; (4) whether the "unsuccessful bidder place[d] the estate property in a sales configuration mode to attract other bidders to the auction"; (5) the ability of the request for a break-up fee "to attract or retain a potentially successful bid, establish a bid standard or minimum for other bidders, or attract additional bidders"; (6) the correlation of the fee to a maximization of value of the debtor's estate; (7) the support of the principal secured creditors and creditors' committees of break-up fee; (8) the benefits of the safeguards to the debtor's estate; and (9) the "substantial adverse impact [of the break-up fee] on unsecured creditors, where such creditors are in opposition to the break-up fee." *Id.* at 536. See also, *In re Comdisco, Inc.*, Case No. 01-24795 (RB) (Bankr. 8. N.D. Ill. Aug. 9, 2002) (finding proposed termination fee to be of

substantial benefit to the debtor's estate); *In re Kmart Corp.*, Case No. 02-02474 (SPS) (Bankr. N.D. Ill. May 10, 2002).

82. Under the standards adopted by, inter alia, the Seventh Circuit in the cases cited above, the Break-Up Fee and Minimum Overbid should be approved. Paying a Break-Up Fee of approximately 2.2% in the event H2D sells the H2D Assets to a bidder other than the H2D Purchaser is reasonable and customary in this type of transaction and has been approved by Bankruptcy Courts across the nation. *See also, e.g., In re S.N.A. Nut Co.*, 186 B.R. 98, 104 (Bankr. N.D. Ill. 1995); *In re Filene's Basement, LLC*, Case No. 11-13511 (KJC) (Bankr. D. Del. Apr. 9, 2012)(Court approved break-up fee of 3% and \$25,000 in expense reimbursement); *In re Magic Brands, LLC*, Case No. 10-11310 (BLS) (Bankr. D. Del. Apr. 22, 2010) (Court approved breakup fee and reimbursement expense equal to 3.5% of cash portion of purchase price); *In re ChiChi's, Inc.*, Case No. 03-13063 (Bankr. D. Del. Nov. 4, 2003) (fee of 5.1 % permitted).

83. Additionally, payment of the Expense Reimbursements and Break-Up Fee will not diminish H2D's estate. H2D will not incur the obligation to pay the Break-Up Fee unless a higher and better bid is accepted and such transaction closes. Perhaps most importantly, absent authorization of the Break-Up Fee and Minimum Overbid, the Debtors might lose the H2D Purchaser's bid and thus may lose the opportunity to obtain the highest and best offer for the H2D Assets, thereby making the bid protections necessary to preserve the value of H2D's estate. Providing the H2D Purchaser the Break-Up Fee and the setting of the Minimum Overbid have promoted and will promote more competitive bidding by inducing the H2D Purchaser's bid that otherwise would not be made, and without which bidding would have been and would continue to be limited. Furthermore, the Breakup Fee and Minimum Overbid induced the H2D Purchaser to submit the bid that will serve as minimum or floor bids on which other bidders and the

Debtors can rely. If the bidding protections are not approved, the H2D Purchaser might not go forward with the H2D APA. Because, among other things, approval of the bidding protections is a prerequisite for going forward with the H2D APA, the bidding protections are in the best interests of the Debtors' estates and necessary to preserve the value of H2D's estate.

84. Finally, the bidding protections were negotiated in good faith and were the product of arm's-length negotiations.

85. Accordingly, the Debtors request that the Court authorize payment of the Break-Up Fee and setting of the Minimum Overbid.

**C. Assumption and Assignment of the Assumed Executory Contracts
To the Successful Bidder is Proper**

86. In connection with the sale of H2D Assets, the Debtors seek authority to assume and assign H2D's interests in certain executory contracts (the "Assumed Agreements"), to the Successful Bidder pursuant to §365 of the Bankruptcy Code. To enable H2D to sell all of the H2D Assets, the Debtors request authority to assume and assign the Assumed Agreements to the Successful Bidder following the Auction.

87. A debtor's decision to assume or reject an executory contract or unexpired lease must only satisfy the "business judgment rule" and will not be subject to review unless such decision is clearly an unreasonable exercise of such judgment. *Group of Institutional Investors v. Chicago, Milwaukee, St. Paul & Pacific Ry. Co.*, 318 U.S. 523 (1943) (applying Bankr. Act section 77 subsection (b), the predecessor to Bankruptcy Code section 365) (rejecting the test of whether the executory contract was burdensome in favor of whether rejection is within the debtor's business judgment); *Lubrizol Enter., Inc. v. Richmond Metal Finishers, Inc.*, 756 F.2d 1043, 1046-47 (4th Cir. 1985).

88. Section 365(b)(1) of the Bankruptcy Code authorizes a debtor-in-possession to assume, assume and assign, or reject executory contracts and unexpired leases subject to the approval of the Bankruptcy Court, on the condition, *inter alia*, that the Debtor cures any default under the executory contract or unexpired lease and provides adequate assurance of future performance under such contract or lease.

89. The meaning of "adequate assurance of future performance" depends on the facts and circumstances of each case, but should be given "practical, pragmatic construction." *See Carlisle Homes, Inc. v. Azzari (In re Carlisle Homes, Inc.)*, 103 B.R. 524, 538 (Bankr. D.N.J. 1989). Among other things, adequate assurance may be given by demonstrating the assignee's financial health and experience in managing the type of enterprise or property assigned. *In re Bygaph, Inc.*, 56 B.R. 596, 605-6 (Bankr. S.D.N.Y. 1986) (finding adequate assurance of future performance present when the prospective assignee of a lease from the debtors has the financial resources and has expressed a willingness to devote sufficient funding to the business in order to give it a strong likelihood of succeeding; "chief determinant of adequate assurance of future performance is whether rent will be paid").

90. In connection with the Bidding Procedures, bidders will be required to submit, among other things, written evidence of their ability to provide adequate assurance of future performance under the applicable leases, such as current financial statements or current bank account statements. In order to facilitate the Auction, and to not cause any potentially chilling effect, the Debtors believe that any objection relating to a prospective assignee's ability to provide adequate assurance of future performance under §365 of the Bankruptcy Code should be heard and adjudicated at the Sale Hearing.

91. Any assumption and assignment of the Assumed Agreements will be subject to all of the provisions of such lease, to the extent required by applicable law, and will be subject to all of the applicable provisions of the Bankruptcy Code. The proposed terms and conditions of the Auction are designed to ensure that any assignees are financially healthy and prepared to undertake the obligations for which they are bidding.

92. Accordingly, the Debtors submit that they will have established, or will establish, adequate assurance of future performance pursuant to section 365 of the Bankruptcy Code with respect to prospective assignment of the Assumed Agreements.

D. Granting the Successful Bidder Good Faith Status is Appropriate

93. Section 363(m) of the Bankruptcy Code provides as follows:

The reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

94. Section 363(m) of the Bankruptcy Code thus protects the purchaser of assets sold pursuant to section 363 of the Bankruptcy Code from the risk that it will lose its interest in the purchased assets if the order allowing the sale is reversed on appeal. Additionally, the Seventh Circuit has indicated that section 363(m) of the Bankruptcy Code also protects the assignee of a debtor's interest in executory contracts under section 365 of the Bankruptcy Code. See *Corporate Assets, Inc. v. Paloian*, 368 F.3d 761, 767 (7th Cir.2004). “Purchasers are likely to demand a steep discount” when purchasing a bankruptcy debtor's property if the sale can later be disturbed, *In re Sax*, 796 F.2d 994, 998 (7th Cir.1986); see also, *Krebs Chrysler-Plymouth, Inc. v. Valley Motors, Inc.*, 141 F.3d 490,497-98 (3d. Cir. 1998). In *Krebs*, the Third Circuit considered "whether assignments of [certain automobile dealership] dealerships under section 365 are also

sales of estate property subject to section 363(m)." *Id.* at 497. Despite the absence of an explicit reference to assignments of executory contracts under section 365 of the Bankruptcy Code, the Third Circuit in *Krebs* concluded that section 363(m) of the Bankruptcy Code protected an assignment of a debtor's interest in certain automobile dealership agreements pursuant to an auction sale. Like the dealership agreements protected in *Krebs*, the Executory Contracts and Leases may be assumed and assigned pursuant to section 365 of the Bankruptcy Code. In light of *Krebs*, the Debtor respectfully submit that section 363(m) applies to protect the Successful Bidder (or the Back-Up Bidder) with respect to both the Executory Contracts and Leases designated for assumption and assignment and the assets and other property comprising the Assets that are included in such bids.

95. As required by section 363(m) of the Bankruptcy Code, the Sale Procedures have been proposed in good faith and provide for both the Debtors and the potential purchasers to act in good faith in negotiating the Sale and the assignment of the designated Executory Contracts. Although the Bankruptcy Code does not define "good faith purchaser," Courts construing section 363(m) of the Bankruptcy Code have stated that "the phrase encompasses one who purchases in 'good faith' and for 'value.'" *Abbotts Dairies*, 788 F.2d at 147. To constitute lack of good faith, a party's conduct in connection with the sale must usually amount to "fraud, collusion between the purchaser and other bidders or the trustee or an attempt to take grossly unfair advantage of other bidders." *Id.* (citing *In re Rock Indus. Mach. Corp.*, 572 F.2d 1195, 1198 (7th Cir. 1978)). See also *In re Bedford Springs Hotel, Inc.*, 99 B.R. 302, 305 (Bankr. W.D. Pa. 1989); *In re Perona Bros., Inc.*, 186 B.R. 833, 839 (D.N.J. 1995). Due to the absence of a bright line test for good faith, the determination is based on the facts of each case, concentrating on the "integrity of [an

actor's] conduct during the sale proceedings." *In re Pisces Leasing Corp.*, 66 B.R. 671, 673 (E.D.N.Y. 1986) (quoting *In re Rock Indus. Mach. Corp.*, 572 F.2d 1195, 1998 (7th Cir. 1978)).

96. Here, the Sale of the H2D Assets, and the assignment and/or transfer of those Executory Contracts designated by the H2D Purchaser or such other purchasers who may submit a higher or better bid, is in good faith. There is no evidence of fraud or collusion in the Debtors' marketing process. To the contrary, as discussed throughout this Motion, and as will be further demonstrated at the Sale Hearing, the H2D APA or such other purchase agreement that the Court is ultimately asked to approve will be the culmination of a solicitation and negotiation process in which all parties are expected to be represented by counsel.

97. Based upon the foregoing, the Debtors respectfully submit that the H2D Purchaser has taken part in the transactions contemplated hereby in a manner consistent with granting it "good faith purchaser" status, and the protections concomitant with such status.

E. The Fourteen Day Stay of the Sale Approval Order Should be Waived

98. Federal Rule of Bankruptcy Procedure 6004(g) 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 entry of the order, unless the court orders otherwise."

99. The Debtors hereby request that the Court, in its discretion, waive the fourteen-day stay imposed by Rule 6004(g).

100. The Debtors suggests that good cause exists for such a waiver. The H2D dealership is currently "dark", and administrative rent, charges and utility expenses continue to accrue. The remaining good will value of the H2D dealership continues to erode. H2D will incur additional losses if it is prevented from closing before such time and as such, the Debtors seek

such a waiver. Artificially expanding the time that H2D must continue to incur expenses prior to a closing, only increases these losses.

101. For the foregoing reasons, the Debtors therefore request that the Court waive the fourteen-day stay consistent with the provisions of Federal Rule of Bankruptcy Procedure 6004(g).

**REQUEST FOR HEARING TO CONSIDER ENTRY OF THE
BIDDING PROCEDURES ORDER ON SHORTENED NOTICE
PURSUANT TO BANKRUPTCY PROCEDURE 9006(C)**

102. As set forth above, H2D is not operating and urgently in need of consummating a strategic transaction in order to preserve the remaining value of the H2D Assets.

103. The Debtors lack any working capital or safety net to protect from diminishing value.

104. The continued stigma associated with the uncertainty of Chapter 11 has contributed to the Debtors' tenuous status and ability to preserve good will or intangible value.

105. Therefore, the Debtors hereby request that the Court enter order shortening time pursuant to Rule 9006(c) of the Federal Rules of Bankruptcy Procedure so that the hearing to consider entry of (a) the Bidding Procedures Order may be heard on or prior to September 20, 2019 and (b) the Sale Approval Order may be heard on or prior to October 5, 2019.

106. The Federal Rules of Bankruptcy Procedure provide for a shortening of time under certain circumstances.

107. Federal Rule of Bankruptcy Procedure 9006(c) provides as follows:

(c) *Reduction.*

(1) *In General.* Except as provided in paragraph (2) of this subdivision, when an act is required or allowed to be done at or within a specified time by these rules or by a notice given thereunder or by order of court, the court for cause shown may in its discretion with or without motion

or notice order the period reduced.

(2) *Reduction Not Permitted.* The court may not reduce the time for taking action under Rules 2002 (a)(4) and (a)(8), 2003(a), 3002(c), 3014, 3015, 4001(b)(2), (c)(2), 4003(a), 4004(a), 4007(c), 8002, and 9033(b).

108. Thus, the Federal Rules of Bankruptcy Procedure specifically authorize the Court to hear an application such as the Motion herein on shortened notice, for cause shown.

109. The Debtors respectfully submits that sufficient cause exists for scheduling a hearing on shortened notice to consider the Motion.

110. In light of the substantial marketing efforts of the Debtors and their advisors to date, the Debtors submit that the above timeline is sufficient to further and finally market the H2D Assets and provides adequate time for any potential purchasers to conduct any further inquiries into the H2D Assets.

NOTICE

111. Notice of this Motion has been provided to (i) the Office of the U.S. Trustee; (ii) the Debtor's secured creditors and their respective counsel including HDCC; (iii) all taxing authorities; (iv) counsel to the Purchaser, (v) counsel to the Debtor's landlord; (vi) counsel to HDFC; (vii) all counterparties to each of the Debtor's executory contracts and/or leases; (viii) all creditors; and (ix) all potential buyers known by the Debtors as having previously expressed interest in acquiring any of the Debtors' assets. The Debtors submit that said notice is adequate and proper.

NO PRIOR REQUEST

112. No prior Motion for the relief requested herein has been made to this or any other Court.

CONCLUSION

113. For all of the foregoing reasons, the Debtors respectfully request entry of the Sale Procedures Order, substantially in the form annexed hereto as **Exhibit A**, and after the Auction and a Sale Hearing, entry of the Sale Approval Order.

WHEREFORE, the Debtors respectfully requests that the Court grant all of the relief requested herein, together with such other and further relief as is just and proper under the circumstances.

Respectfully Submitted,

RATTET PLLC

Counsel to the Debtors and Debtors-in-Possession

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(914) 381-7400

By: /s/ Robert L. Rattet
Robert L. Rattet, Esq.

Dated: September 16, 2019

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WISCONSIN

----- X
In re:

H2D MOTORCYCLE VENTURES, LLC, et al.¹

Chapter 11 Proceedings
Case No. 19- 26914-beh
(Jointly Administered)

Debtors.

----- X

ORDER: (I) APPROVING BIDDING PROCEDURES, (II) APPROVING THE FORM AND MANNER OF NOTICE, (III) SCHEDULING AN AUCTION AND SALE HEARING, AND (IV) ESTABLISHING EXECUTORY CONTRACT CURE AMOUNTS AND DEADLINES

Upon the motion (“Motion”)² of H2D Holdings, Inc., one of the above captioned Debtors and Debtors-in-Possession (the “Debtor”), seeking entry of an Order: (i) approving Bidding Procedures; (ii) approving the form and manner of notice of the Sale, the Bidding Procedures, the Auction and the Sale Hearing; (iii) scheduling an auction to sell substantially all of the Debtor’s Assets (the “Assets”), subject to higher or better bids and scheduling a hearing to approve the Sale of the Assets in accordance with the Auction; and (vi) Establishing Executory

¹ Jointly Administered with *JHD Holdings, Inc.*, Case No. 19-26915-beh

² Capitalized terms used herein not otherwise defined shall have the meaning ascribed to them in the Motion.

Contract Cure Amounts and Deadlines, and it appearing that the relief requested in the Motion is in the best interests of the Debtor's estate, its creditors, and other parties in interest; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§157 and 1334; and it appearing that this Motion is a core proceeding pursuant to 28 U.S.C. §157; and adequate notice of the Motion and opportunity for objection having been given; and no other notice being required; and this Court having conducted a hearing in connection with the Motion on September __, 2019 (the "Hearing"); all objections, if any, have either been resolved or overruled; and the Debtor having articulated good and sufficient reasons for this Court to approve the Bidding Procedures in the form annexed hereto as **Exhibit A** (the "Bidding Procedures"), including the procedures for the assumption and assignment of executory contracts and unexpired leases that are to be assumed and assigned; and the Court having found that the Bidding Procedures are fair, reasonable, and appropriate and are designed to maximize recoveries and the realization of value by the Debtor's estate; and it appearing that Hannum's Sales of New Berlin, Inc. ("Purchaser") has submitted a bid of \$2,150,000, plus assumption of the Assumed liabilities not to exceed \$130,000 for the H2D Assets (the "Purchaser Offer") pursuant to the terms of Asset Purchase Agreement between the Debtor and Purchaser dated as of September 13, 2019 (the "Purchase Agreement"), a copy of which has been electronically filed by the Debtor with the Motion; and the Court having found that the procedures for the assumption and assignment of contracts are reasonable and appropriate and consistent with the provisions of Title 11 of the United States Code, 11 *U.S.C.* §§101-1532, as amended (the "Bankruptcy Code"); and after due deliberation and sufficient cause appearing therefore, it is hereby:

ORDERED, that the Debtor is authorized to implement the Bidding Procedures, conduct a sale process subject to the Bidding Procedures and this Order, and, subject to the terms of the Bidding Procedures, conduct an Auction for the sale of the Assets; and it is further

ORDERED, that the Bidding Procedures and the Offer and Bidding Registration form annexed to this Order are hereby approved. The failure to specifically include or reference any particular provision, section or article of the Bidding Procedures in this Order shall not diminish or impair the effectiveness of such procedure, it being the Court's intent that the Bidding Procedures be authorized and approved in their entirety; and it is further

ORDERED, that the form of the Purchase Agreement is hereby approved to be used in the Bidding Procedures and is reasonably calculated to enable the Debtor and other parties in interest to easily compare and contrast the differing terms of the bids presented pursuant to the Bidding Procedures; and it is further

ORDERED, that the Debtor shall serve a notice of sale as detailed in this Order and of the Sale Hearing (defined below); and it is further

ORDERED, that notice of the contemplated sale and auction shall be advertised in the (i) Wall Street Journal - Wed. Business Real Estate & Services- National, (ii) [Local Milwaukee paper], (iii) Financial Times Tues. Commercial Property Section – Global, and (iv) NY Times Wed. Square Feet (Commercial RE Section); and it is further

ORDERED, that the Debtor will send e-mail blasts to targeted groups from Performance Brokerage Services database. The Debtor will further notice the sale via e-mail blasts through an industry association or publication, should the Debtor and Harley Davidson Credit Corp. approve such expenditure as necessary and not duplicative of the existing e-mail blast notification; and it is further

ORDERED, that the deadline for submitting bids to become Qualified Competing Bids is **October 10, 2019 at 4:00 p.m. (Central Standard Time)** (the “Bid Deadline”) and each competing bid shall be delivered to the following “Notice Parties” so as to be received on or before the Bid Deadline by hand delivery, overnight mail or electronic mail: (i) Seller in care of Rattet PLLC, Attention: Robert L. Rattet, Esq., 202 Mamaroneck Avenue, Suite 300, White Plains, NY 10601; (ii) Buyer in care of Jonathan Jordan, Esq., Riley Riper Hollin & Colagreco, 717 Constitution Drive, Suite 201, P.O. Box 1265Exton, Pennsylvania 19341; (iii) Harley Davidson Credit Corporation (“HDCC”) in care of Dan Fleming, Esq., Wong Fleming, 821 Alexander Road, Suite 200, Princeton, NJ 08540; (iv) Harley Davidson Motors Corporation (“HDMC”) in care of Roberta F. Howell, Esq., Foley & Lardner, 150 E. Gilman Street, P.O. Box 1497, Madison, WI 53701-1497; and (v) Michelle S.Y. Cramer, Esq., Office of the United States Trustee, 517 E. Wisconsin Ave., Suite 430 Milwaukee, WI 5320; and (vi) the counsel for any creditors’ committee that may be formed and if such creditors’ committee does not retain counsel to the chairman of that creditors’ committee (collectively “the Notice Parties”); and it is further

ORDERED, that the Debtor will consult with HDCC and HDMC before determining which parties have submitted Qualified Bids, other than Edison Broadcasting. In the event that a dispute arises between the Debtor, HDCC and/or HDMC as to whether or not a bidder is a Qualified Bidder these parties may request a determination by this Court; and it is further

ORDERED, that a report of Qualified Bids, if any, shall be filed electronically with the Court by the Debtor’s counsel no later than **October 11, 2019 at 5:00 p.m.**; and it is further

ORDERED, that if any Qualified Bids are received in accordance with the Bidding Procedures, the Debtor will conduct an Auction commencing on **October 15, 2019 at 10:00**

a.m., at the offices of Foley & Lardner, LLP, 777 E. Wisconsin Avenue, Milwaukee, WI 53202 or such other location as shall be timely communicated to all entities entitled to attend the Auction. HDCC, HDMC, the Debtor's landlord, any other interested parties and their respective counsel and any of their representatives may attend any Auction in person or telephonically; and it is further

ORDERED, that the Debtor will consult with HDCC and HDMC before determining which party the Debtor presents to the Court as the Successful Bidder, and the Back-up Bidder. In the event that a dispute arises between the Debtor, HDCC and/or HDMC as the designation of the Successful Bidder and Back-up Bidder each of these parties may request a determination by this Court; and it is further

ORDERED, under the following terms and conditions that Purchaser is hereby allowed a break-up fee of \$50,000 (the "Break-Up Fee"), which shall constitute administrative expenses of the Debtor's bankruptcy estate pursuant to Sections 503(b) and 507(a)(2) of the Bankruptcy Code:

1. The Break-Up Fee will only be payable upon the closing on an offer made by a party other than Purchaser for the Assets pursuant to the bidding procedures set forth herein;
 2. If Purchaser is then in not in breach of the Purchase Agreement;
 3. If Purchaser is then willing and able to close on its offer for the Assets pursuant to the terms of the Purchase Agreement; and
 4. Purchaser will not be entitled to any expenses in addition to the Break-Up Fee;
- and it is further

ORDERED, that if no Qualified Bid, other than the Qualified Bid of Purchaser, is timely received, the Debtor may exercise its right to cancel the Auction, and is authorized to proceed to seek approval of Purchaser's Qualified Bid at the Sale Hearing (defined below); and it is further

ORDERED, that all parties to any unexpired executory contract and/or lease with the Debtor listed in the Assumption Notice shall file executory contract/lease cure amounts no later than **October 10, 2019 at 5:00 p.m. CST** and failure of such parties to file such cure amounts will result in that party being forever barred from asserting a cure amount claim different from that set amount forth in the Purchase Agreement; and it is further

ORDERED, that if a contract counterparty files a timely objection that cannot be resolved, the Court may hear such objection at the Sale Hearing (defined below). Further, objections by contract counterparties that object solely to the cure amount may not prevent or delay the assumption or assignment or the assigned contracts. If a party objects solely to the cure amount the Debtor may, with the consent of HDCC and HDMC, hold the claimed cure amount in reserve pending further order or mutual agreement of the parties and the Debtor can then, without further delay, assume and assign any assigned contract that is the subject of the objection. Under such circumstances the objecting parties' recourse is limited to the funds in reserves. The Debtor's decision to assume and assign any contract is subject to court approval and consummation of the sale of the Assets. Absent such sale, such agreements shall not be deemed assumed nor assigned and shall in all respects be subject to further administration; and it is further

ORDERED, that a hearing shall be held before the Honorable Beth E. Hanan, United States Bankruptcy Judge, at the United States Bankruptcy Court, Eastern District of Wisconsin, Milwaukee Division, 517 E. Wisconsin Avenue, Milwaukee, Wisconsin 53202 on **October __, 2019 at __: __.m. (CST)** or as soon thereafter as counsel may be heard (the “Sale Confirmation Hearing”), to confirm the results of the Auction sale, authorize the sale of substantially all of the Assets and authorize the assumption or rejection of the Assumed Agreements, based upon the results of the Auction, and grant such other related relief as may be deemed necessary or proper by the Court; and it is further

ORDERED, that objections to the relief to be considered at the Sale Confirmation Hearing (including any claim cure dispute) shall be filed by **October __, 2019 at 4:00 p.m. (CST)**, except for those objections as to whether the bid of the Successful Bidder constitutes the highest or best Qualified Bid for the Assets that should be confirmed by the Bankruptcy Court, which may be presented orally at the Sale Confirmation Hearing by the HDCC, HDMC, the Office of the United States Trustee, and/or any creditors’ committee; and it is further

ORDERED, that HDCC and HDMC reserves all rights as to entry of the Sale Order; and it is further

ORDERED, that the Court shall retain jurisdiction over any matter or dispute arising from or relating to the implementation of this Order; and it is further

ORDERED, that the Debtor shall serve this Order, along with the Bidding Procedures, by first class mail upon (a) counsel to the Purchaser, (b) Michelle Cramer, Esq. of the Office of the United States Trustee, 517 E. Wisconsin Avenue, Milwaukee, Wisconsin 53202 ; (c) counsel to the Debtor’s secured lenders, including HDCC, (d) counsel to the Debtor’s landlord; (e) counsel to HDMC; (f) parties who filed notices of appearance; (g) all counter-parties to executory

contracts and leases with the Debtor, or their respective counsel (which shall at the same time be served with the Assumption Notice); (h) all parties and entities that previously expressed an interest in acquiring the Debtor's Assets; (i) the counsel to any creditors' committee that may be formed in this case and if such creditors' committee has not retained counsel to the chairman of the creditors' committee; and (j) all Creditors, within one (1) business day of entry of this Order; and it is further

ORDERED, that Pursuant to Bankruptcy Rules 7062, 9014, 6004(h) and 6006(d), this Order shall be effective immediately upon entry.

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Bidding Procedures

Set forth below are the bidding procedures (the “Bidding Procedures”) to be employed with respect to the transactions contemplated by the Purchase and Sale Agreement between H2D Motorcycle Ventures, LLC (sometimes hereinafter referred to as the “Seller” and sometimes hereinafter referred to as the “Debtor”) and Hannum’s Sales of New Berlin, Inc. (the “Buyer”), dated as of September 13, 2019 (the “Purchase Agreement”), concerning the sale of the Assets (defined below).

Any person or entity interested in the specific terms of the Sale (defined below) should refer to the Purchase Agreement, a copy of which is available from the Seller’s counsel, Rattet PLLC, 202 Mamaroneck Avenue, Suite 300, attn: Robert L. Rattet, Esq., Telephone: (914) 381-7400, Facsimile: (914) 381-7406, email: rrattet@rattetlaw.com.

The Seller has determined that: (A) the transactions contemplated by the Purchase Agreement (such transactions being referred to collectively as the “Sale”) shall be subject to competitive bidding as set forth in these Bidding Procedures; (B) the transfer of the Seller’s rights, title and interests in and to the Assets (as defined below) shall be subject to approval by the United States Bankruptcy Court for the Eastern District of Wisconsin (the “Bankruptcy Court”) pursuant to Sections 363 and 365 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as amended (the “Bankruptcy Code”); and (C) the Sale shall be subject to such other closing conditions and other terms and conditions as are set forth in the Purchase Agreement. These Bidding Procedures have been approved by the Bankruptcy Court.

Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Purchase Agreement. These Bidding Procedures are subject to the terms of that certain order of the Bankruptcy Court approving these Bidding Procedures. In the event of any inconsistency between the provisions of these Bidding Procedures and the provisions of the Purchase Agreement, the Purchase Agreement shall control.

Bidding Process

These Bidding Procedures describe, among other things, the Assets available for sale, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Assets, the manner in which bids become Qualified Competing Bids (as defined below), the receipt and negotiation of bids received, the conduct of any Auction (as defined below), the ultimate selection of the Successful Bidder (as defined below), and the Bankruptcy Court’s approval thereof (collectively, the “Bidding Process”).

Assets To Be Sold

The assets subject to these Bidding Procedures include substantially all personal, tangible and intangible property and other assets of any kind or nature whatsoever of the Seller including, but not limited to all inventory, parts, trade names, trademarks, copyrights, and other intellectual property and license rights owned by the Seller, but excluding those certain assets expressly identified as “Excluded Assets” in the Purchase Agreement (the “Assets”). The Assets shall specifically include without limitation the dealership rights to the Harley Davidson dealerships owned by the Sellers d/b/a Iron Town Harley Davidson (the “Dealer Agreement”) and the assets located at 1925 S. Moorland Road, New Berlin, Wisconsin (“New Berlin Premises”), as more particularly described in the Purchase Agreement. The Assets shall NOT include the Seller’s lease for the New Berlin Premises, and the Purchaser or such other Successful Bidder must either (a) negotiate a new lease with the landlord, (b) acquire the real property

from the landlord, (c) assume the Debtor's existing lease or (d) agree to move the dealership to another location, subject to approval by Harley-Davidson Motor Corporation.

Notice And Solicitation Of Bids

Within two (2) Business Days following the entry of the Bidding Procedures Order or as soon as reasonably practicable thereafter, the Seller may provide notice of the Sale, the Bidding Procedures, the time and place of the Auction (as defined below), the time and place of the Sale Hearing (as defined below), and the objection deadline for the Sale Hearing to potential bidders who may wish to participate in the Bidding Process by submitting higher or better offers ("Competing Bids") to purchase the Assets.

Any person or entity other than the Buyer that desires to submit a Competing Bid (a "Bidder") must do so in writing, provided that such Competing Bid satisfies all of the requirements for Qualified Competing Bids (as set forth below) and is received by the Notice Parties (defined below) at their following respective addresses by **October 10, 2019 not later than 4:00 p.m./noon (CST)** (the "Bid Deadline"). The Notice Parties are as follows, and service may be by hand delivery, overnight mail or electronic mail: (i) Seller in care of Rattet PLLC, Attention: Robert L. Rattet, Esq., 202 Mamaroneck Avenue, Suite 300, White Plains, NY 10601; (ii) Buyer in care of: Jonathan Jordan, Esq., Riley Riper Hollin & Colagrecio, 717 Constitution Drive, Suite 201, P.O. Box 1265, Exton, Pennsylvania 19341 ; (iii) Harley Davidson Credit Corporation ("HDCC") in care of Dan Fleming, Esq., Wong Fleming, 821 Alexander Road, Suite 200, Princeton, NJ 08540; (iv) Harley Davidson Motors Corporation ("HDMC") in care of Roberta F. Howell, Esq., Foley & Lardner, 150 E. Gilman Street, P.O. Box 1497, Madison, WI 53701-1497; (v) Michelle S.Y. Cramer, Esq., Office of the United States Trustee, 517 E. Wisconsin Ave., Suite 430 Milwaukee, WI 5320; (vi) the Landlord (as defined below), in care of Jennifer Kneeland, Esq. and Marguerite Lee DeVoll, Esq., Watt, Tieder, Hoffar & Fitzgerald, L.L.P., 1765 Greensboro Station Place, Suite 1000, McLean, VA 22102 and (vii) the counsel for any creditors' committee that may be formed and if such creditors' committee does not retain counsel to the chairman of that creditors' committee (collectively "the Notice Parties"). Each person submitting a Competing Bid for the Assets shall be deemed to acknowledge that it is bound by these procedures and to consent to the jurisdiction of the Bankruptcy Court.

Qualified Competing Bids

To be considered a qualified Competing Bid (a "Qualified Competing Bid"), each Competing Bid must be received by the Bid Deadline and must comply with all of the following requirements:

- (a) it is in writing and is irrevocable through a closing of the sale of the Assets;
- (b) it includes a duly authorized and executed asset purchase agreement substantially in the form of the Purchase Agreement together with all exhibits thereto, as well as copies of such materials marked to show any amendments and modifications to the Purchase Agreement (the "Marked Agreement") and a marked copy of the proposed order to approve the Sale by the Bankruptcy Court;
- (c) it provides for (i) a cash purchase price for the Assets, expressed in U.S. Dollars, of not less than Two Million Two Hundred and Twenty-Five Thousand Dollars (\$2,225,000.00) plus assumption of the Assumed Liabilities (as defined in the Purchase Agreement) not to exceed \$130,000;
- (d) it includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow the Seller and HDMC

to make a reasonable determination as to the Bidder's financial and other capabilities and qualifications to consummate the transaction contemplated by the Marked Agreement;

(e) it is not conditioned on any contingencies, such as, without limitation: (i) the outcome of unperformed due diligence by the Bidder, and/or (ii) obtaining financing;

(f) it discloses the names and addresses of the principals of the Bidder;

(g) it includes an acknowledgement and representation that the Bidder: (i) has had an opportunity to conduct any and all required diligence regarding the Assets prior to making its offer; (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid; (iii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Assets or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in the Marked Agreement; and (iv) is not entitled to any expense reimbursement or break-up fee in connection with its bid. It further acknowledges that the offer is irrevocable until two business days after the Assets has been sold pursuant to a closing approved by the Bankruptcy Court;

(h) it includes evidence, in form and substance reasonably satisfactory to the Seller, of authorization and approval from the Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery, and closing of the Marked Agreement;

(i) it is accompanied by a good faith deposit in the form of a wire transfer (to a bank account specified by the Seller), certified check or such other form acceptable to the Seller, payable to the order of the Seller (or such other party as the Seller may determine) in an amount equal to ten (10%) percent of the Competing Bid (the "Good Faith Deposit");

(j) it includes a list of the executory contracts and leases with respect to which the Bidder seeks assignment from the Seller, a list of the liabilities the Bidder proposes to assume and adequate assurance that it can perform under the executory contracts and leases it wishes to assume; and

(k) it includes an acknowledgement and representation that Bidder understands that, if its offer contemplates an assignment and assumption of the Harley Davidson dealership agreement, its offer and qualification as a successful bidder is subject to approval by HDMC, which approval must be obtained prior to the Closing Deadline.

The Seller will consult with HDCC and HDMC before the Seller determines which of the Competing Bids constitute Qualified Competing Bids.

Use of Dealership Premises by Purchaser or Qualified Bidders

The Purchase Agreement is subject to the Buyer either (a) acquiring title to or (b) entering into a new lease for the Dealership Premises or (c) moving the dealership to a new location subject to approval by HDMC. All Qualified Competing Bids must also include an indication as to whether such bidder intends, as a condition to closing, to either (a) acquire title, (b) enter into a new lease, (c) assume the Seller's existing or (d) relocate the dealership. In the event that a bidder intends to assume the Seller's existing lease, its offer must be increased by approximately \$360,000 plus an adjustment in favor of the Seller of \$470,000 for the security deposit on hand with the landlord if it wishes to assume the lease for the New Berlin Premises. The bidder must, prior to the Closing Deadline (as defined below) obtain the approval and consent of the Debtor's landlord, CAR BRD WI BERLIN L.L.C (the "Landlord") to any purchase or new lease, or, in the event that the bidder elects to assume the Seller's existing lease(s), the bidder shall be required to provide adequate assurance of future performance to the Landlord in accordance with Section 35 of the Bankruptcy Code, at or prior to the Sale Hearing (as defined below).

Break- Up Fee

Recognizing the value and benefits that the Buyer has provided to the Seller by entering into the Purchase Agreement, as well as the Buyer's expenditure of time, energy and resources, under the following terms and conditions Buyer is allowed a break-up fee of \$50,000.00, which shall constitute administrative expenses of the Seller's bankruptcy estate pursuant to Sections 503(b) and 507(a)(2) of the Bankruptcy Code:

1. The break-up fee will only be payable upon the closing on an offer for the Assets made by a party other than Buyer pursuant to the bidding procedures set forth herein;
2. If Buyer is then not in breach of the Purchase Agreement;
3. If Buyer is then willing and able to close on its offer pursuant to the terms of the Purchase Agreement; and
4. Buyer will not be entitled to any expenses in addition to this breakup fee.

Proposed Cure Amounts

The Seller shall file with the Bankruptcy Court and serve on all parties to executory contracts and unexpired leases subject to assumption and/or assignment (the "Contract Counterparties") notice of proposed cure amounts (the "Cure Notice") by **5:00 p.m. (prevailing Eastern Time)** on the date that is ten (10) calendar days prior to the Bid Deadline. The inclusion of contracts on the Cure Notice shall not constitute or be deemed to be a determination or admission by the Seller or any other party in interest that such document is, in fact, an executory contract or unexpired lease within the meaning of the Bankruptcy Code (all rights with respect thereto being expressly reserved). If a Qualified Competing Bidder identifies a contract that is not on the Seller's list, the Seller shall within one (1) business day file with the Bankruptcy Court and serve via overnight delivery a notice of the proposed assumption and cure by the Cure Notice.

Auction

If the Seller receives one or more Qualified Competing Bids in addition to the Purchase Agreement, the Seller will conduct an auction (the "Auction") of the Assets to select the highest or best bid for the Assets (the "Successful Bid"). The Auction shall be held at **10:00 a.m. (prevailing Eastern Time) on October 15, 2019**, at the office of Foley & Lardner LLP, 777 E. Wisconsin Avenue, Milwaukee, WI 53202, or such other location as shall be timely communicated to all entities entitled to

attend the Auction. All proceedings at the Auction shall be conducted before and transcribed by a court stenographer. All interested parties shall be entitled to attend the Auction. Any of the foregoing can also make arrangements to attend the Auction telephonically. Only the Buyer and Bidders that have submitted Qualified Competing Bids shall be entitled to make bids at the Auction.

At least one business day prior to the Auction, the Seller shall provide the Buyer and all Bidders that have submitted Qualified Competing Bids with complete copies of all Qualified Competing Bids. At least one day prior to the Auction, the Seller, after consultation with HDCC and HDMC, shall advise the Buyer and each Bidder that has submitted a Qualified Competing Bid which Qualified Competing Bid the Seller has determined, in its reasonable business judgment constitutes the then highest or best offer for the Assets (the "Initial Bid").

If no Qualified Competing Bids are received, the Seller and the Buyer intend to seek immediate Court approval of the Purchase Agreement without conducting an Auction.

If any Qualified Bids other than the bid made pursuant to the Purchase Agreement are received, the Seller may conduct the Auction in any manner and upon any terms and conditions satisfactory to the Court, permitted by the Purchase Agreement, and consistent with these Bidding Procedures, after consultation with HDCC and HDMC, that will achieve the maximum value for the Assets. Such terms and conditions may include, by way of example, one or more rounds of sealed or open bids from the Buyer and any Bidder who submitted a Qualified Competing Bid. The initial bid at the Auction shall be the Initial Bid. Any subsequent bidding for the Assets at the Auction shall be in the amount of at least Twenty-Five Thousand Dollars (\$25,000.00) more than the Initial Bid with increments thereafter of at least Twenty-Five Thousand Dollars (\$25,000.00) or any higher reasonable amount established by the Seller at the Auction and shall continue until such time as the highest or best bid is determined by the Seller in accordance with these Bidding Procedures. At the conclusion of the Auction, the Seller shall announce the bid which it has determined after consultation with the Bond Trustee and the City of Trenton to be the Successful Bid and the Back-Up Bid (defined below). Any Bid that fails to comply with the Bidding Procedures or any other procedures established at the Auction may be refused.

Selection Of Successful Bid

Prior to the conclusion of the Auction, the Seller will (a) review and evaluate the Buyer's bid and each Qualified Competing Bid, (b) identify the highest or otherwise best offer for the Assets received at the Auction (such bid, the "Successful Bid" and the bidder making such bid, the "Successful Bidder") and the second highest and otherwise best offer for the Assets received at the Auction (such bid, the "Back Up Bid") after consultation with HDCC and HDMC and (c) communicate to the Buyer and the Qualified Competing Bidders the identity of the Successful Bidder and the details of the Successful Bid and the details of the Back Up Bid. The determination of the Successful Bid by the Seller shall be final, subject to approval by the Bankruptcy Court and the rights of all interested parties to object to the approval of such sale. The Seller will sell the Assets to the Successful Bidder pursuant to the terms of the Successful Bid upon the approval of such Successful Bid by the Bankruptcy Court at the Sale Hearing.

If, following the entry of the Sale Approval Order, the Successful Bidder fails to consummate the Sale because of a breach or failure to perform on the part of the Successful Bidder, the Back-Up Bid will be deemed the new Successful Bid, and the Seller will be authorized, but not required, to consummate the Sale with the bidder who submitted the Back-Up Bid without further order of the Court. In such case, the good faith deposit of the Successful Bidder shall be forfeited to the Seller and the Seller shall have the right to seek any and all other remedies and damages from the defaulting Successful Bidder to the extent permissible under the applicable purchase agreement and applicable law. Notwithstanding the foregoing,

the Buyer shall not be obligated to consummate the Sale if it is not the Successful Bidder, and its bid shall not be considered a Back-Up Bid, unless it otherwise consents in writing.

Sale Hearing

A hearing to approve the sale of the Assets to the Buyer or other Successful Bidder will be held on **November __, 2019 at __:__.m** before the United States Bankruptcy Court for the Eastern District of Wisconsin, Milwaukee Division, located at 517 E. Wisconsin Avenue, Milwaukee, Wisconsin 53202 (the "Sale Hearing"). In connection with the Sale Hearing, the Seller will request findings of fact and rulings of law that all parties in interest, including HDCC, HDMC and the Seller's landlord have received adequate notice of the proposed sale and Sale Hearing, the terms of the proposed sale, the procedures regarding the proposed sale, and the procedures for filing of objections to the proposed sale. At the Sale Hearing, the Seller will request findings of fact and rulings of law that there was a meaningful sale process and that the sale of the Assets was the best of the Debtors' option for its creditors and estate. It is anticipated that the form of sale order will also include terms providing that the sale and terms of the sale are binding on all creditors and parties in interest and that neither the Seller, HDCC, HDMC nor any official committee in these proceedings shall have any liability to any party for actions taken by them in connection with the sale. The rights of all parties in interest as to such terms are expressly reserved pending the entry of such an order at the Sale Hearing.

Closing of a sale of the Assets is expressly conditioned upon entry of the Sale Approval Order as described in the Purchase Agreement and Sale Motion.

Free Of Any And All Liens, Claims, Interests, and Encumbrances

All of the rights, title, and interests of the Seller in and to the Assets, or any portion thereof, to be acquired will be sold, conveyed, transferred, and assigned free and clear of all Liens, Claims, Interests, and Encumbrances pursuant to Sections 363 and 365 of the Bankruptcy Code, such Liens, Claims, Interests, and Encumbrances to attach to the net proceeds of the sale of such Assets, except to the extent otherwise set forth in the Purchase Agreement.

Closing

The Successful Bidder(s) must close on their Successful Bid no later than November 15, 2019 at 4:00 PM CST, TIME BEING OF THE ESSENCE (the "Closing Deadline"). In the event that the Successful Bidder fails to close by the Closing Deadline, the Successful Bidder will be deemed in default and, without further notice, its Good Faith Deposit shall be immediately forfeited to the Debtors as liquidated damages.

Objection Deadlines

All parties to any unexpired executory contract and/or lease with the Debtor listed in the Assumption Notice shall file lease cure amounts no later than **October 10, 2019 at 5:00 p.m.** and failure of such parties to file such cure amounts will result in that party being forever barred from asserting a cure amount claim different from that set forth in the Purchase Agreement filed as an exhibit to the Motion.

All objections to the relief to be considered at the Sale Hearing (including any claim cure dispute) shall be filed by **October __, 2019 at 5:00 p.m. (CT)**; provided that HDCC, HDMC, the Office of the United States Trustee, and any creditors' committee shall have until **November __, 2019 at 11:59 p.m.** to file any such objections, except for those objections as to whether the bid of the Successful Bidder constitutes the highest or best Qualified Bid for the Assets that should be confirmed by the Bankruptcy Court, which may be presented orally at the Sale Hearing the Office of the United States Trustee and/or any creditors' committee.

Miscellaneous

The Seller may, after consultation with HDCC and HDMC, modify any bidding or objection deadline described herein, or the procedures to be used in any auction as set forth in these Bidding Procedures.

OFFER & BIDDER REGISTRATION

With respect to the bankruptcy sale of the Assets of H2D Motorcycle Ventures, LLC (“H2D”)(sometimes hereinafter referred to as the “Seller” and sometimes hereinafter referred to as the “Debtor”), pending in the Bankruptcy Court for Eastern District of Wisconsin, Milwaukee Division, Lead Case No. 19-26914, as detailed in the Debtors’ Motion for Order Authorizing the Debtor to conduct an auction of substantially all of the Assets (“Motion”) Bidder, _____, does hereby offer to purchase on an all-cash basis the Assets (as defined below) for the consideration set forth below:

Bidder hereby warrants and represents as follows:

- (a) This written offer is subject to the terms and conditions of the accompanying contract and the “Bidding Procedures;”
- (b) This offer is in writing and is irrevocable through a closing of the sale of the Assets;
- (c) This offer includes a duly authorized and executed asset purchase agreement substantially in the form of the Purchase Agreement between the Seller and Hannum Sales of New Berlin, Inc. dated as of September 13, 2019 (the “Purchase Agreement,” together with all exhibits thereto, as well as copies of such materials marked to show any amendments and modifications to the Purchase Agreement (the “Marked Agreement”) and a marked copy of the proposed order to approve the Sale by the Bankruptcy Court;
- (d) This offer provides for (i) a cash purchase price for the Assets, expressed in U.S. Dollars, of not less than Two Million Two Hundred and Twenty-Five Thousand Dollars (\$2,225,000.00) plus assumption of the Assumed Liabilities (as defined in the Purchase Agreement) not to exceed \$130,000.
- (e) This offer includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow the Seller to make a reasonable determination as to the Bidder’s financial and other capabilities to consummate the transaction contemplated by the Marked Agreement;
- (f) This offer is not conditioned on any contingencies, such as, without limitation: (i) the outcome of unperformed due diligence by the Bidder, and/or (ii) obtaining financing;
- (g) This offer includes an acknowledgement and representation that the Bidder: (i) has had an opportunity to conduct any and all required diligence regarding the Assets prior to making its offer; (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid; (iii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Assets or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in the Marked Agreement; and (iv) is not entitled to any expense reimbursement or break-up fee in connection with its bid. It further acknowledges that the offer is irrevocable until two business days after the Assets has been sold pursuant to a closing approved by the Bankruptcy Court;
- (h) This offer includes evidence, in form and substance reasonably satisfactory to the Seller, of authorization and approval from the Bidder’s board of directors (or comparable governing body) with respect to the submission, execution, delivery, and closing of the Marked Agreement;
- (i) This offer is accompanied by a good faith deposit in the form of a wire transfer (to a bank account specified by the Seller), certified check or such other form acceptable to the Seller, payable to the order of the Seller (or such other party as the Seller may determine) in an amount equal to ten (10%) percent of the Competing Bid;
- (j) This offer includes a list of the executory contracts and leases with respect to which the Bidder seeks assignment from the Seller, and a list of the liabilities the Bidder proposes to assume.
- (k) This offer sets forth the intended use of the Assets; and
- (l) This offer discloses the names and addresses of the principals of the Bidder.

AGREED & ACCEPTED this ____ day of _____, 2019.

By: _____
(signature)
Name: _____
Title: _____

BIDDER I.D.

Bidder's Address: _____

Bidder's Contact: _____

Bidder's Phone & Facsimile Numbers: _____

Bidder's Email Address: _____

Bidder's Tax ID Number: _____

Any Business or Trade Names under which Bidder Operates: _____

ATTORNEY I.D.

Bidder's Attorney: _____

Bidder's Attorney's Address: _____

Bidder's Attorney's Phone & Facsimile Numbers: _____

Bidder's Attorney's Email Address: _____

BANK REFERENCE

Bank Name & Bank Contact: _____

Bank Address: _____

Bank Contact's Phone Number: _____

**UNITED STATES BANKRUPTCY COURT FOR THE
EASTERN DISTRICT OF WISCONSIN**

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WISCONSIN

-----X
In re:

H2D MOTORCYCLE VENTURES, LLC, et al.¹

Chapter 11 Proceedings
Case No. 19- 26914-beh
(Jointly Administered)

Debtors.

-----X

ORDER GRANTING MOTION TO EXPEDITE AND SET HEARING ON DEBTORS' MOTION SEEKING ENTRY OF (I) SALE PROCEDURES ORDER: (A) APPROVING BIDDING PROCEDURES, (B) APPROVING THE FORM AND MANNER OF NOTICE, (C) SCHEDULING AN AUCTION AND SALE HEARING, AND (D) ESTABLISHING EXECUTORY CONTRACT CURE AMOUNTS AND DEADLINES; (II) SALE APPROVAL ORDER: (A) AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE DEBTOR'S ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS INTERESTS AND ENCUMBRANCES, (B) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT AND, REJECTION, AS APPLICABLE OF CERTAIN EXECUTORY CONTRACTS AND LEASES IN CONNECTION THEREWITH, (C) GRANTING THE SUCCESSFUL BIDDER GOOD FAITH STATUS, (D) APPROVING A BREAK-UP FEE, (E) WAIVING THE FOURTEEN DAY STAY OF SALE ORDER, AND (F) GRANTING RELATED RELIEF

UPON the Motion to Expedite and Set Hearing ("Motion to Expedite") and the Motion To Shorten Time ("Motion To Shorten Time") on the Debtors' Motion to seeking entry of (1)

¹ Jointly Administered with *JHD Holdings, Inc.*, Case No. 19-26915-beh

Sale Procedures Order, (2) Approving Bidding Procedures, Etc. with respect to the sale of the Debtors' assets (the "Sale Procedures Motion"); it is hereby

ORDERED, that the Motion to Expedite is granted; and it is further

ORDERED, that a hearing will be held before Beth E. Hanan, United States Bankruptcy Judge, on September ____, 2019 to consider the Sale Procedures Motion.

SO ORDERED.

####

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "**Agreement**") is made and entered into as of September 13, 2019 (the "**Effective Date**") by and among Hannum's Sales of New Berlin, Inc., a Pennsylvania corporation, an entity wholly owned by Thomas B. Hannum III, having an address of 1011 West Baltimore Pike, Media, PA 19063 ("**Buyer**"), and H2D Motorcycle Ventures, LLC, a Wisconsin corporation having an address of 1925 S. Moorland Road, New Berlin, Wisconsin (the "**Company**" and/or "**Seller**"). This Agreement is also joined by Sara Pomeroy ("**Shareholder**") and Eric Pomeroy, for the purposes set forth in Section 3.2 of this Agreement.

ARTICLE I

PURPOSE AND DEFINITIONS

Purpose. The Company owns and operates a motorsports dealership located at 1925 S. Moorland Road, New Berlin, Wisconsin (the "**Current Dealership Premises**"), which sells, services and provides (i) new and used products originally distributed by Harley-Davidson Motor Company, Inc. and its affiliates (collectively, "**Harley-Davidson**" or the "**Manufacturer**"), (ii) other used motorsports products, and (iii) new motorsports parts and accessories; and which also owns, leases or licenses all tangible and intangible assets used in conjunction therewith, (collectively, the "**Business**"). The Dealership Premises are owned by CAR BRD WI JANE L.L.C. (the "**Landlord**"), which leases same to the Company. Buyer wishes, as a condition to Closing, to either acquire title to or enter into a new lease agreement for the Current Dealership Premises or an Alternate Dealership Premises and to purchase substantially all of the operating assets (the "**Operating Assets**") of the Company, while the Company will retain its cash, cash equivalents and similar assets and all of its liabilities, except for Customer Deposits and certain consumer obligations or floor plan financing that may be assumed by the Buyer. The purchase of the Operating Assets and the other transactions provided for herein are subject to various conditions set forth herein, including the ability of Buyer and the Company to secure from the Manufacturer approval of the Transaction (hereinbelow defined), the Manufacturer's issuance of an Authorization to Close letter in accordance with Manufacturer's Guidelines for Buying/Selling a Dealership in effect as of the Closing Date (hereinbelow defined), and the satisfaction of all of Manufacturer's conditions to Buyer's use of the Operating Assets as a franchisee and authorized dealer of products manufactured or distributed by the Manufacturer at the Dealership Premises (including, without limitation, the Buyer and Manufacturer entering into Manufacturer's standard form of dealership agreement, referred to herein as the "**Motorcycle Dealer Contract**") (collectively, "**Manufacturer Approval**") and approval of the Bankruptcy Court having jurisdiction over the Company's pending Chapter 11 case in accordance with Article VII of this Agreement (any and all such Bankruptcy Court approvals being collectively referred to herein as the "**Bankruptcy Court Approval**").

1.1 Certain Definitions.

- (a) "**Alternate Dealership Premises**" means a location approved by the Manufacturer for the operation of Buyer's Dealership Business.
- (b) "**Adjustment Escrow Amount**" means an amount equal to \$50,000.00.
- (c) "**Applicable Law**" shall mean all applicable provisions of any constitution, statute, law, ordinance, code, rule, regulation, decision, order, decree, judgment, release, license, permit, stipulation or other official pronouncement enacted, promulgated or issued by any Governmental Authority.

(d) **"Buyer's Dealership Business"** means the operation of a Harley-Davidson dealership by Buyer at the Dealership Premises using the Operating Assets.

(e) **"Closing Accounts"** mean the amount of accounts receivable due to the Company at the time of Closing and defined in Section 2.8.

(f) **"Customer Deposits"** means all obligations to customers of the Company as of Closing as reflected in the Closing Schedules, Inventory Orders and Deposits at Closing: "We Owe:" Gift Cards. All bona fide retail orders for inventory accepted by Seller in the ordinary course of business prior to closing relating to the delivery of inventory after the date of closing shall be documented and delivered to Buyer at the closing and shall be completed by Buyer. Any deposits relating thereto shall be delivered by Seller to Buyer at closing. Any profit shall belong to Buyer. Any part, accessory, service or other product sold by Seller to a customer prior to the closing date that is not delivered or provided to the customer by the closing (referred to as "We Owe" in the industry) and any gift cards sold but not redeemed shall be documented by Seller and provided to Buyer at the closing. The documentation shall include the cost of each We Owe ("We Owe Cost"). Buyer shall assume Seller's responsibility to the customer for the We Owe.

(g) **"Dealership Premises"** refers to the Current Dealership Premises or an Alternate Dealership Premises, as the context dictates.

(h) **"Dealership Premises Agreement"** means a Dealership Premises Purchase Agreement or Dealership Premises Lease Agreement, as the context dictates.

(i) **"Dealership Premises Contingency"** shall have the meaning set forth in Section 2.9 of this Agreement.

(j) **"Dealership Premises Purchase Agreement"** means an agreement to acquire fee simple title to the Current Dealership Premises or an Alternate Dealership Premises upon terms acceptable to the Buyer.

(k) **"Dealership Premises Lease Agreement"** means an agreement to lease the Current Dealership Premises or an Alternate Dealership Premises upon terms acceptable to the Buyer.

(l) **"Excluded Assets"** means all accounts receivable, lease reserves, security deposits, cash (including contracts-in-transit), and other cash equivalents, investment assets, booked goodwill, prepaid expenses, cash value of life insurance, LIFO inventory reserve, tax benefits (excluding any real estate tax abatements), attributes and refunds of the Seller if any, corporate minute books, stock records and similar entity legal records and tax records (although these will be available for copying by Buyer), including the Purchase Price, all causes of action belonging to Seller's bankrupt estate under Article V of the Bankruptcy Code and all proceeds derived therefrom that shall remain the property of Seller. Buyer shall have no obligation to exert any affirmative collection efforts on Seller's behalf after the closing with respect to Seller's accounts receivable. However, if Buyer receives payment for any of Seller's accounts receivable, strictly as an accommodation to Seller and without any consideration; Buyer shall forward payment directly to Seller; *provided, however*, that (a) Buyer will not be deemed to be acting as agent for Seller with respect to such receipt and delivery; (b) Seller hereby releases Buyer from any and all claims of any kind resulting from Buyer's activities with respect to such receipt and delivery; and (c) Seller agrees to indemnify and hold Buyer harmless from any and all claims relating to such receipt and delivery. Buyer shall promptly notify and turn over to Seller upon receipt of any of Seller's accounts receivables or any other excluded assets.

i. Except for any liabilities of Seller specifically assumed by Buyer

hereunder, Buyer shall not assume or be obligated to pay, perform or discharge any liability, obligation, debt or expense of Seller of any kind or nature, even if imposed upon Buyer as a successor to Seller.

(m) **"GAAP"** means **generally accepted accounting** principles applied in accordance with the Company's past practice as reflected in the Annual Financial Statements.

(n) **"Governmental Authority"** shall mean any legislative, executive, judicial, quasi-judicial or other public authority, agency, department, bureau, division, unit, court, tribunal, or other public body, person or entity.

(o) **"Inventory"** shall mean, collectively, the Company's parts, accessories and motorclothes and other garment inventory; new motorcycle inventory; aged new inventory; Used Inventory; rental motorcycle inventory; and any other inventory items of the type reflected on the Annual Financial Statements of the Company. Inventory shall be valued at Closing in accordance with the provisions below.

(p) **"Knowledge"** see Section 12.19.

(q) **"Material Adverse Change"** shall mean any change which has or could reasonably be expected to have a material adverse effect on the condition of the Business or the Company; but excludes (1) any change that is caused by conditions affecting the United States or Wisconsin economy generally or the retail powersports industry (**"Industry Change"**), and (2) any change that is caused by an announcement of the proposed Transaction or the proposed Transaction otherwise becoming known.

(r) **"Motorcycle Dealer Contract"** is defined in Section 1.1.

(s) **"Operating Assets"** or **"Assets"** means all of the Company's assets used in the operations of the Company, specifically including those specified below and any other intangible assets such as trade names and trademarks, books and records, goodwill, and all of the tangible assets of the Company except for the "Excluded Assets":

i. All new, untitled Harley-Davidson (**"Harley"**) and Harley-related inventory, demonstrator inventory, company inventory, used inventory (Harley and non-Harley), parts and accessories (including but not limited to pre-sold inventory), equipment, furniture, fixtures, shop supplies and miscellaneous items as listed on and in accordance with Schedule 1.1(o).

ii. Harley-Davidson (**"Manufacturer"**) displays, brochures, marketing materials and supplies, customer lists and all files, records and other documents and materials pertaining to Seller's Business used by Seller in connection with the Business (except those items, if any, required to be retained by law, in which case Seller will provide copies of the items to Buyer). Unless permitted above, Seller shall not retain any originals or copies of any customer lists, files, records and other documents and materials pertaining to the Business and in no event shall use any such lists, files, records and other documents and materials in any manner in connection with any other business owned by Seller or its affiliates.

iii. All telephone numbers, website addresses, domain names and advertisements, and the name "Irontown Harley-Davidson" or any variations thereof, which names shall not be used by Seller (or its affiliates) after the closing, and any other assumed names connected to the Assets and the goodwill of Seller. At and after Closing, Seller and Shareholders will cooperate with Buyer to ensure that Buyer receives all of Seller's and Shareholders' right, title and interest in and to the name "Irontown Harley-Davidson" and becomes the registered owner of said trade name as recognized by the State of Wisconsin.

iv. To the extent transferable, Seller's product and service warranties of

manufacturers with respect to products purchased, sold, distributed or serviced with respect to the Business on or before the closing date.

v. All of Seller's intangible property rights arising from or concerning the Business, including rights arising under insurance policies and, to the extent transferable, restrictive covenants and similar obligations.

vi. Fixed Assets, which includes all of the Seller's fixed assets relating to the Business, including furniture, fixtures, computers (including all software licenses relating to the computers, which licenses Seller will assign to Buyer at closing) office equipment, office supplies, machinery, shop equipment, tools, leasehold improvements, signage and other personal property owned by Seller located at the Dealership Premises whether reflected on Seller's books or not (except new and used inventory and Parts) that are used or utilized in operating the Business at net book value as of Closing. The Fixed Assets are subject to Buyer's review and approval after it has an opportunity to inspect the fixed assets. The value of the Fixed Assets is to be \$270,000 and is part of the Purchase Price.

vii. Parts, Accessories & Motorclothes, which includes all of Seller's new and undamaged parts, accessories, logoed clothing items, motorclothes, merchandise, gifts, collectibles and other retail inventories, contained in unopened and unmarked packaging, shown in current manufacturer price books or catalogues. Included in the Intangible Assets Price.

viii. New Motorcycle Inventory, which includes all of Seller's inventory of new, undamaged, and not previously titled or reported to the Manufacturer as sold 2019 and 2020 Harley-Davidson Motorcycles with less than 50 miles on the odometer which are located at or are in transit to the Dealership on the closing date. The purchase price shall be the aggregate sum of: (1) the invoice cost to the Seller, including actual cost of freight and handling, **PLUS** (2) the actual cost (with no internal dealer markups) to the Seller of all "add-on" items to a unit of inventory, including assembly and preparation, **MINUS** (3) all credits, rebates, holdbacks, discounts, retail bonuses, factory incentives, finance allowances, or carry-over allowances with respect to each such unit of inventory for which the Seller has previously received or will in the future receive a benefit, **MINUS** (4) the Seller's actual cost (with no internal dealer markups) for all accessories removed from each such unit of inventory, **MINUS** (5) the amount of \$1.00 for each mile in excess of 50 miles recorded on the odometer of each new motorcycle demonstrator.

ix. Used Motorcycles, Company Vehicles and Trailers, which consists of all other motorcycles (including, but not limited to any Rider's Academy Motorcycles or display motorcycles) in the Seller's inventory that are owned by the Seller and company vehicles and trailers that are located on the Dealership Premises at closing. The purchase price shall be determined on a motorcycle - by- motorcycle basis at current NADA rough book. Company vehicles (x2) and trailers (x2) are included in the agreement between Seller and Buyer. The New and Used Motorcycle Inventory, Company Vehicles and Trailers is estimated to be valued at \$850,000, and the \$2,150,000 Purchase Price includes the \$850,000 that is the estimated value of the New and Used Motorcycle Inventory, Company Vehicles and Trailers (which \$850,000 value is subject to adjustment in accordance herewith).

x. Intangible Assets, which includes Seller's Dealership business as a going concern, goodwill, covenant-not-to-compete and all of Seller's intangible property rights associated with the business including, but not limited to, business names, email addresses, URLs and domain names, social media sites, telephone/facsimile numbers, and any other intangible assets owned by the Seller. The Seller will agree to a covenant-not-to-compete for a period of three (3) years from the Closing Date within a 50-mile radius inclusive of Harley-Davidson. The amount allocated to the covenant-not-to-compete will be mutually agreed to between Buyer and Seller prior to executing the agreement and will be consistent with all IRS and Treasury regulations. The allocation will be binding on all parties for income tax purposes and will be consistently reflected by each party on his respective tax returns. The Intangible Assets value is to be \$1,030,000 ("**Intangible Assets Price**") and is part of the Purchase Price.

xi. Work In Process, which includes Seller's inventories of sublet repairs and work in process repairs for which: (1) the motorcycle is present at the Dealership on the closing date (other than motorcycles out for sublet), (2) the Seller possesses an initial repair order signed by the customer authorizing such repairs, and (3) the repair order has been open for fewer than ninety (90) days prior to the closing date. Work In Process value is included in Intangible Assets Price.

Collectively, the assets identified in subsection 1.2(o)i. through 1.2(o)vi. hereof may from time to time be referred to as the "Assets" or the "Operating Assets." Seller shall ensure that all of the Assets are located at the Dealership Premises on the closing date. The parties agree to be bound by the allocation of assets as determined under this Agreement 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 assets as set forth herein.

(p) "Real Property Lease" shall have the meaning set forth in Section 4.23 of this Agreement.

(q) "State Licenses" shall have the meaning set forth in Section 8.2(e) of this Agreement.

(r) "Transaction" shall mean the sale by the Company and the purchase by Buyer of the Operating Assets in accordance with the terms of this Agreement, and all other related transactions between the parties provided for herein.

ARTICLE II

PURCHASE AND SALE OF OPERATING ASSETS

2.1 **Purchase of Operating Assets.** Subject to the terms and conditions of this Agreement, and in consideration of the mutual promises and conditions contained in this Agreement, the Company agrees to sell, and Buyer agrees to purchase, all of the Operating Assets from the Company in exchange for the consideration set forth in Section 2.2 below, with title to such Operating Assets being free and clear of all liens, claims and encumbrances of any kind except (and only except) the Assumed Liabilities (defined in Section 2.12) and the Acceptable Floor Plan Financing (defined in Section 2.10).

2.2 **Consideration for Operating Assets.** The total Purchase Price as defined above constitutes the total consideration for all Operating Assets acquired by the Buyer. The Buyer will not assume any of the debt or other obligations of the Company except that the Buyer will assume the Assumed Liabilities including the Customer Deposits and may assume any Acceptable Floor Plan Financing as defined in Section 2.10 and certain contracts as listed in the Closing Schedules. The amount of debt assumed by the Buyer and any deposits previously delivered to the Seller or its agents will constitute a credit against the cash Purchase Price otherwise due at the time of Closing.

2.3 **Purchase Price.** The purchase price, subject to adjustments for New and Used Motorcycle Inventory, is the sum of \$2,150,000 to be paid as follows:

1. \$10,000 upon execution of this Agreement;
2. \$205,000 to be paid in escrow with the hereinbelow defined Escrow Agent within three (3) business days following entry of the Sale Procedures Order (as defined in Section 7.2 below) ("Earnest Money"); and
3. \$1,935,000, subject to adjustments for New and Used Motorcycle Inventory, to be paid at time of Closing (collectively, "Purchase Price").

The Earnest Money shall be refundable and contingent on the satisfaction or waiver of all conditions and

contingencies set forth in this Agreement, including but not limited to Manufacturer Approval and Bankruptcy Court Approval. The Earnest Money shall be returned to the Buyer promptly following the termination of this Agreement in the event the closing fails to occur for any reason other than breach of this Agreement by Buyer. The Earnest Money shall be held in escrow by Rattet PLLC (the "Escrow Agent") pursuant to a mutually acceptable escrow agreement.

2.4 Payment of Purchase Price. The Purchase Price shall be finally determined using the Inventory Schedule (defined in Section 9.12). The Closing Schedules will include the Customer Deposit Schedule itemizing all Customer Deposits as of Closing. At Closing, Buyer shall pay to the Company, in immediately available federal funds to an account designated in writing by Seller, an amount equal to the Purchase Price, less (i) the Adjustment Escrow Amount in accordance with the provisions of Section 2.5, (ii) the Earnest Money, and (v) the amount of the Accrued Taxes. (the "**Closing Payment**"). The Closing Payment shall be paid to Seller at Closing.

2.5 Adjustment Escrow. In order to establish a procedure for the satisfaction of claims by Buyer for payment by the Seller of any post-closing adjustment pursuant to Section 2.5, and as security for payment of claims by Buyer under Section 12.1, Seller and Buyer shall enter into an escrow agreement (the "**Adjustment Escrow Agreement**") in a form to be agreed to by Seller and the Buyer with an escrow agent mutually acceptable to the Seller and the Buyer. Buyer will deposit the Adjustment Escrow Amount (as defined in the Adjustment Escrow Agreement) in an escrow account subject to such escrow agreement. The term of this escrow will expire on the date that is ninety (90) days following the Closing Date; except that sufficient funds shall be held after such termination date to reasonably cover any indemnification claim by Buyer or Seller as to which written notice has been received by the Indemnifying Party on or prior to such termination date.

2.6 Seller's Liabilities. All liabilities of the Seller accrued as of Closing, other than Acceptable Floor Plan Financing and the Customer Deposits, will be retained by the Company (the "**Retained Liabilities**"). To the extent that, notwithstanding this provision, the Buyer becomes liable after the Closing for any of such Retained Liabilities (such as Customer Deposits not properly accounted for on the Closing Schedules, etc.), and if the Company fails to pay or obtain release of such liability within 30 days following receipt of written notice thereof, the Buyer may pay such liabilities and either recover the amount thereof directly from the Seller, or deduct such amounts from the Adjustment Escrow Amount or from any amount otherwise due to the Seller.

2.7 Closing Statement Adjustments. Seller acknowledges that it is solely responsible to pay its vendors and creditors. If Seller does not pay such remaining balances at or before the closing and such vendors or creditors refuse to conduct business with Buyer as a result, Seller agrees that Buyer can direct closing proceeds to such vendors and creditors in the required amounts. Any such amounts will be set forth on the closing statement, which will be signed by Buyer and Seller. Seller shall be solely responsible to pay for any deficiencies in the payments.

2.8 Accounts Receivable. The Company will continue to own all accounts receivable, ("Closing Accounts") after Closing. Following the Closing, Seller may, thereafter, at its expense, seek to collect such unpaid Closing Accounts on its own behalf, and Buyer shall reasonably cooperate with such efforts, at Seller's cost. Buyer will promptly notify and remit to the Company any amounts collected by Buyer with respect to the Closing Accounts as provided in **Section 6.5(b)**.

2.9 Dealership Premises. Buyer's obligation to perform and close under this Agreement is expressly conditioned upon Buyer entering into a Dealership Premises Agreement which is in full force and effect with all contingencies and conditions thereunder having been satisfied as of the Closing Date (the "**Dealership Premises Contingency**"). If the Dealership Premises Agreement relates to an Alternate Dealership Premises, the Dealership Premises Contingency will include, without limitation, written

confirmation satisfactory to Buyer that Buyer shall have the right, subject to no liens, encumbrances or obligations whatsoever with respect to Landlord or the Real Property Lease, to remove the Assets from the Current Dealership Premises at any time up to thirty (30) days after the Closing Date.

2.10 Floor Plan Financing; Accounts Payable; Affiliate Debt. "Floor Plan Financing" means financing of new or used vehicles in the Inventory secured solely by such new or used vehicle inventory, in accordance with standard Manufacturer procedures. Harley-Davidson Credit Corp. has previously provided the Company with Floor Plan Financing. Buyer agrees to accept Floor Plan Financing that has been refinanced with Harley-Davidson Credit Corp. at or prior to Closing and meets the following requirements: (i) is in accordance with standard Harley-Davidson Credit Corp. procedures; and (ii) is secured by vehicle Inventory with a value at least equal to the total amount of the Floor Plan Financing ("**Acceptable Floor Plan Financing**"). At Closing, Buyer shall be entitled to a credit against the Purchase Price equal to the aggregate amount of Seller's Floor Plan Pricing that is assumed or refinanced by Buyer. All determinations of Inventory value shall be made in accordance with GAAP, and with the terms of this Agreement. Any other financing will have been paid off, or forgiven by the creditor, at or prior to the Closing.

2.11 Tax Treatment of the Company. The Company is a limited liability company. In this connection, the parties agree as follows:

(a) **Allocation.** For tax purposes the base purchase price of \$2,150,000 shall be allocated \$930,000 to goodwill, \$100,000.00 to Noncompetition Agreement and the Net Book Value at time of Closing to Fixed Assets, with individual items of Fixed Assets to be allocated as reasonably determined by the mutual agreement of the parties prior to or at Closing (and the parties shall be bound to follow such allocation for all purposes).

2.12 Assumed Liabilities. Buyer shall assume Seller's liabilities arising from outstanding and unexpired warranties given by Seller, Seller's service contracts, coupons, gift certificates, customer credits or deposits and any other customer or consumer related obligations, to the extent such liabilities arose from arm's length transactions in the ordinary course of Seller's Business (the "Assumed Liabilities"), but only to the extent that the Assumed Liabilities do not exceed \$130,000 in the aggregate. Seller estimates that the Assumed Liabilities do not exceed \$130,000. Seller will provide Buyer with documentation to substantiate the foregoing \$130,000 estimate, within ten (10) days following the execution of this Agreement. To the extent that the aggregate amount of Assumed Liabilities exceeds \$130,000, such excess shall be credited against the Purchase Price.

ARTICLE III PERSONAL AGREEMENTS

3.1 Consulting Agreement. Intentionally omitted.

3.2 Non-competition Agreement. The Company and Sara and Eric Pomeroy will enter into a Non-competition Agreement in the form attached as **Exhibit B "Non-competition Agreement"**), Seller agreeing not to compete, directly or indirectly, with the Business as historically conducted within a 10 mile radius of the Dealership Premises for a period of three (3) years from and after the Closing Date.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller represents, covenants and warrants as follows as of the date hereof and as of the date of Closing:

4.1 Organization and Good Standing. The Company is a corporation and duly organized, validly existing, and in good standing under the laws of the State of Wisconsin. The Company is not required by the nature of its assets or business to qualify as a foreign entity in any other jurisdiction. The Company has full power and authority to own all of its assets and to carry on the Business as it has been previously conducted. The Company has no subsidiaries and no direct or indirect ownership interest in any corporation, partnership, joint venture, limited liability company, limited liability partnership, association, or other entity. The Seller holds good and marketable title to all of the Assets being sold free and clear of any pledge, right to purchase, or other limitation, subject to Bankruptcy Court Approval under Section 363(b) and (f) of the Bankruptcy Code.

4.2 Corporate Authority. Subject to Bankruptcy Court Approval, the Company has the authority to execute, deliver and perform this Agreement and to comply with all the provisions herein. Subject to Bankruptcy Court Approval, the Seller has the authority to enter into this Agreement and to consummate the Transaction, specifically including transferring good and marketable title to the Assets to the Buyer. Seller has obtained all required approvals and consents from all shareholders and owners of Seller, or will obtain such required approvals and consents within three (3) business days of execution of this Agreement, and the individual signing on behalf of Seller below is authorized and directed to do so in accordance with Seller's organizational documents. This Agreement is legally binding and is enforceable in accordance with its terms as to the Company, except as enforceability may be governed or limited by applicable bankruptcy, insolvency, debt moratorium and other laws and equitable principles affecting creditors' rights generally and the discretion of the courts in granting equitable remedies. Except for the consent of the Manufacturer to the Transaction and the approval of Buyer as an authorized owner of the Company as a dealer in the Manufacturer's products, no approval or consent of any other person is required in connection with the execution, delivery, and performance by the Seller of this Agreement, other than any shareholders and owners mentioned above.

4.3 No Violation of Obligations and No Defaults. Except for certain restrictions set forth in agreements with the Manufacturer, the execution and delivery of this Agreement, and the consummation of the Transaction, will not violate any agreement or commitment made by the Company or the Seller or any requirement binding on the Company. The execution and delivery of this Agreement and the consummation of the transactions contemplated in this Agreement will not conflict with, violate or constitute a default under any contract or other instrument to which Seller is a party or by which Seller is bound.

4.4 Financial Statements and Information. The Company's annual financial statements as of December 31, 2017, and December 31, 2018 (the "**Annual Financial Statements**") are attached to Schedule 4.4 and incorporated by reference herein. The internal financial statements of the Company as of _____, 2019 are also attached to Schedule 4.4 (the "**Internal Financial Statements**"), together with the Annual Financial Statements and any additional un-audited financial statements hereafter provided to Buyer, (referred to hereinafter as the "**Financial Statements**") In addition, Seller shall have an ongoing obligation to furnish to Buyer upon request certain other financial information, including interim or year-end financial statements through the closing date, relating to the Business (including, without limitation, sales, revenue and expense information contained in Seller's income statement and balance sheet)(all of which shall be considered "financial information"). In all material respects, the financial information: (i) is accurate and complete; (ii) is in accordance with the books and records of Seller pertaining to the Business, which in turn are accurate and complete; and (iii) has been prepared in accordance with generally accepted accounting principles consistently applied and fairly

presents the Business's financial position, including but not limited to the results of operations, as of the dates indicated. Any items of income or expense that are unusual or of a nonrecurring nature during any such period or at any balance sheet date are and will be separately disclosed in the financial information. Seller has not withheld or failed to provide to Buyer any information that would be material to Buyer's evaluation of the financial condition and contingent liabilities, if any, of the Business. Further, Seller has furnished or will furnish to Buyer any employee handbook, copies of employee files, specification of vacation pay and benefit accruals and Seller's pay policies. Seller shall make its office manager available to Buyer during reasonable business hours to discuss financial matters and business questions with Buyer's representatives.

4.5 Tangible Assets. Subject to Bankruptcy Court Approval, there will be no encumbrances, liens, security interests or other charges or impositions of any kind or nature relating to, secured by or outstanding against the assets being sold, assigned, transferred, conveyed and delivered to Buyer under this Agreement, including but not limited to any liens placed upon any such assets by any federal, state or local authority relating to unpaid taxes. The Company has good and marketable title to all of its tangible assets, which includes assets necessary in the Seller's reasonable business judgment for the conduct of the Company's business as historically conducted and as now conducted (the "**Tangible Assets**"), including without limitation, all furniture, fixtures, signs, product marketing displays, office equipment, machinery and shop equipment, parts equipment, compressors, special tools, and Inventory. All Tangible Assets that should be reflected on the Financial Statements are shown on the respective balance sheets included in the Financial Statements and Internal Financial Statements. All of the Tangible Assets are and will be located at the Dealership Premises on the closing date. In addition to the Tangible Assets shown on the Financial Statements, the Company has ownership of all of its leasehold improvements and all expendable items (such as tools and supplies) which would not normally be reflected on a GAAP balance sheet, but that are necessary for the continued operation of the Company.

4.6 Inventory.

(a) **Inventory.** All Inventory of the Company is correctly reflected on the books and records of the Company, including the Financial Statements, in accordance with GAAP. All Inventory shown on the most recent Internal Financial Statement will be at the Dealership Premises as of the time of Closing, except for Inventory that has been sold in the ordinary course of business subsequent to the date of the most recent Financial Statement and which is fully accounted for in the sales records of the Company. The Company has no used inventory of parts or accessories. All Inventory is located on the Dealership Premises and there is no third-party storage.

(b) **Inventory Reports.** Within fifteen (15) days after the Effective Date, the Company will provide to Buyer a copy of the Company's most recent Harley-Davidson *Vehicle Incentive Performance Program Statement*, and the Company will also provide to Buyer any reports from their computerized dealer management system that would reflect product pricing credits applicable to the New Inventory but not reflected in the statement from Harley-Davidson. Any such materials received after the Effective Date shall also be provided to Buyer, and if inventory pricing credits were misapplied to the valuation of the New Inventory, adjustments shall be made on the Inventory list to reflect the appropriate value of such credits. Notwithstanding anything to the contrary herein, Buyer shall be entitled to receive and retain all Vehicle Incentive Performance payments and all other incentives which relate to the new motorcycles that are part of the Operating Assets.

4.7 Intangible Assets. Except for the Harley-Davidson Trademarks defined below, the

Company has good and marketable title to all intangible assets necessary for the conduct of the Company's business as now conducted (the "**Intangible Assets**"). Intangible Assets include trade names, trademarks, service marks, copyrights, intangible information, intellectual property, know how, techniques, procedures, standard forms, manuals, books, records, contracts, leases, licenses, software, other agreements, as well as the good will and intangible know how used by or useable by the Company. Upon consummation of the Transaction, good and marketable title to the Intangible Assets included in the Operating Assets, free and clear of any lien or encumbrance of any nature whatsoever, shall vest in the Buyer and shall be fully available and useable by the Buyer in the conduct of the Buyer's business from and after the Closing Date except as otherwise provided in this Agreement. The Company's prior use and the Buyer's continued use in a manner consistent with past use, of such Intangible Assets has not and will not give rise to any liability of, or claim against, the Buyer, except as otherwise provided in this Agreement. To the Seller's knowledge, no third party, nor the Seller claims any proprietary right to any of the Tangible Assets or Intangible Assets, except as otherwise provided in this Agreement. Seller is not obligated or liable to make any payments by way of royalties, fees or the like to any owner or licensee of, or other claimant under, any intangible property with regard to its use or in connection with the conduct of Seller's Business or otherwise.

4.8 **Title.** Except for Floor Plan Financing, all of which has been fully disclosed to Buyer, the Company has and will have at Closing good and marketable title to all of its Assets including Tangible Assets and Intangible Assets. Except for the consent of the Manufacturer to the Transaction, and except as otherwise provided in this Agreement, neither the Seller nor the Company require any third party consent or approval for, or will be subject to any expense or penalty as a result of, the Transaction.

4.9 **Accounts Receivable.** The parties acknowledge that Buyer is not responsible for any disputes or issues that may arise with any of the account obligors related to accounts receivable, and the collection thereof.

4.10 **Absence of Undisclosed Liabilities.** Except for liabilities incurred in the ordinary and usual course of business or liabilities disclosed in Seller's financial statements, the Company has no liabilities, and will, at the time of Closing have no liabilities, liquidated, actual or contingent, including obligations to customers, except for liabilities retained by the Seller and Acceptable Floor Plan Financing; and Accrued Taxes assumed by the Buyer and credited against the Purchase Price, and those Customer Deposits assumed by the Buyer and credited against the Purchase Price.

4.11 **Operations Since the Financial Statements.** Seller has operated the Business in the ordinary and usual course and has maintained Seller's records and books of account relating the Business in a manner that fairly and accurately reflects Seller's transactions, assets, and liabilities. For purposes of this Agreement, "ordinary course of business" and similar terms or phrases means in accordance with the usages of trade prevailing in the industry in which the Business operates and in accordance with the Business' historical and customary day-to-day practices with respect to the activity in question. Without limiting the generality of the foregoing, since December 31, 2016 the Company has not and will not enter into any transactions except as set forth on Schedule 4.11 attached hereto and incorporated by reference herein, on other than standard and customary terms and conditions (but this shall not apply to payment or forgiveness of monies owed to affiliated parties). The Company will use reasonable efforts to maintain the integrity and adequacy of its current assets. Since December 31, 2018, there has not been:

(a) **Personnel.** Any modifications to the compensation or other terms of employment of any of its employees, or any commitments to employees, other than in the ordinary course of business, without first consulting with Buyer;

(b) **Third Party Agreements.** Any termination or material alterations of its

material agreements with third parties, specifically including Harley-Davidson or any of its affiliates;

(c) **Capital Expenditures.** Any capital expenditures in excess of an aggregate amount of Five Thousand Dollars (\$5,000) that include a future obligation of the Company or that result in appreciation of or improvements to the Company;

(d) **Cancellations.** Any cancellations of any debt or claim or any sale, transfer or conveyance of any of its Assets or properties (including but not limited to any sales, transfers or conveyances to affiliates of Seller) except by sales out of inventory in the ordinary course of business;

(e) **Damage.** Any damage, destruction or loss (whether or not covered by insurance) affecting its properties, business or prospects, or any material loss of or damage to physical property or other Assets, whether or not covered by insurance;

(f) **Waiver.** Waiver of any rights of substantial value; or

(g) **Lapse.** Disposal of or a lapse of any license, permit, trademark or trade name.

4.12 **Legal Proceedings.** To the knowledge of Seller, subject to Bankruptcy Court Approval, there are no private or governmental proceedings pending or threatened against the Company's Operating Assets or Seller, including, without limitation, any claim, controversy, investigation, audit, lawsuit, threatened lawsuit, arbitration, workers' compensation claim, civil rights claim, or other legal or other proceeding of any nature whatsoever that would have a material adverse effect on Seller's ability to close on this Agreement. Subject to Bankruptcy Court Approval, there is no outstanding judgment, order, writ, injunction or decree of any court, administrative agency, governmental body or arbitration tribunal against Seller or the Assets of Seller that would have a material adverse effect on Seller's ability to close on this Agreement. The Seller represents and warrants that if there are any such actions, or such actions arise as a result of Seller's operations prior to the Closing, the Seller will indemnify the Buyer from and against any expenses, including legal fees, incurred by them with respect to any litigation against the Buyer from and after Closing.

4.13 **Material Agreements.** The Company is a party to various agreements with suppliers and others that will be listed on Schedule 4.13, and which agreements will be delivered to Buyer within ten (10) days after the Effective Date, and various agreements related to the Company's other indebtedness to creditors, which will also be listed on Schedule 4.13, and delivered to the Buyer within ten (10) days after the Effective Date ("**Assumed Agreements**"). Other than the agreements listed on Schedule 4.13, and the Company's agreements with the Manufacturer, and any Real Property Lease, the Company is not a party to any agreement, except for any agreements (a) involving in each case less than Five Thousand Dollars (\$5,000) over their respective terms, or (b) which are terminable on not more than ninety (90) days' notice by the Company without acceleration or penalty. All of the Company's material contracts and other agreements are valid, binding, and enforceable in accordance with their terms and the Company is not in material default under any such agreement. Within ten (10) days of the date of this Agreement, Seller will provide copies of all contracts, documents, licenses, leases or other agreements which are material to the Business for Buyer's review. Except as indicated on Schedule 4.13 or elsewhere in this Agreement, the Company may assign, and the Buyer may assume, in its sole discretion, any or all of the rights and obligations of the Company with respect to such agreements as are assigned to Buyer without any penalty, right to terminate on the part of the other party, or material alteration in the respective rights and obligations of the contracting parties. Seller has performed all obligations required to be performed in connection with those contracts to date. None of the agreements to which the Company is a party will terminate, nor will any penalty, fee or other expense accrue, as a

result of the Transaction contemplated by this Agreement except for typical leases of office equipment, software licenses and similar items, and provided the Manufacturer Approval has been obtained. All of the assumed agreements are commercially reasonable, commercially standard, and, to the knowledge of the Seller, no third party will assert any penalty or default as a result of the assumption of such Assumed Agreements in connection with the Transaction except as set forth in this Agreement. Notwithstanding anything to the contrary in this Agreement, Buyer shall not be obligated to assume the Real Property Lease as part of the Transaction, and the Assets shall not be subject to any liens, encumbrances or obligations relating to the Real Property Lease at the time of Closing.

4.14 Licenses. The Company has all governmental licenses, permits and other authorizations (collectively, the "**Licenses**") necessary in connection with its ownership, possession, use, occupancy, or operation of its Business.

4.15 Employees. None of the employees of the Company is subject to any collective bargaining agreement or other union agreement, nor does the Seller have knowledge of any effort to organize any of the workforce of the Company. Other than as set forth in Schedule 4.15 attached hereto and incorporated by reference herein, the Company has no oral or written employment agreements, consultant contracts (other than its broker agreement with Performance Brokerage Services), compensation bonus, deferred compensation, profit sharing, welfare or health benefit, or retirement plan or arrangement, whether or not legally binding, nor is the Company currently paying (or has any future obligation to pay) any pension, deferred compensation, or retirement allowance to anyone. All of the Company's employees are at will, the Company has no obligation to continue employing any of its employees, and the Company can terminate any employee without penalty or notice at any time, subject to Applicable Law. The Company is not in material violation of any regulation or requirement of the Employment Retirement Income Security Act of 1974 or any successor law, or any comparable law of the State of Wisconsin, or any regulations or rules issued by the United States government or the State of Wisconsin, respectively, in connection therewith. To its knowledge, Seller is, and during all applicable limitation periods has been, in material compliance with all applicable federal, state and local laws, executive orders and regulations respecting employment and employment practices, terms and conditions of employment, occupational safety, wages and hours. The Company is current in all its obligations to employees with respect to all compensation obligations and the benefit plans described in Schedule 4.15. Seller is not a party to any written or oral contract, agreement or arrangement with any of Seller's present or former members, managers, officers, employees or consultants with respect to length, duration or conditions of employment (or the termination of employment), salaries, bonuses, percentage compensation, deferred compensation, health insurance or any other form of remuneration, or any other subject matter whatsoever. Seller represents to Buyer that the Worker Adjustment and Retraining Notification Act, 29 U.S.C §2101 et sq. ("WARN"), or any other similar state, local or foreign statute or government regulation or ordinance, is either inapplicable to the transactions contemplated in this Agreement or Seller will fully comply with all of those statutes by the closing date. Seller does not currently have any obligations to any former employees under the COBRA laws and regulations.

4.16 Compliance with Law and Lack of Knowledge of Adverse Information. The Company is in compliance in all material respects with, and is not in material violation of, any Applicable Law relating to its Assets, properties or its Business and is not and has not been charged under, in receipt of any notice or warning of, or to Seller knowledge, under investigation with respect to, any Applicable Law. To the knowledge of the Seller, there is no development, occurrence, or condition that would cause a Material Adverse Change to any of the Company's Assets, operations, or Financial Statements or the relationship of the Company with the Manufacturer.

4.17 Environmental Compliance,

(a) There is no consent decree, consent order, or other similar agreement to which Seller is a party in relation to any Environmental Law or Environmental Contamination (defined below). There have been no orders, notices or communications issued to Seller requiring an action or other response by Seller or Landlord pursuant to any Environmental Law that have not been fully complied with and cleared. To Seller's knowledge, there have been no investigations conducted or other proceedings taken or threatened by any governmental body or other regulatory authority or any other person under or pursuant to any Environmental Law with respect to the Business, the Assets or the Dealership Premises on which the Business is conducted.

(b) Seller has obtained all permits, licenses and approvals, has kept all records and has made all filings and disclosures required by Environmental Laws.

(c) To Seller's knowledge, all personal property that is included within the Assets or Dealership Premises (collectively, the "Properties"), is free of Environmental Contamination, and no underground storage tanks, receptacles or other similar containers or depositories are, or to Seller's knowledge, ever have been, present on any of the Properties. None of the Properties is listed on or, to Seller's knowledge, being considered for listing on any list of contaminated sites maintained under any Environmental Law or is subject to or, to Seller's knowledge, being considered for enforcement action under any Environmental Law. To Seller's knowledge, none of the buildings or improvements that Seller owns, operates, leases or uses in connection with the Business are constructed in whole or in part of any material that, in its present form, releases any substance, whether gaseous (including radon gas), liquid or solid, that gives rise to liability under any Environmental Law, including, without limitation, asbestos.

(d) To Seller's knowledge, Seller has not been identified as a potentially responsible party with respect to any site at which Seller's Hazardous Materials (defined below) have been treated, stored or disposed. To Seller's knowledge, no Hazardous Materials have been or are used, stored, treated or otherwise disposed of by Seller in violation of Environmental Law. To Seller's knowledge, all Hazardous Materials removed from any of the Properties as a result of Seller's operations on the Properties were and are documented, transported and disposed of, in compliance with Environmental Law. To Seller's knowledge, no Hazardous Materials generated on or emitted from any of the Properties by Seller have caused or will cause, in whole or in part, any Environmental Contamination. To Seller's knowledge, Seller has not disposed of, permitted the disposal of, or knows of the disposal of any waste or Hazardous Material on any of the Properties.

(e) For purposes of this Section: (a) "Environmental Law" means any federal, state or local statute, ordinance, rule, regulation or standard relating to air quality, water quality, solid waste management, Hazardous Materials, toxic substances or the protection of public health or protection or remediation of the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"); (b) "Hazardous Material" means any contaminant, pollutant or other substance defined, designated or classified as hazardous, toxic, radioactive or dangerous under any Environmental Law, or that is otherwise regulated by any Environmental Law; and (c) "Environmental Contamination" means the presence of any Hazardous Material in, on, or under the soil, groundwater or surface water, so as to result in any liabilities, fines, penalties or remedial obligations under any Environmental Law.

4.18 Taxes. The Company has timely and correctly prepared and filed all tax returns, or appropriate extensions thereof, including foreign, federal, state, county and local income, excise, sales, employment, tariffs, import/export charges, property, withholding social security, franchise, license information and other returns and reports. Each such return is true, correct and complete to the best of Seller's knowledge, information and belief.

4.19 Insurance. The Company maintains, in the Seller's reasonable business judgment, adequate insurance with qualified insurance carriers with respect to liability, and property loss and damage. A list of insurance policies showing coverage amounts, deductibles, insurance carrier, and type of coverage is set forth on Schedule 4.19 attached hereto and incorporated by reference herein. Buyer must arrange for its own

insurance coverages (including employee benefits) effective not later than the Closing Date.

4.20 Books and Records. The books of account and other financial records of the Company that have been made available to Buyer are complete and correct and represent actual, bona fide transactions and have been maintained in accordance with sound business practices.

4.21 Manufacturer Audits. In the last five (5) years, the Manufacturer has not conducted any audit of the Business's sales practices and documentation or service practices and warranty claim documentation, and the Company has not been subject to a chargeback of monies previously paid to them with respect to its motorcycle sales and warranty claims.

4.22 Manufacturer Communications. In the event Buyer and Manufacturer enter into a Motorcycle Dealer Contract, Manufacturer will assign Buyer a geographic territory (the "**Territory**"), from time to time. In accordance with the Motorcycle Dealer Contract and the accompanying Harley-Davidson General Conditions of Sales and Services it will be expressly set forth that Manufacturer may modify, alter or adjust the Territory at any time, based on good faith business judgment; and Buyer's Territory is non-exclusive. Without limitation, Buyer recognizes that Manufacturer may change its Territory if the change results from the establishment of an additional Harley-Davidson dealership or the relocation of an existing dealership. Without limiting the foregoing, the Seller represents that the Manufacturer has not (a) advised the Seller of a present or future need for facility improvements or upgrades in connection with the Business; (b) notified the Seller of the awarding or possible awarding of a Harley-Davidson Motorcycle Dealer Contract to an entity or entities within a seventy-five (75) mile radius of the Dealership Premises; (c) notified the Seller of a proposed relocation of an existing Harley-Davidson franchise to a location within a fifty (50) mile radius of the Dealership Premises; or (d) given the Seller any reason to believe that the Manufacturer may not approve the Transaction. Subsequent to execution of this Agreement, Seller shall cooperate with Buyer and use its best efforts to obtain consent from the Manufacturer to terminate Seller's sales and service agreement and to help Buyer gain the issuance of sales and service agreement to Buyer or Buyer's nominee. Buyer has no knowledge of any fact or circumstance that would cause the Manufacturer to refuse such consent. Seller shall properly notify Manufacturer that it has entered into this Agreement and shall also provide Manufacturer with a copy of this Agreement, if so required by such Manufacturer, within the required amount of time under the Manufacturer's sales and service agreement. Seller shall immediately notify Buyer if, at any time after execution of this Agreement, the Manufacturer inquires about exercising or exercises its right of first refusal to purchase the Business from Seller.

4.22 The Company Trademarks. The parties acknowledge that the intellectual property of Harley-Davidson including websites, domain names, trade names, trademarks, service marks, design marks and copyrights relating to Harley-Davidson and/or its affiliates (the "**HDMC Trademarks**") are owned by Harley-Davidson and not the Company, and are not a part of the Operating Assets of the Company. The Company has registered the assumed name "Irontown Harley-Davidson" with the State of Wisconsin.

4.23 Real Property and Leases. Other than personal property owned by the Company as reflected on the financial and tax records of the Company, The Company has valid leases with respect to all personal property and real property associated with or used in connection with the Business, including a real property lease for the Current Dealership Premises (the "**Real Property Lease**") and leases for all other real property where Inventory or Tangible Assets are stored. A list of each such lease is set forth on Schedule 4.23 attached hereto and incorporated by reference herein. In the Seller's reasonable business judgment, such real property and personal property is suitable and adequate for the conduct of the Company's business and the Business as now conducted. No material default exists pursuant to any of such leases other than such liabilities for unpaid rent and real property taxes owed to the Landlord. Seller

has not received any written notices of any violation of any zoning regulation, building restriction, restrictive covenant, ordinance, or other law, order, regulation or requirement relating to the Dealership Premises. None of the Dealership Premises is the subject of any condemnation or other governmental action. To the best of Seller's knowledge, the Dealership Premises, including without limitation the buildings and improvements thereon and their respective mechanical, electrical, plumbing and heating and air-conditioning systems, are in good condition and repair.

4.24 Obligations to Brokers. The Seller has not taken any action to incur any obligation for the payment of any brokerage commission, finder's fee, or any other similar obligation relating to this Agreement or the consummation of the Transaction other than to Performance Brokerage Services. Seller shall hold Buyer harmless and indemnify Buyer for any claims, losses or expenses: incurred by Buyer in connection with the claim of any broker, agent or other third party in connection with the transactions contemplated by this Agreement.

4.25 Customers and Suppliers. Other than as set forth in Schedule 4.25 attached hereto, there are no existing or known claims against Seller with respect to the Business to return inventory or merchandise, by reason of alleged defects, or otherwise, for all purchases and suppliers considered collectively.

4.26 Product Liabilities and Warranties. Seller has made no express or implied warranties applicable to products sold or leased by Seller in connection with the Business except for manufacturer warranties expressly given by the Manufacturer of the parts or accessories sold by Seller. There is no action, suit, proceeding or claim pending or to Seller's knowledge threatened against Seller under any warranty covering any products sold or leased by the Business, express or implied. There have been no product liability claims covering any products sold or leased by the Business asserted against Seller.

4.27 Third-Party Warranty and Insurance Products; VIP Program; Gift Cards. Seller has remitted to the appropriate third-party warranty and other insurance product providers all contracts signed and amounts paid by any customers to whom Seller sold such warranty or other insurance products in connection with the Business. Seller has no outstanding liabilities or obligations to any such customers with respect to any such third-party warranty or other insurance products. Except with respect to the Gift Cards and Gift Certificates as described on the attached Schedule 4.27, Seller does not offer nor has offered in the past any type of fulfillment, award or credit program to customers where the Seller has received cash from a customer in exchange for a future service or product to be provided by Seller.

4.28 Reliance. The foregoing representations and warranties are made by Seller with the knowledge and expectation that Buyer is placing complete reliance on them. Neither this Agreement, the Exhibits, nor any other information provided by Seller to Buyer in connection with this Agreement or any related agreement contains or will contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements so made not misleading.

4.29 Shareholders of Seller. Shareholder is the only shareholder of Seller. There are no other shareholders of Seller.

4.30 No Material Misrepresentation or Omission. No representation or warranty by the Seller or the Company contained in this Agreement, and no statement contained in any instrument, list, certificate, or writing hereafter furnished by the Seller or the Company to Buyer pursuant to the provisions hereof or in connection with the Transaction, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrant to the Seller as follows:

5.1 **Authority.** Buyer has the authority, free and clear of any contractual or other restrictions, to execute this Agreement and to consummate the Transaction. The individual signing on behalf of Buyer below is authorized and directed to do so in accordance with Buyer's organizational documents. The execution and delivery of this Agreement and the consummation of the Transaction will not violate any agreement or commitment made by Buyer or any requirement binding on Buyer. This Agreement is legally binding and is enforceable in accordance with its terms as to Buyer, except as enforceability may be limited by applicable bankruptcy, insolvency, debt moratorium and other laws and equitable principles affecting creditors' rights generally and the discretion of the courts in granting equitable remedies. Except for the consent of the Manufacturer to the Transaction and the approval of Buyer as an authorized owner of the Company as a dealer in the Manufacturer's products, no approval or consent of any other person is required in connection with the execution, delivery, and performance of Buyer of this Agreement.

5.2 **Compliance with Law.** Assuming that Manufacturer approves the sale described in this Agreement and approves Buyer as an authorized owner of the Company as a dealer in the Manufacturer's products, on the Dealership Premises, Buyer has no knowledge of any development, occurrence, or condition that would adversely affect its ability to consummate the Transaction. Buyer is not in violation of any terms or provision of any federal, state, local or foreign law, ordinance, charter, bylaw, mortgage, indenture, contract, agreement, judgment, decree, order, statute, rule or regulation; and Buyer's execution, delivery and performance of this Agreement will not result in any violation or the creation of any mortgage, lien, encumbrance or charge on any of the properties or assets of Buyer.

5.3 **Legal Proceedings.** Except as disclosed to Seller, there are no private or governmental proceedings pending or threatened against Buyer that could adversely affect its ability to consummate the Transaction, including, without limitation, any claim, controversy, investigation, audit, lawsuit, threatened lawsuit, arbitration, or other legal or other proceeding of any nature whatsoever, and Buyer has no knowledge of any facts or circumstances that would reasonably be expected to give rise to any matters of this sort.

5.4 **Consent of Manufacturer.** Subsequent to execution of this Agreement, Buyer will proceed diligently and use its best efforts to obtain the issuance of consent from the Manufacturer to obtain a sales and service agreement. Buyer has no knowledge of any fact or circumstance that would cause the Manufacturer to refuse such consents.

5.5 **No Brokers.** Buyer has not taken any action to incur any obligation for the payment of any brokerage commission, finder's fee, or any similar obligation relating to this Agreement or the consummation of the Transaction.

5.6 **No Material Misrepresentation or Omission.** No representation or warranty by Buyer contained in this Agreement, and no statement contained in any instrument, list, certificate, or writing hereafter furnished by Buyer to Seller pursuant to the provisions hereof or in connection with the Transaction, contains any untrue statement of a material factor omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

5.7 **Buyer's Status.** Buyer represents and warrants that Buyer (if Buyer is an individual) or one or more of Buyer's shareholder(s) are currently shareholders and officers of not less than four (4) Harley-Davidson

dealerships that are in good standing with the Manufacturer, and Buyer knows of no fact or circumstance which would prevent Buyer from obtaining the Manufacturer Approval.

ARTICLE VI

COVENANTS OF PARTIES

6.1 **Pre-Closing Cooperation.** The parties agree that so long as this Agreement is in effect, and prior to the Closing Date, they will cooperate closely in connection with the following matters:

(a) **Third Party Consents.** Each party shall cooperate in good faith and shall use their respective reasonable efforts to obtain any third party consents required to consummate the Transaction, including, without limitation, the approval of the Manufacturer of the Transaction and approval of Buyer as the owner of the Company as an authorized dealer in the Manufacturer's products at the Dealership Premises. The Company and the Seller shall provide written notice to the Manufacturer of this Agreement and the proposed Transaction within three (3) days of the Effective Date. Buyer shall respond to any reasonable request by the Manufacturer to Buyer for further information, including completed applications or forms, and Buyer shall submit to the Manufacturer all information reasonably required by the Manufacturer to approve the Transaction and to approve Buyer as the owner of the Company as an authorized dealer in the Manufacturer's products at the Dealership Premises.

(b) **Records Disclosure; Inspection.** From the Effective Date, through and including the Closing Date, the Company and the Seller will afford to Buyer and its representatives access to the Company records and information including, without limitation, licensing and registration information, financial information, copies of agreements with the Manufacturer, information with respect to employees and customers, and any other reasonable information relevant to the assets, liabilities, and present and future operations of the Company, at times reasonably acceptable to the Seller and on reasonable prior notice. The Seller further agrees that, subject to reasonable cooperation with Seller and the Company and pre-scheduling as provided above: (i) commencing the date Seller has verbal indication from the Manufacturer of Manufacturer Approval, and Buyer obtains a commitment letter from Buyer's lender to provide financing for the Transaction and provides a copy to Seller, Buyer may have communication with the Company's controller and sales manager, and (ii) commencing on the date of written Manufacturer Approval in the form of a standard letter of intent, and not before that date, Buyer may communicate with the employees, and other parties involved in the continued success and operations of the Company for the purpose of verifying information provided by the Company and for the further purpose of confirming the willingness of such third parties to continue doing business with the Company from and after the Closing. The Company and the Seller shall also afford Buyer or its agents access to the Dealership Premises for any proper and reasonable purpose they deem necessary, including without limitation, evaluation of employees, inventory, and real property and to conduct a Phase I Environmental Site Assessment Survey and such other environmental assessments as Buyer determines are necessary, at times reasonably acceptable to the Seller. Buyer's right to inspect or to receive data and information shall terminate upon any termination of this Agreement. Buyer confirms that it has agreed to maintain information about employees consistent with Applicable Laws governing privacy.

(c) **Risk of Loss.** All risk of loss or damage to the Tangible assets of the Company shall remain with the Company until Closing. If, before the Closing, the Tangible Assets are destroyed or damaged to the extent that the reasonably estimated cost of repair or reconstruction exceeds One Hundred Thousand Dollars (\$100,000.00), then Buyer shall have the right to terminate this Agreement by written notice given to the Seller at any time within thirty (30) days following the date of such destruction

or damage, and upon the giving of such notice this Agreement shall be of no further force or effect. If Buyer does not exercise such right of termination, then Buyer shall be obligated to proceed with Closing for the full Purchase Price, but the insurance proceeds received by the Company in connection with such casualty shall be deducted from the Purchase Price. In that event, the Company shall be entitled to all insurance proceeds payable as a result of such damages.

6.2 Preservation of Operating Assets. After the Effective Date of this Agreement, the Seller and the Company agree to take commercially reasonable actions necessary and appropriate to maintain the Operating Assets and goodwill of the Company, and Seller agrees to take such actions, including, without limitation, the following:

- (a) **Personnel.** The Company will not increase the compensation or other terms of employment of any of their employees.
- (b) **Dividends.** The Company will not make any distributions.
- (c) **Capital Expenditure.** The Company will not enter into any contracts to make any capital expenditures in excess of One Thousand Dollars (\$1,000) in the aggregate or take any other action that would materially change the Business, assets, or liabilities of the Seller.
- (d) **Third Party Agreements.** The Company will not terminate or materially alter their agreements with third parties, specifically including the agreement with the Manufacturer.
- (e) **Transfer of Assets.** The Company will refrain from transferring any of its Assets (including but not limited to sales, transfers or conveyances to affiliates of Seller).
- (f) **Contracts and Leases.** The Company will refrain from entering into any lease, contract or other commitment, except with the prior written consent of Buyer.
- (g) **Inventories.** The Company will keep its parts and shop materials inventories at the same levels they are at the date of this Agreement and will not place any new inventory orders with Manufacturer.

6.3 Closing Date Balance Sheet. All parties shall share information and use their mutual best efforts to ensure the completeness and accuracy of the Closing Date Balance Sheet.

6.4 Expenses. Buyer and the Seller will each bear all of their own expenses, including legal and accounting expenses, incurred by them in connection with the Transaction. To the extent the Company pays or becomes obligated for any expenses relating to this Transaction, such expense or obligation shall not reduce the value of the assets purchased by the Buyer hereunder.

6.5 Post-Closing Covenants.

(a) **Collection of Receivables.** The Buyer agrees that it will, in the ordinary course of its business, notify, collect and remit to the Seller the proceeds of any Closing Accounts, and Seller agrees to provide appropriate information and other cooperation to the Buyer in connection therewith. Collections on Closing Accounts will, unless , specially designated otherwise by the account debtor, be treated as a first-in-first-out basis, treating as the property of the Seller all obligations accrued as of the time of Closing prior to treating any additional payments as the proceeds of any account receivable or other right accruing to the Buyer from and after Closing.

Seller will assume all responsibility for collection of any unpaid Closing Accounts from and after the Receivables Cutoff Date.

(b) **Adjustments and Offsets.** In the event that any claim is made by any third party against the Buyer with respect to any debt or other obligation incurred by any of the Seller, before or after Closing, specifically including any Customer Deposits that were not properly disclosed to and assumed by the Buyer at Closing, the Buyer shall promptly advise the Seller of the existence of such claim and the Seller will resolve such matter. If the Seller does not promptly resolve such matter and the Buyer reasonably determines that it will suffer any business detriment as a result of such claim, the Buyer may proceed to pay such claim and deduct such amount from the proceeds of Closing Receivables collected by and on behalf of the Seller. If not so resolved, the amount of such claim may be offset against the escrow in accordance with procedures established pursuant to the Adjustment Escrow Agreement. Any sum so withheld as an offset shall operate as a discharge, to the extent of the amount withheld, of Buyer's payment obligations to Seller or Seller's affiliate under this Agreement. Buyer shall have the right to offset against amounts due to Seller or Seller's affiliates under this Agreement the amount of any credits relating to Assets directly issued to Seller by the Manufacturer after the closing that are not turned over to Buyer.

(c) **Other Cooperation.** The parties will cooperate in all other reasonable respects after Closing including, without limitation, providing to one another access to, and copies of, records which may be of common interest for tax and other purposes.

(d) **Post-Closing Adjustments.** In the event that, subsequent to Closing, either party identifies, or reasonably suspects that, any error was made in the computation of the Purchase Price, the parties will promptly correct such error. In the event of an overpayment, the Seller will refund the amount of the overpayment to the Buyer; and in the event of an underpayment, the Buyer will pay any additional amount due to the Seller. The parties agree to share information and to cooperate in making any such determination. Without limiting the generality of the foregoing, each party will make available to the other any financial or other records in its possession that may be relevant to the Purchase Price determination.

(e) **Survival of Representations.** At the closing date, all of the representations and warranties contained in this Agreement will be true and correct and have the same force and effect as though made at and as of the closing date. The representations and warranties shall survive the closing for a period of five (5) years.

ARTICLE VII

BANKRUPTCY COURT APPROVAL

7.1 Bankruptcy Court Approval.

(a) Buyer hereby acknowledges that Seller is currently in proceedings under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of Wisconsin under case no. 19-26914-beh. This agreement is subject to (a) higher and better offers to be procured through a Bankruptcy Court approved sale process consistent with the Sale Procedures outlined in Section 7.2 below and (b) final approval by the Bankruptcy Court after completion of the sale process approved by the Court. Within five (5) calendar days following the parties' execution and delivery of this Agreement and Buyer's deposit of the Earnest Money as provided herein, Seller shall file with the Bankruptcy Court a motion or motions (in form and substance reasonably satisfactory to Buyer) seeking entry of an order of the Bankruptcy Court approving the sale of the Property and the assumption and assignment of the Assumed Contracts pursuant to this Agreement and approval of the Break-Up Fee (the "Sale Approval Order"), The Sale Approval Order shall, among other things, approve, pursuant to Sections 105, 363 and 365 of the Bankruptcy Code: (i) the execution,

delivery and performance by Seller of this Agreement; (ii) the sale of the Assets to Buyer on the terms set forth herein free and clear of all liens, claims and encumbrances of any kind ("Encumbrances"); (iii) the performance by Seller of its obligations under this Agreement; (iv) Seller's assumption and assignment to Buyer of the Assumed Agreements; (v) Buyer's status as a "good faith" Buyer within the meaning of Section 363(m) of the Bankruptcy Code; and (vi) Buyer's entitlement to all of the protections of Section 363(m) of the Bankruptcy Code.

(b) The Sale Approval Order, to the extent permitted under the Bankruptcy Code or other applicable law, shall be binding upon and shall govern the acts of all entities, including, but not limited to, any subsequently appointed chapter 11 or chapter 7 trustee of Seller, all taxing authorities, filing agents, filing officers, title agents, title companies, recorders and/or registrars of mortgages, recorders and/or registrars of deeds, administrative agencies, governmental agencies or 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 their 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 as to title or state of title in or to any of the Assets.

(c) Seller shall provide Buyer, at least two (2) calendar days in advance of filing with the Bankruptcy Court, with a draft copy of any motions, orders, amendments, supplements or other pleadings that Seller proposes to file with the Bankruptcy Court relating to the Assets, Assumed Agreements, this Agreement, or any of the other agreements and documents related to the Assets, Assumed Agreements or the transfers and assignments to be made pursuant to this Agreement. Seller shall promptly take such actions as are reasonably requested by Buyer, including assisting with the filing of affidavits or other documents or information with the Bankruptcy Court for purposes, among others, of (i) demonstrating that Buyer is a "good faith" Buyer under Section 363(m) of the Bankruptcy Code, and (ii) establishing adequate assurance of future performance within the meaning of Section 365 of the Bankruptcy Code.

(d) Seller shall comply (or obtain an order from the Bankruptcy Court waiving compliance) with all requirements under the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and federal bankruptcy law, in connection with obtaining approval of the transactions contemplated by this Agreement, including serving on all required persons and entities in the Bankruptcy Case (including all holders of Encumbrances and non-debtor counter-parties to the Assumed Contracts), a notice of Seller's motion seeking entry of the Sale Approval Order and the hearing thereon, the assumption and assignment of the Assumed Contracts, and all applicable objection deadlines in accordance with the Federal Rules of Bankruptcy Procedure (as modified by orders of the Bankruptcy Court), the Sale Procedures Order (defined below), and other orders of the Bankruptcy Court and any applicable local rules of the Bankruptcy Court.

(e) Seller shall cooperate with Buyer and its representatives in connection with the Sale Approval Order, which cooperation shall include reasonable consultation with Buyer concerning the status of such proceedings and providing Buyer with copies of requested pleadings, notices, proposed orders and other documents relating to such proceedings as soon as reasonably practicable prior to any submission thereof to the Bankruptcy Court and subject to the terms of Section 7.1(c) above.

(f) Seller shall diligently pursue the entry of such Sale Approval Order as a Final Order (defined below) (including by presenting evidence necessary to support the Sale Approval Order, responding to objections and discovery requests made by any party in interest and taking such other actions as may be reasonably necessary to obtain entry of the Sale Approval Order). Seller shall diligently oppose and seek the dismissal of any appeal (including a petition for certiorari, motion for rehearing, reargument, reconsideration or revocation) of the Sale Approval Order that is filed. The term "Final Order" means an order entered by the Bankruptcy Court or other court of competent jurisdiction as to which: (i) no appeal, notice of appeal, motion for reconsideration, motion to amend or make additional findings of fact, motion to alter or amend judgment, motion for rehearing or motion for new trial has been timely filed; (ii) the time for instituting or filing an appeal, motion for rehearing or motion for new trial shall have expired; and (iii) if an appeal has been timely filed no stay pending an appeal is in effect and the time for requesting a stay pending appeal shall have expired;

provided, however, that the filing or pendency of a motion under Federal Rule of Bankruptcy Procedure 9024 shall not cause an order not to be deemed a "Final Order" unless such motion shall be filed within ten (10) days of the entry of the order at issue.

(g) Seller shall not submit or support any plan of reorganization or liquidation to the Bankruptcy Court for confirmation or otherwise seek or support entry of any order in the Bankruptcy Case that shall conflict with, supersede, abrogate, nullify or restrict the terms of this Agreement, or in any way prevent or interfere with the consummation or performance of the transactions contemplated by this Agreement, including any transaction contemplated by or approved pursuant to the Sale Approval Order or the Bidding Procedures Order.

7.2. Bankruptcy Sale Procedures.

(a) Within two (2) calendar days following the Effective Date and Buyer's deposit of the Earnest Money as provided herein, Seller shall file a motion with and seeking approval of the Bankruptcy Court and the sale procedures described in this Section 7.2. Seller shall use diligent, commercially reasonable efforts to obtain entry by the Bankruptcy Court of the Sale Procedures Order on an expedited basis, and in any event as soon as practicable.

(b) In the event this Agreement is terminated by Seller or Buyer pursuant to Section 7.3(a)(iv) due to an Alternative Transaction, in consideration of Buyer's having expended considerable time and expense in connection with the negotiation of this Agreement and Buyer's due diligence investigation of the Operating Assets, and subject to the closing of the Alternative Transaction, Seller shall pay to Buyer a break-up fee equal to \$50,000 (the "Break-Up Fee"). The Break-Up Fee shall be paid to Buyer within one (1) Business Day of the closing of the Alternative Transaction as an allowed administrative expense claim in the Bankruptcy Case pursuant to Section 503(b)(1) of the Bankruptcy Code. The Break-Up Fee shall only be payable if the Buyer is not in material breach of any terms and provisions of this Agreement. "Alternative Transaction" means the sale, transfer, lease or other disposition, directly or indirectly, including through an asset sale, stock sale, merger or other similar transaction, of the Property in a transaction or a series of transactions with one or more persons or entities, other than Buyer.

7.3 Termination Rights.

(a) In addition to any rights of termination granted to Seller or Buyer in this Agreement, this Agreement may be terminated, and the transactions contemplated hereby may be abandoned, at any time prior to the Closing as follows:

- (i) by the mutual written consent of Seller and Buyer;
- (ii) by either Seller or Buyer, if the Bankruptcy Court shall not have entered the Sale Approval Order within sixty (60) days of the Effective Date (unless the entry of a Sale Approval Order is delayed by reason of the Seller's failure to diligently pursue same, in which event Seller shall not have a unilateral termination right);
- (iii) by either Seller or Buyer, if any court of competent jurisdiction in the United States or other United States governmental authority shall have issued a final order permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement or the sale of a material portion of the Property;
- (iv) by either Seller or Buyer, if the Bankruptcy Court shall have entered an order approving an Alternative Transaction, subject to the extent applicable, to the limitations set forth in the Sale Procedures Order and subject to Buyer's receipt of payment of the Break-Up Fee;

- (v) by Buyer if a motion to dismiss the Bankruptcy Cases or a motion to convert the Bankruptcy Cases to a case under chapter 7 of the Bankruptcy Code or the appointment of a trustee, receiver, liquidator or other similar person for the purpose of liquidating any of the Property other than pursuant to this Agreement is granted in the Bankruptcy Case;
- (vi) by Buyer if the Sale Procedures Order is not approved by the Bankruptcy Court within thirty (30) days after the Effective Date;
- (vii) by Buyer if the Break-Up Fee are not approved by the Bankruptcy Court within thirty (30) days after the Effective Date; or
- (viii) by Buyer if any notice of appeal of the Sale Approval Order is filed by any person or entity, and any such appeal is not withdrawn or dismissed, or an order of the appellate court affirming the Sale Approval Order in all respects is not entered (with no further appeal of the Sale Approval Order having been timely filed with any other appellate court), within 60 days following the date of entry of the Sale Approval Order by the Bankruptcy Court.

(b) If this Agreement is terminated pursuant to Section 7.3(a) or pursuant to any other express right of termination set forth in this Agreement, this Agreement shall become null and void and have no effect, and all obligations of the parties hereunder shall terminate, except for the obligation of Seller to cause the Escrow Agent to return the Earnest Money to Buyer and those obligations of the parties set forth in this Section which shall remain in full force and effect. If this Agreement is terminated as provided herein or pursuant to any other express right of termination set forth in this Agreement, the Earnest Money shall be returned to Buyer and all filings, applications and other submissions made pursuant to this Agreement shall, to the extent practicable, be withdrawn from the agency or other Person to which they were made.

ARTICLE VIII

CONDITIONS TO CLOSING

The obligations of the parties to close the Transaction are subject to the following conditions, unless waived at Closing by the party benefitted by such conditions, as well as to any other conditions expressed in this Agreement. If Closing does not occur as a result of the failure of all of the conditions to be satisfied or waived as of the Closing Date, then upon termination of this Agreement, the Earnest Money shall be returned to Buyer.

8.1 Mutual Conditions. The obligations of each of the parties hereto are subject to the following conditions:

(a) **No Interference.** No lawsuit, governmental investigation, or other material legal action shall occur that will materially interfere with the ability of the parties to close the Transaction;

(b) **Accuracy of Representations.** All representations, warranties, covenants, and other agreements of the parties hereto shall be true and correct in all material respects as of the Closing Date, shall be deemed to have been made again on the Closing Date, and subject to any changes contemplated by this Agreement;

(c) **Other Agreements.** The parties shall have entered into all of the other

agreements to which they have agreed to enter, including the Noncompetition Agreement;

(d) **Inventory.** The parties shall complete a mutually satisfactory physical count and examination of the Inventory as provided in this Agreement;

(e) **Continued Compliance.** The continued compliance by the each of the parties with respect to all of their respective obligations set forth hereunder, including, but not limited to, the delivery obligations under **Article 9**;

(f) **Manufacturer Approval.** The Manufacturer Approval, including execution and delivery of all related and ancillary documentation.

(g) **State Vehicle Commission Approval.** The approval and issuance of a license to operate the Dealership by the State of Wisconsin Department of Vehicles.

(h) **Adjustment Escrow Agreement.** The parties will agree to the terms of, and execute, the Adjustment Escrow Agreement.

(i) **Closing Date Balance Sheet.** The parties will mutually approve the Closing Date Balance Sheet.

(j) **Sale Approval Order.** The Sale Approval Order shall have been entered by the Court, which order shall not be subject, as of the Closing, to any stay or modification pending or upon appeal.

8.2 Buyer's Conditions. In addition to the conditions set forth in Section 8.1 above, the obligations of Buyer to complete the Transaction are subject to the satisfaction, at or prior to the closing, of all the terms and conditions of this Agreement to be complied with and performed by the Seller and subject to the following further conditions (each of which may, at Buyer's sole election, be waived by Buyer):

(a) **Due Diligence.** Seller shall provide Buyer with access to all documents, records, financial statements, agreements and other information requested by Buyer, including, but not limited to, environmental documents or reports concerning the Seller, Landlord, the Business, the Assets or Dealership Premises, including, but not limited to, environmental documents or reports concerning the Assets or the Dealership Premises. The results of such due diligence review shall be acceptable to Buyer and its counsel in their sole discretion.

(b) **Information Verification.** Verification by Buyer of all information previously provided by the Company and the Seller and confirmation that such information is true and correct as of the Closing Date.

(c) **No Material Change.** The absence of any Material Adverse Change in the Business, operations, or financial condition of the Company, their Assets, the Dealership Premises, or any damage to, or material reduction in the value of, either the Company or the Dealership Premises.

(d) **Third Party Approvals.** The successful obtaining of the Bankruptcy Court Approval and the Manufacturer Approval, on terms acceptable to Buyer.

(e) **License and Authority.** Buyer having been able to obtain, after all commercially reasonable efforts, all necessary licenses and permits, including receipt by Buyer of a retail motorcycle dealer license from the State of Wisconsin, authorizing Buyer to sell and service new and

used inventory at the Dealership Premises in connection with the operation of the Operating Assets, and the validity or legality of all actions, proceedings, instruments and documents required to carry out this Agreement or incidental to this Agreement, including by way of example, the execution and delivery by Seller of proper instruments to transfer title to the Assets, with no unsatisfied conditions or contingencies as of the Closing Date (collectively, the "State Licenses").

(f) Maintenance of Agreements. The continued maintenance by the Company of its agreements with the Manufacturer and other agreements material to the Business;

(g) Litigation. The absence of any pending or threatened material uninsured litigation or other proceeding against the Company, the Dealership Premises, or the Operating Assets (excluding any matters disclosed to Buyer prior to signing the signing of this Agreement) which would materially adversely affect Seller's ability to perform under this Agreement;

(h) Inventory. The parties shall complete a mutually satisfactory physical count and examination of the Inventory within a week before the Closing Date as provided in this Agreement.

(i) Schedules. The approval by Buyer of all Schedules and other documents ancillary to the Agreement: These expressly include all Schedules to be attached to this Agreement including any updates or modifications thereof and all Closing Schedules.

(j) Contract Surrender Letter. Upon the request of Buyer and if required by Manufacturer, the execution by the Company of a Contract Surrender Letter to the Manufacturer to terminate its Motorcycle Dealer Contract and related contracts with the Manufacturer to be effective as of the Closing Date;

(k) Harley-Davidson Contract. Buyer's satisfaction with the terms on which it is to assume all relationships with Harley-Davidson, including without limitation its affiliated financing companies, and with other suppliers of the Company; provided, however, that all terms and conditions that are materially similar to those to which the Company is currently subject under its Motorcycle Dealer Contract with the Manufacturer and with other suppliers, and all of the Harley-Davidson's standard terms and conditions (including, without limitation, standard terms and conditions applicable to dealership contracts and floor plan financing) shall be deemed to be satisfactory to Buyer.

(l) No Extraordinary Loss. Except as deemed acceptable by Buyer pursuant to Section 6.1(c), Seller shall not have suffered any extraordinary loss due to its property being adversely affected by any fire, explosion, accident, lock out, strike, flood, drought, windstorm, earthquake, act of God, act of Government or act of public enemy.

(m) Dealership Premises. The Dealership Premises Contingency shall have been satisfied or waived by Buyer as of the date of Closing.

ARTICLE IX

CLOSING

The Closing of the Transaction (the "Closing") shall take place at such time and location as the parties shall mutually select, but not later than November 15, 2019, provided that each of the conditions set forth in Sections 8.1, 8.2 and 2.2 have been satisfied or waived (the "Closing Date"). If the Closing has not occurred on or before such date because of inability to obtain the Manufacturer Approvals, the State Licenses or the failure to satisfy the Dealership Premises Contingency, despite compliance by Buyer with its covenants and obligations under this Agreement in all material respects, then Buyer shall have the right, in its sole discretion,

by written notice to Seller, to extend such outside Closing Date to be not later than January 15, 2020. The Closing shall be effective at the close of business local time on the Closing Date. The transactions at Closing, when effective, will be deemed to be effective as of the close of business on the Closing Date except as otherwise specifically provided at the time of Closing. All actions to be, taken at Closing will be considered to be taken simultaneously, and no document, agreement, or instrument will be considered to be delivered until all items that are to be delivered at the Closing have been executed and delivered. At the Closing, the following actions will occur:

9.1 Certificates. Each of the parties will respectively execute a certificate stating that all representations, warranties, and covenants undertaken by them pursuant to this Agreement continue to be true and correct as of the Closing Date, except to the extent of further disclosures to Buyer after the date of this Agreement.

9.2 Noncompetition Agreement. Seller will execute a Noncompetition Agreement as provided in this Agreement.

9.3 Payment. Buyer shall pay Seller the Purchase Price in accordance with Section 1.2.

9.4 Assumed Names. Seller shall execute and deliver to Buyer such documentation as is required by Buyer in order to give Buyer the exclusive right to any assumed names of Seller.

9.5 Resolutions. Seller shall deliver to Buyer a certified copy of Seller's resolutions authorizing the consummation of the transactions set forth in this Agreement.

9.6 Assignment. Seller shall deliver to Buyer an assignment assigning any and all claims, guarantees, warranties, indemnities and other rights Seller may have against any suppliers or contractors in connection with the Assets.

9.7 Notice to Manufacturer. Seller and Buyer shall execute and deliver a closing document acceptable to the Manufacturer stating that the sale has been closed and providing for the signatures of Seller and Buyer.

9.8 Notice to State. Seller shall deliver to the State of Wisconsin, with a copy to Buyer, a completed and executed Vehicle Dealer Closeout Statement terminating Seller's Vehicle Dealer's Licenses with respect to the Dealership Premises, as may be required by applicable law.

9.9 Intentionally omitted.

9.10 Documents. Buyer and Seller shall deliver to each other at or after the closing any and all other agreements, certificates, instruments and other documents required of Seller or Buyer hereunder. Buyer and Seller shall use their best efforts and cooperate in good faith to properly allocate between the parties all items of expense and revenue that would be the responsibility of, or belong to, each respective party based on the closing date, including but not limited to any activity posted on Seller's parts statement that occurs after the closing date, which activity would be attributable to Buyer.

9.11 Transfer of Operating Assets, The Company will assign all of the Operating Assets to Buyer, or Buyer's nominee as designated by Buyer to Seller in writing, by execution of appropriate bills of sale, assignments and other customary transfer documents. Seller shall execute and deliver to Buyer a Warranty Bill of Sale for the Assets and Buyer shall immediately be entitled to take possession of the Assets.

9.12 Closing Schedules. The parties will approve the following "Closing Schedules"

(a) **Assumed Agreements.** A list of all Assumed Agreements prepared by the Seller

and approved by the Buyer, which Schedule shall be substantially similar to the information provided to the Buyer prior the execution of this Agreement (the "**Assumed Agreement Schedule**").

(b) **Employees.** A list of all employees of the Company prepared by the Seller and approved by the Buyer showing the rate of compensation and benefits for each such employee, which disclosure shall be substantially similar to the information provided to the Buyer prior to the execution of this Agreement, except for resignations (the "**Employee Schedule**").

(c) **Inventory.** A list of all Inventory as of Closing (the "**Inventory Schedule**"), including a listing of the total value of such inventory.

(d) **Closing Accounts.** A list of all Closing accounts prepared by the Seller (the "**Closing Accounts Schedule**").

(e) **Customer Deposits.** A complete list of Customer Deposits (the "**Customer Deposit Schedule**") showing the total amount of Customer Deposits as of Closing in a form reasonable satisfactory to the Buyer.

9.13 Closing Payment. Buyer shall pay the Closing Payment as provided in Section 2.

9.14 Transfer of Intangibles and Retention of Records. Copies of all books and records and other intangibles belonging to the Company and not included in the Assets shall be given to or left with the Company, including, without limitation, minute books, bank accounts and other intangibles, but the Buyer will have the right to all of the operational records of the Company and the right to make copies of all other tax and financial records relevant to the operation of the Business prior to Closing. At Closing, if requested, the Company shall change the Company's name at Closing to permit Buyer to register rights to such name.

9.15 The Company Employees. Seller will terminate the employment of its employees and the Buyer will offer employment to all such employees at its sole discretion and on terms acceptable to the Buyer.

9.16 Additional Actions. The parties will execute such documents and take such actions that may be reasonable and necessary to complete the Transaction consistent with the provisions of this Agreement.

ARTICLE X

TERMINATION

10.1 Termination. This Agreement will terminate upon: (a) the failure to Close prior to November 15, 2019, as the same may be extended in accordance with Article IX of this Agreement, unless the parties mutually agree to extend the Closing Date; (b) the failure of the conditions to be satisfied at or prior to the Closing Date, if not waived; (c) upon termination of this Agreement by mutual agreement of the parties hereto; (d) upon Buyer's election due to its dissatisfaction with the conditions of its performance under Section 8.2; (e) by Buyer upon receipt of a denial with respect to the Manufacturer Approval; or (f) by Buyer if the Dealership Premises are not then subject to a New Dealership Premises Agreement. Buyer agrees to promptly notify Seller in writing in the event of such dissatisfaction. The termination of this Agreement shall not prejudice the rights of any party to assert a claim by virtue of any default under this Agreement by another party.

10.2 Effect of Termination. Each party's right of termination under Section 10.1 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 10.1, all further obligations of the parties under this Agreement will terminate; *provided, however,* that if this Agreement is terminated by a party because of the breach of the Agreement by the other party, the terminating party's right to pursue all legal remedies will survive such termination unimpaired. If Buyer should be in default of its obligations under this Agreement, and fails to cure same within ten (10) days of Buyer's receipt of written notice of default ("Default Notice"), Seller shall have as Seller's sole and exclusive remedy the right to terminate this Agreement and receive the Earnest Money as liquidated damages. Any Default Notice shall: (i) specifically reference that it is a "default notice" or "notice of default", (ii) describe in reasonable detail the nature of the default, (iii) describe in reasonable detail the corrective action required in order to cure such default, and (iv) set forth the date on which the cure is required to be complete, which shall not be sooner than the cure period set forth in this Agreement. Buyer's right to a Default Notice shall be absolute, unconditional and without exception, regardless of the nature of the alleged default or any other attendant facts or circumstances. Without limiting the generality of the foregoing, Buyer shall be entitled to a Default Notice in the event that Closing does not timely occur. Buyer and Seller hereby acknowledge that the Earnest Money constitutes a fair and reasonable amount of liquidated damages, and not a penalty. Buyer and Seller further acknowledge that the damages which may be incurred by Seller in the event of Buyer's default are difficult to quantify as of the date of this Agreement, that the Earnest Money represents the parties' reasonable estimate of Seller's probable future damages in the event of Buyer's default, and that the Earnest Money represents fair and reasonable compensation to Seller in the event of Buyer's default. Upon termination of this Agreement, based on Buyer's default, and upon payment to Seller of the Earnest Money, neither of the Parties shall have any further rights or obligations under this Agreement.

ARTICLE XI

MUTUAL INDEMNIFICATION

11.1 Seller Indemnity. The Seller agrees that it shall indemnify and hold harmless Buyer, its and their representatives, officers, directors, shareholders, employees, agents, affiliates, predecessors, successors, and assigns ("**Buyer Indemnities**") from and against any and all costs, losses, liabilities, fines, penalties, damages, litigation, claims, costs, and expenses, including reasonable attorneys' fees and other expenses of investigation and defense (collectively, the "**Damages**") to which Buyer Indemnities may become subject or that are incurred in connection with, arise out of, result from, or are attributable to any litigation relating to the Seller or to its use of the Assets, or with respect to any material breach of any representation or warranty made by the Seller or the failure by the Seller to perform materially any of the covenants or obligations contained herein, specifically including, any liability of Seller at the Closing and retained by the Seller as a Retained Liability.

11.2 Buyer's Indemnity. Buyer agrees that it shall indemnify and hold harmless the Seller from and against any and all Damages to which the Seller may become subject or that are incurred in connection with, arise out of, result from, or are attributable to any material breach of the terms of this Agreement or any certificate or other document delivered hereunder or pursuant hereto by Buyer, including any material breach of any representation or warranty made by Buyer or the failure by Buyer to perform materially any of the covenants or obligations contained herein or in any certificate or other document delivered hereunder or pursuant hereto, including (without limitation) any failure

of Buyer to pay when due any obligation or liability assumed by Buyer as provided in this Agreement, including, without limitation, any liabilities, claims, controversies, legal actions, and proceedings brought by or on behalf of any creditor of the Buyer or any other third party, which arise in connection with the Buyer's ownership, use, or possession of the assets or the operation of the Company and the Dealership Premises after the Closing Date, provided that the aggregate liability of Buyer under this Agreement (including, without limitation, Section 11.2) shall in no event exceed an amount equal to the Earnest Money.

11.3 Determination of Damages. The amount of any and all Damages under this Article XI shall be determined net of the net amount of insurance proceeds recovered by the Indemnified Party under any insurance policies with respect to such Damages. In no event shall any party to this Agreement be entitled to recover or make a claim for any amounts in respect of consequential, incidental or indirect damages, lost profits or punitive damages and, in particular, no "multiple of profits" or "multiple of cash flow" or similar valuation methodology shall be used in calculating the amount of any Damages. Any indemnity payment under this Agreement shall be treated as an adjustment to the Purchase Price for tax purposes.

11.4 General. The party entitled to indemnification shall be referred to as the "**Indemnified Party**," and the party obligated to provide such indemnification shall be referred to as the "**Indemnifying Party**." The Indemnified Party shall advise the Indemnifying Party in writing of any claim for indemnification (whether or not such claim involves a person or entity that is not a party to this Agreement (a "Third Party")), although the failure to provide such written notice shall not discharge the obligations of the Indemnifying Party hereunder except to the extent the Indemnifying Party is actually damaged by such failure or delay. A decision or act by Buyer shall be deemed an act by the Buyer Indemnities.

11.5 Third Party Claims.

(a) **Procedure.** The Indemnified Party shall immediately notify the Indemnifying Party in writing of any claim by a Third Party of which the Indemnified Party becomes aware for which the Indemnifying Party has indemnification obligations hereunder, and the Indemnifying Party shall acknowledge its indemnification obligation for such claim in writing. After the Indemnified Party has received such notice from the Indemnifying Party, the Indemnified Party shall allow the Indemnifying Party an opportunity to undertake the prompt and diligent defense, settlement, or other resolution of the claim. In the event the Indemnifying Party assumes the defense as provided above, the Indemnified Party shall have the right to participate in the defense at its own expense, shall cooperate with the Indemnifying Party in such defense, and will attempt to make available to the Indemnified Party on a reasonable basis all such witnesses, records, materials, and information in its possession or under its control relating thereto as is reasonably requested by the Indemnifying Party. Without the written consent of the Indemnified Party, the Indemnifying Party shall not, in the defense of such Third-Party claim or any litigation resulting therefrom, consent to the entry of any judgment or enter into any settlement. The Indemnified Party shall not unreasonably withhold its consent for any settlement or other resolution of such claim. Any settlement of a Third-Party claim shall include, as to the Indemnified Party as an unconditional term thereof, a release by the Third Party of the Indemnified Party from any and all liability in respect of such claim or litigation unless the Indemnified Party agrees otherwise in writing.

(b) **Defense.** In the event that the Indemnifying Party elects not to assume the defense, is unwilling to acknowledge its indemnification obligations to the Indemnified Party in writing as required by Section 11.5(a), or does not perform, or reasonably appears to be incapable of performing, such obligations, then the Indemnified Party may defend, settle, or otherwise resolve the claim as the Indemnified Party determines to be appropriate. In such case, the Indemnifying Party shall be responsible

for all costs incurred, including settlement or other amounts paid to third parties, by the Indemnified Party in connection therewith and shall cooperate with the Indemnified Party in such defense and attempt to make available to it all such witnesses, records, materials, and information in its possession or under its control relating thereto as is requested by the Indemnified Party.

11.6 Remedies. The Indemnifying Party shall promptly reimburse the Indemnified Party for the amount of any judgment rendered against the Indemnified Party with respect to any Third Party claim in litigation or, upon request by the Indemnified Party, for any other Damages arising out of any claim not involving a Third Party. To the extent that the Indemnifying Party refuses to pay in full the Damages owed to the Indemnified Party, the Indemnified Party may utilize any legal or equitable remedy to collect from the Indemnifying Party the amount of such Damages. Nothing contained herein is intended to limit or constrain the Indemnified Party's rights against the Indemnifying Party for indemnity, the remedies herein being cumulative and in addition to all other rights and remedies of the Indemnified Party at law or in equity; provided that the aggregate liability of Buyer under this Agreement (including, without limitation, Article XI) shall in no event exceed an amount equal to the Earnest Money.

ARTICLE XII

GENERAL PROVISIONS

The following general provisions shall apply to this Agreement.

12.1 **Survival of Agreement.** This Agreement, and all terms, warranties, and provisions hereof, including indemnification obligations, will be true and correct on the Closing Date and will survive the Closing Date for a period of five (5) years.

12.2 **Notices.** All notices required or permitted hereunder or under any related agreement or instrument (unless such related agreement or instrument otherwise provides) will be deemed delivered when delivered personally, or when received (or delivery is refused) if mailed by certified •. mail, return receipt requested, or registered mail, or sent by a nationally recognized overnight delivery service to the respective party at the following addresses or to such other addresses as each respective party may in writing hereafter designate:

To Buyer:

c/o Hannum's Harley-Davidson
1011 West Baltimore Pike
Media, PA 19063
Attn: Thomas Hannum, III

With a copy sent at the same time in the same manner to:

Jonathan A. Jordan, Esq.
Riley Riper Hollin & Colagreco
Attorneys at Law
717 Constitution Drive, Suite 201
P.O. Box 1265
Exton, Pennsylvania 19341

To Seller:

H2D Motorcycle Ventures, LLC.
c/o Rattet PLLC
202 Mamaroneck Avenue, Suite 300
White Plains, New York 10601
Attn: Robert L. Rattet, Esq.

12.3 **Successors and Assigns.** This Agreement will be binding upon the parties hereto and their respective successors, personal representatives, heirs, and assigns. However, no party hereto will have any right to assign any of its obligations pursuant to this Agreement except with the prior written consent of all of the other parties, except that Buyer may assign its rights hereunder to its owners, or their affiliates, or entities under its or their control.

12.4 **Merger.** This Agreement and the exhibits and other documents, agreements, and instruments related hereto set forth the entire agreement of the parties with respect to the subject matter hereof supersede all other written and oral discussions and communications regarding the subject matter hereof, and may not be amended or modified except in writing subscribed to by all such parties.

12.5 Governing Law and Jurisdiction. This Agreement is entered into in Wisconsin. THIS AGREEMENT SHALL, IN ALL RESPECTS, BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE SUBSTANTIVE FEDERAL LAWS OF THE UNITED STATES AND THE LAWS OF THE STATE OF WISCONSIN.

12.6 Counterparts; Effective Date; Facsimile Copies. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which shall be deemed to be a single instrument, and shall be effective as of the date set forth above when one or more counterparts have been signed by each of the parties and delivered to the other parties. A facsimile copy of this Agreement and any signatures on any counterpart hereof shall be considered for all purposes as originals.

12.7 Interpretation. This Agreement has been prepared and negotiated by all parties and all parties have been represented by counsel. Accordingly, it will not be construed against any particular party as the party that drafted the Agreement.

12.8 Attorneys' Fees. Should any party hereto institute any action or proceeding in court or otherwise to enforce or interpret this Agreement by reason of or with respect to an alleged breach of any provision hereof, the prevailing party shall be entitled to receive from the non-prevailing party such amount as the court may judge to be reasonable attorneys' and paralegals' fees for the services rendered to the prevailing party in such action or proceeding, plus the prevailing party's costs and expenses therein.

12.9 Modification or Severance. In the event that any provision of this Agreement is found by any court or other authority of competent jurisdiction to be illegal or unenforceable, such provision shall be severed or modified to the extent necessary to render the remainder of the Agreement enforceable, and, as so severed or modified, this Agreement will remain in full force and effect.

12.10 Assignment. Rights under this Agreement shall not be assigned by either party without the consent of the other, except that Buyer may assign its rights under this Agreement to a newly formed entity controlled by Buyer or its shareholders without Seller's consent. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the parties and their successors, any rights or remedies under or by reason of this Agreement.

12.11 Amendment and Waiver. This Agreement may be amended or modified at any time and in all respects and any provision may be waived by an instrument in writing executed by Buyer and Seller, or by either of them in the case of a waiver.

12.12 Dispute Expenses. Should any arbitration or litigation be commenced between the parties or by one of the parties to the Agreement concerning the rights and duties of either party in relation to the dealership or this Agreement, the prevailing party in the arbitration or litigation shall be entitled to (in addition to any other relief that may be granted) a reasonable sum as and for attorney fees in the arbitration or litigation, which sum shall be determined by the court or other person presiding in the arbitration or litigation or any separate action brought for that purpose.

12.13 Headings. Headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning of interpretation of this Agreement.

12.14 Parties in Interest. All of the terms and provisions of this Agreement shall be binding on and inure to the benefit of and be enforceable by Seller and Buyer and their respective successors, assigns, heirs and personal representatives.

12.15 Entire Agreement. This Agreement, and the documents to which it refers, constitutes the

entire agreement between the parties and there are no agreements, understandings, restrictions, warranties or representations between the parties other than those set forth or provided in this Agreement.

12.16 **Employees of Seller.** Intentionally deleted.

12.17 **Public Announcements.** All notices or statements to third parties and other publicity concerning this Agreement and the actions contemplated in this Agreement shall be made in a form and content and at such time as the parties shall mutually agree. No notices or statements shall otherwise be made by any of the parties.

12.18 **Definition of "Knowledge of Seller."** For purposes of this Agreement, the terms "to the best of Seller's knowledge," "to Seller's knowledge" or "known by Seller" and similar terms shall mean the actual knowledge of Seller or Eric Pomeroy, Sara Pomeroy or other owners or general managers of Seller of a particular fact or other matter or awareness that a prudent individual could or should be expected to obtain through their knowledge, ownership and/or management of the Business.

12.19 **Notice of Change in Manufacturer Programs.** Seller will notify Buyer in writing within two (2) days of receipt of any notice or other communication from the Manufacturer, or any third party acting on behalf of the Manufacturer, of any change or potential change to an incentive program which entitles the Seller to significant cash incentives as reflected in Seller's financial information.

[Signature Page Follows.]

This Asset Purchase Agreement is entered into as of the Effective Date.

SELLER:

H2D MOTORCYCLE VENTURES,
LLC

By: /s/ Sara Pomeroy
Sara Pomeroy, Managing Member

/s/ Sara Pomeroy
Sara Pomeroy, individually, as
Shareholder

/s/ Eric Pomeroy
ERIC POMEROY, As to Section 3.2

BUYER:

Hannum's Sales of New Berlin, Inc.

BY: /s/ Thomas B. Hannum, III
THOMAS B. HANNUM, III, President

Schedules

- Schedule 4.4 - Financial Statements Schedule
- Schedule 4.11 - Recent Transactions Schedule (since 12/31/10)
- Schedule 4.13 - Material Agreements
- Schedule 4.15 - Employment Agreements
- Schedule 4.19 - Insurance Schedule
- Schedule 4.23 - Lease Schedule
- Schedule 4.27 - Gift Cards & Gift Certificates Schedule

Exhibits

- Exhibit A - Intentionally Left Blank
- Exhibit B - Noncompetition Agreement
- Exhibit C - Warranty Bill of Sale

SCHEDULE 4.4 – FINANCIAL STATEMENTS SCHEDULE

IRON TOWN HARLEY-DAVIDSON

Balance Sheet

As Of 08/15/2019

		Assets	Current Year
Cash			
1000-0-000-00-0	Cash Holding		3,410.82
1000-0-005-00-0	Cash on Hand- Drawers/Change		5,365.22
1000-0-010-00-0	Petty Cash		760.34
1000-0-015-00-0	Cash on Hand- ATM		340.00
		Cash Total	<u>9,876.38</u>
1001-0-000-00-0	Credit Card Holding		-10,678.61
		Credit Card Total	<u>-10,678.61</u>
1002-0-015-00-0	Cash in Bank- JOHNSON		95,387.83
1002-0-020-00-0	Cash in Bank-Johnson Wire Acct		163.43
		Bank Account Total	<u>95,551.26</u>
		Cash Total	<u>94,749.03</u>
Accounts Receivable			
1012-0-005-00-0	Service Contracts Receivable		68,978.60
		Serv Contract Receivable Total	<u>68,978.60</u>
1012-0-000-00-0	Contracts in Transit		70,068.55
1012-0-015-00-0	Novo Financial Contracts Rec		632,676.46
		Contracts in Transit Total	<u>702,745.01</u>
1012-0-010-00-0	Finance Receivable		14,206.12
		Finance Receivable Total	<u>14,206.12</u>
1015-0-000-00-0	Factory Incentive Receivable		4,014.57
		Factory Incentive Receivable - Purchase Total	<u>4,014.57</u>
1015-0-005-00-0	Warranty Receivable		12,523.46
1015-0-010-00-0	Return Claims Receivable		9,735.23
		Warranty Receivable Total	<u>22,258.69</u>
1012-0-030-00-0	Sunbit Receivable		4,386.47
1015-0-001-00-0	HDMC Rewards Receivable		11,907.33
1015-0-015-00-0	Warranty Receivable - HD PDI		6,202.90
1019-0-015-00-0	Related Party Receivable		251,491.70
1800-0-000-00-0	Trade Rec- Misc		16,913.03
		Accounts Receivable - Other Total	<u>290,901.43</u>
		Other Current Assets (default) Total	<u>0.00</u>
1010-0-000-00-0	Acc Rec- Trade		59,167.76
		Customer Accounts Receivable Total	<u>59,167.76</u>
		Accounts Receivable Total	<u>1,162,272.18</u>
Inventory			
1020-1-101-00-0	Inv New- HD MU- Touring		187,035.20
1020-1-102-00-0	Inv New- HD MU- Softail		247,292.05
1020-1-104-00-0	Inv New- HD MU- Sportster		16,105.48
1020-1-106-00-0	Inv New- HD MU- Street		12,332.70
		MU Inventory New Total	<u>462,765.43</u>
1021-1-100-00-0	Inv Used- HD Misc MU		443,316.57
		MU Inventory Used Total	<u>443,316.57</u>
1024-1-300-00-0	Inv- HD Apparel		145,308.84
1024-1-320-00-0	Inv- HD Collect/Home		1,148.05
1024-1-340-00-0	Inv- HD Gifts/Access		2,346.81
1024-1-360-00-0	Inv- HD Licensed Prod		17,645.61
1024-1-380-00-0	Inv- HD T-Shirts		15,981.40
1024-1-397-00-0	Inv- HD Misc GM		23,303.13
1024-4-300-00-0	Inv- OPL Apparel		492.44
1024-4-320-00-0	Inv- OPL Collect/Home		1,070.05
1024-4-360-00-0	Inv- OPL Licensed Prod		1,376.32

IRON TOWN HARLEY-DAVIDSON

Balance Sheet

As Of 08/15/2019

		Assets	
			Current Year
Inventory			
1024-4-380-00-0	Inv- OPL T-Shirts		55.00
1024-4-397-00-0	Inv- OPL General Merch		16,085.72
	GM Inventory Total		224,813.37
1023-0-250-00-0	Inv - Sublet Labor		2,148.92
1023-1-201-00-0	Inv- HD Motor Parts		56,360.86
1023-1-202-00-0	Inv- HD Lubricants		8,947.95
1023-1-203-00-0	Inv- HD Tires		55,763.51
1023-1-204-00-0	Inv - Used Parts		2.51
1023-1-240-00-0	Inv- HD Mech Access		79,653.08
1023-1-296-00-0	Inv- HD Misc P&A		116.46
1023-1-297-00-0	Inv- HD Dealer Aids		153.00
1023-4-000-00-0	Inv- OPL Variance- P&A		638.70
1023-4-201-00-0	Inv- OPL Motor Parts		47,584.88
1023-4-202-00-0	Inv- OPL Lubricants		2,054.38
1023-4-203-00-0	Inv- OPL Tires		3,963.54
1023-4-240-00-0	Inv- OPL Access		50,608.91
1023-4-296-00-0	Inv- OPL Misc P&A		6,238.64
1023-4-297-00-0	Inv- OPL Dealer Aids		0.97
	P&A Inventory Total		314,236.31
1025-0-010-00-0	Work-in-Process- Labor		4,720.36
1025-0-015-00-0	Inv- Vehicle Internal Parts		13,531.75
1025-0-020-00-0	Inv- Vehicle Internal Labor		15,783.75
	Other Current Assets (default) Total		34,035.86
	Inventory Total		1,479,167.54
Other Current Assets			
	Prepaid Expenses Total		0.00
1098-0-000-00-0	Due To/From Wisconsin HD (RMM)		4,174.30
1099-0-000-00-0	Intercompany Account		603,541.75
	Other Current Assets (default) Total		607,716.05
	Other Current Assets Total		607,716.05
Fixed Assets			
1501-0-000-00-0	Building & Leasehold Impr		125,125.93
1502-0-000-00-0	Furniture and Fixtures		118,969.68
1503-0-001-00-0	Equipment-Shop		51,978.56
1503-0-002-00-0	Equipment-Office		3,379.54
1504-0-000-00-0	Equipment- Computer Hardware		17,480.59
1504-0-001-00-0	Equipment- Computer Software		8,154.37
1506-0-000-00-0	Company Vehicles		16,288.84
1506-0-020-00-0	Rider's Edge Training Vehicles		75,605.76
1508-0-000-00-0	Other Depreciable Assets		4,194.00
	Fixed Assets (default) Total		421,177.27
	Fixed Assets Total		421,177.27
Accumulated Depreciation			
1591-0-000-00-0	A/D Building & Leasehold Impr		-24,593.52
1592-0-000-00-0	A/D Furniture & Fixtures		-56,631.14
1593-0-000-00-0	A/D Shop Equipment		-26,400.33
1593-0-010-00-0	A/D Office Equipment		-2,084.13
1594-0-000-00-0	A/D Computer Hardware		-10,712.46
1594-0-005-00-0	A/D Computer Software		-7,270.64
1596-0-000-00-0	A/D Company Vehicles		-5,321.36
1596-0-020-00-0	A/D Rider's Edge Training Veh		-33,779.95
	Accumulated Depreciation Total		-166,793.53

IRON TOWN HARLEY-DAVIDSON

Balance Sheet

As Of 08/15/2019

		Current Year
Assets		
	Accumulated Depreciation Total	-166,793.53
Other Assets		
1830-0-000-00-0	Loan Origination Fees	38,946.44
1880-0-000-00-0	Goodwill	2,375,000.00
1880-0-005-00-0	Accum Amortization- Goodwill	-732,291.73
1890-0-000-00-0	Covenant Not to Compete	25,000.00
1890-0-001-00-0	Accum Amort-Covenet No Compete	-15,416.69
1900-0-000-00-0	Suspense - Deferred Charges	-9,382.36
	Other Curront Assets (default) Total	1,681,855.66
	Other Assets Total	1,681,855.66
	Assets Total	\$5,280,144.20
Liabilities and Capital		
		Current Year
Accounts Payable		
2000-0-000-00-0	Acc Pay Trade	710,471.27
2005-0-005-00-0	Acc Pay- HD Trde Acpt	-3,897.14
2005-0-010-00-0	Accounts Payable-HD Motorcycle	20,700.00
	Acct Payable Trade Total	727,274.13
2001-0-000-00-0	Acc Pay- F&I	1,230.00
	Insurance Payable Total	1,230.00
2001-0-005-00-0	Acc Pay- Serv Contrs	56,814.36
	Policy Payables Total	56,814.36
2005-0-000-00-0	Acc Pay- HD	333,695.57
2010-0-000-00-0	Floorplan New- HD	1,123,315.57
2013-0-000-00-0	Floorplan New- Other	21,050.00
2015-0-000-00-0	Floorplan Used	1,264,156.00
	Acct Payable Floorplan Total	2,742,817.14
2028-0-096-00-0	Novo Financial, Extended Servi	16,019.73
	Accounts Payable - Other Total	16,019.73
2002-0-004-00-0	Johnson Bank CC thru Talon	-24,427.23
	Credit Card Liability Total	-24,427.23
	Accounts Payable Total	3,519,728.13
Other Current Liabilities		
2028-0-010-00-0	Cust Deposits- SO	12,002.90
2028-0-015-00-0	Cust Deposits- MU	9,748.00
2028-0-025-00-0	Cust Deposits- Layaways	-28.57
2028-0-030-00-0	Cust Deposits- Work Orders	35,013.43
2028-0-080-00-0	Cust Deposits- Gift Cert	57,688.55
2028-0-090-00-0	Cust Deposits- Prepaid Parts	4,677.53
	Customer Deposits Total	119,101.84
2028-0-085-00-0	Cust Deposits- Other	19,763.04
2028-0-091-00-0	Cust Deposits- Prepaid Maint	115,099.35
2028-0-092-00-0	Cust Deposits- Prepaid Labor	-16,401.15
2028-0-095-00-0	US Dir Serv (1st Extend Pool)	205,195.18
2050-0-020-00-0	Accrued 401K/SEP	1,762.95
2050-0-035-00-0	Accrued Misc Pay Deductions	2,070.39
2052-0-000-00-0	Accrued Sales Tax- State	367,546.44
2052-0-005-00-0	Accrued Sales Tax- County	-15.30
2052-0-010-00-0	Accrued Sales Tax- City	-3.70
2052-0-015-00-0	Accrued Sales Tax - Other	-464.27
2054-0-000-00-0	Accrued Personal Property Tax	654.00
2054-0-005-00-0	Accrued Real Estate Taxes	85,794.49
2059-0-000-00-0	Accrued Othr Curr. Liabilities	150,119.01

IRON TOWN HARLEY-DAVIDSON

Balance Sheet

As Of 08/15/2019

Liabilities and Capital

Current Year

Other Current Liabilities

2059-0-010-00-0	Accrued Interest Expense	35,492.93
2080-0-000-00-0	Notes Pay- Short-Term	186,666.97
	Other Current Liabilities Total	1,149,754.43
2028-0-006-00-0	Cust Lien Payoff	132,507.27
	Vehicle Payoff Total	132,507.27
2060-0-000-00-0	A/P Holding Account	-2,096.19
	AP Accrual Total	-2,096.19
	Accounts Payable - Other Total	0.00
	Other Current Liabilities Total	1,399,267.35

Long Term Liabilities

2510-0-000-00-0	Mortgage Pay-Ridgestone SBA	1,653,266.73
	Other Long-Term Oblig Total	1,653,266.73
	Long Term Liabilities Total	1,653,266.73
	Liabilities Total	\$6,572,262.21

Equity

3010-0-000-00-0	Additional Paid in Capital	718,876.30
3080-0-000-00-0	Retained Earnings	-1,064,083.97
	Current YTD Net Income (Loss)	-946,910.34
	Equity Total	-1,292,118.01

Liabilities and Capital Total \$5,280,144.20

IRON TOWN HARLEY-DAVIDSON
Income Statement

For the Period 01/01/2019 to 08/15/2019

		Current Period
Income		
Vehicle Sales New		
4200-1-101-10-0	Sls New- HD Touring- Veh	1,201,262.29
4200-1-102-10-0	Sls New- HD Softail- Veh	241,866.00
4200-1-103-10-0	Sls New- HD Dyna- Veh	37,078.00
4200-1-104-10-0	Sls New- HD Sportster- Veh	32,807.00
4200-1-106-10-0	Sls New- HD - Street-Veh	12,879.00
4201-1-101-10-0	Sls New Lbr- HD Touring- Veh	7,245.00
4201-1-102-10-0	Sls New Lbr- HD Softail- Veh	1,533.00
4201-1-103-10-0	Sls New Lbr- HD Dyna- Veh	147.00
4201-1-104-10-0	Sls New Lbr- HD Sportster-Veh	378.00
4201-1-106-10-0	Sls New Lbr- HD - Street-Veh	157.50
4202-1-101-10-0	Sls New P&A- HD Touring-Veh	11,076.92
4202-1-102-10-0	Sls New P&A- HD Softail-Veh	110.85
Vehicle Sales New Total		1,546,542.56
Vehicle Sales Used		
4210-1-100-10-0	Sls Used- HD Misc MU- Veh	729,105.50
4210-4-130-10-0	Sls Used- OPL Other MC- Veh	22,050.00
4210-4-140-10-0	Sls- Used Wholesale MC- Veh	1,650.00
4211-1-100-10-0	Sls Used Lbr- HD Misc MU-Veh	11,573.85
4212-1-100-10-0	Sls Used P&A- HD Misc MU-Veh	7,384.66
4290-1-100-10-0	Sls WHS Used- HD Misc-Veh	1,042,910.00
4290-4-130-10-0	Sls WHS Used- OPL Other-Veh	10,200.00
4290-8-180-10-0	Sls WHS Used- OV Other-Veh	9,000.00
Vehicle Sales Used Total		1,833,874.01
P&A Sales		
4300-1-201-20-0	Sls- HD Motor Parts- P&A	69,980.08
4300-1-202-20-0	Sls- HD Lubricants- P&A	29,917.18
4300-1-203-20-0	Sls- HD Tires- P&A	40,763.88
4300-1-240-20-0	Sls- HD Mech Access- P&A	242,952.58
4300-1-296-20-0	Sls- HD Misc P&A- P&A	559.58
4300-1-297-20-0	Sls- HD Dealer Aids- P&A	419.80
4300-4-201-20-0	Sls- OPL Motor Parts- P&A	80,866.88
4300-4-202-20-0	Sls- OPL Lubricants- P&A	4,938.98
4300-4-203-20-0	Sls- OPL Tires- P&A	12,123.30
4300-4-240-20-0	Sls- OPL Access- P&A	80,557.60
4300-4-295-20-0	Sls - EBAY - P&A	96.00
4300-4-296-20-0	Sls- OPL Misc P&A- P&A	7,815.19
4301-1-201-20-0	Sls Warr- HD Motor Parts- P&A	12,632.22
4301-1-202-20-0	Sls Warr- HD Lubricants- P&A	87.37
4301-1-203-20-0	Sls Warr- HD Tires- P&A	972.52

IRON TOWN HARLEY-DAVIDSON
Income Statement

For the Period 01/01/2019 to 08/15/2019

		Current Period
4301-1-240-20-0	Sls Warr- HD Mech Access- P&A	9,425.94
4302-1-201-20-0	Sls ESP- HD Motor Parts- P&A	7,348.36
4302-1-202-20-0	Sls ESP- HD Lubricants- P&A	215.12
4302-1-203-20-0	Sls ESP- HD Tires- P&A	926.71
4302-1-240-20-0	Sls ESP- HD Mech Access- P&A	3,347.85
4302-4-201-20-0	Sls ESP- OPL Motor Parts- P&A	224.43
4302-4-240-20-0	Sls ESP- OPL Access- P&A	5.95
4303-1-201-20-0	Sls PPM- HD Motor Parts- P&A	654.30
4303-1-202-20-0	Sls PPM- HD Lubricants- P&A	4,403.70
4303-1-240-20-0	Sls PPM- HD Mech Access- P&A	1,297.95
4306-0-000-00-0	Sls- Internal Parts Adj.	29,329.87
4308-1-201-20-0	Sls Int- HD Motor Parts- P&A	1,890.77
4308-1-202-20-0	Sls Int- HD Lubricants- P&A	428.36
4308-1-203-20-0	Sls Int- HD Tires- P&A	2,067.56
4308-1-240-20-0	Sls Int- HD Mech Access- P&A	12,435.19
4308-4-201-20-0	Sls Int- OPL Motor Parts- P&A	846.60
4308-4-203-20-0	Sls Int- OPL Tires- P&A	449.90
4308-4-240-20-0	Sls Int- OPL Access- P&A	672.65
4309-1-201-20-0	Sls WHS- HD Motor Part-P&A	7,626.72
4309-1-202-20-0	Sls WHS- HD Lubricants-P&A	582.45
4309-1-203-20-0	Sls WHS- HD Tires-P&A	5,752.21
4309-1-240-20-0	Sls WHS- HD Access-P&A	17,578.32
4309-1-296-20-0	Sls WHS- HD Misc-P&A	459.12
4309-1-297-20-0	Sls WHS- HD Dealer Aids-P&A	251.38
4309-4-201-20-0	Sls WHS- OPL Motor Part-P&A	8,675.57
4309-4-240-20-0	Sls WHS- OPL Access-P&A	10,280.80
4309-4-296-20-0	Sls WHS- OPL Misc-P&A	226.74
P&A Sales Total		712,087.68
GM Sales		
4310-1-300-21-0	Sls- HD Apparel- GM	156,980.44
4310-1-320-21-0	Sls- HD Collect/Home- GM	3,165.72
4310-1-340-21-0	Sls- IID Gifts/Access- GM	7,400.50
4310-1-360-21-0	Sls- HD Licensed Prod- GM	17,829.46
4310-1-380-21-0	Sls- HD T-Shirts- GM	36,697.93
4310-1-397-21-0	Sls- HD Misc GM- GM	45,241.79
4310-4-300-21-0	Sls- OPL Apparel- GM	475.65
4310-4-320-21-0	Sls- OPL Collect/Home- GM	2,886.65
4310-4-360-21-0	Sls- OPL Licensed Prod- GM	2,338.93
4310-4-380-21-0	Sls- OPL T-Shirts- GM	124.00
4310-4-397-21-0	Sls- OPL Misc GM- GM	29,480.92
4319-1-300-21-0	Sls WHS- HD Apparel-GM	9,531.80
4319-1-320-21-0	Sls WHS- HD Collect/Home-GM	39.09

IRON TOWN HARLEY-DAVIDSON
Income Statement

For the Period 01/01/2019 to 08/15/2019

		Current Period
4319-1-340-21-0	Sls WHS- HD Gifts/Access-GM	419.11
4319-1-360-21-0	Sls WHS- HD Licnsed Prod.-G	850.07
4319-1-380-21-0	Sls WHS- HD T-Shirt-GM	1,772.20
4319-1-397-21-0	Sls WHS- HD Misc GM-GM	1,889.36
4319-4-300-21-0	Sls WHS- OPL Apparel-GM	251.51
4319-4-320-21-0	Sls WHS- OPL Collect/Home-GI	144.50
4319-4-360-21-0	Sls WHS- OPL Licnsed Prod.-G	23.61
4319-4-397-21-0	Sls WHS- OPL Misc GM-GM	3,431.46
GM Sales Total		321,074.70
Labor Sales		
4500-1-510-50-0	Sls- HD Cust Lbr- Serv	306,711.64
4500-1-511-50-0	Sls- HD Sublet Lbr- Serv	13,071.03
4500-4-510-50-0	Sls- OPL Cust Lbr- Serv	2,430.75
4500-4-511-50-0	Sls- OPL Sublet Lbr- Serv	-2,761.63
4501-1-510-50-0	Sls Warr- HD Cust Lbr- Serv	39,864.75
4502-1-510-50-0	Sls ESP- HD Cust Lbr- Serv	11,251.00
4503-1-510-50-0	Sls PPM- HD Cust Lbr- Serv	21,415.90
4506-0-000-00-0	Sls- Internal Labor Adj	32,617.20
4508-1-510-50-0	Sls Int- HD Cust Lbr- Serv	20,409.90
Labor Sales Total		445,010.54
Finance Sales		
4800-1-800-11-0	Sls- HD Finance- F&I	65,205.50
4800-1-801-11-0	Sls- HD Charge Back- F&I	-6,445.78
4800-4-800-11-0	Sls- OPL Finance- F&I	428.79
4800-4-801-11-0	Sls- OPL Charge Back- F&I	-2,171.21
Finance Sales Total		67,017.30
Insurance Sales		
4801-1-813-11-0	Sls- HD GAP Ins- F&I	5,491.00
Insurance Sales Total		5,491.00
Serv Contract Sales		
4802-1-820-11-0	Sls- HD Serv Contracts- F&I	50,230.55
4802-1-823-11-0	Sls-HD Theft Pro-F&I	480.00
4802-1-825-11-0	Sls- HD PPM- F&I	15,755.00
4802-4-820-11-0	Sls- OPL Serv Contracts- F&I	5,331.60
4802-4-822-11-0	Sls - Novo Appearance	10,547.00
Serv Contract Sales Total		82,344.15
Other Misc Sales (default)		
4811-1-830-83-0	Sls- Riders Edge	29,190.00
4819-1-100-10-0	SLS-MISC-WISHD BIKE GP	116,571.47
4900-1-921-10-0	Sls- HD Freight- Veh	-435.00
4900-1-922-10-0	Sls- HD Doc Fees- Veh	31,095.00
4900-1-922-11-0	Sls- HD Doc Fees- F&I	1,055.50

IRON TOWN HARLEY-DAVIDSON
Income Statement

For the Period 01/01/2019 to 08/15/2019

		Current Period
4900-1-923-10-0	Sls- HD Prep Fee- Veh	27,250.00
4900-4-922-10-0	Sls- OPL Doc Fees- Veh	234.00
4900-4-922-11-0	Sls- OPL Doc Fees- F&I	166.50
4900-8-922-11-0	Sls- OV Doc Fees- F&I	102.50
4930-0-980-00-0	Sls- Shipping	-12.00
4930-0-980-20-0	Sls- Shipping- P&A	4,088.97
4930-0-980-21-0	Sls- Shipping- GM	357.94
4930-0-980-50-0	Sls- Shipping- Serv	108.00
4932-0-982-50-0	Sls- Shop Supplies- Serv	7,235.54
4933-0-983-50-0	Sls- Storage Fees- Serv	-2.21
4933-0-985-50-0	Sls- Disposal Fees- Serv	2,654.80
4934-0-984-20-0	Sls- Restocking Fees- P&A	-142.19
5935-0-999-20-0	Disc By Dept Non-Inven- P&A	-150.00
8000-0-005-00-0	Interest Income From MMACT-C	6.28
8002-0-000-00-0	Discounts Earned- G&A	25.72
8009-0-000-00-0	Other Income- G&A	-6,235.82
8009-0-000-10-0	Other Income- Veh	-1,559.96
8009-0-005-00-0	ATM Fees	204.00
8009-0-010-00-0	Misc Event Revenue	-3,333.30
8009-0-015-20-0	Non-Inventory Sales- P&A	17,405.61
8009-0-015-21-0	Non-Inventory Sales- GM	202.59
Other Misc Sales (default) Total		226,143.94
Disc New Vehicle Sales		
5200-1-101-10-0	Disc New- HD Touring- Veh	-100,117.63
5200-1-102-10-0	Disc New- HD Softail- Veh	-33,208.62
5200-1-103-10-0	Disc New- HD Dyna- Veh	-3,600.00
5200-1-104-10-0	Disc New- HD Sportster- Veh	-1,024.80
5200-1-106-10-0	Disc New- HD - Street-Veh	-1,000.00
5201-1-101-10-0	Disc New Lbr- HD Touring-Veh	-3,675.00
5201-1-102-10-0	Disc New Lbr- HD Softail-Veh	-1,312.50
5201-1-103-10-0	Disc New Lbr- HD Dyna-Veh	-147.00
5201-1-104-10-0	Disc New Lbr- HD Sportster-Veh	-252.00
5201-1-106-10-0	Disc New Lbr- HD - Street-Veh	-157.50
5202-1-101-10-0	Disc New P&A- HD Touring-Veh	-712.16
5202-1-102-10-0	Disc New P&A- HD Softail-Veh	-5.95
Disc New Vehicle Sales Total		-145,213.16
Disc Used Vehicle Sales		
5210-1-100-10-0	Disc Used- HD Misc MU- Veh	-4,653.50
5211-1-100-10-0	Disc Used Lbr- HD Misc MU-Veh	-11,573.85
5212-1-100-10-0	Disc Used P&A- HD Misc MU-Veh	-7,384.66
Disc Used Vehicle Sales Total		-23,612.01
Discount P&A		

Income Statement

For the Period 01/01/2019 to 08/15/2019

		Current Period
5300-1-201-20-0	Disc- HD Motor Parts- P&A	-8,398.93
5300-1-202-20-0	Disc- HD Lubricants- P&A	-1,708.24
5300-1-203-20-0	Disc- HD Tires- P&A	-6,093.81
5300-1-240-20-0	Disc- HD Mech Access- P&A	-24,164.47
5300-1-240-50-0	Disc- HD Mech Access- Serv	-49.23
5300-1-296-20-0	Disc- HD Misc P&A- P&A	-121.87
5300-1-297-20-0	Disc- HD Dealer Aids- P&A	-36.38
5300-4-201-20-0	Disc- OPL Motor Parts- P&A	-9,844.40
5300-4-202-20-0	Disc- OPL Lubricants- P&A	-374.36
5300-4-203-20-0	Disc- OPL Tires- P&A	-1,573.80
5300-4-240-20-0	Disc- OPL Access- P&A	-9,999.70
5300-4-296-20-0	Disc- OPL Misc P&A- P&A	-1,069.40
	Discount P&A Total	-63,434.59
Disc Labor Sales		
5500-1-510-50-0	Disc- HD Cust Lbr- Serv	-232.05
	Disc Labor Sales Total	-232.05
Discount GM		
5310-1-300-21-0	Disc- HD Apparel- GM	-23,120.17
5310-1-320-21-0	Disc- HD Collect/Home- GM	-618.83
5310-1-340-21-0	Disc- HD Gifts/Access- GM	-1,079.27
5310-1-360-21-0	Disc- HD Licensed Prod- GM	-3,936.12
5310-1-380-21-0	Disc- HD T-Shirts- GM	-8,573.40
5310-1-397-21-0	Disc- HD Misc GM- GM	-5,941.91
5310-4-300-21-0	Disc- OPL Apparel- GM	-154.26
5310-4-320-21-0	Disc- OPL Collect/Home- GM	-682.21
5310-4-360-21-0	Disc- OPL Licensed Prod- GM	-397.88
5310-4-380-21-0	Disc- OPL T-Shirts- GM	63.50
5310-4-397-21-0	Disc- OPL Misc GM- GM	-6,356.21
	Discount GM Total	-50,923.76
	Income Total	4,946,170.31
Cost of Sales		
Vehicle New Cost of Sales		
6200-1-101-10-0	COGS New- HD Touring- Veh	976,766.70
6200-1-102-10-0	COGS New- HD Softail- Veh	192,976.01
6200-1-103-10-0	COGS New- HD Dyna- Veh	28,785.00
6200-1-104-10-0	COGS New- HD Sportster- Veh	26,228.16
6200-1-106-10-0	COGS New- HD - Street-Veh	8,538.92
6201-1-101-10-0	COGS New Lbr- HD Touring-Ve	7,295.00
6201-1-102-10-0	COGS New Lbr- HD Softail-Veh	1,533.00
6201-1-103-10-0	COGS New Lbr- HD Dyna-Veh	147.00
6201-1-104-10-0	COGS New Lbr- HD Sportster-V	378.00
6201-1-106-10-0	COGS New Lbr- HD - Street-Ve	157.50

Income Statement

For the Period 01/01/2019 to 08/15/2019

		Current Period
6202-1-101-10-0	COGS New P&A- HD Touring-V	11,076.92
6202-1-102-10-0	COGS New P&A- HD Softail-Ve	110.85
Vehicle New Cost of Sales Total		1,253,993.06
Vehicle Used Cost of Sales		
6210-1-100-10-0	COGS Used- HD Misc MU- Veh	598,658.10
6210-4-130-10-0	COGS Used- OPL Other MC- Vt	21,800.00
6210-4-140-10-0	COGS Used Wholesale MC- Vt	1,650.00
6211-1-100-10-0	COGS Used Lbr- HD Misc MU-\	11,573.85
6212-1-100-10-0	COGS Used P&A- HD Misc MU-	7,384.66
6290-1-100-10-0	COGS WHS Used- HD Misc-Ve	1,289,494.12
6290-4-130-10-0	COGS WHS Used- OPL Other-\	1,110.00
6290-8-180-10-0	COGS WHS Used- OV Other-Vt	9,000.00
Vehicle Used Cost of Sales Total		1,940,670.73
P&A Cost of Sales		
6300-1-201-10-0	COGS- HD Motor Parts- Veh	84.33
6300-1-201-20-0	COGS- HD Motor Parts- P&A	43,041.75
6300-1-202-20-0	COGS- HD Lubricants- P&A	17,721.01
6300-1-203-20-0	COGS- HD Tires- P&A	25,734.57
6300-1-240-20-0	COGS- HD Mech Access- P&A	158,184.26
6300-1-296-20-0	COGS- HD Misc P&A- P&A	3,840.44
6300-1-297-20-0	COGS- HD Dealer Aids- P&A	250.00
6300-4-201-20-0	COGS- OPL Motor Parts- P&A	58,095.96
6300-4-202-20-0	COGS- OPL Lubricants- P&A	3,088.64
6300-4-203-20-0	COGS- OPL Tires- P&A	7,348.04
6300-4-240-20-0	COGS- OPL Access- P&A	55,066.63
6300-4-295-20-0	COGS- EBAY - P&A	12.56
6300-4-296-20-0	COGS- OPL Misc P&A- P&A	6,235.77
6300-4-296-21-0	COGS- OPL Misc P&A- GM	-25.48
6300-4-296-50-0	COGS- OPL Misc P&A- Serv	1.69
6301-1-201-20-0	COGS Warr- HD Motor Parts-P&	8,991.60
6301-1-202-20-0	COGS Warr- HD Lubricants- P&	51.12
6301-1-203-20-0	COGS Warr- HD Tires- P&A	595.23
6301-1-240-20-0	COGS Warr- HD Mech Access-	5,859.64
6302-1-201-20-0	COGS ESP- HD Motor Parts- P&	4,599.69
6302-1-202-20-0	COGS ESP- HD Lubricants- P&	116.08
6302-1-203-20-0	COGS ESP- HD Tires- P&A	592.19
6302-1-240-20-0	COGS ESP- HD Mech Access- l	1,849.87
6302-4-201-20-0	COGS ESP- OPL Motor Parts- &	145.78
6302-4-240-20-0	COGS ESP- OPL Access- P&A	3.29
6303-1-201-20-0	COGS PPM- HD Motor Parts- P	339.44
6303-1-202-20-0	COGS PPM- HD Lubricants- P&	2,382.35
6303-1-240-20-0	COGS PPM- HD Mech Access-	835.54

IRON TOWN BARLEY-DAVIDSON
Income Statement

For the Period 01/01/2019 to 08/15/2019

		Current Period
6306-0-000-00-0	COGS- Internal Parts Adj.	3,181.73
6308-1-201-20-0	COGS Int- HD Motor Parts- P&A	1,064.77
6308-1-202-20-0	COGS Int- HD Lubricants- P&A	227.94
6308-1-203-20-0	COGS Int- HD Tires- P&A	1,324.03
6308-1-240-20-0	COGS Int- HD Mech Access- P&A	8,933.61
6308-1-296-20-0	COGS Int- HD Misc P&A- P&A	-2.05
6308-4-201-20-0	COGS Int- OPL Motor Parts-P&A	593.49
6308-4-203-20-0	COGS Int- OPL Tires- P&A	217.62
6308-4-240-20-0	COGS Int- OPL Access- P&A	483.76
6308-4-296-20-0	COGS Int- OPL Misc P&A- P&A	-353.70
6309-1-201-20-0	COGS WHS- HD Motor Part-P&A	6,328.29
6309-1-202-20-0	COGS WHS- HD Lubricants-P&A	485.81
6309-1-203-20-0	COGS WHS- HD Tires-P&A	4,699.33
6309-1-240-20-0	COGS WHS- HD Access-P&A	14,997.47
6309-1-296-20-0	COGS WHS- HD Misc-P&A	748.56
6309-1-297-20-0	COGS WHS- HD Dealer Aids-P&A	177.50
6309-4-201-20-0	COGS WHS- OPL Motor Part-P&A	7,759.03
6309-4-240-20-0	COGS WHS- OPL Access-P&A	10,726.98
6309-4-296-20-0	COGS WHS- OPL Misc-P&A	-1,244.04
	P&A Cost of Sales Total	465,223.46
GM Cost of Sales		
6310-1-300-21-0	COGS- HD Apparel- GM	92,129.55
6310-1-320-21-0	COGS- HD Collect/Home- GM	1,513.00
6310-1-340-21-0	COGS- HD Gifts/Access- GM	3,932.16
6310-1-360-21-0	COGS- HD Licensed Prod- GM	9,196.91
6310-1-380-21-0	COGS- HD T-Shirts- GM	23,475.20
6310-1-397-21-0	COGS- HD Misc GM- GM	22,733.47
6310-4-300-21-0	COGS- OPL Apparel- GM	296.66
6310-4-320-21-0	COGS- OPL Collect/Home- GM	1,728.82
6310-4-360-21-0	COGS- OPL Licensed Prod- GM	1,164.91
6310-4-380-21-0	COGS- OPL T-Shirts- GM	55.00
6310-4-397-21-0	COGS- OPL Misc GM- GM	15,890.93
6319-1-300-21-0	COGS WHS- HD Apparel-GM	9,146.11
6319-1-320-21-0	COGS WHS- HD Collect/Home- GM	45.50
6319-1-340-21-0	COGS WHS- HD Gifts/Access-C	347.75
6319-1-360-21-0	COGS WHS- HD Licensed Prod	898.30
6319-1-380-21-0	COGS WHS- HD T-Shirt-GM	1,693.31
6319-1-397-21-0	COGS WHS- HD Misc GM-GM	1,642.63
6319-4-300-21-0	COGS WHS- OPL Apparel-GM	196.91
6319-4-320-21-0	COGS WHS- OPL Collect/Home	134.28
6319-4-360-21-0	COGS WHS- OPL Licensed Pro	23.61
6319-4-397-21-0	COGS WHS- OPL Misc GM-GM	2,911.23

Income Statement

For the Period 01/01/2019 to 08/15/2019

		Current Period
		GM Cost of Sales Total
		189,156.24
Labor Cost of Sales		
6500-1-000-50-0	COGS Tech Wage if COGS unu	103,450.07
6500-1-510-50-0	COGS- HD Cust Lbr- Serv	47,526.48
6500-4-510-50-0	COGS- OPL Cust Lbr- Serv	2,007.26
6501-1-510-50-0	COGS Warr- HD Cust Lbr- Serv	5,769.52
6502-1-510-50-0	COGS ESP- HD Cust Lbr- Serv	1,400.44
6503-1-510-50-0	COGS PPM- HD Cust Lbr- Serv	3,034.03
6506-0-000-00-0	COGS- Internal Labor Adj.	19,119.56
6508-1-510-50-0	COGS Int- HD Cust Lbr- Serv	2,584.54
		Labor Cost of Sales Total
		184,891.90
Finance Cost of Sales		
6800-1-800-11-0	COGS- Chargeback- HD Loan-	7,572.15
6800-4-800-11-0	COGS- OPL Finance- F&I	-932.28
		Finance Cost of Sales Total
		6,639.87
Insurance Cost of Sales		
6801-1-813-11-0	COGS HD GAP Ins- F&I	1,845.00
		Insurance Cost of Sales Total
		1,845.00
Serv Contract Cost of Sales		
6802-1-820-11-0	COGS- HD Serv Contracts- F&I	30,579.82
6802-1-823-11-0	COGS- HD Theft Pro- F&I	190.00
6802-1-825-11-0	COGS- HD PPM- F&I	14,118.00
6802-4-820-11-0	COGS- OPL Serv Contract- F&I	5,163.30
6802-4-822-11-0	COGS - Novo Appearance	7,660.00
		Serv Contract Cost of Sales Total
		57,711.12
Misc Cost of Sales (default)		
6811-1-830-83-0	COGS- Riders Edge	10,417.32
6930-0-980-10-0	COGS- Sls Shipping- Veh	1,625.00
		Misc Cost of Sales (default) Total
		12,042.32
Sublet Labor Cost of Sales		
6500-1-511-50-0	COGS- HD Sublet Lbr- Serv	10,501.20
6500-4-511-50-0	COGS- OPL Sublet Lbr- Serv	250.00
6502-1-511-50-0	COGS ESP- HD Sublet Lbr- Ser	-92.45
6508-4-511-50-0	COGS Int- OPL Sublet Lbr- Sen	75.00
		Sublet Labor Cost of Sales Total
		10,733.75
		Cost of Sales Total
		4,122,907.45
		Gross Profit
		823,262.86
Expenses		
Payroll Expense		
7000-0-000-10-0	Commissions- Veh	32,968.59
7000-0-000-11-0	Commissions- F&I	6,061.66
7000-0-000-20-0	Commissions- P&A	3,304.66
7000-0-000-21-0	Commissions- GM	2,555.40

INFORMATION SERVICES DIVISION
Income Statement

For the Period 01/01/2019 to 08/15/2019

		Current Period
7000-0-000-50-0	Commissions- Serv	25,100.26
7100-0-050-50-0	Salaries Tech- Serv	3,212.66
7100-0-080-00-0	Salaries Other	157,899.37
7100-0-080-10-0	Salaries Other- Veh	70,714.93
7100-0-080-11-0	Salaries Other- F&I	16,287.37
7100-0-080-20-0	Salaries Other- P&A	74,005.62
7100-0-080-21-0	Salaries Other- GM	68,253.77
7100-0-080-50-0	Salaries Other- Serv	91,667.43
7100-0-090-50-0	Applied Tech Labor- Serv	-38,821.60
7110-0-080-00-0	FICA & Medicare Other- G&A	11,949.47
7110-0-080-10-0	FICA & Medicare Other- Veh	7,551.03
7110-0-080-11-0	FICA & Medicare Other- F&I	1,469.41
7110-0-080-20-0	FICA & Medicare Other- P&A	5,661.14
7110-0-080-21-0	FICA & Medicare Other- GM	4,977.57
7110-0-080-50-0	FICA & Medicare Other- Serv	16,818.25
7111-0-080-00-0	Federal UC Taxes Other	216.25
7111-0-080-10-0	Federal UC Taxes Other- Veh	278.59
7111-0-080-11-0	Federal UC Taxes Other- F&I	12.45
7111-0-080-20-0	Federal UC Taxes Other- P&A	247.66
7111-0-080-21-0	Federal UC Taxes Other- GM	218.17
7111-0-080-50-0	Federal UC Taxes Other- Serv	616.93
7112-0-080-00-0	State UC Taxes Other	2,329.85
7112-0-080-10-0	State UC Taxes Other- Veh	1,906.86
7112-0-080-11-0	State UC Taxes Other- F&I	287.49
7112-0-080-20-0	State UC Taxes Other- P&A	1,932.37
7112-0-080-21-0	State UC Taxes Other- GM	1,714.74
7112-0-080-50-0	State UC Taxes Other- Serv	4,331.15
7120-0-000-00-0	Health Ins Exp Princpl	215.12
7120-0-080-00-0	Health Ins Exp Other	55,835.45
7120-0-080-10-0	Health Ins Exp Other- Veh	-6,317.18
7120-0-080-11-0	Health Ins Exp Other- F&I	-3,141.60
7120-0-080-20-0	Health Ins Exp Other- P&A	-4,797.19
7120-0-080-21-0	Health Ins Exp Other- GM	-5,743.09
7120-0-080-50-0	Health Ins Exp Other- Serv	-9,925.76
7129-0-000-00-0	Other Emp Benfts Princpl	80.88
7129-0-080-00-0	Other Emp Benfts	682.47
7129-0-080-20-0	Other Emp Benfts- P&A	-245.00
7129-0-080-50-0	Other Emp Benfts- Serv	-962.80
Payroll Expense Total		601,410.80
Interest Expense		
7010-1-000-10-0	Floor Plan Int New- HD- Veh	38,930.67
7010-1-005-10-0	Floor Plan Int Used- HD- Veh	39,164.16

INCOME STATEMENT

For the Period 01/01/2019 to 08/15/2019

		Current Period
7310-0-000-00-0	Interest Mortgage	58,597.84
7310-0-005-00-0	Interest Other	149,257.81
	Interest Expense Total	285,950.48
Policy Expense		
7060-0-000-00-0	Policy Work	261.82
7060-0-000-10-0	Policy Work- Veh	5,001.30
7060-0-000-50-0	Policy Work- Serv	11,319.94
	Policy Expense Total	16,583.06
Other Expenses (default)		
7020-0-000-00-0	Advertising & Promotion	26,797.89
7020-0-000-10-0	Advertising & Promotion- Veh	2,595.67
7020-0-000-11-0	Advertising & Promotion- F&I	166.67
7020-0-000-20-0	Advertising & Promotion- P&A	2,349.36
7020-0-000-21-0	Advertising & Promotion- GM	3,183.04
7020-0-000-50-0	Advertising & Promotion- Serv	266.65
7020-0-002-10-0	Point of Purchase- Veh	275.00
7020-0-002-20-0	Point of Purchase- P&A	75.00
7020-0-002-21-0	Point of Purchase- GM	75.00
7020-0-002-50-0	Point of Purchase- Serv	275.00
7020-0-010-10-0	Discounts on Vehicle Deals	53,392.05
7020-0-011-10-0	Multi-Media- Veh	517.56
7020-0-012-00-0	Web Advertising	4,151.00
7020-0-012-10-0	Web- Veh	5,195.00
7020-0-017-00-0	Offsite Spnsrship-Promo	-552.10
7020-0-018-00-0	Onsite Sponsorship-Rally	3,238.03
7020-0-020-00-0	Promotional Supplies	2,218.83
7020-0-020-10-0	Promotional Supplies- Veh	788.50
7026-0-000-00-0	Bounce Back InStore Coupn	280.00
7030-0-000-00-0	Bad Debts	634.43
7040-0-000-00-0	Cash (Over) and Short	-179.05
7040-0-000-20-0	Cash (Over) and Short- P&A	0.03
7040-0-000-21-0	Cash (Over) and Short- GM	6.00
7050-0-000-00-0	Bank/Credit Card Fees	32,555.48
7050-0-000-23-0	Bank / Credit Card Fees- eCom	1,466.33
7060-0-005-00-0	Policy Work LA - Goodwill	11.40
7060-0-005-10-0	Policy Work LA - Veh	444.07
7060-0-005-50-0	Policy Work LA - Serv	1,603.22
7080-0-000-00-0	Inventory Adj Expense	-5.38
7080-0-000-10-0	Inventory Adj Expense- Veh	-31,362.76
7080-0-000-20-0	Inventory Adj Expense- P&A	3,115.63
7080-0-000-21-0	Inventory Adj Expense- GM	6,981.38
7090-0-000-10-0	Delivery Expense- Veh	1,388.77

INVESTMENT TRUST - DAVIDSON
Income Statement

For the Period 01/01/2019 to 08/15/2019

	Current Period	
7091-0-000-00-0	Freight	6,427.60
7091-0-000-20-0	Freight- P&A	4,369.07
7091-0-000-21-0	Freight- GM	2,456.41
7091-0-000-50-0	Freight- Serv	69.55
7092-1-000-20-0	Disallowed Warranty- HD- P&A	-1,810.19
7092-1-000-50-0	Disallowed Warranty- HD- Serv	1,567.57
7099-0-000-00-0	Oth Selling Expense	9,746.00
7099-0-000-21-0	Oth Selling Expense- GM	127.32
7100-0-030-10-0	Salaries- Veh	-431.27
7100-0-030-20-0	Salaries- P&A	168.27
7100-0-080-83-0	Salaries Other- Ride	14,835.46
7110-0-080-83-0	FICA & Medicare Other-R/A	625.45
7111-0-080-83-0	Federal UC Taxes Other-R/A	41.14
7112-0-080-83-0	State UC Taxes Other-R/A	230.19
7130-0-000-00-0	Employee Relations	583.81
7200-0-000-00-0	Maintenance Co Veh	3,498.77
7200-0-005-00-0	Maintenance Equipment	3,717.83
7200-0-010-00-0	Maintenance Other	738.59
7200-0-015-00-0	Maintenance Building	2,553.69
7210-0-000-00-0	Travel Transportation	417.69
7210-0-000-21-0	Travel Transportation- GM	91.00
7210-0-000-50-0	Travel Transportation- Serv	2,000.00
7210-0-005-21-0	Meals/Entertainment 100%- GM	28.55
7210-0-010-21-0	Travel Lodging- GM	538.10
7220-0-005-00-0	Gasoline Oil Lubricants	7,521.08
7220-0-005-10-0	Gasoline Oil Lubricants- Veh	459.25
7220-0-005-20-0	Gasoline Oil Lubricants- P&A	16.84
7220-0-005-50-0	Gasoline Oil Lubricants- Serv	156.29
7220-0-010-00-0	Company Vehicle Repairs	71.60
7230-0-000-00-0	Charitable Contributions	3,241.25
7240-0-000-00-0	Office Supplies	3,765.41
7240-0-000-20-0	Office Supplies- P&A	15.00
7240-0-000-50-0	Office Supplies- Serv	1,543.25
7240-0-005-00-0	Supplies	2,624.20
7240-0-005-10-0	Supplies- Veh	1,143.94
7240-0-005-11-0	Supplies- F&I	110.36
7240-0-005-20-0	Supplies- P&A	506.05
7240-0-005-50-0	Supplies- Serv	6,015.46
7240-0-005-83-0	Supplies-Riding Academy	651.16
7240-0-010-00-0	Postage	3,498.58
7240-0-010-20-0	Postage- P&A	41.36
7240-0-010-50-0	Postage- Serv	20.00

Income Statement

For the Period 01/01/2019 to 08/15/2019

		Current Period
7240-0-015-20-0	Tools- P&A	560.00
7240-0-025-00-0	Janitorial Services/Supplies	4,578.37
7240-0-025-50-0	Janitorial Supplies/Serv-SERV	3,007.65
7250-0-000-00-0	Professional Fees	26,446.12
7250-0-000-21-0	Professional Fees- GM	16,200.00
7250-0-005-00-0	Security Service	864.98
7250-0-010-00-0	Accounting Services	10,450.45
7250-0-011-00-0	Professional Fees - IT	14,835.40
7260-0-000-00-0	Telephone	9,586.96
7260-0-005-00-0	Utilities (Heat,Lght,etc)	50,525.21
7260-0-010-00-0	Internet Serv Prov Exp	2,477.36
7260-0-015-00-0	Garbage & Refuse Disposal	4,044.45
7260-0-015-50-0	Garbage/Disposal-Ser	297.50
7290-0-000-00-0	Training & Education	1,950.95
7290-0-000-20-0	Training & Education- P&A	267.00
7290-0-005-00-0	License & Fees	2,046.01
7290-0-005-10-0	License & Fees- Veh	93.04
7290-0-010-10-0	Dues & Subscriptions- Veh	410.00
7290-0-015-00-0	Laundry/Uniforms	154.82
7290-0-015-10-0	Laundry/Uniforms- Veh	436.07
7290-0-020-00-0	Data Processing	15,142.23
7290-0-020-10-0	Data Processing-Veh	147.20
7290-0-020-11-0	Data Processing - F&I	1,880.19
7298-0-000-00-0	Kettle Moraine HOG Chapter Ex	20.00
7299-0-000-00-0	Miscellaneous Expense	1,810.44
7299-0-000-20-0	Miscellaneous Expense- P&A	9,082.48
7299-0-000-50-0	Miscellaneous Expense- Serv	147.84
7299-0-000-83-0	Miscellaneous Exp.- Ride	3,015.94
7300-0-000-00-0	Depreciation-leaseholds	3,941.10
7300-0-005-00-0	Deprec-Office Equipment	337.98
7300-0-005-50-0	Deprec Equipment- Serv	5,184.12
7300-0-011-00-0	Deprec-Computer Hardware	1,725.72
7300-0-013-00-0	Deprec-Computer Software	597.18
7300-0-015-00-0	Amort of Goodwill	118,750.02
7300-0-018-00-0	Amort of Covenant Not to Compete	2,500.02
7300-0-020-00-0	Deprec Company Vehicles	1,628.88
7300-0-020-83-0	Deprec Company Vehicle-Riding	6,968.22
7300-0-080-00-0	Deprec Furniture/Fixtures	9,300.18
7310-0-005-20-0	Interest Other- P&A	1,136.96
7330-0-000-00-0	Rent- Building	220,608.66
7330-0-005-00-0	Rent/Lease Exp Equipment	1,255.79
7330-0-005-50-0	Rent/Lease Exp Furniture- Serv	163.93

Income Statement

For the Period 01/01/2019 to 08/15/2019

		Current Period
7330-0-010-50-0	Rent/Lease Exp Equip- Serv	765.49
7340-0-000-00-0	General Liability Ins	15,916.91
7340-0-010-00-0	Workers' Comp Insurance	22,441.98
7340-0-015-00-0	Other Risk Insurance Exp	28,922.54
7340-0-015-50-0	Other Risk Insurance Exp - Ser	450.00
7340-0-015-83-0	Other Risk Insurance Ex-Riding	569.60
	Other Expenses (default) Total	829,583.32
Tax Expense		
7320-0-000-00-0	Real Estate Taxes	34,944.00
7320-0-005-00-0	Personal Property Taxes	654.00
7320-0-010-00-0	Other Taxes	697.85
	Tax Expense Total	36,295.85
Fixed Expense		
7290-0-000-83-0	Training & Education-Ride	349.69
	Fixed Expense Total	349.69
	Expenses Total	1,770,173.20
	Net Income (Loss)	-946,910.34

SCHEDULE 4.11 – RECENT TRANSACTIONS SCHEDULE (since 12/31/10)

NONE

SCHEDULE 4.13 – MATERIAL AGREEMENTS

**HARLEY-DAVIDSON MOTOR COMPANY
MOTORCYCLE DEALER CONTRACT**

CONTRACT, made at Milwaukee, Wisconsin, between Harley-Davidson Motor Company, Inc.; d/b/a Harley-Davidson Motor Company, a Wisconsin corporation, of 3700 W. Juneau Avenue, Milwaukee, Wisconsin 53208 (referred to in this Contract as "Seller"), and

H2D Motorcycle Ventures LLC

a(n) Delaware Limited Liability Company (LLC)

d/b/a Hal's Harley-Davidson (referred to in this Contract as the "Dealer");

81-1642282

(if corporation, partnership, or LLC, Federal EIN)

with its place of business at:

**1925 S Moorland Rd
New Berlin, WI 53151-2321**

(described more fully in this Contract in paragraph 5 as the "Dealer Location").

In consideration of the mutual agreements hereinafter made in this Contract, the parties hereto agree as follows:

1. GRANT OF RIGHTS. Seller hereby grants to Dealer, and Dealer hereby accepts from Seller, the following rights:

A. To purchase and resell at retail, primarily to persons residing or doing business in the Territory to be assigned by Seller, the motorcycles, parts, accessories, clothing, and other items (collectively referred to in this Contract as the "Harley-Davidson Products") identified in the Products Addendum to the Harley-Davidson Motor Company Motorcycle Dealer Contract as amended from time-to-time (referred to in this Contract as the "Products Addendum");

B. To identify itself as an authorized Harley-Davidson motorcycle dealer utilizing approved signage at the Dealer Location approved under this Contract; and

C. To use the name Harley-Davidson and certain other trademarks and service marks of Seller and Seller's affiliate which are licensed by Seller in the advertising, promotion, sale and servicing of Harley-Davidson Products in the manner provided in this Contract and from the Dealer Location.

D. Each of the foregoing rights granted to Dealer shall be non-exclusive.

2. GENERAL CONDITIONS. The Harley-Davidson Motor Company General Conditions of Sales and Service (January 2015) (referred to in this Contract as the "General Conditions"), a copy of which has been provided to Dealer and has been read and agreed to by Seller and Dealer, and any duly executed and delivered supplement or amendment thereto are hereby expressly made a part of this Contract and incorporated herein. Unless the context otherwise requires, any term defined in any part of this Contract shall have the same meaning in all parts of this Contract.

3. EXECUTION. This Contract shall bind Seller only when it bears the signature (a scanned or a facsimile copy) of one of Seller's Vice Presidents or Directors and a duplicate copy thereof is delivered personally or by mail, facsimile, or electronic mail to Dealer or to Dealer's place of business.

4. MANAGEMENT AND OWNERSHIP. This Contract has been entered into by Seller with Dealer in reliance upon Dealer's representation and agreement that:

A. The following person(s), and only the following person(s), shall be the owner(s) of Dealer and Dealer's authorized Harley-Davidson dealership (referred to in this Contract as the "Owner(s)") and shall have ownership and control of Dealer in the percentage interests identified below (referred to in this Contract as the "Ownership"):

Level	Legal Name	Type	Entity Ownership %
1	H2D Motorcycle Ventures LLC		
1A	Sara J. Pomeroy (Managing Member)	Individual	100.00

Ownership and Control Summary

H2D Motorcycle Ventures LLC	Dealership Owner %	Dealership Control %
Sara J. Pomeroy (Managing Member)	100.00	100.00
Total	100.00	100.00

B. The Dealer Operator identified below, and no other person(s), shall have full authority to direct and manage the operations of Dealer's authorized Harley-Davidson dealership and shall be ultimately responsible for the dealership's performance under this Contract. Additionally, the Dealer Operator shall be onsite and actively involved in the management and operations of the dealership, unless the Dealer Operator has partnered with an Onsite Owner (identified below) who fulfills those obligations. The Onsite Owner must have the requisite authority to make day-to-day decisions on behalf of the dealership.

C. The Dealer Operator shall be an Owner approved by Seller. No changes, directly or indirectly, intentionally or otherwise, may be made to the Dealer Operator or to the Ownership approved in this Contract without first complying with the requirements of this Contract for such changes and any applicable policies.

D. The Dealer Operator, Onsite Owner, if applicable, and Owner(s) identified in this Contract must possess and will maintain the personal qualifications, experience, skill and commitment necessary to ensure that Dealer will perform its obligations under this Contract in the most effective manner.

E. The Dealer Operator shall be Sara J. Pomeroy.

5. APPROVED DEALER LOCATION. In order that Seller may establish and maintain an effective network of authorized Harley-Davidson dealers, Dealer agrees that it shall conduct all of its operations under this Contract only in and from the facility(ies) at the location designated in this Contract and approved in advance by Seller. Dealer and the Dealer Operator and Owner(s) approved under this Contract therefore shall not, either directly or indirectly, relocate to or establish any place of business for the temporary or permanent sale or service of new or used Harley-Davidson Products or the conduct of any other responsibilities under this Contract at any other location, without the express prior written consent of Seller. Seller has no obligation to approve any request from Dealer to establish or operate any additional location, including but not limited to an Alternate Retail Outlet (ARO) or a Secondary Retail Location (SRL). Seller hereby designates and approves only the following location for the sale and servicing of Harley-Davidson Products and the display of Harley-Davidson Trademarks:

**1925 S Moorland Rd
New Berlin, WI 53151-2321**

(referred to in this Contract as the "Dealer Location").

6. SPECIAL MARKET RIGHTS. Seller agrees it may not, during the period from the date of the execution of this Contract until August 1, 2019, authorize the establishment of any additional Harley-Davidson motorcycle dealerships (which does not include any pre-existing Harley-Davidson dealer points, the relocation of any existing Harley-Davidson dealership to a facility more than five miles from the Dealer Location, any alternate retail outlets or secondary retail locations located within any dealer's territory if approved by Seller, or any temporary facilities approved by Seller in connection with any motorcycle event or special event), for the sale and service of Harley-Davidson Products within a radius of ten (10) miles from the Dealer Location (referred to in this Contract as "Special Market Rights"); provided that Dealer meets or exceeds the special market rights performance criteria established in good faith by Seller from time-to-time hereunder (referred to in this Contract as the "Special Market Rights Performance Criteria"), in consultation with Seller's National Dealer Advisory Council; and provided further that Dealer is not in breach of any terms and conditions of this Contract. Prior to Dealer's execution of this Contract, Seller will notify Dealer in writing of the current Special Market Rights Performance Criteria established by Seller and inform Dealer whether Dealer meets or exceeds the current Special Market Rights Performance Criteria for purposes of this paragraph. Dealer's Special Market Rights only limit the location at which an additional Harley-Davidson motorcycle dealership may be established and are not in any way related to, and have no impact upon, Dealer's Territory, which remains non-exclusive and subject to change by Harley-Davidson from time-to-time.

7. ADDITIONAL PROVISIONS. In consideration of Seller's agreement to appoint Dealer as an authorized Harley-Davidson dealer, Dealer further agrees as follows:

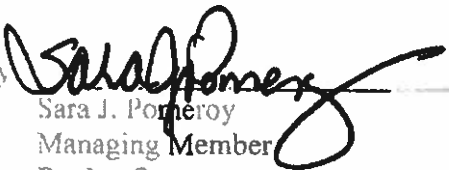
NONE

8. TERM. This Contract shall expire on December 31, 2019, unless sooner terminated as provided in the General Conditions.

IN WITNESS WHEREOF the parties hereto have duly executed this Contract in duplicate as of the day and year written below.

DEALER:

H2D MOTORCYCLE VENTURES LLC


Sara J. Pomero
Managing Member
Dealer Operator

Accepted by SELLER at Milwaukee, Wisconsin:

HARLEY-DAVIDSON MOTOR COMPANY, INC.
DBA HARLEY-DAVIDSON MOTOR COMPANY

By: _____
Christian Walters
Managing Director, United States

Executed as of the _____ day of _____, 2016.

**PRODUCTS ADDENDUM
TO THE HARLEY-DAVIDSON MOTOR COMPANY
MOTORCYCLE DEALER CONTRACT**

Effective January 1, 2015

For purposes of this Contract, the "Harley-Davidson Products" consist of only the following products:

(1) New FL, FX, XL, VRSC and XG chassis family twin cylinder motorcycles, which are manufactured by Seller or its affiliates and distributed and offered for sale by Seller under the Harley-Davidson brand name ("Harley-Davidson Motorcycles");

(2) Those replacement parts, mechanical accessories, tools, lubricants, equipment and other motorcycle supplies which are offered for sale by Seller under the Genuine Motor Parts, Genuine Motor Accessories, or Screamin' Eagle brand names and which are contained in Seller's then current authorized dealer parts and accessories catalogs and authorized parts manuals, including supplements thereto, published from time to time by Seller ("Parts and Accessories"); and

(3) The clothing, footwear, clothing accessories, rider accessories, personal items, household items, toys, collectibles, and miscellaneous novelty items, other than licensed products, which are offered for sale by Seller to authorized Harley-Davidson dealers under the Harley-Davidson brand name and which are included by Seller in the then current Harley-Davidson MotorClothes and collectibles catalog(s) for authorized dealers, including supplements thereto, published from time to time by Seller.

As stated in paragraph 1 of the Dealer Contract, the right to purchase and resell each of these Harley-Davidson Products is not exclusive to the authorized Harley-Davidson dealer network.

**BUELL MOTORCYCLE COMPANY
SERVICE CONTRACT**

This Service Contract ("Service Contract") is made at Milwaukee, Wisconsin between Buell Distribution Company, LLC, d/b/a **Buell Motorcycle Company**, a Wisconsin company, 3700 West Juneau Avenue, Milwaukee, Wisconsin 53208 ("Buell"), and **H2D Motorcycle Ventures LLC**, a(n) Delaware Limited Liability Company (LLC) ("Service Provider"), doing business at the Authorized Location(s) described in Paragraph 4.

In consideration of the mutual agreements hereinafter made in this Contract, the parties hereto agree as follows:

1. LIMITED TERM SERVICE CONTRACT. Buell desires to maintain a network of providers to repair Buell motorcycles. Buell previously manufactured and distributed the Buell line-make of motorcycles and has announced its intent to discontinue the manufacture of these motorcycles. Buell will continue to distribute and sell certain parts and accessories in its current inventory to its service providers for the service and repair of Buell motorcycles. Service Provider and Buell agree that: i) Service Provider is not a Buell motor vehicle dealer, dealership or franchisee under this Service Contract; ii) this Service Contract does not constitute a motor vehicle dealer agreement, dealership agreement or franchise agreement; and iii) all applicable state or federal laws regulating motor vehicle manufacturers, distributors, dealers, dealerships, franchisors and/or franchisees shall be construed to the maximum extent permissible to be inapplicable to Buell, Service Provider and this Service Contract.

2. LIMITED GRANT OF RIGHTS. Buell hereby grants to Service Provider, and Service Provider hereby accepts from Buell, the following non-exclusive rights, as may be more specifically described and limited in this Service Contract:

A. To service and repair Buell motorcycles;

B. To purchase and resell at retail those replacement parts, mechanical accessories, tools, lubricants, equipment and other motorcycle supplies which are offered for sale by Buell under the Buell brand name and which are in Buell current inventory and are contained in Buell's then current parts and accessories catalogs and manuals, including supplements, published from time to time by Buell ("Parts and Accessories").

C. To identify itself as an authorized Buell motorcycle service-only provider utilizing approved signage at the Authorized Location; and

D. To use the name Buell and certain of Buell's Trademarks in the servicing of Buell motorcycles and sales of Buell Parts and Accessories.

This Service Contract does not grant to Service Provider any right to purchase or resell Buell motorcycles. However, nothing in this Service Contract shall be construed to prohibit Service Provider from obtaining, from a source other than Buell, used Buell motorcycles and reselling such vehicles.

3. MANAGEMENT AND OWNERSHIP. This Service Contract has been entered into by Buell with Service Provider in reliance upon Service Provider's representation and agreement that:

A. The Service Provider Operator and Owner(s) identified below possess and will maintain the personal qualifications, experience, skill and commitment necessary to ensure that Service Provider will perform its obligations under this Service Contract in the most effective manner;

B. The Service Provider Operator, and no other person(s), shall have the ultimate authority to direct and manage Service Provider's authorized Buell operations, shall be responsible for Service Provider's performance under this Service Contract, and shall be personally involved in Service Provider's day-to-day management and operations on a full time basis; the Service Provider Operator shall be Sara J. Pomeroy.

C. The following person(s), and only the following person(s), shall be the owner(s) of Service Provider and Service Provider's authorized Buell operations ("Owner(s)") and shall have ownership and control of Service Provider in the percentage interests identified below (referred to in this Service Contract as the "Ownership"):

Level	Legal Name	Type	Entity Ownership %
1	H2D Motorcycle Ventures LLC		
1/A	Sara J. Pomeroy (Managing Member)	Individual	100.00

Ownership and Control Summary

H2D Motorcycle Ventures LLC	Dealership Owner %	Dealership Control %
Sara J. Pomeroy (Managing Member)	100.00	100.00
Total	100.00	100.00

D. The Service Provider Operator shall be an Owner approved by Buell. No changes, directly or indirectly, intentional or otherwise, may be made from the Service Provider Operator or Ownership approved in this Service Contract without first complying with the requirements of this Service Contract for such changes.

4. APPROVED DEALER LOCATION. Service Provider agrees that it shall conduct all of its operations under this Service Contract only in and from facilities and at the location(s) designated and approved in advance by Buell below. Service Provider and the Service Provider Operator and Owner(s) shall not, directly or indirectly, relocate to or establish any other place of business for the temporary or permanent sale of Buell Parts and Accessories, service of Buell motorcycles, or the conduct of any other responsibilities under this Service Contract without the express prior written consent of Buell. Buell has no obligation to consider or approve any request from Service Provider to establish or operate any other location. Buell designates and approves only the following location(s):

**1925 S Moorland Rd
New Berlin, WI 53151-2321**

(hereafter Authorized Location or Authorized Locations).

5. ADDITIONAL PROVISIONS. In consideration of Buell's agreement to appoint Service Provider as an authorized Buell service provider, Service Provider further agrees that if this Service Contract bears the legend "Blast Only" on the first page, then this Service Contract shall apply only to the Blast model of Buell Motorcycles and not to any other model.

6. EFFECTIVE DATE AND TERM. This Service Contract shall take effect upon the earlier of: i) the date that Service Provider sells the last new Buell motorcycle in its inventory; or ii) December 31, 2010. This Service Contract shall expire on July 31, 2017.

7. GENERAL CONDITIONS. The Buell Motorcycle Company General Conditions of Sales and Service (January 2003), referred to hereafter as the "General Conditions", a copy of which have been provided to Service Provider are incorporated by reference in this Service Contract, to the extent of the following paragraphs of the General Conditions: C, E (excluding E.2 and E.7), F (with regard to service training only); I, J, K, L, and M. Wherever the term "Dealer" is used in the General Conditions, this term shall be deemed to refer to the Service Provider identified in this Service Contract. Wherever the term "Seller" is used in the General Conditions, this term shall be deemed to refer to Buell as identified in this Service Contract.

IN WITNESS WHEREOF the parties hereto have duly executed this Service Contract in duplicate as of the day and year written below.

SERVICE PROVIDER:

H2D MOTORCYCLE VENTURES LLC

By: _____


Sara J. Pollock
Managing Member
Dealer Operator

Accepted by BUELL at Milwaukee, Wisconsin:

BUELL DISTRIBUTION COMPANY, LLC
DBA BUELL MOTORCYCLE COMPANY

By: _____
Christian Walters
Managing Director, United States

Executed as of the _____ day of _____, 2016.

HARLEY-DAVIDSON MOTOR COMPANY**SUCCESSOR NOMINATION**

THIS SUCCESSOR NOMINATION (this "Nomination") is made among Sara J. Pomeroy ("Dealer Operator"), H2D Motorcycle Ventures LLC, a(n) LLC in the State of Delaware (the "Dealership"), the other direct or indirect owners of the Dealership (each an "Owner" and collectively the "Owners"), and Harley-Davidson Motor Company, Inc. ("H-D").

RECITALS

A. The Dealership has entered into a Motorcycle Dealer Contract with H-D (the "Dealer Contract") and H-D has issued a Dealer Ownership Policy, Multiple Dealership Policy (the "Ownership Policies") and an Estate Planning Policy, which are part of and enforceable under the Dealer Contract;

B. All of the equity of the Dealership is directly or indirectly owned by Dealer Operator and/or Owners as set forth on the attached page;

C. The Dealer Contract allows the Dealership to submit a Successor Nomination that sets forth the Dealership's succession plan in the event of Dealer Operator's death, termination, retirement, or permanent material disability; and

D. Dealer Operator and the Owners desire to designate **Paul P. Dwight** as the successor dealer operator of the Dealership (the "Successor Dealer Operator").

NOW, THEREFORE, in consideration of the foregoing, the parties agree as follows:

1. Dealer Operator and the Owners have arranged their personal affairs so that upon Dealer Operator's death, termination of employment, retirement, or permanent material disability, the Successor Dealer Operator will be named the new dealer operator of the Dealership and be transferred, sold or otherwise assigned sufficient ownership in the Dealership, and receive sufficient control of the Dealership, such that the Dealership remains in compliance with the Dealer Contract and then current Ownership Policies. Dealer Operator and Owners represent and warrant that the Successor Dealer Operator meets all Owner Requirements set forth in the Dealer Ownership Policy, except for the Owner Requirements numbered 3, 4, 5, 10 and 12.

2. Dealer Operator and the Owners acknowledge and agree that H-D's approval and acceptance of the transfer described in Paragraph 1 are conditioned upon the Dealership, the Successor Dealer Operator, and the Owners meeting, upon such transfer, all of the requirements of the Dealer Contract and then current Ownership Policies.

3. Dealer Operator and Owners acknowledge that they have received a copy of the Ownership Policies and Estate Planning Policy, read such policies, and understand such policies. They also acknowledge that they have provided a copy of such policies to their attorneys and have received legal advice regarding this form and the policies prior to executing this form.

4. Dealer Operator and the Owners represent and warrant to H-D that they have provided to H-D all of the legal instruments and documentation (including all necessary estate planning documents) that accomplish and legally require Dealer Operator and the Owners to perform the covenants set forth in Paragraph 1. They also represent and warrant to H-D that such legal instruments and documentation comply with the Estate Planning Policy.

5. Dealer Operator represents and warrants to H-D that Dealer Operator is legally authorized to sign this Nomination on behalf of the Dealership and as an agent on behalf of each Owner. Dealer Operator further represents and warrants to H-D that no agreements exist that conflict with Dealer Operator's legal authorization to sign this Nomination on behalf of the Dealership and as an agent on behalf of each Owner. Dealer Operator will, upon request, provide H-D copies of the legal instruments and documentation confirming Dealer Operator's authorization to sign this Nomination on behalf of the Dealership and each Owner.

6. Dealer Operator and each Owner own some interest in the Dealership's equity, either directly or indirectly through a business entity or entities or a trust. Execution of this Nomination by Dealer Operator legally binds Dealer Operator and each Owner to personally comply with the obligations set forth herein and legally binds each such business entity and trust to comply with the obligations set forth herein. In addition, Dealer Operator and each Owner agree to personally take all actions necessary to ensure that each such business entity or trust complies with the obligations set forth herein.

7. H-D, Dealer Operator, and the Owners understand that the Dealership may (a) change this Nomination and the identity of the Successor Dealer Operator by submitting to H-D a new Nomination (executed by Dealer Operator or all Owners if Dealer Operator owns less than a majority interest), provided that the new Nomination and the Successor Dealer Operator stated therein meet all of the requirements of the Dealer Contract and Ownership Policies, and if approved by H-D, shall, upon execution by H-D, automatically revoke and supersede this Nomination, and (b) terminate this Nomination by providing H-D with written notice of such termination signed by the Owner(s) who have the legal authority to bind the Dealership.

8. Dealer Operator and Owners agree that they will promptly notify H-D if (a) they wish to change the identity of the Successor Dealer Operator, (b) any additional person directly or indirectly obtains a beneficial or legal interest in the ownership of the Dealership, or (c) the form of the legal entity that owns the Dealership changes. If any of these events occur, Dealer Operator, the Owners, and any new owner of the Dealership agree to execute a new Nomination.

9. This Nomination has been executed solely for the benefit of the Dealership and H-D. No other party, including without limitation, the Successor Dealer Operator, is intended to be a third party beneficiary of this Nomination and no other party is, has, or will obtain any rights hereunder whatsoever.


10. Dealer Operator and each Owner acknowledge that H-D is relying on the representations, warranties and agreements contained in this Nomination for purposes of evaluating the designation of the Successor Dealer Operator. Dealer Operator and each Owner, jointly and severally, shall indemnify and hold harmless H-D from and against any liability incurred by H-D in relying on Dealer Operator's execution of this Nomination on behalf of the Dealership and each Owner.

11. This Nomination will automatically expire and terminate, and have no further legal effect, upon the termination or expiration of the Dealer Contract; provided, however, that H-D may extend the term of this Nomination, from time to time, by providing written notice of such extension(s) to Dealership (and such extension(s) do not need to be executed by Dealership, Dealer Operator, or any Owner to be effective).

[Intentionally left blank]

26 IN WITNESS WHEREOF, the undersigned have executed this Nomination as of this
day of Apr, 2016.

H2D Motorcycle Ventures LLC

By: 
Sara J. Pomeroy,
Managing Member;
Dealer Operator

Agreed to and accepted this _____ day of _____, 2016.

HARLEY-DAVIDSON MOTOR COMPANY, INC.

By: _____
Christian Walters
Managing Director, United States

HARLEY-DAVIDSON MOTOR COMPANY**SUCCESSOR NOMINATION**

THIS SUCCESSOR NOMINATION (this "Nomination") is made among Sara J. Pomeroy ("Dealer Operator"), **JHD Holdings, Inc.**, a(n) Corporation in the State of Wisconsin (the "Dealership"), the other direct or indirect owners of the Dealership (each an "Owner" and collectively the "Owners"), and Harley-Davidson Motor Company, Inc. ("H-D").

RECITALS

A. The Dealership has entered into a Motorcycle Dealer Contract with H-D (the "Dealer Contract") and H-D has issued a Dealer Ownership Policy, Multiple Dealership Policy (the "Ownership Policies") and an Estate Planning Policy, which are part of and enforceable under the Dealer Contract;

B. All of the equity of the Dealership is directly or indirectly owned by Dealer Operator and/or Owners as set forth on the attached page;

C. The Dealer Contract allows the Dealership to submit a Successor Nomination that sets forth the Dealership's succession plan in the event of Dealer Operator's death, termination, retirement, or permanent material disability; and

D. Dealer Operator and the Owners desire to designate **Paul P. Dwight** as the successor dealer operator of the Dealership (the "Successor Dealer Operator").

NOW, THEREFORE, in consideration of the foregoing, the parties agree as follows:

1. Dealer Operator and the Owners have arranged their personal affairs so that upon Dealer Operator's death, termination of employment, retirement, or permanent material disability, the Successor Dealer Operator will be named the new dealer operator of the Dealership and be transferred, sold or otherwise assigned sufficient ownership in the Dealership, and receive sufficient control of the Dealership, such that the Dealership remains in compliance with the Dealer Contract and then current Ownership Policies. Dealer Operator and Owners represent and warrant that the Successor Dealer Operator meets all Owner Requirements set forth in the Dealer Ownership Policy, except for the Owner Requirements numbered 3, 4, 5, 10 and 12.

2. Dealer Operator and the Owners acknowledge and agree that H-D's approval and acceptance of the transfer described in Paragraph 1 are conditioned upon the Dealership, the Successor Dealer Operator, and the Owners meeting, upon such transfer, all of the requirements of the Dealer Contract and then current Ownership Policies.

3. Dealer Operator and Owners acknowledge that they have received a copy of the Ownership Policies and Estate Planning Policy, read such policies, and understand such policies. They also acknowledge that they have provided a copy of such policies to their attorneys and have received legal advice regarding this form and the policies prior to executing this form.

4. Dealer Operator and the Owners represent and warrant to H-D that they have provided to H-D all of the legal instruments and documentation (including all necessary estate planning documents) that accomplish and legally require Dealer Operator and the Owners to perform the covenants set forth in Paragraph 1. They also represent and warrant to H-D that such legal instruments and documentation comply with the Estate Planning Policy.

5. Dealer Operator represents and warrants to H-D that Dealer Operator is legally authorized to sign this Nomination on behalf of the Dealership and as an agent on behalf of each Owner. Dealer Operator further represents and warrants to H-D that no agreements exist that conflict with Dealer Operator's legal authorization to sign this Nomination on behalf of the Dealership and as an agent on behalf of each Owner. Dealer Operator will, upon request, provide H-D copies of the legal instruments and documentation confirming Dealer Operator's authorization to sign this Nomination on behalf of the Dealership and each Owner.

6. Dealer Operator and each Owner own some interest in the Dealership's equity, either directly or indirectly through a business entity or entities or a trust. Execution of this Nomination by Dealer Operator legally binds Dealer Operator and each Owner to personally comply with the obligations set forth herein and legally binds each such business entity and trust to comply with the obligations set forth herein. In addition, Dealer Operator and each Owner agree to personally take all actions necessary to ensure that each such business entity or trust complies with the obligations set forth herein.

7. H-D, Dealer Operator, and the Owners understand that the Dealership may (a) change this Nomination and the identity of the Successor Dealer Operator by submitting to H-D a new Nomination (executed by Dealer Operator or all Owners if Dealer Operator owns less than a majority interest), provided that the new Nomination and the Successor Dealer Operator stated therein meet all of the requirements of the Dealer Contract and Ownership Policies, and if approved by H-D, shall, upon execution by H-D, automatically revoke and supersede this Nomination, and (b) terminate this Nomination by providing H-D with written notice of such termination signed by the Owner(s) who have the legal authority to bind the Dealership.

8. Dealer Operator and Owners agree that they will promptly notify H-D if (a) they wish to change the identity of the Successor Dealer Operator, (b) any additional person directly or indirectly obtains a beneficial or legal interest in the ownership of the Dealership, or (c) the form of the legal entity that owns the Dealership changes. If any of these events occur, Dealer Operator, the Owners, and any new owner of the Dealership agree to execute a new Nomination.

9. This Nomination has been executed solely for the benefit of the Dealership and H-D. No other party, including without limitation, the Successor Dealer Operator, is intended to be a third party beneficiary of this Nomination and no other party is, has, or will obtain any rights hereunder whatsoever.

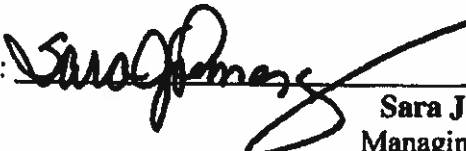
10. Dealer Operator and each Owner acknowledge that H-D is relying on the representations, warranties and agreements contained in this Nomination for purposes of evaluating the designation of the Successor Dealer Operator. Dealer Operator and each Owner, jointly and severally, shall indemnify and hold harmless H-D from and against any liability incurred by H-D in relying on Dealer Operator's execution of this Nomination on behalf of the Dealership and each Owner.

11. This Nomination will automatically expire and terminate, and have no further legal effect, upon the termination or expiration of the Dealer Contract; provided, however, that H-D may extend the term of this Nomination, from time to time, by providing written notice of such extension(s) to Dealership (and such extension(s) do not need to be executed by Dealership, Dealer Operator, or any Owner to be effective).

[Intentionally left blank]

IN WITNESS WHEREOF, the undersigned have executed this Nomination as of this
26 day of April, 2016.

JHD Holdings, Inc.

By: 
Sara J. Pomeroy,
Managing Member;
Dealer Operator

Agreed to and accepted this _____ day of _____, 2016.

HARLEY-DAVIDSON MOTOR COMPANY, INC.

By: _____
Christian Walters
Managing Director, United States

STATE OF FLORIDA
COUNTY OF Collier

§
§
§

AFFIDAVIT

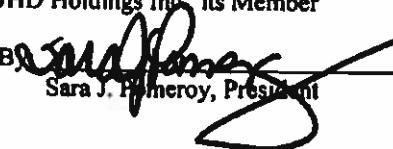
To induce Harley-Davidson Credit Corp. ("HDCC") to make certain financing arrangements to H2D Motorcycle Ventures LLC (the "Dealer"), Dealer hereby certifies as follows:

1. Dealer has not executed any security agreement or UCC-1 Financing Statement other than those naming HDCC as a secured party.
2. In the event any third party creditor files a UCC-1 Financing Statement prior to the filing date of HDCC's Financing Statement, Dealer agrees to obtain a UCC-3 Termination Statement from any and all named Secured Parties within twenty (20) days of receiving notification of such filings from HDCC and failure to provide HDCC with said UCC-3 Termination Statement(s) will constitute an event of default under the terms of the Agreement.

The undersigned makes this Affidavit well knowing that it is being relied upon by Lender and that any false statement contained herein would subject it to all penalties imposed by law.

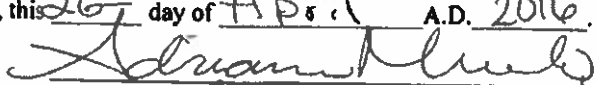
AFFIANT:

H2D Motorcycle Ventures LLC
By: JHD Holdings Inc. its Member

By: 
Sara J. Pomeroy, President

Before me, a Notary Public, on this day personally appeared Sara J. Pomeroy who proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that same was the act of the said entity, H2D Motorcycle Ventures LLC and that he/she has executed the same as an act and deed of such company for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office, this 26th day of April A.D. 2016.


Printed Name: Adrianna Mercado
Notary in State of FLORIDA

My Commission expires the 26th day of April 2016.



SCHEDULE 4.15 – EMPLOYMENT AGREEMENTS

NONE

SCHEDULE 4.19 – INSURANCE SCHEDULE



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/22/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

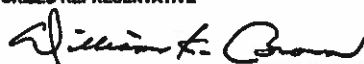
PRODUCER WILLIAM BROWN INSURANCE SERVICES, INC. 715 MILWAUKEE STREET DELAFIELD, WI. 53018 262-646-8252	CONTACT NAME WILLIAM K. BROWN
	PHONE (A/C, No, Ext): 262-646-8252 FAX (A/C, No): 262-646-5374 E-MAIL ADDRESS: BILLYBROWN@BILLYBROWNINSURANCE.COM
INSURED H2D MOTORCYCLE VENTURES, LLC - DBA - IRON TOWN HARLEY DAVIDSON 1925 S. MOORLAND ROAD NEW BERLIN, WI. 53151	INSURER(S) AFFORDING COVERAGE INSURER A: AUTO OWNERS INSURANCE CO. NAIC # 18988
	INSURER B:
	INSURER C:
	INSURER D:
	INSURER E:
	INSURER F:

COVERAGES CERTIFICATE NUMBER: 1462 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL (NSD)	SUBR (WVD)	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO. JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:	X		50-61698265	5-31-2019	5-31-2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMPROP AGG \$ 3,000,000 COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY	X					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED \$ RETENTION \$	X		50-698297-00	5-31-2019	5-31-2020	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	61155943	5-31-2019	5-31-2020	<input type="checkbox"/> PER STATUTE <input checked="" type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
A		X		50-61698265	5-31-2019	5-31-2020	GARAGE KEEPERS LEGAL LIABILITY AND PROFESSIONAL LIABILITY - 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
THE UNITED STATES TRUSTEE IS NAMED AS AN ADDITIONAL INSURED.

CERTIFICATE HOLDER UNITED STATES TRUSTEE - REGION 11 517 EAST WISCONSIN AVENUE, SUITE 430 MILWAUKEE, WI 53202	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

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SCHEDULE 4.23 – LEASE SCHEDULE

Property Address: 1925 S. Moorland Road
New Berlin, WI 53151
BRD-001

LEASE AGREEMENT

BY AND BETWEEN

CAR BRD WI BERLIN L.L.C.

(AS LANDLORD)

AND

I12D MOTORCYCLE VENTURES LLC

(AS TENANT)

SCHEDULE 4.27 – GIFT CARDS & GIFT CERTIFICATES SCHEDULE

REDACTED – CONSUMER PROTECTED INFORMATION

EXHIBIT E

Cure Amounts

1) New Berlin Lease (note - in event a prospective bidder desires to assume the Debtors' existing lease – the Purchaser does not intend to assume such lease) – approximately \$360,000 as of 11/15/19 plus adjustment for security deposit in favor of Debtor in the amount of \$470,000