

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEBRASKA

In re: PERSONAL AUTOMOTIVE SERVICES, INC
Debtor(s)

Case No. 18-41975
Chapter 12

MOTION FOR ORDER PURSUANT TO 11 U.S.C. §§ 105(a), 363, FED R. BANKR. P. 6003, 6004, AND LOCAL R. BANKR. P. 6004-1 AUTHORIZING AND APPROVING THE SALE OF ALL/SUBSTANTIALLY ALL OF DEBTOR'S ASSETS FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS, AND ENCUMBRANCES

COMES NOW Personal Automotive Services, Inc., debtor and debtor-in-possession in the above entitled case and in support of its Motion for Order pursuant to 11 U.S.C. §§105(a) and 363, Fed. R. Bankr. P. 6003 and 6004, and Local R. Bankr. P. 6004-1, authorizing and approving the sale of all or substantially all of Debtor's assets free and clear of liens, claims, interests, and encumbrances ("Motion"), states and alleges as follows:

BACKGROUND

1. Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code on December 5, 2018 as a small business case.
2. Debtor remains in possession of its assets and continues to operate as debtor-in-possession.
3. This is a core proceeding pursuant to 28 U.S.C. §157(2)(A).
4. This Court retains jurisdiction over this matter pursuant to 28 U.S.C. §1334.
5. Venue is proper in this Court pursuant to 28 U.S.C. §1408.
6. There remains a pending motion for relief from the automatic stay pursuant to 11 U.S.C. §362(d)(1) and (d)(3) by First National Bank of Omaha, which has been set for a final hearing on May 1, 2019 at 10:00 am.
7. Debtor's operation consists primarily of auto service work provided to various customers in the Grand Island and greater Nebraska area. Debtor's business also includes the sales of all-terrain vehicles, boat service/repair and diesel repair.
8. Debtor was formed under the laws of the State of Nebraska in 2003 and remains an active corporation in good standing with the Secretary of State of Nebraska.
9. The bulk of Debtor's asset value lies within real property, having several parcels within proximity of each other.
10. It has been Debtor's intention to create a network of sorts of repair shops located in close proximity of each other, servicing automotive, diesel, boat, atv and body work so as to provide a full-service center for customers, which would allow Debtor the

ability to provide all services to customers without having to hire/ship out labor for services related to its core automotive service business and Debtor has been acquiring real estate/buildings in order to do so.

11. This action was filed on the day one of Debtor's creditors, First National Bank of Omaha, received an Order in Replevin and when set for Trustee sale of Debtor's real estate on December 5, 2018.
12. Debtor has maintained operations, however, it has had to scale back some projects and some supplementary lines of work such as ATV sales and boat repairs due to its limited cash flow. Debtor has also been unable to generate sufficient cash flow to provide for ongoing operations in full as well as obligations such as the payment of property taxes, debt service payments, etc. and it has been unable to secure Debtor in Possession financing to fund ongoing operations in full based
13. It is abundantly clear that Debtor cannot sustain its current course and Debtor has decided that the best course to continue to keep its employees and operations is to sell substantially all assets of the business.
14. Debtor's board of directors currently consists of Russell Francl, Katelyn Mendez and Vincent T. Mendez, III. Vincent T. Mendez, III is Debtor's designated representative for the filing of this case, having been appointed by Debtor's board on December 4, 2018.
15. Debtor's shareholders consist of Katelyn Mendez (50%) and Russell Francl (50%).
16. Vincent T. Mendez, III is also co-member of Mendez Enterprises, LLC with his father Vincent T. Mendez, Jr. Mendez Enterprises, LLC is a limited liability company formed under the laws of the State of Nebraska and remains in good standing with the Nebraska Secretary of State.
17. For the last 4-5 years, Vincent T. Mendez, III has operated Debtor in his personal capacity.
18. Mendez Enterprises, LLC holds real property located adjacent/near the property of Debtor, specifically 2304 Old Lincoln Highway, and 2323 Old Lincoln Highway, Grand Island, Nebraska.
19. Over the last several years, Mendez Enterprises, LLC has acquired land adjacent to that of Debtor, through Vincent T. Mendez, III to further the aims of Debtor to create a repair complex as indicated in paragraph 10 above.

PROPOSED SALE OF ASSETS

- 20. Debtor has concluded that the best mechanism for maximizing value of the assets held by Debtor and the Debtor’s business as a going concern is through the sale of all/substantially all of the assets pursuant to §363 by way of private sale to Mendez Enterprises, LLC.
- 21. Realizing that Debtor can not continue to operate as a going concern both without the remedies provided herein as well as the benefits afforded to a debtor-in-possession, the Board of Directors of Debtor have approved a sale to Mendez Enterprises, LLC of all assets of Debtor according to the attached, executed purchase agreement.
- 22. Debtor has been working on securing the attached purchase agreement since February, 2019, but Debtor’s board of directors had not fully approved the proposed purchase agreement until March 28, 2019.
- 23. The sales price for all assets of Debtor, per the attached Purchase Agreement is \$1,103,285.49.
- 24. There has not been a substantial increase in the assets of Debtor after filing of it’s petition in December, 2018.
- 25. The values stated on Debtor’s Schedules for real property are the assessed values by Hall County Treasurer.
- 26. The values of the assets to be sold by Debtor, as stated on Debtor’s schedules are as follows:

<u>Real Property</u>		\$787,405.00
2417 W. Lincoln Hwy	189,505.00	
2421 W. Lincoln Hwy	140,269.00	
2403 W. Lincoln Hwy	180,822.00	
2404 W. Lincoln Hwy	276,809.00	
<u>Personal Property</u>		\$162,307.86
Cash/Deposit Accounts	805.32	
A/R	9,375.96	
Utility Trailers (x5)	2,050.00	
GK1 Commercial Truck	800.00	
Camry	150.00	
Pontiac	200.00	
4-Wheelers	47,231.30	
Equipment/Tools	101,695.28	

TOTAL: \$949,468.90

27. There has been little in the way of change to Debtor's assets, however, it's last operating report shows a cash/account balance of \$24,101.41.
28. The anticipated tax allocation for sale proceeds is as follows:
- | | |
|------------------------|----------------|
| Purchase Price: | \$1,103,285.49 |
| Real Estate: | 1,000,000.00 |
| All Personal Property: | 101,000.00 |
| Trade Name/Goodwill: | 2,285.49 |
29. Given this bankruptcy, Debtor's estimate of goodwill both trade-wise and tax-wise is low due to the known and expected relational issues Debtor has experienced with its customers and the public at large of being a debtor in bankruptcy.
30. Debtor is in the process of acquiring the information required by Local Rule 6004-1 regarding the tax consequences of the sale: the tax basis of the property, projected costs of sale, anticipated capital gain or loss, and anticipated net taxable income from sale after adjustments. Debtor will provide a supplement to this motion and shall serve said supplement upon all creditors listed upon the current creditor matrix when said information is available. Given the pending Motion for Relief From Automatic Stay filed by First National Bank of Omaha, this motion's filing without a full analysis by Debtor's accountant was required.
31. All closing costs shall be paid by Buyer and **not** Debtor/Seller.
32. The proceeds of the sale are anticipated to be distributed in the following manner:
- | | |
|---------------------|----------------|
| Secured Creditors: | \$1,103,285.49 |
| Unsecured Priority: | \$0.00 |
| Unsecured: | \$0.00 |
| Equity: | \$0.00 |

The particulars of which include:

*-claim filed

<u>CREDITOR</u>	<u>SEC/UCC</u>	<u>\$Distributed</u>
	<u>SECURED</u>	
*FNBO/PLATTE	REAL/PERS	677,147.92
*NE DEPT REV	REAL/PERS	122,704.25
*NE ECON DEV/SBA	REAL	251,176.84
HALL COT	REAL 2017 Taxes	18,000.00
HALL COT	PERSONAL 2017 Taxes	1,500.00

HALL COT	REAL 2018 Taxes	16,907.68
HALL COT	PERSONAL 2018 Taxes	848.80
*IRS	REAL/PERS	15,000.00
*WELLS FARGO-FloorPlan	ATVs (\$38,281.30)	\$0.00
<u>PRIORITY</u>		
EMPLOYEES-various	UCC-PAID POST	\$0.00
<u>UNSECURED</u>		
*BUSINESS BACKER	78,989.62	0.00
*FNBO	8,214.49	0.00
*NEIA FASTENERS	2,801.77	0.00
*US BANK	15,495.34	0.00
*WELLS FARGO	38,281.30	0.00
ACTION SPORTS	255.00	0.00
ALMQUIST	3262.10	0.00
AMEX	2964.06	0.00
BOA	24,085.40	0.00
CABELAS	13,337.47	0.00
CAPITAL ONE	48,891.33	0.00
CARQUEST	40,000.00	0.00
CHASE	32,112.76	0.00
DARLING SERVICE CO	1,286.30	0.00
DELRAY	786.03	0.00
DISCOVER	12,307.26	0.00
FARM BUREAU	43,172.03	0.00
FIRST BANKCARD	8,214.49	0.00
FRONTIER BANK	5,405.80	0.00
GWB	219,072.70	0.00
HANSON HROCK	2,687.53	0.00
HIBU	2,228.38	0.00
ISLAND TOWING	4,564.11	0.00
JACKSON SERVICE	5,565.58	0.00
JAMES SANDER	129,188.91	0.00
KYMCO	1,648.60	0.00
MARLIN EXHAUST	40,000.00	0.00
MILLER TIRE	2,000.00	0.00

RAPID RESPONSE LOAN	100,500.00	0.00
RPM	1,302.99	0.00
SPRINT	400.00	0.00
TILLOSON COMPUTER	1,513.29	0.00
TIME WARNER	18,221.46	0.00
UP RAILROAD	3,090.00	0.00
WORLD PAY	2,000.00	0.00
XEROX	3,104.38	0.00

EQUITY

KATELYN MENDEZ	50%	0.00
RUSSELL FRANCL	50%	0.00

- 33. The claim filed herein by the Internal Revenue Service is inaccurate as it states it holds an unsecured claim, however, there is a federal tax lien filed with the Hall County Register of Deeds in the amount of \$64,004.00, on April 24, 2018, which has been paid down to-date to the approximate sum of \$15,000.00.
- 34. The employees of Debtor were owed wages on the date of filing, however, pursuant to a motion filed herein on December 14, 2018, Debtor paid all pre-petition wages and 941 taxes owing on the date of petition. Debtor is current on all wage and 941 tax payments.
- 35. The floorplan financing secured debt held by Wells Fargo Commercial Distribution Finance shall retain its lien in the ATVs currently held by Debtor and shall transfer encumbered to the hands of buyer.
- 36. The sale shall be conducted/closed within 7 business days of this Court’s order approving this Motion.

ASSETS TO BE SOLD

- 37. DEBTOR PROPOSES TO SELL ALL OR SUBSTANTIALLY ALL OF ITS ASSETS

BUSINESS JUSTIFICATION

- 38. The business justification for disposing of all estate assets of Debtor prior to a disclosure statement has been approved or a plan confirmed is that Debtor has severely limited cash flow, cannot sustain operations as a going concern and the proposed purchase agreement represents the highest and best value for the assets.

39. First National Bank of Omaha has a pending motion for relief from the automatic stay, which if permitted, a sale of Debtor's assets at a trustee sale/replevin auction would render substantially less value for secured creditors than the sale proposed by this motion. In addition, the sale of the entirety of Debtor's assets rather than a sale in a "piecemeal" fashion renders a greater value for all involved.

**LEGAL BASIS FOR SALE FREE AND CLEAR OF ALL LIENS, CLAIMS, INTERESTS
AND ENCUMBRANCES**

40. Pursuant to 11 USC §105(a), this Court "may issue any order process or judgment that is necessary or appropriate to carry out the provision of [the Bankruptcy Code]."
41. 11 U.S.C. §363(b)(1) provides that Debtor, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the bankruptcy estate.
42. The proposed sale, use, or lease of property of the bankruptcy estate may be approved by this Court if it is supported by sound business justification, whether the price is fair and reasonable, whether the purchaser acted in good faith, and whether adequate notice is provided.
43. Given the value of assets and the encumbrances involved, Debtor has proffered that this proposed sale is supported by sound business justification, the price to be paid by buyer is in excess of the values stated on Debtor's schedules and given the situation at hand, purchaser has acted in good faith in the proposed sale/purchase agreement.
44. Debtor is providing notice of this motion to all creditors listed on the creditor's matrix, which include:
- A. All creditors listed on the creditor matrix;
 - B. All entities known to have expressed an interest in this transaction;
 - C. All entities known to have any lien, claim, interest, or encumbrance on the assets of the estate;
 - D. The office of the United States Trustee
 - E. The Internal Revenue Service and Nebraska Department of Revenue
45. This proposed sale satisfies the conditions of 11 U.S.C. §363(f).
46. This proposed sale satisfies the conditions of 11 U.S.C. §363(e).

REQUEST FOR RELIEF UNDER 6004(h)

47. Rule 6004(h) provides an 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. In order to permit this contemplated sale to proceed as expeditiously as possible and to avoid further degradation or loss of value of the assets of the estate, good cause exists to waive the 14 day stay provided in Rule 6004(h).

ORDER

48. At, or before any hearing on this Motion, or in the event no timely objections to this Motion are filed, following the expiration of the resistance deadline to this Motion, Debtor will submit a proposed order granting this Motion to the Court.

CONCLUSION

WHEREFORE, Debtor respectfully prays this Court enter an Order:

- A. Granting this motion in full;
- B. Overruling all objections to this Motion;
- C. Approving and Authorizing the sale of substantially all assets of Debtor free and clear of all interests, excluding the excepted interests as noted herein;
- D. Waiving the 14 day stay provided in Rule 6004(h);
- E. Granting any other relief at equity or law this Court deems appropriate.

Personal Automotive Services, Debtor(s)

By: /s/ John A. Lentz
John A. Lentz, #24420
Lepant & Lentz, PC, LLO
601 Old Cheney Rd., STE B
Lincoln, NE 68512
402-421-9676
john@lepantandlentz.com
Attorney for Debtor-in-Possession

NOTICE OF RESISTANCE DATE

YOU AND EACH OF YOU ARE HEREBY NOTIFIED, pursuant to Neb. R. Bankr. P. 9013, that on April 5, 2019, the undersigned filed the foregoing in the above-entitled case in the office of the Clerk of the U.S. Bankruptcy Court. Any resistance or request for hearing on said motion must be filed and served by **April 26, 2019**. Pursuant to Local Rule 9013, any resistance or objection to said motion shall set forth the specific factual and legal basis for the objection/resistance and conclude with a particular request for relief. If the resistance period expires without the filing of any resistance or request for hearing, the Court will consider entering an order granting the relief sought without further hearing. If a timely resistance or request for hearing is filed and served, the clerk shall schedule a hearing.

CERTIFICATE OF SERVICE

I do hereby certify that on the 5th day of April, 2019, I caused filing of the foregoing, including all attachments thereto with the Clerk of the Bankruptcy Court using the CM/ECF system, and further certify that on the same date I mailed by United States Postal Service, postage prepaid, the foregoing, including all attachments to the Creditors and Parties listed on the following pages noted as “**Mailing Matrix**”

The undersigned relies on the ECF system to provide notice to the Office of The United States Trustee.

/s/ John A. Lentz
John A. Lentz

Personal Automotive Services, Inc.
2404 W Lincoln Hwy
Grand Island, NE 68803-5203

360 Payments
90 Railway Ave
Campbell, CA 95008-3007

Abel E Salas
2536 Del Monte Ave
Grand Island, NE 68803-6327

Action Sports Advertising Promotions
1638 E Highway 10 Ste 1
Minneapolis, MN 55401

Advance Auto Parts
1729 S Locust St
Grand Island, NE 68801-8248

Advanced Climate Control
918 W North Front St
Grand Island, NE 68801-4740

Advantage Financial Group
2919 2nd Ave
Kearney, NE 68847-3519

All Star Glass
2219 W 2nd St
Grand Island, NE 68803-5313

Allied Oil & Tire Co.
2209 S 24th St
Omaha, NE 68108-3815

Almquist
1203 W 2nd St
Grand Island, NE 68801-5709

Almquist Malzahn Galloway & Luth
1203 W 2nd St
Grand Island, NE 68801-5709

American Express
PO Box 23612
Lehigh Valley, PA 18002-0000

American Tire Distributors
12200 Herbert Wayne Ct Ste 150
Huntersville, NC 28078-6397

Anderson Wrecking
1912 M Ave
Kearney, NE 68847-5604

Auto Zone
1717 W 2nd St
Grand Island, NE 68803-5410

Bank Of America
PO Box 15026
Wilmington, DE 19886-5019

Bel-wood Buildings
1818 E Citation Way
Grand Island, NE 68801-9159

BTS
3312 Island Cir
Grand Island, NE 68803-5274

Business Backer
10856 Reed Hartman Hwy Ste 100
Cincinnati, OH 45242-2820

Cabelas Foremost Bank
1 Cabela Dr.
Sidney, NE 69160-0000

Capital One
PO Box 60599
City of Industry, CA 91716-0599

Carquest Auto Parts
2824 S Locust St
Grand Island, NE 68801-8862

Century Link
PO Box 91154
Seattle, WA 98111-9254

Chase
PO Box 24696
Columbus, OH 43224-0696

Chase
PO Box 94014
Palatine, IL 60094-4014

Christopher Jarman
2323 W Old Lincoln Hwy
Grand Island, NE 68801

Cintas
LOC449
1200 S 2ND AVE
Dodge City, KS 67801

City Of Grand Island
PO Box 1968 100 E 1st St.
Grand Island, NE 68802-1968

Clayton Wood
106 N Clare St
Greeley, NE 68842-4308

Clear Fly
PO Box 77706
San Francisco, CA 94107-0706

Intuit
2700 Coast Ave
Mountain View, CA 94043-1140

Internal Revenue Service
PO Box 7346
Centralized Insolvency Operations
Philadelphia, PA 19101-7346

Inland Truck Parts and Services
4480 Gold Core Rd
Grand Island, NE 68801-8918

Hibu/Rauch Milliken
4400 Trenton St
Metairie, LA 70006-6550

Hanson Hrock and Kintz
1331 Main Ave
Crete, NE 68333-1505

Hall County Treasurer
121 S Pine St Ste 2
Grand Island, NE 68801-6076

Hall County Attorney
231 S Locust St
Grand Island, NE 68801-6040

Great Western Bank
700 N Webb Rd
Grand Island, NE 68803-3310

Great America Leasing
625 1st St SE
Cedar Rapids, IA 52401-2030

Graham Tire
3427 State St
Grand Island, NE 68803-2304

GE Commercial Distribution Finance
PO Box 105040
Atlanta, GA 30348-5040

Frontier Bank
1106 Benjamin Ave
Norfolk, NE 68701-2763

Five Point Bank
2015 N Broadwell Ave
Grand Island, NE 68803-2759

First National Bank of Omaha
PO Box 3412
Omaha, NE 68103-0803

First National Bank
PO Box 2557
Omaha, NE 68103-2557

First Bankcard
PO Box 2340
C/O First National Bank of Omaha
Omaha, NE 68103-2340

Farm Bureau Financial Services
5400 University Ave
West Des Moines, IA 50266-5950

Epicor Software Corp.
804 Las Cimas Pkwy Ste 200
Austin, TX 78746-5179

Epicor Software Corp.
804 Las Cimas Pkwy
Austin, TX 78746-5150

Ensley
3427 State St
Grand Island, NE 68803-2304

Efficiency Accounts
PO Box 5822
Grand Island, NE 68802-5822

Discover
PO Box 3025
New Albany, OH 43054-3025

Delray
PO Box 364
Aurora, NE 68818-0364

David Morrison
414 York St
Marquette, NE 68854-9540

Darling Service Company
1201 Allen Dr # PMB 155
Grand Island, NE 68803-3333

Daniel Arias
1414 N Cherry St
Grand Island, NE 68801-2657

Corporation Service Co.
PO Box 2576
Springfield, IL 62708-2576

Cornwell
PO Box 364
Aurora, NE 68818

Copycat Printing
2100 A Ave
Kearney, NE 68847-5471

Colonial Life
PO Box 1365
Columbia, SC 29202-1365

Time Warner Cable/Spectrum
PO Box 60074
City of Industry, CA 91716-0074

Tilloson Computer and Services
18 1/2 W 25th St Apt 2
Kearney, NE 68847-4405

The Business Backer
10856 Reed Hartman Hwy Ste 100
Cincinnati, OH 45242-2820

Tanya Stephens
700 N Webb Rd
Grand Island, NE 68803-3310

State Glass
612 E 4th St
Grand Island, NE 68801-2702

Sprint
PO Box 4191
Carol Stream, IL 60197-4191

Snap-On Credit
4660 Diplomacy Rd
Fort Worth, TX 76155-2651

Sherwin Williams
502 W 3rd St
Grand Island, NE 68801-5945

RPM
20818 44th Ave W Ste 140
Lynnwood, WA 98036-7709

Ron Johns
122 2nd St
Hordville, NE 68846-9704

Rapid Response Loan
20 W Jefferson Ave Fl 11
Detroit, MI 48226-4436

Profit Boost Software
8841 E Florentine Rd Ste E
Prescott Valley, AZ 86314-8776

Platte Valley State Bank & Trust
810 Allen Dr
Grand Island, NE 68803-3337

Northwestern Mutual Insurance
2900 S 70th St Ste 200
Lincoln, NE 68506-3689

NEIA Fasteners
8530 K St
Omaha, NE 68127-1621

Nebraska Department Of Revenue
PO Box 94818 Attn: Bankruptcy Unit
Lincoln, NE 68509-4818

Miller Tire
707 N Eddy St
Grand Island, NE 68801-4250

Mid Nebraska Disposal
3080 W 2nd St
Grand Island, NE 68803-5264

Mendez Enterprises, LLC
R/A: VINCENT MENDEZ
2414 N Sherman Blvd
Grand Island, NE 68803-1943

Marlin Business Bank
Attn: Nadine/Legal
300 Fellowship Rd
Mount Laurel, NJ 08054-1201

Luke M. Simpson
220 W 15th St Box 1685
Kearney, NE 68845-6763

Lone Tree Towing
3426 W Capital Ave
Grand Island, NE 68803-1300

Levi Smith
512 S I St
Cairo, NE 68824

Kymco ATV
5 Stan Perkins Rd
Spartanburg, SC 29307-4336

Kymco
5 Stan Perkins Rd
Spartanburg, SC 29307-4336

KoKo Gangra
18 N Custer Ave
Grand Island, NE 68801

Janeth Jimenez
1724 S Lincoln Ave
Grand Island, NE 68801-7146

James Sander

Jackson Service
981 33rd Ave
Columbus, NE 68601-5601

Island Towing
5018 S Elk Dr
Grand Island, NE 68803-9649

Xerox
8606 Allisonville Rd Ste 245
Indianapolis, IN 46250-5571

Xerox
201 Merritt 7
Norwalk, CT 06851-1056

World Pay
201 17th St NW Ste 1000
Atlanta, GA 30363-1195

Wells Fargo Bank, N.A.
PO Box 54780
Los Angeles, CA 90054-0780

Wells Fargo
PO Box 9210
Des Moines, IA 50306-9210

Visa
PO Box 4521
Carol Stream, IL 60197-4521

Vincent Mendez III
116 Cherokee Ave
Grand Island, NE 68803-3801

Vincent Mendez II
2414 N Sherman Blvd
Grand Island, NE 68803-1943

Verizon Wireless
PO Box 660108
Dallas, TX 75266-0108

US Small Business Administration
10675 Bedford Ave Ste 100
Omaha, NE 68134-3605

US Bank
PO Box 5227
Cincinnati, OH 45201-5227

US Attorneys Office
100 Centennial Mall N
487 Federal Building
Lincoln, NE 68508-3859

United States Attorney General
950 Pennsylvania Ave., NW Room 5137
United States Department Of Justice
Washington, DC 20530-0009

United Fire Group
118 2nd Ave SE
Cedar Rapids, IA 52401-1212

Union Pacific Railroad
1400 Douglas St Stop 1690
Omaha, NE 68179-1001

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the AAgreement@) is made and entered into this ____ day of February, 2019 by and among Mendez Enterprises, LLC., a Nebraska Limited Liability Company (ABuyer@), Personal Automotive Services, Inc., a Nebraska Corporation ("Personal" or ASeller").

RECITALS

Seller desires to sell, and Buyer desires to purchase, the Assets (as defined below) of Seller for the consideration and on the terms set forth in this Agreement. The Assets are owned, used or held for use by Seller in connection with its automotive repair business. ("Business").

In consideration of the foregoing Recitals and the mutual promises and covenants contained herein, the parties hereto agree:

TERMS

1. Purchase and Sale of Assets; Non-Assumption of Liabilities.

1.1 Agreement to Purchase and Sell. Upon the terms and subject to the conditions set forth in this Agreement, at Closing, Seller shall sell, convey, assign, transfer and deliver to Buyer, and Buyer shall purchase and acquire from Seller any and all assets of any nature or character whatsoever (the assets to be sold, conveyed, transferred and assigned and delivered being referred to as the AAssets@) including, but not limited to, the following:

- a. All furniture, equipment, machinery, and supplies of the Seller;
- b. All of the inventory of the Seller;
- c. All books and records and all files, documents, papers, agreements, books of account and other records pertaining to the Assets; and
- d. All rights of Seller under any contracts, leases, agreements, sales orders, purchase orders and other commitments.

1.2 Assets Not Being Acquired. There are no assets and properties of Seller that are specifically excluded from the Assets purchased, and no assets or property shall be retained by Seller.

1.3 Closing. Closing of the purchase and sale of the Assets shall occur on February _____, 2019, at the offices of Seller or at such other location and at such other time and date as Buyer and Seller may agree (the AClosing Date@) and Closing may be conducted by telephone, facsimile and wire transfer of funds if Buyer and Seller so agree. At Closing, Seller will execute and deliver to Buyer (i) a bill of sale transferring to Buyer the Assets; (ii) an assignment of all contracts, agreements, sales orders, purchase orders and other commitments to be assigned to Buyer pursuant to this Agreement, and (iii) such other bills of sale, deeds, instruments of assignment and other appropriate documents as may be reasonably requested by Buyer in order to carry out the intentions, terms and conditions of this Agreement.

1.4 Purchase Price; Payment. In exchange for the sale, conveyance, assignment, transfers and delivery of the Assets, Buyer agrees to make payment in the amount of One Million One Hundred Three Thousand Two Hundred Eighty Five Dollars Forty Nine Cents (\$1,103,285.49).

1.5 Liabilities. None of the liabilities or debts of the Seller are being transferred to, or assumed by, the Buyer. Any and all liabilities and debts of any nature or character of the Seller, including those liabilities and debts for which any Assets may have been used as collateral to secure such liabilities and debts, shall remain the sole responsibility and liability of the Seller.

2.0 Execution of Additional Documents. Each of the parties will at any time, and from time to time after Closing, upon request of the other party, take such further actions and execute and deliver documents as may be necessary to carry out the terms of this Agreement, and to transfer and vest title to any Assets being transferred hereunder, and to protect the right, title and interest in and enjoyment of all of the Assets assigned, transferred and conveyed pursuant to this Agreement.

2.1 Binding Effect; Benefits. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Notwithstanding anything contained in this Agreement to the contrary, nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties hereto any rights, remedies, obligations or liabilities.

2.2 Entire Agreement. This Agreement constitutes the final written expression of the agreements between the parties, and is a complete and exclusive statement of those terms. Any representations, promises, warranties or statements made by either party that differ in any way from the terms of this written Agreement and other documents shall be given no force or effect. No addition to or modification of any provision of this Agreement shall be binding

upon any party unless made in writing and signed by all parties.

2.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Nebraska.

2.4 Survival. All of the terms, conditions, warranties and representations contained in this Agreement shall survive the Closing.

2.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

2.6 Headings. Headings of the Sections of this Agreement are for the convenience of the parties only, and shall be given no substantive or interpretive effect.

2.7. Waiver. Either Buyer or Seller may, by written notice to the other, (i) extend the time for the performance of any of the obligations or other actions of the other under this Agreement; (ii) waive any inaccuracies in the representations or warranties of the other contained in this Agreement; (iii) waive compliance with any of the conditions or covenants of the other contained in this Agreement; or (iv) waive performance of any of the obligations of the other under this Agreement. Except as provided in the preceding sentence, no action taken, shall be deemed to constitute a waiver by the party taking such action. The waiver by any party hereto of a breach of any provision hereunder shall not operate to be construed as a waiver of any prior or subsequent breach of the same or any other provision hereunder.

2.8 Incorporation of Exhibits and Schedules. All Exhibits and Schedules attached hereto are by this reference incorporated and made a part hereof for all purposes.

2.9 Severability. If for any reason whatsoever, any one or more of the provisions of this Agreement shall be held or deemed to be inoperative, unenforceable or invalid as applied to any particular case or in all cases, such circumstances shall not have the effect such provision invalid in any other case or of rendering any of the other provisions of this Agreement inoperative, unenforceable or invalid.

2.10 Assignability. Neither this Agreement nor any of the parties' rights hereunder shall be assignable by any party hereto without the prior written consent of the other party.

IN WITNESS WHEREOF, the parties have executed this Agreement and caused the same to be duly delivered on the day and year herein above first set forth.

SELLER:

PERSONAL AUTOMOTIVE
SERVICES, INC.

By: Katelyn Mendez
Katelyn Mendez
Owner/Secretary/Director

By: Vincent T. Mendez, III
Vincent T. Mendez, III
Vice President/Director

By: Russell Fanch

BUYER:

MENDEZ ENTERPRISES, LLC

By: Vincent T. Mendez, III
Vincent T. Mendez, III
Owner/Director

By: Vincent T. Mendez, Jr.
Vincent T. Mendez, Jr.
Owner/Director