

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

In re:

RELIABLE RACING SUPPLY, INC.

Case No. 16-10619
Chapter 11

Debtor.

DEBTOR’S MOTION FOR ORDERS PURSUANT TO SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 6004: (A) (i) AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE DEBTOR’S ASSETS; FREE AND CLEAR OF ALL LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES; (ii) AUTHORIZING AND APPROVING ASSET PURCHASE AGREEMENT INCLUDING APPROVING THE STALKING HORSE AND BREAK-UP FEE; AND (iii) AUTHORIZING DEBTOR TO CONSUMMATE ALL TRANSACTIONS RELATED TO THE PROPOSED SALE; (B) APPROVING BIDDING PROCEDURES AND OTHER RELATED RELIEF; AND (C) AUTHORIZING DEBTOR TO ASSUME CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND ASSIGN SUCH CONTRACTS AND LEASES TO SUCCESSFUL BIDDER PURSUANT TO 11 U.S.C. §§ 365(a), (b) AND (c) AND BANKRUPTCY RULE 6006(e)(1)

Reliable Racing Supply, Inc., the debtor and debtor in possession in the above-captioned case (the “Debtor”) by and through undersigned counsel, hereby moves this Court for entry of Orders pursuant to sections 105, 363 and 365 of title 11 of the United States Code, as amended (the “Bankruptcy Code”) and Rule 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”): (A) (i) authorizing the sale of substantially all of the Debtor’s assets, free and clear of all liens, claims, interests, encumbrances, and successor liability subject to the terms of an Asset Purchase Agreement with RR Holdings, LLC **Exhibit A** (the “Purchase Agreement”), and subject to higher and better offers; (ii) authorizing and approving the Purchase Agreement including bid protections such as a break-up fee; and (iii) authorizing the Debtor to consummate all transactions related to the proposed sale; (B) approving the Bidding Procedures and granting other relief; and (C) authorizing the Debtor to assume certain executory contracts and unexpired leases and to assign such contracts and leases to the Successful Bidder pursuant to

sections 365(a), (b) and (c) of the Bankruptcy Code and Bankruptcy Rule 6006(e)(1). In support of this Motion, the Debtor respectfully represents as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334.
2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
3. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

BACKGROUND

4. On April 7, 2016 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 the Bankruptcy Code with the United States Bankruptcy Court for the Northern District of New York (the “Court”).

5. The Debtor remains in possession of its assets and continues to manage and operate its business as a debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

6. The Debtor’s business has several operational segments. The Debtor sells ski, bike and snowboard equipment through its store Inside Edge Ski, Board & Bike located at 643 Upper Glen Street, Queensbury, New York. The Debtor also sells ski racing products to its consumers through its Wintersports online catalog.

7. Another section of the business is devoted to developing and assembling products and equipment, particularly related to ski and golf. These products are then sold to (i) ski areas, golf courses, parks, institutions and event organizers in the United States, (ii) wholesalers and distributors in the United States, and (iii) distributors outside of the United States.

8. The Debtor also sells specialty outdoor lighting products under distribution rights to ski areas and golf courses in North America.

9. Finally, the Debtor sells electronic sports timing equipment under distribution rights from European manufactures to ski race organizations and other end-users.

Pre-Petition Indebtedness

10. As of the Petition Date, the Debtor was indebted to the following prepetition secured lenders: (i) TD Bank, (ii) The Warren County Local Development Corporation (“WCLDC”), and (iii) the Marilyn Jacobs Family Trust.

11. On December 2, 2014, the Debtor executed and delivered to TD Bank a Term Note in the amount of One Million and 00/100 Dollars (\$1,000,000.00) (“TD Loan 1”). TD Loan 1 is further evidenced by a Loan and Security Agreement, dated as of December 2, 2014, which, among other things grants TD Bank a blanket security interest in all of the Debtor’s Collateral, consisting of all of the Debtor’s personal property as further defined therein.

12. As of the Petition Date, the Debtor owed approximately \$873,421.61 to TD Bank on account of TD Loan 1.

13. On December 2, 2014, the Debtor executed and delivered to TD Bank a Term Note in the amount of Three Hundred Ninety-Nine Thousand Nine Hundred Ninety-Nine Dollars and Ninety-Nine Cents (\$399,999.99) (“TD Loan 2” and together with TD Loan 1, the “TD Loans”). TD Loan 2 is further evidenced by a Loan and Security Agreement, dated as of December 2, 2014, which, among other things grants TD Bank a blanket security interest in all of the Debtor’s personal property as further defined therein (the “TD Collateral”).

14. As of the Petition Date, the Debtor owed approximately \$368,694.55 to TD Bank on account of TD Loan 2.

15. The Debtor has been making monthly adequate protection payments to TD Bank on account of the TD Loans in the amount of \$1,666.66.

16. The Debtor will also shortly pay approximately \$70,000.00 to TD Bank as part of an overall settlement of TD Bank's claims and in conjunction with TD Bank's approval of the sale requested herein.

17. On December 21, 2015, the Debtor executed and delivered to WCLDC a Line of Credit Agreement in the amount of One Hundred Thousand and 00/100 Dollars (\$100,000.00). Pursuant to a Security Agreement dated as of December 21, 2015, the WCLDC loan is secured by a security interest in certain goods as set forth in the Security Agreement including all increases, parts, accessories, attachments, special tools, additions and accessions, and proceeds of such goods ("WCLDC Collateral").

18. As of the Petition Date, the Debtor owes approximately \$100,000.00 to WCLDC.

19. The New York State Department of State website does not reflect the filing of a UCC-1 Financing Statement by WCLDC, therefore, arguably WCLDC's interests are unperfected.

20. On or about December 21, 2015, TD Bank and WCLDC entered into a Subordination Agreement pursuant to which TD Bank agreed to subordinate its security interest to WCLDC's security interest in the WCLDC Collateral.

21. The Debtor does not intend on objecting to WCLDC's claim or asserting that WCLDC is unsecured. The Debtor believes that TD Bank and WCLDC will reach an agreement regarding their respective interests in all of the Collateral and the proceeds of the sale.

22. Cavallero Plastics, Inc. (“Cavallero”), a plastic molder has asserted a “first priority lien” under Massachusetts law in certain molds which it holds in its possession and, in addition, in certain product produced through use of the molds. Cavallero did not file a UCC-1 financing statement in the New York Secretary of State’s office. Upon information and belief, TD Bank disagrees with this assertion of a lien and certainly as to its alleged priority. As the issue is one among creditors and, at worst, the items in question are subject to TD Bank’s lien the Debtor does not intend to presently object to the secured claim Cavallero filed in the case and expects that the creditors will resolve the issue and / or the issue will be resolved with the Successful Bidder (defined below) entering into a new business arrangement with Cavallero.

Marketing and Stalking Horse

23. The Debtor’s principal, John Jacobs, engaged in extensive marketing efforts of the Debtor’s assets. Mr. Jacobs contacted fourteen potentially interested parties regarding a purchase of substantially all of the assets or purchase of one or more of the business segments.

24. Eleven parties executed confidentiality agreements and conducted diligence on the company to determine if they would like to purchase any or all of the Debtor’s assets.

25. On or about July 8, 2016, VEMO Sports submit a letter of intent pursuant to which a NewCo entity would purchase substantially all of the Debtor’s assets for \$350,000.00.

26. On July 11, 2016, TD Bank filed a motion seeking relief from the automatic stay and an objection to the Debtor’s further use of cash collateral. *See* D.N. 48.

27. Following additional negotiations with VEMO Sports and TD Bank, NewCo – RR Holdings, LLC (the “RR Holdings”) – has agreed to increase its purchase price to \$375,000.00. TD Bank has approved of this offer and supports this Motion.

28. Through this Motion, the Debtor seeks to sell substantially all of its assets, including among other things inventory, furniture, equipment, machinery, vehicles, intellectual property, and executory contracts as more fully set forth and described in the Purchase Agreement (the “Assets”). Cash and accounts receivable are not included in the Assets that will be sold and will eventually be completely paid over to TD Bank.

29. The Debtor also seeks to approve RR Holdings as the stalking horse bidder and to grant RR Holdings’ requested bid protections in connection with its stalking horse bid. RR Holdings seeks a break-up fee in the amount of Twenty-Five Thousand Dollars (\$25,000.00) in the event that RR Holdings is not the Successful Bidder (as defined below).

RELIEF REQUESTED

30. By this Motion, the Debtor seeks the entry by this Court of two (2) orders:

- (a) first, an order (the “Bidding Procedures Order”), a proposed form of which is attached hereto as **Exhibit B**:
 - i. providing a process for interested bidders to submit offers with respect to the Assets;
 - ii. approving the form and manner of notice of this Motion and the relief requested herein;
 - iii. setting a deadline and approving requirements and procedures for interested parties to submit any competing bids for the Assets (the “Bidding Procedures”);
 - iv. approving the Purchase Agreement with RR Holdings and the requested break-up fee;
 - v. authorizing an auction sale of the Assets; and
 - vi. setting a final hearing date (the “Sale Hearing”) to approve the sale of the Assets to the bidder (the “Successful Bidder”) submitting the highest or otherwise best offer (the “Successful Bid”) acceptable to the Debtor.
- (b) second, the Debtor requests the entry of an order (the “Sale Order”):
 - i. authorizing and approving the Successful Bid on substantially the terms and conditions set forth in the Purchase Agreement, or such other terms and conditions as may be acceptable to the Debtor;
 - ii. authorizing the sale of the Assets to the Successful Bidder;

- iii. authorizing the Debtor to consummate the sale of the Assets to the Successful Bidder; and
- iv. authorizing the Debtor to assume certain identified executory contracts and unexpired leases and to assign such contracts and leases to the Successful Bidder.

THE PROPOSED SALE OF THE DEBTOR'S ASSETS

31. The Debtor has recently been experiencing operating losses and has determined that it is in the best interest of the estate, its creditors and other parties in interest to sell the Assets.

A. The Purchase Agreement

32. The Debtor prepared a form Purchase Agreement, *see* Exhibit A, which contemplates the sale of the Assets in a single transaction. The Debtor anticipates that the parties bidding on the Assets (the “Prospective Purchasers”) will use the form of Purchase Agreement approved by this Court, as modified to reflect the Prospective Purchaser’s offer.

B. Proposed Bidding Procedures

33. In an effort to ensure that the highest value is obtained for the Assets, the Debtor proposes that the Bidding Procedures, which are intended to maximize the value of the Assets, shall govern the submission of competing bids for the Assets.

34. The Bidding Procedures are attached to the proposed Bidding Procedures Order as **Exhibit 1**, the key terms of which may be summarized as follows:

- (a) Assets: The Assets to be sold are substantially all of the Debtor’s assets (excluding cash and accounts receivable), as described in the form Purchase Agreement, which are to be sold in a single transaction.
- (b) Qualified Bid / Qualified Bidders: In order to ensure that only bidders with serious interest in the purchase of the Assets participate in the bidding process, the Bidding Procedures provide for certain minimal requirements for a potential bidder to become a “Qualified Bidder” and for a bid to purchase the Assets to be a “Qualified Bid”, including, among other things:

- (i) The execution of a confidentiality agreement if they have not done so already;
- (ii) A good faith deposit in the form of a wire transfer or bank check in the amount of \$40,000.00 or 10% of the purchase price stated in that bidder's Purchase Agreement, whichever is greater, to be deposited into an escrow account maintained by Lemery Greisler LLC which deposit will be applied toward the bid amount if the Qualified Bid becomes the Successful Bid (defined below);
- (iii) Submission of a "Bid" in the form of a Purchase Agreement marked to show changes from the form Purchase Agreement approved by the Court, with an initial bid amount of at least \$400,000.00; and
- (iv) A written statement that (1) the proposed bidder agrees, and intends its bid to comply, with the Bidding Procedures and the terms of any order approving the Sale, as well as with such other terms and procedures as may be imposed by the Court or the Debtor at or prior to the Auction, (2) its Bid shall be irrevocable until a date that is twenty (20) days after the conclusion of the Sale Hearing, (3) that it believes in good faith that its Bid constitutes a Qualified Bid, (4) its Bid is not subject to any due diligence or financing conditions.

RR Holdings shall be deemed to be a Qualified Bidder. TD Bank is a Qualified Bidder to the extent of its rights to bid pursuant to 11 U.S.C. § 363(k) and other applicable law.

- (c) Bid Deadline: The Bidding Procedures provide for a bid deadline of 4:00 p.m. on August 9, 2016 (the "Bid Deadline").
- (d) Due Diligence: The Bidding Procedures permit all potential bidders who have signed confidentiality agreements to participate in the due diligence process between the date of this filing and August 9, 2016.
- (e) Selection of the Qualified Bids: As soon as practicable after the Bid Deadline, the Debtor, in consultation with its professionals, shall review each bid submitted and determine which bidders are qualified to participate in the Auction ("Qualified Bidders"), and shall provide notice of same to all persons submitting bids.
- (f) Auction: If one or more Qualified Bids are received by the Debtor, an Auction shall be held on August 11, 2016 at 1:00 p.m. at the Bankruptcy Court, 445 Broadway, Suite 330, Albany, New York 12207, or such other time and/or other place as the Debtor shall notify all Qualified Bidders who have submitted Qualified Bids with respect to the Assets subject to Auction.

At the Auction, Qualified Bidders will be permitted to increase their bids (such increased Qualified Bid, a "Qualified Overbid"), provided that such

Qualified Overbid(s) shall exceed the highest existing bid by at least \$5,000.00.

The Auction shall not conclude until each Qualified Bidder has had the opportunity to submit thereat a Qualified Overbid with full knowledge of the existing highest bid.

- (g) The Sale Hearing: The Debtor requests that the Court schedule the Sale Hearing following the Auction on August 11, 2016. If there is no Auction, the Sale Hearing will take place on August 11, 2016 at 1:00 p.m.

At the Sale Hearing, the Debtor will seek entry of an order, among other things, authorizing and approving the sale of the Assets to the Successful Bidder, as determined by the Debtor.

Following the Sale Hearing, if the Successful Bidder fails to consummate an approved sale because of a breach or failure to perform on the part of such Successful Bidder, the next highest or otherwise best Qualified Bid or Qualified Overbid with respect to the Assets as disclosed at the Sale Hearing, shall be deemed to be the Successful Bid with respect to the Assets and the Sellers shall effectuate such sale without further order of the Bankruptcy Court.

- (h) Reservation of Rights; Deadline Extensions. The Debtor shall be deemed to have reserved its right to: (i) cancel the Auction; (ii) extend the Bid Deadline; (iii) impose such other and additional terms and conditions or modify the terms and conditions hereof as the Debtor determines to be in its best interest and (iv) reject all Qualifying Bids if, in the Debtor's reasonable judgment, no Qualifying Bid is in the best interests of the Debtor's estate.

35. The Debtor believes the Bidding Procedures will ensure that the Debtor considers all reasonable offers and to select the highest, best offer.

C. Assumption and Assignment of Executory Contracts and Unexpired Leases

36. The Debtor is a party to certain executory contracts which were listed on the Debtor's Schedule G filed with its Petition. Additionally, the Debtor is also party to a Distributor Agreement with Ultra-Tech Lighting, LLC ("Ultra-Tech") which Debtor had described as lighting inventory on consignment in its Petition. Debtor now believes that this agreement with Ultra-Tech is an executory contract whereby Debtor is a distributor as opposed

to a consignor. There is a dispute between the Debtor and TD Bank regarding the classification of the Debtor's relationship with Ultra-Tech.

37. Certain of these executory contracts as identified in Schedule A to the Purchase Agreement will be assumed and assigned to the Successful Bidder.

38. The Successful Bidder will likely desire to continue operating the Debtor's business. The Debtor has determined in its business judgment that these contracts are necessary to the continued operation of the Debtor's business.

39. The Debtor seeks to assume certain of the contracts listed on Schedule A to the Purchase Agreement pursuant to Bankruptcy Code sections 365(a), (b), and (c) and assign them to the Successful Bidder.

40. The Debtor does not owe any arrears on the executory contracts listed on Schedule G, however, the Debtor does owe money to Ultra-Tech. If the Ultra-Tech agreement is considered to be an executory contract and such agreement is assumed, the Debtor will address the treatment of the arrears with Ultra-Tech prior to the Sale Hearing.

41. This motion complies with Bankruptcy Rule 6006(e)(1) because all of the contacts and leases the Successful Bidder selects to assume, will be assigned to a single assignee, the Successful Bidder.

BASIS FOR RELIEF

A. The Proposed Sale is in the Best Interests of the Debtor, its Creditors and its Estate

42. Section 363(b)(1) of the Bankruptcy Code provides that "[t]he trustee, after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. §363(b)(1). A debtor in possession is given these rights by section 1107(a) of the Bankruptcy Code. *See* 11 U.S.C. §1107(a). Moreover, section 105(a) of the Bankruptcy

Code provides that “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” 11 U.S.C. §105(a).

43. Courts have uniformly held that approval of a proposed sale of property pursuant to section 363(b) of the Bankruptcy Code is appropriate if a court finds that the transaction represents a reasonable business judgment on the part of the debtor. See *e.g.*, *In re Chateaugay Corp.*, 973 F.2d 141 (2d Cir. 1992).

44. Courts generally show great deference to a debtor in possession’s decisions when applying the business judgment standard. See *In re Global Crossing, Ltd.*, 295 B.R. 726, 744 n.58 (Bankr. S.D.N.Y. 2003) (“[T]he Court does not believe that it is appropriate for a bankruptcy court to substitute its own business judgment for that of the [d]ebtors and their advisors, so long as they have satisfied the requirements articulated in the caselaw.”).

45. A sound business purpose for the sale of a debtor’s assets outside the ordinary course of business may be found where such a sale is necessary to preserve the value of assets for the estate, its creditors or interest holders. See *e.g. In re Lionel Corp.*, 722 F.2d 1063, 1071 (2d Cir. 1983).

46. The Debtor’s decision to sell the Assets satisfies the sound business judgment standard. The Debtor is currently operating at a loss and believes that a sale of the Assets is the only way to preserve and maximize value for the benefit of the Debtor’s creditors and the estate.

B. The Proposed Bidding Procedures are in the Best Interest of the Debtor, its Creditors and its Estate

47. The Debtor’s principal, John Jacobs, made extensive marketing efforts to obtain a stalking horse bidder resulting in the Purchase Agreement with RR Holdings.

48. The Debtor intends on notifying all of the previously interested parties of this Sale Motion. Because of the extensive efforts undertaken by Mr. Jacobs, the Debtor does not believe

that the delay and expense of additional advertising is necessary, worthwhile or warranted. Further, any incremental price increase will redound to the benefit of TD Bank and, upon information and belief, TD Bank does not wish its cash collateral to be used for such efforts. Debtor will not second guess that judgment.

49. The Bidding Procedures were developed consistent with the Debtor's need to expedite the Sale process but with the objective of conducting the Sale in a controlled, but fair and open, process. The Debtor believes that the Bidding Procedures are commercially reasonable and are in the best interest of the Debtor, its estate and creditors and will maximize the value obtained from the sale of the Assets. Bidding Procedures will insure that only parties with (a) a serious and legitimate interest in acquiring the Assets and (b) the financial means to consummate a transaction quickly, will participate in an open Auction process.

50. Potential bidders will be allowed a brief diligence period and will be permitted to submit a bid. Qualified Bidders will then be allowed to participate in the Auction thus ensuring that the sale of the Purchased Assets will be effected through an arm's length transaction. Accordingly, the proposed Bidding Procedures will allow the highest and best bidder to purchase the Assets, thereby maximizing the return to the Debtor's estate.

C. The Purchase Agreement Should be Approved

51. Section 363(f) of the Bankruptcy Code permits debtors, with court approval, to sell assets free and clear of all liens, claims, interests, charges and encumbrances (with any such liens, claims, interests, charges and encumbrances attaching to the net proceeds of the sale with the same rights and priorities therein as in the sold assets). Section 363(f) of the Bankruptcy Code provides:

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.

11 U.S.C. §363(f).

52. The Debtor seeks to sell the assets to RR Holdings or the Successful Bidder free and clear of all liens, claims, interests, charges, encumbrances, or successor liability. RR Holdings or the Successful Bidder will not be assuming any of the Debtor's liabilities.

53. As discussed above TD Bank, and arguably WCLDC, have security interests and liens on the Debtor's Assets totaling approximately \$1,342,116.16 as of the Petition Date.

54. The Debtor believes that both TD Bank and WCLDC will meet the requirements of section 363(f)(2) by consenting to the Sale free and clear of liens. To the extent such creditors do not consent explicitly or implicitly, the Debtor believes that the sale will satisfy one or more of the factors in section 363(f) and they will be permitted to sell the Assets free and clear of any interest in such property in accordance with the terms of the Purchase Agreement.

D. Benefit to the Estate

55. TD Bank has agreed that from the total sale price, \$75,000.00 shall remain in the estate (the "Carve Out").

56. With the Carve Out, the Debtor believes it can pay the reasonable costs of case administration including legal and accounting fees, fees of the United States Trustee, and make a meaningful distribution to unsecured creditors.

57. It will be the Debtor's intent, should the sale be approved and closed, to then quickly file a liquidating plan of reorganization to make one distribution to administrative, priority (if any),¹ and unsecured creditors of the estate as their interests appear, as may be allowed by the Court and in order of priority as the Code directs.

E. Bid Protections are Fair and Necessary

58. RR Holdings has requested a break-up fee in the amount of \$25,000.00.

59. In general, bidding incentives encourage a potential purchaser to invest the requisite time, money and effort to negotiate with a debtor and perform the necessary acts attendant to the acquisition of a debtor's assets, despite the inherent risks and uncertainties of the chapter 11 process.

60. Historically, bankruptcy courts have approved bidding incentives similar to the bidding protections proposed here under the "business judgment rule", which proscribes judicial second-guessing of the actions of a corporation's board of directors taken in good faith and in the exercise of honest judgment. *See, e.g., In re 995 Fifth Ave. Assocs., L.P.*, 96 B.R. 24, 28 (Bankr. S.D.N.Y. 1989) (bidding incentives may "be legitimately necessary to convince a 'white knight' to enter the bidding by providing some form of compensation for the risks it is undertaking"); *In re Marrose Corp.*, Nos. 89 B 12171 (CB) to 89 B 12179 (CB), 1992 WL 33848, at *5 (Bankr. S.D.N.Y. Feb. 15, 1992) (noting that "[a]greements to provide breakup fees or reimbursement of fees and expenses meant to compensate the potential acquirer who serves as a catalyst or 'stalking horse' which attracts more favorable offers.>").

61. Also, courts have routinely held that when the sale of assets in bankruptcy is on a competitive bidding basis, it is appropriate to require parties submitting competing bids to submit bids that exceed existing bids by a specified minimum amount. *See, e.g., In re Financial News*

¹ The Debtor does not believe that it has any priority creditors.

Network, Inc., 931 F.2d 217 (2d Cir. 1991)(requiring that overbids exceed the initial offer by 9.5 percent).

62. The requested break-up fee is the product of arms'-length negotiations between the Debtor and RR Holdings. The break-up fee and initial overbid are fair and reasonable in amount. RR Holdings has expended time, money and energy pursuing the sale of Assets, has engaged in good faith negotiations and has provided a floor bid on the Assets.

F. Purchaser's Good Faith

63. Pursuant to section 363(m) of the Bankruptcy Code, a good faith purchaser is one who purchases assets for value, in good faith, and without notice of adverse claims. *In re Chateaugay Corp.*, 1993 U.S. Dist. LEXIS 6130, at *9 (S.D.N.Y. 1993) (quoting *In re Abbotts Dairies of Penn., Inc.*, 788 F.2d 143, 147 (3d Cir. 1986)).

64. The Purchase Agreement will be negotiated in good faith, with both parties represented by their own counsel. The Debtor submits that the Successful Bidder's proposal, as contained in its respective Purchase Agreement, will represent the highest and best offer received for the Assets.

65. Accordingly, the Sale Order should include a provision finding that the Successful Bidder for the Assets is a "good faith" purchaser within the meaning of section 363(m) of the Bankruptcy Code. The Debtor believes that providing the Successful Bidder with such protection will ensure that the maximum price will be received by the Debtor for the Assets and closing of the sale will occur promptly.

G. Request For Waiver Of Rule 6004(h) Stay

66. In order to allow the immediate realization of value from the Assets consistent with their liquidation goals, the Debtor respectfully requests that the Sale Order be effective immediately, notwithstanding the 14-day stay imposed by Bankruptcy Rule 6004(h). An

expedient sale process will inure to the benefit of the Debtor's estate and creditors. Waiver of Bankruptcy Rule 6004(h) will insure that the bargained-for protections sought by this Motion, to the extent approved by the Court, are in place and effective at the time of the Auction.

PROPOSED SALE NOTICE

67. The Debtor is concurrently with this Motion filing a motion for shortened notice and to amend noticing requirements. The notice for this Motion will be governed by the order signed by the Court in connection with the motion to shorten notice.

WHEREFORE, the Debtor respectfully requests that the Court (i) at the conclusion of the initial hearing, enter the Bidding Procedures Order (a) approving the Bidding Procedures, (b) authorizing RR Holdings to be the stalking horse under the terms of the Purchase Agreement, and (c) approving the break-up fee, (ii) at the conclusion of the Sale Hearing, enter the Sale Order to be provided by Debtor authorizing the sale of the Assets to the Successful Bidder that submits the highest and best offer for the Assets in accordance with the Bidding Procedures, (iii) at the conclusion of the Sale Hearing, enter an order authorizing the Debtor to assume and assign the executory contracts to the Successful Bidder, and (iv) grant the Debtor such other relief as the Court may deem just and proper.

Dated: July 25, 2016

Respectfully submitted,

LEMERY GREISLER LLC

/s/ Paul A. Levine, Esq.

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EXHIBIT A

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is entered into this ^{25th} day of July, 2016, by and between RR Holdings, LLC, a New York limited liability corporation with its principal place of business in Quechee, Vermont (the "Buyer"), and Reliable Racing Supply, Inc., a New York corporation with its principal place of business in Queensbury, New York (the "Seller", and collectively with the Buyer, the "Parties").

WHEREAS, on April 7, 2016 ("Petition Date"), the Seller filed a voluntary petition for relief under title 11 of the United States Code, 11 U.S.C. §101 et Seq. (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Northern District of New York ("the "Bankruptcy Court"), case number 16-10619-1-rel (the "Bankruptcy Proceedings");

WHEREAS, Seller wishes to sell, transfer and assign to Buyer, and Buyer wishes to purchase, acquire and assume from Seller, all of the assets of the Seller listed on the attached Schedule A (the "Acquired Assets");

WHEREAS, the Seller does not intend to sell, transfer or assign to Buyer, and Buyer does not intend to purchase, acquire and assume from the Seller any assets except the Acquired Assets, such other assets are excluded (the "Excluded Assets"); and

WHEREAS, all aspects of this Agreement are subject to approval by the Bankruptcy Court pursuant to Sections 105, 363 and 365 of the Bankruptcy Code;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

Section 1 Purchase and Sale of Assets

Section 1.1 Acquired Assets

Pursuant to Sections 105, 363 and 365 of the Bankruptcy Code, on the terms and subject to the conditions set forth in this Agreement, at the Closing, Buyers shall purchase, acquire and accept from Seller, and Seller shall sell, transfer, assign, convey and deliver to Buyer, all of the Acquired Assets free and clear of all liens, claims, encumbrances, and other interests of any kind or nature whatsoever, including rights or claims based on any successor or transferee liability.

Section 1.2 Allocation of Purchase Price

Seller and Buyer agree that the Purchase Price (defined below) (plus other relevant items) shall be allocated among the Acquired Assets for all purposes (including tax and financial accounting) as shown on the allocation schedule (the "Allocation Schedule"). A draft of the Allocation Schedule shall be prepared by Buyer and delivered to Seller within three days of the Closing and shall be mutually acceptable to buyer and Seller.

Section 1.3 Title to Excluded Assets

Nothing contained in this Agreement shall be deemed to sell, transfer, assign or convey any of the Excluded Assets to Buyer, and Seller shall retain all of its right, title and interest to the Excluded Assets.

Section 1.4 Excluded Liabilities

Notwithstanding anything herein to the contrary, the Parties expressly acknowledge and agree that Buyer shall not assume, be obligated to pay, perform or otherwise discharge or in any other manner be liable or responsible for any liabilities of the Seller, whether existing at the Closing or arising thereafter, including on the basis of any law imposing successor liability (the "Excluded Liabilities").

Section 1.5 Withholding Tax

Buyer shall be entitled to deduct and withhold from the Purchase Price all Taxes that Buyer may be required to deduct and withhold under any provision of Tax Law. All such withheld amounts shall be treated as delivered to Seller hereunder.

Section 2 Consideration

In consideration of the sale of the Acquired Assets to Buyer, and in reliance on the representations, warranties, covenants and agreements of Seller set forth herein, the consideration for the sale and transfer of the Acquired Assets is \$375,000 (the "Purchase Price"). The Purchase Price will be paid at Closing by check or wire transfer.

Section 3 Closing

The Closing of the transaction contemplated by this Agreement (the "Closing") shall occur three business days after the expiration of all applicable appeal periods for the Sale Order, or sooner by agreement of the Parties if the stay of the Sale Order is modified by the Bankruptcy Court pursuant to Fed. R. Bankr. P. 6004 (h); provided, however, that all Closing Conditions (defined below) set forth in Section 5 have been completed to Buyer's satisfaction, in its sole discretion.

Section 4 Bankruptcy Actions

Section 4.1 Sale Motion – Within three business days from the final execution of this Agreement, the Seller will file a motion (the "Sale Motion"). Seller will prepare the Sale Motion, in consultation with the Buyer.

Section 4.2 Sale Order – Approval of the Sale Motion will be accomplished by an order (the "Sale Order"). Seller will prepare Sale Order, in consultation with the Buyer.

Section 4.3 Break-Up Fee – Buyer understands that its offer to purchase the Acquired Assets pursuant to the provisions of this Agreement is subject to higher and better bids. Seller acknowledges that the Buyer has committed significant resources to the negotiation and due diligence required for this Agreement, and to prepare for a hearing on the Sale Motion.

Accordingly, in the event the Buyer is not the successful purchaser of the Acquired Assets, the Seller agrees to pay the Buyer a so-called break-up fee in the amount of \$25,000 (the “Break-Up Fee”). Seller agrees to include a request for the Break-Up fee in the Sale Motion. If Buyer becomes entitled to the Break-Up fee, Seller will pay the Break-Up fee to the Buyer within 10 days.

Section 4.4 Name Change – Within 10 business days following the Closing, Seller will (i) change its corporate name to [RR Liquidation, Inc.] or some other name not confusingly similar to the Seller’s name being transferred hereunder, and (ii) change the caption of the bankruptcy case to [RR Liquidation, Inc.]

Section 4.5 Good Faith Purchaser. Buyer is a “good faith” purchaser as such term is used in the Bankruptcy Code and the Court decision thereunder. Buyer is entitled to the protections of Section 363 (m) of the Bankruptcy Code with respect to all of the Acquired Assets. Buyer has negotiated and entered into this Agreement in good faith and without collusion or fraud of any kind.

Section 5 Conditions and Closing Deliverables

The Buyer’s obligation to purchase the Assets and to close the transaction contemplated by this Agreement is subject to satisfaction of the following conditions (the “Closing Conditions”):

- (a) Buyer’s satisfactory completion of due diligence;
- (b) Receipt of Sale Order and the later of (i) expiration of the 14-day appeal period after entry of the Sale Order pursuant to 11 U.S.C. Section 363(f) [and Section 365, if applicable] by the Bankruptcy Court, unless waived in the Sale Order or (ii) entry of a final appellate decision affirming the Bankruptcy Court’s denial of an objection;
- (c) Buyer’s receipt of cash proceeds from a financing transaction with the Marilyn Jacobs Trust in an amount necessary to finance the Purchase Price on such terms and conditions satisfactory to Buyer or alternate form of financing obtained by the Buyer on terms and conditions satisfactory to Buyer;
- (d) One or more Bills of Sale in a form to be mutually agreed upon between Seller and Buyer (the “Bills of Sale”) transferring the tangible, personal property included in the Acquired Assets;
- (e) One or more Assumption and Assignment Agreements in a form to be mutually agreed upon (the “Assumption and Assignment Agreements”);
- (f) Instruments of Assignment in a form to be mutually agreed upon for each registered trademark, copyright, domain name and patent, whether issued or applied for (the “Intellectual Property Assignments”);

(g) Form of Articles of Amendment to change the corporate name of the Seller from “Reliable Racing Supply, Inc.” to “RR Liquidation, Inc.” to be filed with the NY Secretary of State;

(h) Consent to Use of Name for Seller to change name or file d/b/a to “Reliable Racing Supply” by the Buyer to be filed with its Certificate of Name Change for filing with the NY Secretary of State;

(i) Buyer’s successfully negotiating a new manufacturing agreement with Cavallero Plastics, Inc. on terms to its satisfaction;

(j) Buyer’s entering into an assumption and extension of an agreement with MBW Technologies, LLC on terms to its satisfaction; and

(k) Buyer’s entering into a lease agreement for the existing premises used by Seller on terms to its satisfaction.

Section 6 Expenses of Closing

The Parties will each pay their own transaction expenses incurred in connection with this Agreement and Closing.

Section 7 Due Diligence.

From and after the date of this Agreement and prior to Closing, Seller will authorize its management to allow Buyer and its advisors full access to the facilities, records, key employees and advisors of the Business for the purpose of completing Buyer's due diligence review.

Section 8 Representations, Warranties and Covenants of Seller.

Seller represents and warrants to Buyer that the statements contained in this Section 8 are true and correct as of the date hereof.

Section 8.1 Organization and Qualification of Seller. Seller is a corporation duly organized, validly existing and in good standing under the Laws of the state of New York and has full corporate power and authority to own, operate or lease the properties and assets now owned, operated or leased by it.

Section 8.2 Authority of Seller. Seller has full corporate power and authority to enter into this Agreement and the other transaction documents to which Seller is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Seller of this Agreement and any other transaction document to which Seller is a party, the performance by Seller of its obligations hereunder and thereunder and the consummation by Seller of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Seller. This Agreement has been duly executed and delivered by Seller, and (assuming due

authorization, execution and delivery by Buyer) this Agreement constitutes a legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms. When each other transaction document to which Seller is or will be a party has been duly executed and delivered by Seller (assuming due authorization, execution and delivery by each other party thereto), such transaction document will constitute a legal and binding obligation of Seller enforceable against it in accordance with its terms.

Section 8.3 Competing Transactions. From and after the date of this Agreement, Seller shall not encourage submission of any inquiries, proposals or offers by, respond to any unsolicited inquiries, proposals or offers submitted by, or enter into any discussions or negotiations regarding any of the foregoing with any person or entity other than the Buyer, except Seller may respond to inquiries made in conjunction with the Sale Motion.

Section 8.4 No Conflicts; Consents. The execution, delivery and performance by Seller of this Agreement and the other transaction documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the certificate of incorporation, by-laws or other organizational documents of Seller; (b) conflict with or result in a violation or breach of any provision of any law or governmental order applicable to Seller or the Acquired Assets; (c) except for the Sale Order of the Bankruptcy Court, require the consent, notice or other action by any person or entity under, conflict with, result in a violation or breach of, constitute a default or (d) result in the creation or imposition of any encumbrance on the Acquired Assets.

Section 8.5 Undisclosed Liabilities. Seller has no liabilities with respect to the Acquired Assets, except (a) those which have been disclosed in writing to Buyer and (b) those which have been incurred in the ordinary course of business consistent with past practice and which are not, individually or in the aggregate, material in amount.

Section 8.6 Material Contracts.

(a) Seller has disclosed all material contracts to Buyer and they are listed in Schedule 8.6 (the "Material Contracts").

(b) Each Material Contract is valid and binding on Seller in accordance with its terms and is in full force and effect. None of Seller or, to Seller's knowledge, any other party thereto is in breach of or default under (or is alleged to be in breach of or default under), or has provided or received any notice of any intention to terminate, any Material Contract. No event or circumstance has occurred that, with notice or lapse of time or both, would constitute an event of default under any Material Contract or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder. Complete and correct copies of each Material Contract (including all modifications, amendments and supplements thereto and waivers thereunder) have been made available to Buyer. There are no material disputes pending or threatened under any Material Contract included in the Acquired Assets.

Section 8.7 Title to Acquired Assets. Seller has good and valid title to all of the Acquired Assets. All such Acquired Assets are free and clear of encumbrances.

Section 8.8 Intellectual Property.

(a) Seller's rights in the Intellectual Property Assets are valid, subsisting and enforceable. Seller has taken all reasonable steps to maintain the Intellectual Property Assets and to protect and preserve the confidentiality of all trade secrets included in the Intellectual Property Assets, including requiring all Persons having access thereto to execute written non-disclosure agreements.

(b) The Intellectual Property Assets have not infringed, misappropriated, diluted or otherwise violated, and have not, do not and will not infringe, dilute, misappropriate or otherwise violate, the intellectual property or other rights of any person. No person has infringed, misappropriated, diluted or otherwise violated, or is currently infringing, misappropriating, diluting or otherwise violating, any Intellectual Property Assets.

(c) There are no actions (including any oppositions, interferences or re-examinations) settled, pending or threatened (including in the form of offers to obtain a license): (i) alleging any infringement, misappropriation, dilution or violation of the Intellectual Property of any person by Seller in connection with the Business; (ii) challenging the validity, enforceability, registrability or ownership of any Intellectual Property Assets or Seller's rights with respect to any Intellectual Property Assets; or (iii) by Seller or any other Person alleging any infringement, misappropriation, dilution or violation by any Person of any Intellectual Property Assets. Seller is not subject to any outstanding or prospective Governmental Order (including any motion or petition therefor) that does or would restrict or impair the use of any Intellectual Property Assets.

Section 8.9 Inventory. All Inventory, whether or not reflected in the balance sheet, consists of a quality and quantity usable and salable in the ordinary course of business consistent with past practice, except for obsolete, damaged, defective or slow-moving items that have been written off or written down to fair market value or for which adequate reserves have been established. All inventory is owned by Seller free and clear of all encumbrances, and no inventory is held on a consignment basis. The quantities of each item of inventory (whether raw materials, work-in-process or finished goods) are not excessive, but are reasonable in the present circumstances of Seller.

Section 8.10 Legal Proceedings; Governmental Orders.

Except for the Bankruptcy Proceeding, there are no actions pending or, to Seller's knowledge, threatened against or by Seller (a) relating to or affecting the Assets; or (b) that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such action.

Section 8.11 Employment Matters.

Schedule 8.11 contains a list of all persons who are employees, independent contractors or consultants of the Seller as of the date hereof, including any employee who is on a leave of absence of any nature, paid or unpaid, authorized or unauthorized, and sets forth for each such individual the following: (i) name; (ii) title or position (including whether full or part time); (iii) hire date; (iv) current annual base compensation rate; (v) commission, bonus or other incentive-based compensation; and (vi) a description of the fringe benefits provided to each such

individual as of the date hereof. Schedule 8.11 will not be filed with the Court but will be held in escrow with the parties.

Section 8.12 Taxes.

(a) Seller has withheld and paid each tax required to have been withheld and paid in connection with amounts paid or owing to any Employee, independent contractor, creditor, customer, shareholder or other party, and complied with all information reporting and backup withholding provisions of applicable law.

(b) There are no encumbrances for taxes upon any of the Assets nor is any taxing authority in the process of imposing any encumbrances for taxes on any of the Assets (other than for current taxes not yet due and payable).

Section 8.13 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any other transaction document based upon arrangements made by or on behalf of Seller.

Section 8.14 Full Disclosure. No representation or warranty by Seller in this Agreement and no statement contained in the Disclosure Schedules to this Agreement or any certificate or other document furnished or to be furnished to Buyer pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

Section 8.15 Personally Identifiable Information Seller policies in effect as of the Petition Date regarding personally identifiable information permit the sharing of personal identifiable information with Buyer in connection with the sale of the Acquired Assets of Seller.

Section 8.16 Customers and Suppliers

(a) Schedule 8.16(a) sets forth with respect to the Business (i) each customer who has paid aggregate consideration to Seller for goods or services rendered in an amount greater than or equal to \$4,000 for each of the [two] most recent fiscal years (collectively, the "Material Customers"); and (ii) the amount of consideration paid by each Material Customer during such periods. Seller has not received any notice, and has no reason to believe, that any of the Material Customers has ceased, or intends to cease after the Closing, to use the goods or services of the Business or to otherwise terminate or materially reduce its relationship with the Business.

(b) Schedule 8.16(b) sets forth with respect to the Business (i) each supplier to whom Seller has paid consideration for goods or services rendered in an amount greater than or equal to \$4,000 for each of the [two] most recent fiscal years (collectively, the "Material Suppliers"); and (ii) the amount of purchases from each Material Supplier during such periods. Seller has not received any notice, and has no reason to believe, that any of the Material Suppliers has ceased, or intends to cease, to supply goods or services to the Business or to otherwise terminate or materially reduce its relationship with the Business.

Section 8.17 Conduct of the Business

From the date hereof until the Closing, except as otherwise provided in this Agreement or consented to in writing by Buyer (which consent shall not be unreasonably withheld or delayed), Seller shall (x) conduct the Business in the ordinary course of business consistent with past practice; and (y) use reasonable best efforts to maintain and preserve intact its current business organization, operations and franchise and to preserve the rights, franchises, goodwill and relationships of its employees, customers, lenders, suppliers, regulators and others having relationships with the business. Without limiting the foregoing, from the date hereof until the Closing, Seller shall:

- (a) preserve and maintain all permits required for the conduct of the business as currently conducted or the ownership and use of the Acquired Assets;
- (b) continue to collect Accounts Receivable in a manner consistent with past practice, without discounting such Accounts Receivable;
- (c) maintain the properties and assets included in the Acquired Assets in the same condition as they were on the date of this Agreement, subject to reasonable wear and tear;
- (d) continue in full force and effect without modification all insurance policies, except as required by applicable law;
- (e) defend and protect the properties and assets included in the Acquired Assets from infringement or usurpation;
- (f) perform all of its obligations under all Material Contracts; and
- (g) maintain the books and records in accordance with past practice;
- (h) comply in all material respects with all laws applicable to the conduct of the business or the ownership and use of the Acquired Assets.

Section 8.18 Tax Clearance Certificate

If requested by Buyer, Seller shall notify all of the taxing authorities in the jurisdictions that impose taxes on Seller or where Seller has a duty to file tax returns of the transactions contemplated by this Agreement in the form and manner required by such taxing authorities, if the failure to make such notifications or receive any available tax clearance certificate (a "Tax Clearance Certificate") could subject the Buyer to any taxes of Seller. If any taxing authority asserts that Seller is liable for any tax, Seller shall promptly pay any and all such amounts and shall provide evidence to the Buyer that such liabilities have been paid in full or otherwise satisfied.

Section 8.19 Further Assurances

Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the other transaction documents.

Section 9: Termination

Section 9.1 Termination. This Agreement may be terminated at any time prior to the Closing:

- (a) by the mutual written consent of Seller and Buyer; or
- (b) by Buyer by written notice to Seller if it is not satisfied with any of the Closing Conditions in its sole discretion.

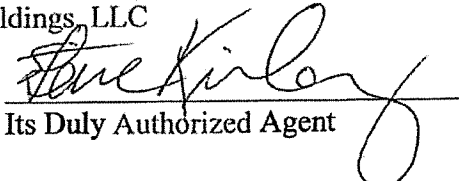
Section 9.2 Effect of Termination. In the event of the termination of this Agreement in accordance with this Section, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto except:

- (a) as set forth in Section 4.3; and
- (b) that nothing herein shall relieve any party hereto from liability for any willful breach of any provision hereof.

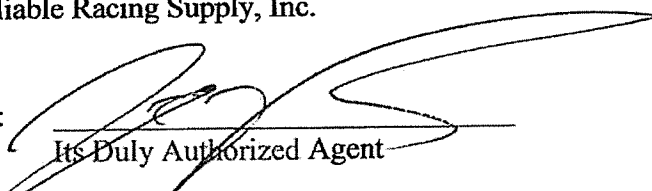
Section 10 Binding Effect, Assignment, Governing Law, Amendment and Entire Agreement

This Agreement and the attached exhibits embody the entire Agreement and understanding between the parties relating to the subject matter hereof, and there are no covenants, promises, agreements, conditions or understandings, oral or written, except as herein set forth. This Agreement may not be amended, waived or discharged except by an instrument in writing executed by the party against whom such amendment, waiver or discharge is to be enforced. This Agreement shall inure to the benefit of and be binding upon the Seller and the Buyer and their respective successors and assigns. This Agreement may be executed in counterparts, each of which shall be an original, and all of which together shall constitute the same document. This Agreement, if executed and delivered by facsimile or PDF attachment to email, shall be sufficient for purposes of binding the sending party. This agreement shall be construed by and enforced solely by the Bankruptcy Court.

Dated: July 25, 2016

RR Holdings, LLC
By: 
Its Duly Authorized Agent

Dated: July 25, 2016

Reliable Racing Supply, Inc.
By: 
Its Duly Authorized Agent

Schedule A—Acquired Assets
Schedule 8.6—Material Contracts **(TBD)**
Schedule 8.11—Employees – Held in escrow
Schedule 8.16 (a)—Material Customers
Schedule 8.16(b)—Material Suppliers

Reliable Racing - Assets

All Inventory and Equipment

Group: INSIDE EDGE EQUIPMENT

2 DECKS & CHAIRS
MOTOR
VCR
SIGN
SIGN
SHELVES
FURNITURE
SHELVES
PRINTER
CARPET
TRACK LIGHTS
FURNITURE
3 OFFICE CHAIRS
CHAIRS
DISPLAYS
TRACK LIGHTS
SKITUNER
PARTS WASHER
COUNTER
4 DRAWER FILE
DUST CONTROL UNIT
MONTANA SKI TUNER
CAMBELL BALANCING SYS
OVERHEAD BIKE RACK
DISPLA Y RACK
SECOTTA SIZING SYCLE
DISPLAY WALL
MINI POWER PUMP W/A C
AWNING
POWER PADS
SHOWCASES
ICE EDGE MACHINE
TENT CANOPY
ICONS
SENSORMATIC
MONT ANA STONE GRINDER
RACKS\SLATW ALL\SHELVING
BIKE DISPLAY RACKS
SHEL VING/SLOTW ALL
TV
STEREO TUNER
SAFE
FIXTURES HAT HOLDER
FIREPROOF SAFE
HEAT MACHINE - FTPRNT
MIKE BAIRD SIGNS
SWIX SPORT WHEEL

SEARS - TOOL CHEST
SOUTHERN SKI TOOLS
SOUTHERN SKI TOOL
STEREO SYSTEM
DATA CAP
SUPER FLEET MACHINE
STONE GRINDER MACHINE
Lamar Companies - Sign for Billbor
11/15/99
SIGN PANEL
WINTERSTEIGER W AXJET
TWO OMNI TERMINALS
6" BELT WITH STAND
HOTBOX
RESIN BELT
TRIONE SHARPENING TOOL
STONE GRINDER
INSIDE EDGE EQUIPMENT

Group: RELIABLE RACING EQUIPMENT

Warehouse:

SHELVING
DRILL
HAND TRUCK
SPRAYER
SILK SCREEN EQUIPMENT
2 PRESSES AND VISE
WASHER
TAPE SHOOTER, SEALER
GENERATORFORCHALLG
DRILLS WITH 1.75 BIT
MRKINGGUN
TAPPING MACHINE
ELECT & CALC SCALES
TAPE DISPENSERS
SHELVING
5 HEAVY DUTY SHELVES
HYDRALLIC PALLET TRK
SHELVING
OPEN SHELF TRUCK
FLUSH DECK DOLLY
TAPE DISPENSERS
SEARS DRILL
TOOLS - PETERSON RM
SHELVING
4 CONVEYERS
2 OPEN SHELVING
88 SHELVING
2 TAPE DISPENSERS
SHELVES 5 FRAMES
SHELVES 3 FRAMES
SHELVES 18 BEAMS
SHELVES 12 BEAMS
4 TAPE DISPENSERS
1 TAPE DISPENSER
PAINT STORAGE CABINET
PUNCH TOOL
SCALE
2 LADDERS
SHELVING
2-LS4004 SCANNER
WAREHOUSE SHELVING
3 TAPE DISPENSERS
6 LADDERS
SHELVING MATERIAL
WHAREHOUSE SHELVING
WHAREHOUSE SHELVING
BUNZL EXTRUSION TOOL
Teal's Express
Global Equip.- Shelving
Global Equip. - Shelving
global equip. - shelving

Furniture:

FILE CABINET
CHAIRS
CABINETS
AIR CONDITIONER
FURNITURE
FURNITURE
FILES
OFFICE FURNITURE
OFFICE EQUIPMENT
TYPEWRITER
OFFICE FURNITURE
OFFICE EQUIPMENT
DESK, FILES
DESK, FILES
VIDEO CENTER - T.Y.
VARIOUS EQUIPMENT
OFFICE FURNITURE
VCR
STEREO SYSTEM
2 AIR PURIFIER MACHINES
14 OFFICE CHAIRS
TVNCR
SEARS TVNCR
OFFICE FURNITURE
2 CHAIRS - CHARLIES
12 CHAIRS
OFFICE DESK SHELVES
MAGNA VOX VCR
DESK
FILING CABINETS

Tooling/Molds

MOLD
STEEL MOLD 16 HEAD
2 STEEL MOLDS 16 HED
TOOLING
POLYMER TOOLING MOLD
MOLDS-POLYMER
TOOLING MOLD
TOOLING MOLD
CA V PLASTIC MOLDS
CAVALLERO MOLD
CAV TOOLING MOD
CAV TOOLING MOD
CAV TOOLING MOD
CAVALLERO PLASTICS #3269
CAVALLERO PLASTICS - 27MM ADAPTER
CAVALLERO PLASTICS #3263ADAPTER
CAVALLERO PLASTIC GATE PANEL BUTTON

global equip- equipment
WAREHOUSE SHELVING
BARCODE TAG AND LABEL PR
PANASONIC DRILL

Computer/Electronics:

COMPUTER TERMINAL
COMPUTER SYSTEM
COMPUTER SYSTEM
COMPUTER TOOLING
COMPUTER TOOLING
COMPUTER TERMINAL
COMPUTER PRINTER
COMPUTER UPGRADE
COMP UPGRADE & KEYB
COMPUTER & PHONE
LASER PRINTER
HP DISK SPACE
LThffiiNWACTPRINTER
USA FLEX TNC - COMPUTER
COMPUTER EQUIPMENT
MORTECH UPGRADE
GENSIS SOFTWARE
FAX MACHINE
PQS SOFTWARE SYSTEM
ADAGE DATABASE
MORTECH MEMORY PACK
HPLASERJET
CABLES AM
PC CONNECTION COMPUTER
IODATA S TERMINALS
COMTRAD COMPUTER
CABLES AM
MORTECH
SYMQUEST DRIVE
88MG SYMQUEST DRIVE
200MB SYMQUEST
COGNOS
MORTECH UPGRADE
WORD PROCESSOR
COMPUTER IMAGE 2 PWR
MORTECH 4GBSCSI
HP FAX/PRINTER
CABLES AM
DATACOMM-NTPRNT 1000
HPDESKWTR 680C
POWER SUPPLY
CONAM-NETWORK
COMP NETWORK
1 LS 4004 SCANNER
SOFTWARE UPGRADE
6.0 SYS PACK&10
FAX/COPIER
NETWORK & MODEM

CAVALLERO PLASTICS 25MM SHAFT
TOOLING COSTS-CAVALLERO
MALE BUSHTING-CAVALLERO
27MM SHAFT ADAPTER
27MM SHAFT ADAPTER
TOOLING - BY CAVALLERO PL
ALL-FAB (MOLD)
TOOLING-KNUCLUES FLEX
CAVITY COMP. FG BUSHG
CAVITY FOR FG BUSHING
TOOLING FOR TOP CA
KNUCKLES FOR FG FLEX
CAVITY FOR FG BUSHNG
KNUCKLES FOR FG FLEX
MOD FOR TOP FG BUSHG
CAVITY FOR FG FLEX
BOTIOM FG BUSHING
PLASTICS TOOLING
PALM BEACH PLASTICS
ALUMINUM GATE KEY
TOOLING COSTS FOR SINGLE (
TOOLING COST FOR TENDON
TOOLING COST TO 27MM SHAFT
TOOLING COST FOR DIE UPGR
ALL-FAB TOOLING MODIFICATION
Tooling Costs - Misc
Tooling Costs - Medal
TOOLING
TOOLING - PLASTIC
TOOLING - PLASTICS
TOOLING
TOOLING -53751
TOOLING -54807
POLE ADAPTER
TOOLING-ETCHED STEEL PLAI
TOOLING FOR ADAPTER
TOOLING - MODIFY MOLD
TOOLING FOR PRODUCTION
TOOLING - FEATHERBASE
TOOLING - MODIFY MOLD
TOOLING - MODIFY MOLD
TOOLING - MODIFY MOLD
TOOLING - FELTON
MODIFY MOLD - 27MM SHAFT ADAPT,
FEATHERBASE

Misc:

Photo Studio
CAMERA LENSE
DIGITAL CAMERA
DIGITAL CAMERA
PAD PRINT MACHINERY

NETWORKENG
3000 CONN W/ REFLECTNS
REFLECTIONS W/NSVT
MICRO SYS-LAPLINK
MONITOR
DATA COMM WAREHOUSE
SONY 17 MONITOR
UPGRADE USER TO 40
NETWORKING
NETWORK MATERIAL
COMPUTER COMPONENT
MAC MICRO EX6683
MAC MICRO CAT 5 CABLES
SINGLE SERVER CD-ROM
MSFT WORD 6.0.1
MTQ53717 MONITOR
MAC-MICRO DR127
SEAGATE BARRACUDA
9 GIG SEAGA TE
MEM USER & CACHE
POWERMAC W/ MONITOR & SCANNER
GRAFIKA -COMPUTER & PERIPHALSs
SUPER COOLSCAN 2000 MAC
PREMIO APPOLLO PIII700 COM
PREMIO NT FILE SERVER
OSICOM FRAME RELAY TI
PREMIO PII1733 COMPUTER
D-UNK PORT HUB
EINSTEIN -PRIMIER ECOMMER
Computer - Gateway 500S
Computer - Macintosh iMac
Kyocera Mita Copier
HP COLOR LASERJET 5550 DN 1
COMPUTER - OPTIPLEX 755 MU
COMPUTER- OPTIPLEX 745C M
COMPUTER - OPTIPLEX 330 MU
COMPUTER - VOSTRO 1500
SERVER SYSTEM
COMPUTER
COMPUTER SOFTWARE
COMPUTER

LOGO PLATE
COMPRESSOR
AIR COMPRESSOR
AWNING
DRAW DIE-REACTION SP
MISC EQUIP ACTION
SHOW DISPLAY
DESIGN FUNCTION
TELEPHONE UPGRADE
SMALL FURNACE
TWO- WAY RADIOS
BOOT PRESS WITHATTACHME
BOOT EXPANDERS
STAPLE SET
STAMP KIT

Reliable Racing - Assets

GROUP: VEHICLES

2006 CHEVY VAN

Patents & Trademarks

Japanese Trademark - Break-A-Way (abandoned)
Canadian Trademark - Break-A-Way
"Sof-Pole" Delineator Pole (abandoned)
Tee Sentry-Canadian Trademark
Porta-Flex US trademark
Gate Panel Attachment (abandoned)
Rapidgate trademark
Japanese Reliable Renewal
Japanese Break Away Renewal (abandoned)
Patent - Hexagonal Shape Slalom Pole Base (Featherbase)
Japanese Trademark Renewal (abandoned)
Japanese TM Renew (abandoned)
US Patent Application Renewal - Featherbase
US Patent Application Renewal - Featherbase
Japanese TM Reg Renewal Reliable Racing
US TM Reg Renewal Reliable Racing Supply
US TM "Featherbase"
US TM Reg Renewal "Event Fence"
US TM Reg Renewal "Fairway Feel"
US TM Reg Renewal "Break-A-Way"
Porta-Flex Trademark Renewal
US TM Reg Renewal Break-A-Way
Canadian Featherbase Trademark
Eur Trademark Break-A-Way
Canadian Trademark Break-A-Way
Eur Trademark Featherbase
US TM "Reliable Racing"
Canadian TM "Reliable Racing"
US Trademark Pole Anchor & Sk
Rapidgate
Registration Fee Featherbase

0.16
(2)

Customers__2015__2016

Account-no	Name	Address
388167	*APEX CAPITAL	59 WEST MTN ROAD
95438	*ASPEN VALLEY SKI CLUB	300 AVSC DRIVE
83557	*BEAR CREEK MOUNTAIN RESORT	101 DOE MOUNTAIN LANE
268165	STEPHEN*BELL	1614 MAIN ST
88106	*BLUE MOUNTAIN SKI AREA	PO BOX 216
166855	*BREEDER'S CUP LIMITED	2525 HARRODSBURG RD STE 500
118103	*BUCK HILL SKI AREA	15400 BUCK HILL RD
16169	*BURKE MOUNTAIN ACADEMY	PO BOX 78
231879	THE*CANYONS RESORT	390 INTERLOCKEN CRESCENT
81671	*CATAMOUNT SKI AREA	PO BOX 639
228916	*DOUBLE H HOLE IN THE WOODS	97 HIDDEN VALLEY RD.
393620	GRIFFIN*GONZALEZ	9037 DRUMCLIFF LN
318872	DAVID*GREGORY	PO BOX 780
370255	CHARLIE*HANDLEY	615 SLEEPY HOLLOW LANE
92221	*HEAVENLY VALLEY SKI RESORT	SUITE 7000
78761	*HOLIDAY VALLEY RESORT	PO BOX 370
79608	*HUNTER MOUNTAIN SKI BOWL	BOX 295
174695	*IDITAROD TRAIL SLED DOG CLUB	PO BOX 870800
8301	*JIMINY PEAK RESORT	37 COREY ROAD
392309	*LANDER COMMUNITY FOUNDATION	PO BOX 1131
234162	*LOVELAND RACING CLUB	PO BOX 1032
8574	*MOUNTAIN HIGH SKI AREA	PO BOX 3010
8302	*NASHOBA VALLEY SKI AREA	PO BOX 309
371458	*NYSEF GORE	PO BOX 200
8372	*ORDA	2634 MAIN ST
393165	*PARALYMPIC ALPINE	3274 PALLADIAN DRIVE
392396	*PERFORMANCE GENETICS LLC	400 QUEENSWAY DRIVE
8490	*POWDER RIDGE SKI AREA	PO BOX 339
242827	*RUN VERMONT	1 MAIN ST
393225	THOMAS*SCHAAF	501 WEST 24TH AVE
392851	TIM*SCHRADER	1702 SUMMER HILL COURT
33043	*SEVEN SPRINGS MOUNTAIN RESOR	777 WATERWHEEL DR
8341	*SMUGGLERS NOTCH SKI AREA	4323 VT ROUTE 108 S
384660	*SNOCOUNTRY	10 WATER STREET SUITE 300
78861	KEN*SOWLES	76 ST PAUL ST
393248	*SPECIAL OLYMPICS CHICAGO	RILEY BOWLIN
85406	*STRATTON MTN. SCHOOL	WORLD CUP CIRCLE
336203	*SUGAR BOWL SKI TEAM & ACADEMY	PO BOX 68
8585	*SUGARBOWL SKI CORP	PO BOX 5
8328	*SUGARLOAF USA	5092 SUGARLOAF ACCESS RD
81462	*SUNDAY RIVER SKIWAY CORP	PO BOX 4500
337895	*TEAM SUMMITT	PO BOX 3307
363154	*THE LOPPET FOUNDATION	1301 THEODORE WIRTH PARKWAY
7989	*THREE RIVERS PARK DISTRICT	3000 XENIUM LANE
393111	*TOWN OF PITTSFORD	PO BOX 10
393124	*ULTIMATE WINDOW & DOORS	225 ALISON BLVD UNIT H
364036	*UNIVERSITY OF COLORADO	369 UCB
90520	*USSA	PO BOX 100
82261	THE*VAIL CORPORATION	390 INTERLOCKEN CRESCENT
392822	ALAN*WATSON	5 BEAR ORCHARD RD
8520	*WINTER PARK RESORT	1621 18TH ST SUITE 300

Customers__2015__2016

8475 *ALPINE VALLEY RESORT	PO BOX 615
8532 *ASPEN SKIING COMPANY	PO BOX 1248
124844 *BIG SKY SKI EDUCATION FOUNDAT	PO BOX 160134
85376 *CANNONSBURG SKI AREA & SHOP	PO BOX 19
95192 *CARRABASSETT VALLEY ACADEMY	3197 CARABASSETT DRIVE
393221 *CATSKILL MOUNTAIN SERIES	PO BOX 244
171657 *CHURCHILL DOWNS	700 CENTRAL AVE
370587 LIANA*DESIO	23A CASTLE ROAD
8489 *GIANTS RIDGE GOLF & SKI RESOR	PO BOX 190
392274 *GIRLS ON THE RUN	PO BOX 5167
390593 *GONDOLA SNOWSPORTS	185-8 AZA YAMADA KUTCHAN-CHO
7333 *GREEN MTN. VALLEY SCHOOL	271 MOULTON ROAD
8098 *INTRAWEST SHARED SERVICES A/P	1621 18TH STREET, SUITE 300
83706 *JACKSON HOLE SKI & SNBRD CLUB	PO BOX 461
392561 *KIEWIT	1660 N ELM ST
213606 *KILLINGTON LTD	4763 KILLINGTON RD
355286 BRUCE*KNOEPFEL	38 COOLIDGE LANE
80603 *LITTLE SWITZERLAND SKI AREA	105 CEDAR CREEK RD
362397 *LOUP SKI TEAM	PO BOX 246
8575 *MAMMOTH MOUNTAIN	PO BOX 24
159235 *MOUNT PETER SKI AREA	PO BOX 425
215605 *MOUNT SNOW LTD	PO BOX 2805
311448 *NANTAHALA OUTDOORS CENTER	13077 HWY 19 WEST
391848 *NCAA	PO BOX 6222
357943 *NEW ENGLAND SKI AREA COUNCIL	PO BOX 505
83308 *NORTHSTAR CALIFORNIA	390 INTERLOCKEN CRESCENT
97472 *NYSEF	PO BOX 300
78801 *OKEMO MOUNTAIN CORP	77 OKEMO RIDGE RD
8367 *ORDA	PEACEFUL VALLEY RD
88688 *PARK CITY MOUNTAIN RESORT	VR CPC HOLDINGS STE 7000 390 I
90439 *PARK CITY SKI ED. FOUND	PO BOX 118
259916 *RJS PROMOTIONS	80 SKYLINE DR
271111 ANDREW*RODMAN	HUNT HOLLOW RACE TEAM
239945 *SNOWBIRD SKI TEAM	10747 SO. HIDDEN RIDGE LN
8427 *SNOWSHOE MOUNTAIN RESORT	1621 18TH ST
244474 *SPECIAL OLYMPICS COLORADO	384 INVERNESS PARKWAY STE 100
83967 *SPECIAL OLYMPICS MICHIGAN	CENTRAL MICHIGAN UNIVERSITY
210570 *SPECIAL OLYMPICS NEW JERSEY	1 EUNICE KENNEDY SHRIVER WAY
8214 *SQUAW VALLEY SKI CORP	ATTN: ACCOUNTING DEPARTMENT
79619 *STRATTON MOUNTAIN CORP	5 VILLAGE LODGE RD
227267 *VAIL RESORT	390 INTERLOCKEN CRESCENT
366197 DR. PHIL*WAGNER MD	165A CONSTITUTION DRIVE
367586 *WATERVILLE VALLEY ACADEMY	PO BOX 270
263198 *WILLARD MOUNTAIN SKI CLUB	77 INTERVALE ROAD
7139 *WILLIAMS COLLEGE	22 SPRING STREET
192839 *BEACON ATHLETICS	8233 FORSYTHIA ST #120
183141 TODD*REBHAN	442 ROD AND GUN
380543 *FALLLINE CORPORATION	4625 AIRCENTER CIRCLE
221208 *OMNI PROMOTIONAL	1558 CHERRY ST.
162510 TOWN OF*COLONIE	PO BOX 508
96136 *DORSET FIELD CLUB	PO BOX 368
392742 *SPRINGFIELD GOLF CLUB	90333 SUNDERMAN RD

Customers__2015__2016

386665	*CHAMPAIGN COUNTRY CLUB	1211 SOUTH PROSPECT AVE
78728	*BRISTOL MOUNTAIN SKI AREA	5662 ROUTE 64
392807	*BYLER HOLDINGS	201 IRON VALLEY DRIVE
88051	*CHRISTMAS MOUNTAIN VILLAGE	S944 CHRISTMAS MOUNTAIN RD.
91014	*NORDIC VALLEY SKI AREA	PO BOX 193
196601	*THUNDER RIDGE SKI AREA	137 BIRCH HILL ROAD
338746	RONALD J *LAHOUT	357 MANNS HILL RD
392864	*NORTHERN ENERGY SERVICES	78 WEST MAIN ST.
392725	WILLIAM T *SCOTT	1241 KENNEDY STREET
88194	*SHAWNEE PEAK AT PLEASANT MT	119 MOUNTAIN RD
365747	*B-STEDT OF SWEDEN AB	693 92 DEGERFORS
136259	*KNICKER BOCKER TRADING HOUSE	2-4-7 MINAMISHIMIZUCHO
257839	*LISKI S.R.L	VIA VENETO,8-1-24041
392602	*WANAKA SKI RACING LTD	WANAKA LAKE 9305
378650	*FRANDL SPORTS	WINDSCHNURWEG 6
170577	*LES DISTRIBUTIONS SECURI-SPOR	2055 RUE BRANLY
298504	*SKI CATALOGUE	980 RUE CHAMPETRE
345512	*WINTS	SONGA-GO
392109	*WEBSCORER INC	4425 84TH AVE SE

Customers__2015__2016

City	State	Zip	Purchase \$
QUEENSBURY	NY	12804	\$12,192.00
ASPEN	CO	81611	\$9,567.00
MACUNGIE	PA	18062	\$4,773.00
KENTS HILL	ME	04349	\$4,042.00
PALMERTON	PA	18071	\$22,491.00
LEXINGTON	KY	40504	\$4,528.00
BURNSVILLE	MN	55306	\$12,278.00
EAST BURKE	VT	05832	\$7,224.00
BROOMFIELD	CO	80021	\$40,551.00
HILLSDALE	NY	12529	\$11,873.00
LAKE LUZERNE	NY	12846	\$7,887.00
DALLAS	TX	75231	\$4,988.00
INTERVALE	NH	03848	\$4,513.00
BANNER ELK	NC	28604	\$6,743.00
BROOMFIELD	CO	80021	\$12,051.00
ELLICOTTVILLE	NY	14731	\$7,967.00
HUNTER	NY	12442	\$4,478.00
WASILLA	AK	996870	\$15,502.00
HANCOCK	MA	01237	\$4,601.00
LANDER	WY	82520	\$5,189.00
GEORGETOWN	CO	80444	\$5,687.00
WRIGHTWOOD	CA	92397	\$4,481.00
WESTFORD	MA	01886	\$5,827.00
NORTH CREEK	NY	12853	\$4,038.00
LAKE PLACID	NY	12946	\$6,236.00
HOPE ISLAND QLD 4212	FN	*1007	\$8,382.00
LEXINGTON	KY	40502	\$6,170.00
KIMBALL	MN	55353	\$10,348.00
BURLINGTON	VT	054010	\$7,115.00
SPOKANE	WA	99203	\$6,328.00
ROSEVILLE	CA	95661	\$5,289.00
SEVEN SPRINGS	PA	15622	\$8,600.00
JEFFERSONVILLE	VT	05464	\$7,047.00
LEBANON	NH	03766	\$4,412.00
BURLINGTON	VT	05401	\$7,234.00
CHICAGO	IL	60653	\$5,388.00
STRATTON MTN.	VT	05155	\$8,567.00
NORDEN	CA	95724	\$7,481.00
NORDEN	CA	95724	\$10,315.00
CARRABASSETT VALLEY	ME	04947	\$58,022.00
NEWRY	ME	04261	\$6,317.00
COPPER MOUNTAIN	CO	80443	\$4,489.00
MINNEAPOLIS	MN	55422	\$5,395.00
PLYMOUTH	MN	55441	\$6,220.00
PITTSFORD	VT	05763	\$4,364.00
FREDRICTON	NB	E3C2S5	\$6,393.00
BOULDER	CO	80309	\$11,805.00
PARK CITY	UT	84060	\$33,421.00
BROOMFIELD	CO	80021	\$70,804.00
WINTHROP	WA	98862	\$4,507.00
DENVER	CO	80202	\$8,677.00

Customers__2015__2016

EAST TROY	WI	53120	\$9,567.00
ASPEN	CO	81612	\$6,067.00
BIG SKY	MT	59716	\$4,576.00
CANNONSBURG	MI	49317	\$6,571.00
CARRABASSETT VALLEY	ME	04947	\$4,142.00
HUNTER	NY	12442	\$4,781.00
LOUISVILLE	KY	40208	\$6,406.00
NORTHBOROUGH	MA	01532	\$4,100.00
BIWABIK	MN	55708	\$10,893.00
WEST COLUMBIA	SC	29171	\$7,198.00
HOKKAIDO	FN	*1096	\$12,166.00
WAITSFIELD	VT	05673	\$24,095.00
DENVER	CO	80202	\$5,469.00
JACKSON HOLE	WY	83001	\$6,202.00
WAHOO	NE	68066	\$7,750.00
KILLINGTON	VT	05751	\$8,333.00
DEDHAM	MA	02026	\$4,425.00
SLINGER	WI	53086	\$4,244.00
TWISP	WA	98856	\$4,969.00
MAMMOTH LAKES	CA	93546	\$10,473.00
WARWICK	NY	10990	\$10,912.00
WEST DOVER	VT	05356	\$11,697.00
BRYSON CITY	NC	28713	\$4,363.00
INDIANAPOLIS	IN	46206	\$14,199.00
LEBANON	NH	03766	\$6,109.00
BROOMFIELD	CO	80021	\$8,854.00
WILMINGTON	NY	12997	\$8,894.00
LUDLOW	VT	05149	\$10,030.00
NORTH CREEK	NY	12853	\$5,407.00
BROOMFIELD	CO	80021	\$21,000.00
PARK CITY	UT	84060	\$11,124.00
PLAINVIEW	NY	11803	\$6,027.00
ROCHESTER	NY	14625	\$6,736.00
SANDY	UT	84092	\$4,418.00
DENVER	CO	80202	\$7,760.00
ENGLEWOOD	CO	80112	\$8,617.00
MOUNT PLEASANT	MI	48859	\$5,078.00
LAWRENCEVILLE	NJ	08648	\$5,428.00
OLYMPIC VALLEY	CA	96146	\$20,279.00
STRATTON MOUNTAIN	VT	05155	\$15,892.00
BROOMFIELD	CO	80021	\$5,862.00
MENLO PARK	CA	94025	\$7,360.00
WATERVILLE VALLEY	NH	03215	\$4,299.00
GREENWICH	NY	12834	\$5,081.00
WILLIAMSTOWN	MA	01267	\$5,521.00
MIDDLETON	WI	53562	\$17,438.00
LUDLOW	VT	05149	\$4,818.00
RENO	NV	89502	\$22,883.00
LOUISVILLE	CO	80027	\$21,230.00
NEWTONVILLE	NY	12128	\$7,096.00
DORSET	VT	05251	\$17,838.00
SPRINGFIELD	OR	97478	\$5,925.00

Customers__2015__2016

CHAMPAIGN	IL	61820	\$6,457.00
CANANDAIGUA	NY	14424	\$5,729.00
LEBANON	PA	17042	\$35,613.00
WISCONSIN DELLS	WI	53965	\$7,444.00
EDEN	UT	84310	\$4,225.00
PATTERSON	NY	12563	\$16,236.00
LITTLETON	NH	03561	\$4,536.00
NORTHBOROUGH	MA	01532	\$91,901.00
RIB LAKE	WI	54470	\$8,220.00
BRIDGETON	ME	04009	\$6,080.00
HAKANBOL STATION	FN	*1178	\$309,510.00
5900005 OSAKA	FN	*1096	\$7,751.00
BREMBATE(BG)	FN	*1093	\$11,894.00
WANAKA	FN	*1135	\$10,164.00
5081 ANIF-NIEDERALM	FN	*1008	\$136,013.00
STE-FOY	PQ	G1N4C7	\$21,799.00
STE. ADELE	PQ	J8B1T3	\$143,005.00
SEOUL	FN	*1152	\$6,335.00
MERCER ISLAND	WA	98040	\$4,039.00

8.1(kb)

Material Suppliers

Vendor Name	Date from 4/1/14 - 3/31/15	Date from 4/1/15 - 3/31/16
A-PLAST AB		57,891.00
ACCELL NA (RALEIGH)	21,543.00	23,130.95
ADVANCED SPORTS (FUJI)	9,894.00	10,389.00
ALGE TIMING GMBH	27,141.00	15,849.43
ALPINA SPORTS CORP	13,154.00	7,495.09
AMER. SPORTS	33,243.00	38,609.57
ANOMALY ACTION SPORT	10,602.00	
ARTISANS	295,372.00	283,065.51
B&A MANUFACTURING	10,700.00	18,749.93
BAYCO GOLF	5,429.00	
BO-TEX SALES	63,447.00	40,119.00
C3 WORLDWIDE	8,074.00	
CAVALLERO PLASTICS	163,820.00	192,153.26
CC WINTERSPORT LLC	5,406.00	7,405.50
CHRISTENSEN NET	27,183.00	12,237.00
CI-FABRICS	6,576.00	
CONFSPORT	9,253.00	
CRAFTED PLASTICS	91,034.00	23,366.26
CTR INC	10,593.00	6,763.00
CYCLONE BICYCLE SUPPLY (ACTION BICYCLE)	5,722.00	8,365.62
DAKINE INC	5,766.00	5,862.12
DESCENTE NA	15,869.00	8,110.00
ELECTRIC CITY PRINTING	78,752.00	102,196.08
ERIN ROPE	3,725.00	5,735.00
ESCALADE SPORTS	10,033.00	16,699.12
FELT RACING	514.00	16,612.00
FELTON BRUSH	113,660.00	185,675.94
FLEXSTAKE	4,037.00	3,946.30
GBG SPYDER	65,124.00	61,877.73
GENPLEX, INC	54,844.00	85,049.02
GRASSWORX, LLC	12,021.00	15,334.84
HELLY HANSEN	6,897.00	
HERDEZ CORP	-	3,362.00
HESTRA GLOVES LLC		7,756.43
IMPLUS CORP	6,149.00	
INTERCABLE SRL	22,213.00	20,229.00
JA CISSEL MFG.	8,590.00	
JENEX, INC	5,785.00	
JP MORGAN (MARKER/VOLKL/DALBELLO)		9,218.69
JR MATS, INC	49,094.00	30,844.33
LOUIS GARNEAU	4,820.00	4,705.00
NETTEXX	7,462.00	9,644.71
NEW AGE INDUSTRIES	7,534.00	4,536.00
OMNI PROMOTIONAL	4,242.00	3,667.76
POC USA LLC	26,079.00	
PRECISION COMPOSITES	4,113.00	2,751.00
QUALITY BICYCLE	6,599.00	3,192.00

REUSCH SNOWSPORTS	13,189.00	
RIDAN COMPOSITES	5,779.00	11,972.00
SALOMON	9,596.00	
SECURI SPORT	15,229.00	18,141.40
SOLE TECHNOLOGY INC		7,982.28
STANEK NETTING	4,538.00	8,482.60
SUN VALLEY SKI TOOLS	7,398.00	5,654.40
SWIX SPORT	156,380.00	79,244.26
SYNC	17,301.00	9,025.27
TAG-HEUER SA	78,704.00	61,308.70
TIANJIN YUEJIA	6,075.00	31,197.79
TRANSPACK	5,541.00	2,509.00
UVEX SPORTS	8,671.00	5,232.90
VEMO SPORTS	7,705.00	14,078.61
VER SALES	8,692.00	15,388.64
VOLA	7,481.00	34,206.47
WINTERSTEIGER	11,619.00	5,241.31
WRIGHT SIGNS	23,104.00	23,452.17
YAKIMA PRODUCTS	7,446.00	3,195.00

EXHIBIT B

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

In re:

RELIABLE RACING SUPPLY, INC.

Case No. 16-10619
Chapter 11

Debtor.

**ORDER PURSUANT TO SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE
(A) AUTHORIZING AND APPROVING ASSET PURCHASE AGREEMENT
INCLUDING APPROVING THE STALKING HORSE AND BREAK-UP FEE; (B)
APPROVING BIDDING PROCEDURES; (C) SETTING HEARING DATE TO
APPROVE SALE OF ASSETS TO SUCCESSFUL BIDDER; AND (D) APPROVING THE
ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND
UNEXPIRED LEASES**

Upon consideration of the motion of Reliable Racing Supply, Inc. (the “Debtor”) for entry of an order pursuant to sections 105 and 363 of the Bankruptcy Code and Bankruptcy Rule 6004: (A) (i) Authorizing the Sale of Substantially All of the Debtor’s Assets, Free and Clear of All Liens, Claims, Interests and Encumbrances, (ii) Authorizing and Approving Asset Purchase Agreement Including Approving the Stalking Horse and Break-Up Fee; and (iii) Authorizing the Debtor to Consummate all Transactions Related to the Proposed Sale; (B) Approving Bidding Procedures and Other Related Relief; and (C) Authorizing Debtor to Assume Certain Executory

Contracts and Unexpired Leases and Assign Such Contracts and Leases to Successful Bidder Pursuant to 11 U.S.C. §§ 365(a), (b) and (c) and Bankruptcy Rule 6006(e)(1) (D.N. ___, the “Motion”);¹ and upon review and consideration of (i) the Motion, (ii) any objections filed with respect thereto, (iii) arguments of counsel and evidence proffered or adduced at the hearing on the Motion held on August 1, 2016 (the “Bid Procedures Hearing”); and (iv) the docket and proceedings in the above-captioned cases (the “Chapter 11 Cases”); and it appearing that the relief requested in the Motion is in the best interests of the Debtor, its estate, creditors, and other parties in interest; and good and sufficient cause appearing therefor, it is hereby:

FOUND AND DETERMINED THAT:²

A. This Court has jurisdiction over the Motion and the transactions contemplated therein pursuant to 28 U.S.C. §§ 157 and 1334, and this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (M) and (O). Venue in this district is proper under 28 U.S.C. §§ 1408 and 1409.

B. Good and sufficient notice of the Motion and the relief sought therein has been given under the circumstances, and no other or further notice is required except as set forth herein. A reasonable opportunity to object or be heard regarding the relief provided herein has been afforded to parties-in-interest.

C. The Debtor has articulated good and sufficient business reasons for this Court to approve the bidding procedures attached hereto as **Exhibit 1** (the “Bidding Procedures”) and the establishment of procedures to fix the cure amounts to be paid under section 365 of the

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion and/or the Bidding Procedures, as applicable.

² Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when applicable. *See* Bankruptcy Rule 7052.

Bankruptcy Code in connection with the assumption, assignment and/or transfer of executory contracts and unexpired leases to the Successful Bidder.

D. The Bidding Procedures are reasonably designed to maximize the value to be achieved for the Assets.

E. Shortened Notice of the Auction and Sale Hearing has already been approved by this Court pursuant to an Order dated July 25, 2016 which also governs the form and substance of the notice to be provided.

F. The entry of this Bidding Procedures Order is in the best interests of the Debtor, its estate, creditors, and other parties-in-interest.

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

1. The Motion is granted as set forth herein.
2. All objections to the Motion relating to the relief provided herein that have not been withdrawn, waived or settled, and all reservations of rights included therein, are hereby overruled and denied on the merits.
3. The Asset Purchase Agreement by and between the Debtor and RR Holdings, LLC (“RR Holdings”) dated as of July 25, 2016 attached hereto as Exhibit 2 (the “Purchase Agreement”) is hereby approved.
4. RR Holdings is approved as the stalking horse bidder with a purchase price of \$375,000.00. The bidding protections requested by RR Holdings including the break-up fee in the amount of \$25,000.00 is hereby approved.
5. The Bidding Procedures, in substantially the form attached hereto as Exhibit 1, are hereby incorporated herein and approved, and shall apply with respect to the sale of the

Assets. The Debtor is authorized to take all actions necessary or appropriate to implement the Bidding Procedures.

6. As further described in the Bidding Procedures, the deadline for parties other than RR Holdings and TD Bank to submit bids for the Assets (the "Bid Deadline") is **August 9, 2016 at 4:00 p.m.** (prevailing Eastern Time). No bid shall be deemed to be a Qualified Bid (as defined in the Bidding Procedures) or otherwise considered for any purposes unless such bid meets the requirements set forth in the Bidding Procedures.

7. If any Qualified Bid with respect to all of the Assets, other than RR Holdings' stalking horse bid, has been received on or prior to the Bid Deadline, the Debtor shall conduct an auction (the "Auction") with respect to the Assets on **August 11, 2016 at 1:00 p.m. (prevailing Eastern Time)** at the at the Bankruptcy Court, 445 Broadway, Suite 330, Albany, New York 12207, or at such other time and place as the Debtor may notify the participating parties.

8. The Sale Hearing shall be held before this Court on **August 11, 2016 at 1:00 p.m.** (prevailing Eastern Time) if there is no Auction, and in the event of an Auction, the Sale Hearing shall take place immediately following the Auction.

9. The Debtor is authorized to assume and assign the executory contracts or unexpired lease identified by the Successful Bidder in its Purchase Agreement. To the extent the Successful Bidder excludes an executory contract or unexpired lease from the agreements it wishes to assume, the Debtor shall notify the party in writing of the exclusion. To the extent that any counterparty to an executory contract is entitled to cure payment as described in 11 U.S.C. § 365, the Debtor will negotiate the amount and form of such payments with the counterparty prior to the Sale Hearing.

10. Except as otherwise provided in this Bidding Procedures Order, the Debtor reserves the right as it may reasonably determine to be in the best interests of its estate, subject to conformity with the Bidding Procedures to: (a) determine which bidders are Qualified Bidders; (b) determine which bids are Qualified Bids; (c) determine which Qualified Bid is the highest and best proposal and which is the next highest and best proposal; (d) reject any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bidding Procedures or the requirements of the Bankruptcy Code, or (iii) contrary to the best interests of the Debtor and its estate; (e) remove some of the Assets from the Auction; (f) waive terms and conditions set forth herein with respect to all potential bidders; (g) impose additional terms and conditions with respect to all potential bidders; (h) extend the deadlines set forth herein; (i) adjourn or cancel the Auction and/or Sale Hearing in open court without further notice; and (j) modify the Bidding Procedures as the Debtor may determine to be in the best interest of its estate or to withdraw the Motion at any time with or without prejudice.

11. Any objections to the sale of the Assets, or to the balance of the relief requested in the Motion and not granted in this Bidding Procedures Order must: (a) be in writing; (b) comply with the Bankruptcy Rules and the Local Rules; (c) be filed with the Clerk of the Bankruptcy Court for the Northern District of New York, Albany Division, on or before 4:00 p.m. (prevailing Eastern Time) no later than three (3) days prior to the date of the Sale Hearing; and (d) be served so as to be received no later than 4:00 p.m. (prevailing Eastern time) on the same day, upon (i) Debtor, c/o Lemery Greisler LLC, 50 Beaver Street, Albany, New York 12207, Attn: Paul A. Levine, Esq.; (ii) RR Holdings, LLC c/o Primmer Piper Eggleston & Cramer PC, 150 Champlin Street, P.O. Box 1489, Burlington, Vermont 05402; (iii) TD Bank, c/o Phillips Lytle LLP, 30 South Pearl Street, Albany, New York 12207, Attn: Todd A. Ritschdorff, Esq.;

(iv) WCLDC, c/o Harris Beach PLLC, 333 West Washington Street, Suite 200, Syracuse, New York 13202, Attn: Kelly Griffith, Esq.; and (v) the United States Trustee. All objections must state with specificity the nature of such objection and will be heard by the Court at the Sale Hearing.

12. The stays provided for in Bankruptcy Rules 6004(h) and 6006(d) are waived and this Bidding Procedures Order shall be effective immediately upon its entry.

13. Notice requirements in connection with this Bid Procedures Order and the sale are set forth in Order granting the Debtor's motion to shorten notice.

14. This Court shall retain jurisdiction over any matters related to or arising from the implementation of this Order.

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EXHIBIT 1

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

In re:

RELIABLE RACING SUPPLY, INC.

Case No. 16-10619
Chapter 11

Debtor.

BIDDING PROCEDURES FOR THE SALE OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF RELIABLE RACING SUPPLY, INC.

Set forth below are the bidding procedures (the “Bidding Procedures”) to be employed with respect to the proposed sale (the “Proposed Sale”) of substantially all of the assets (the “Assets”) owned by debtor Reliable Racing Supply, Inc. (the “Debtor”). The Proposed Sale is subject to competitive bidding as set forth herein and approval by the United States Bankruptcy Court for the Northern District of New York (the “Bankruptcy Court”) pursuant to Sections 363 and 365 of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). All capitalized terms shall have the meaning ascribed to them in that certain form Asset Purchase Agreement (the “Purchase Agreement”) approved by the Court in connection with the Proposed Sale.

On July 25, 2016, the Debtor filed the *Debtor’s Motion for Orders Pursuant to Sections 105 And 363 of the Bankruptcy Code and Bankruptcy Rule 6004: (A) (i) Authorizing the Sale of Substantially All of the Debtor’s Assets, Free and Clear of All Liens, Claims, Interests and Encumbrances, (ii) Authorizing and Approving Asset Purchase Agreement Including Approving the Stalking Horse and Break-Up Fee; and (iii) Authorizing the Debtor to Consummate all Transactions Related to the Proposed Sale; (B) Approving Bidding Procedures and Other Related Relief; and (C) Authorizing Debtor to Assume Certain Executory Contracts and Unexpired Leases and Assign Such Contracts and Leases to Successful Bidder Pursuant to 11 U.S.C. §§ 365(a), (b) and (c) and Bankruptcy Rule 6006(e)(1) (D.N. __, the “Sale Motion”).* On July __, 2016, the Bankruptcy Court entered an order approving the Bidding Procedures, as set forth herein.

These Bidding Procedures describe, among other things, the assets available for sale, the form of bids and the manner in which bidders and bids become qualified, the coordination of diligence efforts among bidders, the conduct of the Auction (as defined herein), the ultimate selection of the Successful Bidder (as defined herein) and the Court’s approval thereof (the “Bidding Process”). The Bidding Procedures were developed following consultation with the Debtor’s attorneys. The Debtor will continue to consult with its attorneys, as well as with the prepetition secured lenders, and contract and lease counter-parties, throughout the Bidding Process. In the event that the Debtor and any such constituents disagree as to the interpretation or application of these Bidding Procedures, the Bankruptcy Court shall have jurisdiction to hear and resolve such dispute.

Assets to be Sold

The Assets to be sold include all or substantially all of the Debtor's personal property assets, including, without limitation: all inventory, office furniture, fixtures, equipment and collectibles, all machinery, equipment and vehicles, all intangibles and intellectual property and all other assets not excluded below, including executory contracts. The Assets do not include cash and accounts receivable. The foregoing summary description of the Assets is provided for the convenience of Potential Bidders and is in all regards qualified by and subject to the terms of the Purchase Agreement.

The sale of the Assets will be conducted on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Debtor, its agents or the Debtor's bankruptcy estate, except to the extent set forth in the Purchase Agreement, as approved by the Bankruptcy Court. Except as otherwise provided in such approved Purchase Agreement or in the Bankruptcy Court's order approving the same, the Assets shall be sold to the Successful Bidder free and clear of all liens, claims, interests and encumbrances thereon (collectively, the "Liens"), with such Liens to attach solely to the net proceeds of the sale.

Participation Requirement

In order to participate in the Bidding Process, a person (a "Potential Bidder") must be a "Qualified Bidder." A Qualified Bidder includes RR Holdings, LLC ("RR Holdings") based on its stalking horse bid approved by this Court, and TD Bank to the extent of its rights to bid under 11 U.S.C. § 363(k) and other applicable law, or a person or group of persons:

- (a) who has delivered to the Debtor an executed confidentiality agreement in form and substance acceptable to the Debtor, if they have not already executed and delivered a confidentiality agreement; and
- (b) who has delivered to the Debtor on or before the Bid Deadline (defined below): (i) a Qualified Bid (defined below) and (ii) current audited financial statements, evidence of availability of financing and/or such other financial and/or credit-quality disclosures as may be reasonably requested by the Debtor, all in form and substance sufficient to demonstrate to the reasonable satisfaction of the Debtor that the Potential Bidder has the financial wherewithal to consummate a transaction pursuant to its Qualified Bid.

The Debtor, in consultation with its professionals, shall determine whether a bid qualifies as a "Qualified Bid." To constitute a Qualified Bid, a bid, must be a written irrevocable offer from a Qualified Bidder and:

- (a) propose a purchase price with an initial incremental bid amount of at least \$400,000.00 (*i.e.* \$25,000.00 more than the stalking horse bid) to be paid in **cash**;
- (b) be accompanied by a signed Purchase Agreement, together with a copy marked to show any changes from the form of Purchase Agreement approved by the Court and attached as Exhibit A to the Order approving these Bidding Procedures;

- (c) be accompanied by a good faith deposit in the form of a wire transfer or bank check in the amount of \$40,000.00 or 10% of the purchase price stated in the Purchase Agreement, whichever is greater, to be deposited into an escrow account maintained by Lemery Greisler LLC which deposit will be applied toward the bid amount if the Qualified Bid becomes the Successful Bid (defined below)
- (d) contain a list of the Debtor's executory contracts and unexpired leases with respect to which the bidder seeks assignment from the Debtor and, if the bid is conditioned on the assumption and assignment of such executory contracts and/or expired leases, provide evidence of the bidder's ability to provide adequate assurance of future performance of such contracts or leases;
- (e) provide satisfactory evidence of committed financing or current audited financial statements or other form of financial and/or credit-quality disclosure reasonably sufficient to ascertain such bidder's ability to consummate the sale and not be conditioned on obtaining financing or on the outcome of any due diligence;
- (f) not request or entitle the bidder to any break-up fee, expense reimbursement or similar type of payment;
- (g) fully disclose the identity of each entity that will be bidding for the Assets or otherwise participating in connection with such bid and the complete terms of any such participation;
- (h) be accompanied by a letter from the bidder stating that (i) the proposed bidder agrees, and intends its bid to comply, with the Bidding Procedures and the terms of any order approving the Sale, as well as with such other terms and procedures as may be imposed by the Court or the Debtor at or prior to the Auction, (ii) its Bid shall be irrevocable until a date that is twenty (20) days after the conclusion of the Sale Hearing, (iii) that it believes in good faith that its Bid constitutes a Qualified Bid, (iv) its Bid is not subject to any due diligence or financing conditions.
- (i) be delivered to counsel for the Debtor on or before the Bid Deadline.

As promptly as practicable after a Potential Bidder delivers a bid, the Debtor shall determine, and shall notify the Potential Bidder in writing, whether the Potential Bidder is a Qualified Bidder with respect to the Assets. The Debtor may waive any requirements for Qualified Bidders and/or Qualified Bids.

Bid Deadline

A Potential Bidder that desires to make a bid shall deliver written and electronic copies of its bid so that it is actually received not later than **4:00 p.m. (prevailing Eastern Time) on August 9, 2016** (the "Bid Deadline") by counsel to the Debtor, Lemery Greisler LLC, 50 Beaver Street, Albany, New York 12207 (Attn: Paul A. Levine, Esq., plevine@lemerygreisler.com). The Debtor may extend the Bid Deadline once or successively, but are not obligated to do so. If the Bid Deadline is extended, the Debtor shall promptly notify all known Potential Bidders of such extension.

Due Diligence

Upon a Potential Bidder's execution of a confidentiality agreement in form and substance approved by the Debtor, each Potential Bidder shall be afforded reasonable due diligence access with respect to the Assets prior to the Bid Deadline, from the date of the filing of the Sale Motion to August 9, 2016 (the "Due Diligence Period"). Neither the Debtor nor its representatives shall be obligated to furnish any information of any kind whatsoever relating to the Assets at any time prior to or after the Due Diligence Period. Due diligence access may include access to the Debtor's books and records, on-site inspections of the Assets, and such other matters which a Potential Bidder may request and as to which the Debtor may agree. The Debtor may, in its discretion, coordinate diligence efforts such that multiple Potential Bidders have simultaneous access to due diligence materials and/or simultaneous attendance at management presentations or site inspections. Potential Bidders are advised to exercise their own discretion before relying on any information regarding the Assets provided by anyone other than the Debtor or its representatives.

Each Potential Bidder shall comply with all reasonable requests for additional information by the Debtor or its advisors regarding such Potential Bidder's financial wherewithal to consummate and perform obligations in connection with the Sale. Failure by the Potential Bidder to comply with requests for additional information may be a basis for the Debtor to determine that a bid made by the Potential Bidder is not a Qualified Bid.

By participating in the Auction, each Qualified Bidder shall be deemed to acknowledge and represent that it has had an opportunity to inspect and examine the Assets and to conduct any and all due diligence regarding the Assets prior to submitting its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents in making its bid, and that it did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Assets, or the completeness of any information provided in connection with the Bidding Process except as expressly stated in the relevant Purchase Agreement submitted with its Qualified Bid.

Auction

If any Qualified Bid with respect to all of the Assets, other than RR Holdings' stalking horse bid, has been received on or prior to the Bid Deadline, the Debtor shall conduct an auction (the "Auction") with respect to the Assets. If no other Qualified Bid is received, and TD Bank and WCLDC consent to accept RR Holdings' stalking horse bid, then no Auction shall be held.

Only Qualified Bidders who timely submitted a Qualified Bid, RR Holdings, and TD Bank will be eligible to participate in the Auction. The Auction shall take place on **August 11, 2016 at 1:00 p.m. (prevailing Eastern Time)** at the at the Bankruptcy Court, 445 Broadway, Suite 330, Albany, New York 12207, or at such other time and place as the Debtor may notify the participating parties. The Debtor shall provide copies of all Qualified Bids to RR Holdings, TD Bank, WCLDC, the Office of the United States Trustee and all other Qualified Bidders at least one (1) business day prior to the Auction.

At the commencement of the Auction the Debtor shall announce the Qualified Bid or Bids that they have determined represents the highest or otherwise best bids for the Assets (the "Starting Qualified Bid"). Each Qualified Bidder present at the Auction will be permitted to increase its bid (or in the case of TD Bank, make its initial bid) (such increased Qualified Bid, a "Qualified Overbid"), provided that such Qualified Overbid(s) must exceed the value of the Starting Qualified Bid by at least five thousand dollars (\$5,000.00) or such other bidding increment as the Debtor shall announce at the Auction (the "Bidding Increment"). During the course of the Auction, the Debtor will inform the participants which Qualified Overbid reflects the then-highest or otherwise best offer for the Assets. In its discretion, the Debtor may elect not to consider any subsequent bid received at the Auction unless the bid exceeds the Starting Qualified Bid or then-highest Qualified Overbid by the Bidding Increment.

The Auction may be adjourned from time to time by the Debtor but it shall not be concluded until each Qualified Bidder has had an opportunity to submit a Qualified Overbid with knowledge of the Starting Qualified Bid or then-highest Qualified Overbid, as applicable.

At the conclusion of the Auction, the Debtor will announce the Qualified Bid(s) which they deem to represent the highest or otherwise best bid for the Assets (such bid or bids being the "Successful Bid(s)") and the Qualified Bidder(s) submitting such bid, the "Successful Bidder(s)") and the next highest or otherwise best bid (the "Backup Bid" and the party submitting such bid, the "Backup Bidder(s)").

The Sale Hearing

A hearing to approve the Proposed Sale (the "Sale Hearing") shall be held **immediately following the Auction on August 11, 2016** before the Honorable Robert E. Littlefield, United States Bankruptcy Court for the Northern District of New York, 445 Broadway, Suite 330, Albany, New York 12207. If no Auction is required, the Sale Hearing shall take place on **August 11, 2016 at 1:00 p.m. (prevailing Eastern Time)**.

At the Sale Hearing, the Debtor will seek entry of an order, among other things, authorizing and approving the sale of the Assets to the Successful Bidder.

Following Bankruptcy Court approval of the sale of the Assets to the Successful Bidder(s), if the Successful Bidder(s) fails to consummate an approved sale because of a breach or failure to perform on the part of such Successful Bidder(s), the Backup Bid(s), shall be deemed to be the Successful Bid(s) with respect to the Assets and the Debtor shall effectuate the sale of Assets to the Backup Bidder(s) without further order of the Bankruptcy Court. The Debtor shall retain all rights to the Assets that are not subject to a bid accepted by the Debtor and approved by the Bankruptcy Court. If an Auction is held, the Debtor shall be deemed to have accepted a Qualified Bid only when (i) such bid is declared the Successful Bid (or the Backup Bid) at the Auction, (ii) definitive documentation has been executed in respect thereof, and (iii) the Bankruptcy Court has entered an order approving the sale.

Reservation of Rights

The Debtor reserves all rights to terminate the Bidding Process at any time if the Debtor determines, in its business judgment, that the Bidding Process will not maximize the value of the Debtor's bankruptcy estate. In addition, the Debtor reserves all rights not to submit any bid which is not acceptable to the Debtor for approval to the Bankruptcy Court. The Debtor shall further have the right to amend the rules set forth herein for the Bidding Process or impose such other terms and conditions for the Bidding Process which the Debtor determines, in its business judgment are necessary to fulfill its fiduciary duties, provided that such modifications are not inconsistent with any Bankruptcy Court order. Without limiting the generality of the foregoing, the Debtor may reject at any time before entry of an order of the Bankruptcy Court approving a Qualified Bid, any bid that, in the Debtor's discretion is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code or the Bidding Procedures, or (iii) contrary to the best interests of the Debtor, its estate and creditors.

EXHIBIT 2

**Purchase Agreement attached to Sale
Motion and to be attached to final
Bidding Procedures Order**