

**IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MISSOURI**

In Re:)	In Proceedings Under Chapter 11
)	
8760 SERVICE GROUP, LLC and)	Case No. 17-20454
PELHAM PROPERTY, LLC)	
Debtors.)	(Lead Case)

DEBTORS' MOTION TO APPROVE (A) ONE OR MORE POTENTIAL SALE(S) OF ALL ASSETS FREE AND CLEAR OF ALL LIENS, INTERESTS, CLAIMS AND ENCUMBRANCES, AND RELATED PROCEDURES AND BID PROTECTION, PURSUANT TO 11 U.S.C. § 363, (B) THE POSSIBLE ASSUMPTION AND ASSIGNMENT, OR REJECTION, OF AN EXECUTORY CONTRACT; AND (C) RELATED RELIEF PURSUANT TO 11 U.S.C. §§102 AND 105

COME NOW the debtors, and submit this motion (the "Motion") for an order (the "Order"), pursuant to 11 U.S.C. §§ 102, 105, 363, 365, and 554, and Fed. R. Bankr. P. 2002, 6002, 6004, 6006, 9006 and 9007 to approve one or more potential sale(s) of all assets free and clear of all liens, interests, claims and encumbrances, and related procedures and related relief, as follows:

BACKGROUND

Procedural Posture

1. On May 1, 2017 (the "Petition Date"), 8760 Service Group, LLC and Pelham Property, LLC filed separate voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Western District of Missouri.

2. By order of this Court entered on May 4, 2017, the debtors' are jointly administered with *In re 8760 Service Group, LLC* designated as the lead case.

3. Each debtor remains in possession of its assets and continues to operate as debtor-in-possession in accordance with 11 U.S.C. §§ 1107 and 1108.

4. An Official Committee of Unsecured Creditors ("Committee") has not been appointed.

5. This is a core proceeding pursuant to 28 U.S.C. § 157(2)(A), (M), (N), and (O).
6. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334.
7. Venue is proper in this Court pursuant to 28 U.S.C. § 1408.

The Debtors' Pre-Bankruptcy Marketing and Sales Efforts

8. Prior to the Petition Date, the debtors contacted numerous parties, both financial and strategic seeking investors or a purchaser of the debtors' assets (the "Assets").

9. As a result of the debtors' efforts, several potential financial and strategic buyers are generally familiar with Debtors' assets and operations. In addition, Debtors have already assembled and organized many of the key documents necessary for a sale process. Accordingly, subject only to updating relevant portions of this material, the debtors currently anticipate being able to move relatively quickly to complete a sale process pursuant to this Motion.

The Sale Process

10. The debtors propose to effectuate a sale of their Assets to the highest bidder, or bidders. (the "Transaction(s)").

11. The debtors propose to effectuate the Transaction(s) via the process and procedures outlined in the Bid Procedures (as defined below) in order to determine the highest and best bidder or bidders to enter into the Transaction(s).

12. The debtors propose the following timeline for execution of the Bid Procedures and the Transaction(s):

Event	Date
Sale Procedures Hearing	May 18, 2017
Competing Bid Deadline	5:00 pm CST, May 25, 2017
Auction, if necessary	May 26, 2017

Sale Hearing	May ____, 2017
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RELIEF REQUESTED

Introduction

13. Pursuant to Bankruptcy Code §§ 105, 363, and 365 and Rules 2002, 6004, and 6006 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the debtors request that the Court, (a) approve the bid procedures (“Bid Procedures”) described in this Motion; (b) approve the form and manner of notice of the Bid Procedures, the Sale Hearing (as defined below), the Objection Deadline, the respective dates, times and places for an auction, if required under the Bid Procedures, and the possible assumption and assignment of executory contracts and unexpired leases and rights thereunder, and any related abandonment of assets, in the form filed and served contemporaneously with the Sale Motion, and in the form to be filed and served after completion of the Initial Hearing, substantially in the form attached as Exhibit C (the “Transaction Notice”), (c) approve the Stalking-Horse APA and related Bid Protection substantially in the form of Exhibit (d) establish procedures for objections to the Sale Motion, for determining objections in connection with the assumption and assignment, of executory contracts and unexpired lease as part of any Successful Bid(s), including cure amounts and rights thereunder, and (e) set a final evidentiary hearing on the Sale Motion.

The Asset Purchase Agreement

14. The debtors have entered into an asset purchase agreement (“APA”) with an entity to be formed by Brian Cullum (“NEWCO” or “Stalking-Horse”). A copy of the APA is attached hereto as Exhibit A.

15. In the APA, NEWCO agrees to purchase substantially all of the personal property of the debtors and Pelham Property, LLC's fabrication and office building at 5105 Pelham Drive, Sedalia, Missouri.

16. In exchange for the sale, NEWCO agrees to pay \$500,000 in cash to the debtors at closing; to execute a \$500,000 5-year balloon note payable to the debtors' estates, and to pay the debtors' estates up to \$500,000 in payments of \$166,667 per year for each year of the three years subsequent to the sale in which NEWCO's EBITDA exceeds \$200,000.

Summary of Key Provisions

17. The debtors note the following important aspects of the Sale Motion and Bid Procedures:

(a) Sale to Insider. At this time, none of the Assets are contemplated to be sold to an "insider" within the meaning of 11 U.S.C. §101(31).

(b) Benefits for the debtor's principals. In conjunction with, the Asset Purchase Agreement, described below, the Stalking-Horse bidder has offered a agreements with Stacey "Buck" Barnes and Lindsay Barnes for employment with the Newco to be formed by the Stalking-Horse.

(c) Private Sale/No Competitive Bidding. At this time, the debtors do not anticipate any private sale or elimination of competitive bidding. On the contrary, the sale is contemplated to be a public sale to the person or entity offering the highest and best bid.

(d) Deadlines that Effectively Limit Notice. At this time, the debtors anticipate that the only deadlines that may effectively limit notice involve supplemental notice(s) to parties to executory contracts and unexpired leases, after the Bid Deadline and Auction, if any. These limited notice circumstances are unavoidable under the circumstances, and mitigated by the general notice being provided to all parties in interest, including the counterparty to the debtors' current project which will be incomplete as of the proposed Sale Hearing.

(e) Interim Arrangements with Proposed Buyer. At this time, the debtors do not anticipate any interim arrangements with any proposed buyer.

However, the debtors may seek and obtain some kind of interim financing from the Stalking-Horse.

(f) Use of Proceeds. At this time, the debtors are not proposing to release sale proceeds on or after the closing(s) with any Successful Bidder(s) without further order of the Bankruptcy Court. However, as part of the process of resolving "credit bid" issues under 11 U.S.C. §363(k), the debtors may propose a release of certain sale proceeds to certain lenders on or after the closing(s) without further order of the Bankruptcy Court.

(g) Record Retention. At this time, the debtors anticipate selling most, if not all, of their business records as part of the sale process, but also anticipate arranging to retain, or otherwise have adequate access to, such business records as are needed to pursue any further activity in these cases after the closing(s).

(h) Sale of Avoidance Actions. At this time, the debtors do not anticipate selling any avoidance actions under Chapter 5 of the Bankruptcy Code.

(i) Relief from Bankruptcy Rules 6004(h) and 6006(d). By this Sale Motion, Debtors do seek relief from the ten-day stay imposed by Fed. R. Bankr. P. 6004(h) and 6006(d) for the reasons noted herein.

Sale Hearings

18. For the reasons noted on the record at the hearings in these cases on May 4, 2017, the debtors request that an initial hearing on this Sale Motion (the "Initial Hearing") be set on May 18, 2017, to approve the procedures described herein and the bid protection specified in paragraph 11(b) of the Stalking Horse APA. The debtors request that a final hearing on the Sale Motion (the "Final Hearing") be set no later than May 31, 2017 to grant the remaining relief requested hereunder.

The Sale Process and Bid Procedures

19. Pursuant to Bankruptcy Rule 6004(f)(1), sales of property outside the ordinary course of business may be by private sale or auction. Good cause exists to expose the assets to auction. The debtors believe that an auction conducted substantially in accordance with the bid procedures identified herein (the "Bid Procedures") will enable the Debtors to obtain the highest or best offer(s) for the assets under the circumstances, thereby maximizing the value of the debtors' estates.

20. A potential bidder who desires to make a bid must deliver a written copy of its bid on or before the Bid Deadline to the debtors' counsel. The debtors may extend the Bid Deadline, but will promptly notify all potential bidders of any such extension.

21. A bid received from a potential bidder by the Bid Deadline will constitute a "Qualified Bid" only if it includes all of the requirements specified herein, all solely as determined by the debtors:

- (a) The bid must be accompanied by satisfactory evidence of committed financing or other financial ability to consummate the Transaction in a timely manner.
- (b) The bid cannot be conditioned upon the Bankruptcy Court's approval of any bid protections, such as a break-up fee, termination fee, expense reimbursement, working fee or similar type of payment.
- (c) The Bid must include a mark-up of the APA to show all changes in the APA proposed by the bidder.
- (d) The Bid must include a deposit of at least \$25,000.

22. If more than one Qualified Bid is submitted for the Assets in accordance with the Bid Procedures, the debtors will conduct an auction (the "Auction") on May 26, 2017, at 9:30 a.m., prevailing Central time at the offices of debtors' counsel, or at such later time as determined by the debtors, who will notify all Qualified Bidders who have submitted Qualified Bids (collectively, the "Auction Participants").

23. Prior to the Auction, the debtors will evaluate the Qualified Bids and select the Qualified Bid or combination of Qualified Bids that the debtors determine in their business judgment to be the highest or best Qualified Bid(s) (the "Initial Highest Bid") for the Assets of the Debtors' estates. In making this determination, the debtors may consider, among other things, the amount of cash to be paid or delivered, the conditions to closing, the Assets being purchased, and related matters.

24. The debtors will give each of the Auction Participants notice of the Initial Highest Bid and a copy of such Bid prior to the scheduled start of the Auction.

25. At the commencement of the Auction, the debtors will announce the Initial Highest Bid(s) and the assets to which they relate. All Qualified Bids at the Auction will be based on and increased therefrom, and thereafter made in minimum increments higher than the previous Qualified Bid in an amount to be established by the debtors.¹

26. After the Auction is finished, the debtors may (a) determine which Qualified Bid, if any, is the highest or otherwise best offer(s); and (b) reject at any time before entry of an Order of the Bankruptcy Court approving the Successful Bid(s), any bid that, in the discretion of the debtors, is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code or the Bid Procedures, or (iii) contrary to the best interests of the debtors' estates and their creditors.

27. The Bid Procedures provide an appropriate framework for obtaining offers for the purchase of the Assets and will enable the debtors to review, analyze and compare all Qualified Bids received to determine which Qualified Bid (or Bids) is in the best interests of the debtors' estates and their creditors. Therefore, the debtors respectfully request that this Court approve the Bid Procedures and authorize the debtors and Sale Agent to take any and all actions necessary or appropriate to implement the Bid Procedures.

Credit Bids

28. Section 363(k) of the Bankruptcy Code states:

"At a sale under subsection (b) of this section of property that is subject to a lien that secures an allowed claim, unless the court for cause orders otherwise the holder of such claim may bid at such sale, and, if the holder of such claim purchases such property, such holder may offset such claim against the purchase price of the property.

¹ Minimum bid increments, other than a credit bid of a Lender, must consist solely of cash consideration unless otherwise authorized by the debtors.

The debtors generally believe that credit bidding under Section 363(k) will be practical, and not inhibit obtaining the highest and best price for the Assets. However, the claims of two of 8760 Service Group, LLC's secured creditors pose unusual issues and the debtors propose that the Court limit their credit bidding rights as follows:

Bancorp South is the debtors' primary lender and claims a blanket lien in essentially all of the debtors' property. However, the UCC-1's and UCC-3's filed by Bancorp South to perfect its interest in the debtors' accounts receivable, inventory and equipment describe its collateral as follows:

- 1) UCC-1, filed on November 18, 2014 pertinently describing the collateral as "All Accounts Receivable, Inventory and equipment, located at 1534 REDWOOD DRIVE, SEDALIA, MO 65301. . . "
- 2) UCC-3, filed on December 17, 2015, pertinently describing the collateral as "All Accounts Receivable, Inventory and equipment, located at 1803 W. MAIN ST., SEDALIA, MO. 65301."

The debtors' administrative office is located at 1803 W. Main St., and the residential home address of the debtors' principals, Lindsay and Stacey Barnes, is 1534 Redwood Drive. Most of the debtors' inventory, equipment, and accounts receivable are not and have never been located at 1803 W. Main or 1534 Redwood. Consequently, to the extent that the collateral descriptions in these financing statements were intended to describe all of the debtors' accounts receivable, inventory, and equipment not located at 1803 W. Main or 1534 Redwood Drive they are seriously misleading.

The scope of Bancorp's liens in the debtors' personal property is subject to (and is) legitimate(ly) dispute(d). Consequently, **by this sale motion, the debtors are asking the Bankruptcy Court to "order otherwise" and deny Bancorp South credit bid rights** on any personal property not located at 1803 W. Main on the Petition Date.

Hudson Insurance Company is the surety for 8760 Service Group for a bond on a construction project completed by 8760 in Coffeyville, Kansas. Hudson asserts a security interest against certain assets of the debtors pursuant to a General Indemnity Agreement and a financing statement filed on January 17, 2017 (which makes Hudson's security interest junior to any security interest of Bancorp). 8760 was not paid \$4.2 million it was owed for completing that project and litigation to collect this amount is pending. As a result, 8760 was unable to pay all of its subcontractors and suppliers, some of whom have made claims against Hudson's bond As of the Petition Date, the debtors believe that Hudson had disbursed \$173,808.81 on account of such claims. However, the debtors understand that claims of several hundred thousand dollars more have been made against 8760's bond with Hudson and expect that yet more claims will be made. On the other hand, 8760 currently believes it should prevail in the litigation and pay all the claims on the bond. Given the subordinated and contingent nature of Hudson's claim, the debtors **the debtors are asking the Bankruptcy Court to "order otherwise" and deny Hudson credit bid rights on any personal property.**

Procedure to Address Assumption and Assignment of Ingrezion Contract

29. The debtors anticipate that the Successful Bid(s) at the Auction may include provisions requesting that the debtors assume and assign a customer contract they are currently engaged in for Ingrezion Incorporated. The debtors have no other executory contracts or unexpired leases which they propose to assign through the Transaction(s). A copy of this motion will be served upon Ingrezion. The debtors are not in default of the contract with Ingrezion no cure is necessary for this contract to be assigned.

30. In addition, as described in more detail below, the debtors are proposing to include in the Transaction Notice a separate notice to Ingrezion of the potential assumption and assignment of its contract. Including the statement that this contract is not in default and no payments are

necessary to cure any default or compensate for any actual pecuniary loss in accordance with Section 365(b)(1)(A) and (B) of the Bankruptcy Code.

31. Finally, as soon as the debtors determine the highest and best bid (either on May 25, 2017, if there is no Auction, or promptly after completion of the proposed Auction on May 26, 2017), the debtors will file a Supplemental Notice with the Bankruptcy Court and deliver it via US Mail, postage prepaid and electronically to Ingredion provided that it provide an appropriate address for electronic delivery. This Supplemental Notice will inform Ingredion whether the Successful Bidder(s) is proposing to have the debtors assume and assign, or reject its contract.

Sale Notice

32. Bankruptcy Rule 2002(a) provides, in relevant part, that all creditors must be given at least 21 days' notice by mail of a proposed use, sale or lease of property of the estate other than in the ordinary course of business unless the Bankruptcy Court for cause shortens the time or directs another method of giving notice. Further, Bankruptcy Rule 2002(c) sets forth that the content of such notices must include the time and place of any sale, the terms and conditions of such sale, and the time fixed for filing objections.

33. In accordance with Bankruptcy Rule 6006(c), the debtors must also provide notice of (i) the potential assumption and assignment of executory contracts and unexpired leases, (ii) the amount that the Successful Bidder may pay to cure all defaults and compensate for pecuniary damages, if any, under executory contracts and unexpired leases that the Debtors propose to assume and assign (collectively, the "Cure Amounts"), and (iii) the deadline to file objections to such assumption and assignment, Cure Amounts, the existence of any defaults, and information about adequate assurance of future performance.

34. The Transaction Notice: (a) contains the type of information required under Bankruptcy Rules 2002 and 6006 that is currently known to the debtors, (b) includes information

concerning the Bid Procedures, and (c) is reasonably calculated to provide due, adequate and timely notice to all interested parties of (i) the Bid Procedures, (ii) the Auction, (iii) the deadline to object to this Sale Motion, (iv) the Final Hearing, (v) the entry of the initial order on this Sale Motion, (vi) the potential assumption and assignment of executory contracts and unexpired leases and rights thereunder, (vii) the amount proposed to satisfy the Cure Amounts, and (viii) the deadline to file objections to such assumption and assignment, applicable Cure Amounts, the existence of any defaults, and adequate assurance of future performance.

35. The debtors propose to serve the Transaction Notice within one day after the Court enters the Bid Procedures Order, by (a) first class United States mail, postage prepaid on (i) the parties identified on the Creditor Matrix filed in these Cases at the addresses set forth therein, and (ii) all counterparties to executory contracts and unexpired leases that may be assumed and assigned, or rejected, by the debtors pursuant to Bankruptcy Code § 365 and that any Potential Bidder may desire to be assigned by the debtors; and (b) the Court's electronic filing system on those parties receiving electronic notice by such system.

36. Service of the Transaction Notice as proposed herein is proper and sufficient notice of, among other things, the entry of the Bid Procedures Order, the Bid Procedures, the Auction (if required under the Bid Procedures), the Sale Hearing, the Sale Motion, the proposed Transaction(s), including the sale of the debtors' estates' right, title and interest in, to and under the Assets free and clear of any and all liens, claims, encumbrances, and other interests, and the procedure for objecting thereto, the possible assumption and assignment of executory contracts and leases and rights thereunder, the Cure Amounts, and the procedures for objecting thereto.

37. Accordingly, the debtors request that this Court approve the form and content of the Transaction Notice.

Objections and Related Procedures

38. The Debtors request that the following procedures be implemented with respect to the notices discussed herein and relief related thereto:

- (a) Objections, if any, to the Bid Procedures shall be filed on the docket of the Bankruptcy Court by May 17, 2017.
- (b) Objections to the Auction (if required under the Bid Procedures), the Sale Hearing, the Sale Motion, the proposed Transaction(s), including the sale of the debtors' estates' right, title and interest in, to and under the Assets free and clear of any and all liens, claims, encumbrances, and other interests, and the procedure for objecting thereto, the possible assumption and assignment of the Ingredion Contract, the Cure Amounts, and the procedures for objecting thereto, to all or any part of the Sale Motion shall be filed on the docket of the Bankruptcy Court by the day prior to the Sale Hearing.
- (c) The Debtors may amend the Transaction Notice by sending a new or amended Transaction Notice at any time prior to the Sale Hearing solely to the counterparties affected.
- (d) Any person failing to timely file an objection to the Sale Motion shall be barred from objecting to the Sale Motion, including the sale of the Assets free and clear of any and all liens, claims, encumbrances, and other interests, and will be deemed to consent to the Transaction(s), including the sale of the Assets free and clear of any and all liens, claims, encumbrances, and other interests.
- (e) Any person failing to timely file an objection to any Cure Amounts set forth in the Transaction Notice or the Cure Schedule or the proposed assumption and assignment of the Debtors' right, title and interest in, to and under assigned contracts and leases shall be barred from objecting to the Cure Amounts and from asserting a claim for any cure or other amounts (or asserting that any defaults exist under assigned contracts and leases as of the date of assumption) against the debtors, their estates, or any Successful Bidder with respect to assigned contracts or leases arising prior to assumption and assignment of the debtors' right, title and interest in, to and under the assigned contracts and leases and will be deemed to consent to the proposed assumption and assignment of contracts and leases thereunder as provided by such Transaction(s).
- (f) Where any party files a timely objection to the debtors' position that it is not in default of the Ingredion contract and that no amount must be paid to assume it and the parties are unable to consensually resolve the dispute prior to the Sale Hearing, the amount to be paid with respect to such objection will be determined at the Sale Hearing or such other date and time as may be fixed by the Bankruptcy Court. All other objections to the proposed

assumption and assignment of the Ingredion contract will be heard at the Sale Hearing.

39. The above procedures, in conjunction with the Transaction Notice, are fair, reasonable, and appropriate to provide a framework for the Bankruptcy Court to consider the Sale Motion and the relief requested thereunder. The debtors respectfully request that the Bankruptcy Court approve the foregoing notice and objection procedures.

LEGAL ARGUMENT SUPPORTING RELIEF REQUESTED

Sale Under 363 Generally

40. Section 363(b)(1) of the Bankruptcy Code provides: "The 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). Section 105(a) of the Bankruptcy Code provides in relevant part: "The Court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a).

41. A sale of assets of a debtor should be authorized pursuant to Section 363 of the Bankruptcy Code if a sound business purpose exists for doing so. See, e.g., Fulton State Bank v. Schipper (In re Schipper), 933 F. 2d 513, 515 (7th Cir. 1991); Committee of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063, 1070 (2d Cir. 1993). The business judgment rule shields a debtor's management from judicial second-guessing. ("[T]he Code favors the continued operation of a business by a debtor and a presumption of reasonableness attaches to a Debtor's management decisions. ") In re Farmland Industries, Inc., 294 B.R. 903, 913 (Bankr. W.D. Mo. 2003) (quoting In re Johns-Manville Corp., 60 B.R. 612, 615-16 (Bankr. S.D.N.Y. 1986)). Once the Debtors articulate a valid business justification, "[t]he business judgment rule 'is a presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action was in the best interests of the company.'" In re

Integrated Resources, Inc., 147 B.R. 650, 656 (S.D.N.Y. 1992) (quoting Smith v. Van Gorkom, 488 A.2d 858, 872 (Del. 1985)).

42. As explained above, the debtors have determined that a sale of the Assets to the Successful Bidder(s) is the best way to maximize the value of the Assets in these cases. Maximization of asset value is a sound business purpose, warranting authorization of the sale.

Sale Free of Liens, Interests, Claims and Encumbrances Under 363(f)

43. 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.

44. Section 363(f) is drafted in the disjunctive. Thus, satisfaction of any of the requirements enumerated therein will suffice to warrant the debtors' sale of the Assets free and clear of all liens, claims, and encumbrances. Each lien, claim or encumbrance attached to the Assets satisfies at least one of the five conditions of section 363(f), and the debtors submit that any such lien, claim or encumbrance will be adequately protected by attachment to the net proceeds of the proposed sale(s), subject to any claims and defenses the debtors or any other party in interest may possess with respect thereto. Accordingly, the debtors request that the Assets be transferred to the Successful Bidder(s) free and clear of all liens, claim, interests and encumbrances, with such liens, claims, interests and encumbrances to attach to the proceeds of the sale of the Assets.

Credit Bid Limitations

45. Section 363(k) of the Bankruptcy Code provides:

At a sale under subsection (b) of this section of property that is subject to a lien that secures an allowed claim, *unless the court for cause orders otherwise* the holder of such claim may bid at such sale, and, if the holder of such claim purchases such property, such holder may offset such claim against the purchase price of such property.

11 U.S.C. §363(k) (emphasis added).

46. Other courts have interpreted and applied the phrase "unless the court for cause orders otherwise" under Section 363(k).

47. For example, In re RML Dev., Inc., 528 B.R. 150, 156 (Bankr. W.D. Tenn. 2014), where the amount of a secured creditor's claim was in dispute, the court required the creditor to provide a letter of credit payable to the debtor in the amount of any credit bid, it might make.

48. "A secured creditor's ability to credit bid is within the discretion of the court and is not absolute." In re Olde Prairie Block Owner, LLC, 464 B.R. 337, 347–48 (Bankr. N.D. Ill. 2011) (citing In re Theroux, 169 B.R. 498, 499 n. 3 (Bankr.D.R.I.1994) (holding that “there is no absolute entitlement to credit bid”)).

49. "The term 'cause' is not defined in the Bankruptcy Code and is left to the courts to determine on a case-by-case basis." Olde Prairie Block Owner, LLC, 464 B.R. at 488. (citing In re River Road Hotel Partners, LLC, No. 09–30029(BWB), 2010 WL 6634603, at *1 (Bankr.N.D.Ill. Oct. 5, 2010) (holding that “[s]ection 363 gives courts the discretion to decide what constitutes ‘cause’ and the flexibility to fashion an appropriate remedy by conditioning [*37] credit bidding on a case-by-case basis.”), *aff’d* River Road Hotel Partners, LLC v. Amalgamated Bank, 651 F.3d 642 (7th Cir.2011)).

50. Courts have found “cause” under § 363(k) to bar a secured creditor from credit bidding when the creditor's lien is questioned or otherwise in dispute. Nat'l Bank of Commerce v.

McMullan (In re McMullan), 196 B.R. 818, 835 (Bankr.W.D.Ark.1996) (holding that “at any such sale, [the secured creditor] shall not be entitled to offset any of its claimed liens or security interests under 11 U.S.C. § 363(k) because the validity of its liens and security interests are unresolved.”) *aff’d*, 162 F.3d 1164 (8th Cir.1998); *see also* In re Daufuskie Island Props., LLC, 441 B.R. 60, 64 (Bankr.D.S.C.2010) (holding that a creditor was not entitled to credit bid when its mortgage was in dispute); *accord* In re RML Dev., Inc., 528 B.R. 150, 156 (Bankr. W.D. Tenn. 2014) (bank allowed to credit bid conditioned upon the posting of an irrevocable letter of credit to protect the estate in the event the lien were later avoided).; In re Octagon Roofing, 123 B.R. 583, 592 (Bankr. N.D. Ill.1991) (same).

Good Faith Purchaser Under 363(m)

51. Section 363 (m) of the Bankruptcy Code provides:

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

11 U.S.C. § 363(m). While the Bankruptcy Code does not define "good faith", the Seventh Circuit in In the Matter of Andy Frain Services, Inc., 798 F.2d 1113 (7th Cir. 1986) held that:

The requirement that a purchaser act in good faith . . . speaks to the integrity of his conduct in the course of the sale proceedings. Typically, the misconduct that would destroy a purchaser's good faith status at a judicial sale involves fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.

798 F.2d at 1125 (emphasis omitted) (quoting In re Rock Industries Machinery Corp., 572 F.2d 1195, 1198 (7th Cir. 1978) (interpreting Bankruptcy Rule 805, the precursor of section 363(m))). The debtors submit that any agreement reached with the Successful Bidder pursuant to the Bidding Procedures is an arm's-length negotiated transaction entitled to the protections of section 363 (m)

and will adduce evidence of the same at the Sale Hearing. See In re Trism, 328 F.3d 1003, 1006 (8th Cir. 2003).

Bid Protection Under Section 363

52. The APA provides that if the Assets are auctioned and a party other than the Stalking Horse closes a purchase of the Assets 5% of the highest purchase price offered by the Stalking Horse at auction, plus the Stalking Horse's reasonable out of pocket expenses in an amount not exceed \$50,000.

53. Approval of termination fees and expense reimbursements as an administrative expense claim as a form of bidder protection in connection with a sale of assets pursuant to section 363 of the Bankruptcy Code has become a recognized practice in chapter 11 cases because it enables a debtor to ensure a sale to a contractually committed buyer at a price the debtor believes is fair, while providing the debtor with the potential of obtaining an enhanced recovery through an auction process.² Courts have held that break-up fees should be approved as long as (i) the relationship between the parties is not tainted by self-dealing, (ii) the fee does not hamper bidding, and (iii) the amount of the fee is reasonable in relation to the size of the transaction. *See, e.g., Official Committee of Subordinated Bondholders v. Integrated Resources, Inc. (In re Integrated Resources, Inc.)*, 147 B.R. 657 (S.D.N.Y. 1992), *appeal dismissed*, 3 F.3d 49 (2d Cir. 1993). Bankruptcy courts have approved bidding incentives

² *See, e.g., In re Finlay Enters., Inc., et al.*, Case No. 09-14873 (JMP) (Bankr. S.D.N.Y. Aug. 20, 2009) (approving break-up fee); *In re Lehman Bros. Holdings Inc., et al.*, Case No. 08-13555 (JMP) (Bankr. S.D.N.Y. Oct. 22, 2008) (approving break-up fee and expense reimbursement); *In re Steve & Barry's Manhattan LLC, et al.*, Case No. 08-12579 (ALG) (Bankr. S.D.N.Y. Aug. 5, 2008) (approving break-up fee and expense reimbursement); *In re Fortunoff Fine Jewelry and Silverware, LLC*, Case No. 08-10353 (JMP) (Bankr. S.D.N.Y. Feb. 22, 2008) (approving break-up fee); *In re Bally Total Fitness of Greater New York, Inc.*, Case No. 07-12395(BRL) (Bankr. S.D.N.Y. Aug. 21, 2007) (approving break-up fee and expense reimbursement); *In re G+G Retail, Inc.*, Case No. 06-10152 (RDD) (Bankr. S.D.N.Y. Jan. 30, 2006); *In re Footstar, Inc.* Case No. 04-22350 (ASH) (Bankr. S.D.N.Y. Apr. 6, 2004) (authorizing the debtors to enter into purchase agreements with break-up fees); *Official Comm. of Subordinated Bondholders v. Integrated Res., Inc., (In re Integrated Res., Inc.)*, 147 B.R. 650 (S.D.N.Y. 1992), *appeal dismissed*, 3 F.3d 49 (2d Cir. 1993) (approving break-up fee and expense reimbursement); *In re Twinlab Corp., et al.*, Case No. 03-15564 (CB) (Bankr. S.D.N.Y. 2003) (approving break-up fee and expense reimbursement); *In re Adelphia Business Solutions, Inc., et al.*, Case No. 02-11389 (REG) (Bankr. S.D.N.Y. 2002) (approving break-up fee and expense reimbursement).

similar to the ones contemplated in the applicable Stalking Horse Agreements under the “business judgment rule,” pursuant to which courts typically grant deference to the actions of a debtor’s management taken in good faith and in the exercise of honest judgment.

54. The bid protections described herein meet the “business judgment rule” standard. These protections, individually and collectively, are a material inducement for, and condition of, the Stalking-Horse Proposal or any Stalking-Horse Bid. The bid protection described herein promote more competitive bidding by inducing the stalking-horse bidder to hold its offer open as a minimum or floor bid on which other bidders – and the debtors – can rely. The stalking-horse bid increases the likelihood that the price at which the Assets are sold will reflect their true worth, and the stalking-horse bidder is entitled to be compensated as a result.

55. The bid protection payments are fair and reasonable in amount under the circumstances, particularly because they will be paid out of the proceeds of any competing transaction. Further, there is ample precedent for approving (i) a break-up fee of 1.5% and an expense reimbursement of up to \$4.5 million (Acme Markets, Inc.); (ii) a break-up fee of 3% and an expense reimbursement of up to \$1 million (The Stop & Shop Supermarket Company, LLC); and (iii) a break-up fee of 3% and an expense reimbursement of \$250,000 (Key Food Stores Co-Operative, Inc.). *See, e.g., In re Hostess Brands, Inc.*, Case No. 12-22052 (Bankr. S.D.N.Y. 2013) (break-up fee equal to 3.5%); *In re Global Crossing Ltd.*, Case No. 02-40187 (Bankr. S.D.N.Y. 2002) (break-up fee equal to 4%); *In re LTV Steel Company, Inc.*, Case No. 00-43866 (Bankr. N.D. Ohio 2000) (break-up fee equal to 7.5%); *In re Fruit of the Loom, Inc.*, Case No. 99-4497 (Bankr. D. Del. 1999) (break-up fee equal to 3.59%); *In re Graham-Field Health Products, Inc.*, Case No. 99-4457 (Bankr. D. Del. 1999) (break-up fee equal to 4.65%).

56. The foregoing bid protections will not deter or chill bidding, are reasonable, and their availability to the Debtors will enable the Debtors to maximize the value of their estates.

Assumption and Assignment, or Rejection, of Ingredion Contract

57. Section 365(a) of the Bankruptcy Code provides that a debtor in possession “subject to the court’s approval, may assume or reject any executory contract or unexpired lease of the debtor.” 11 U.S.C. § 365(a). Upon finding that a debtor has exercised its sound business judgment in determining to assume an executory contract or unexpired lease, courts will approve the assumption under section 365(a) of the Bankruptcy Code. *See Nostas Assocs. v. Costich (In re Klein Sleep Prods., Inc.)*, 78 F.3d 18, 25 (2d Cir. 1996); *Orion Pictures Corp. v. Showtime Networks, Inc. (In re Orion Pictures Corp.)*, 4 F.3d 1095, 1099 (2d Cir. 1993).

58. Pursuant to section 365(f)(2) of the Bankruptcy Code, a debtor may assign an executory contract or unexpired lease of nonresidential real property if “adequate assurance of future performance by the assignee of such contract or lease is provided.” 11 U.S.C. § 365(f)(2). The meaning of “adequate assurance of future performance” depends on the facts and circumstances of each case, but should be given “practical, pragmatic construction.” *See Carlisle Homes, Inc. v. Azgari (In re Carlisle Homes, Inc.)*, 103 B.R. 524, 538 (Bankr. D.N.J. 1988) (citation omitted); *see also In re Natco Indus., Inc.*, 54 B.R. 436, 440 (Bankr. S.D.N.Y. 1985) (adequate assurance of future performance does not mean absolute assurance that debtor will thrive and pay rent); *In re Bon Ton Rest. & Pastry Shop, Inc.*, 53 B.R. 789, 803 (Bankr. N.D. Ill. 1985) (“[a]lthough no single solution will satisfy every case, the required assurance will fall considerably short of an absolute guarantee of performance.”). Among other things, adequate assurance may be given by demonstrating the assignee’s financial health and experience in managing the type of enterprise or property assigned. *See In re Bygaph, Inc.*, 56 B.R. 596, 605- 06 (Bankr. S.D.N.Y. 1986) (adequate assurance of future performance is present when prospective assignee of lease has financial resources and expressed willingness to devote sufficient funding to business to give it strong likelihood of succeeding; in the leasing context, chief determinant of adequate assurance is whether rent will be paid).

59. At the Sale Hearing, to the extent necessary, the debtors will be prepared to proffer testimony or present evidence to demonstrate the ability of the Successful Bidder to perform under the Ingreption Contract. The Sale Hearing, therefore, will provide the Court and other interested parties with the opportunity to evaluate the ability of each Successful Bidder to provide adequate assurance of future performance, as required by section 365(b)(1)(C) of the Bankruptcy Code. Accordingly, it is requested that at the conclusion of the Sale Hearing, the proposed assumption and assignment of the applicable assigned contracts and leases be approved.

60. To facilitate the assumption and assignment of the Ingreption contract, the debtors further request the Court find any anti-assignment provision in the Ingreption contract to be unenforceable under section 365(f) of the Bankruptcy Code.³

Waiver of 14-Day Finality for Orders

61. Bankruptcy Rule 6004(h) provides that an “order authorizing the use, sale, or lease of property...is stayed until the expiration of fourteen (14) days after entry of the order, unless the court orders otherwise.” FED. R. BANKR. P. 6004(h). Bankruptcy Rule 6006(d) further provides that an “order authorizing the trustee to assign an executory contract or unexpired lease under § 365(f) is stayed until the expiration of fourteen (14) days after the entry of the order, unless the court orders otherwise.” FED. R. BANKR. P. 6006(d).

62. In light of the current circumstances and financial condition of the debtors, the debtors believe that in order to maximize value and preserve jobs, the sale of the Assets should be

³ Section 365(f)(1) provides in part that, “notwithstanding a provision in an executory contract or unexpired lease of the debtor, or in applicable law, that prohibits, restricts, or conditions the assignment of such contract or lease, the trustee may assign such contract or lease...” 11 U.S.C. § 365(f)(1). Section 365(f)(3) further provides that “Notwithstanding a provision in an executory contract or unexpired lease of the debtor, or in applicable law that terminates or modifies, or permits a party other than the debtor to terminate or modify, such contract or lease or a right or obligation under such contract or lease on account of an assignment of such contract or lease, such contract, lease, right, or obligation may not be terminated or modified under such provision because of the assumption or assignment of such contract or lease by the trustee.” 11 U.S.C. § 365(f)(3).

consummated as soon as practicable. Accordingly, the debtors request that each Sale Order be effective immediately upon entry of such order and that the fourteen (14) day stay under Bankruptcy Rules 6004(h) and 6006(d) be waived.

No Prior Request

63. No prior request for the relief sought herein has been requested from this Court or any other court.

WHEREFORE, the debtors respectfully request the Court enter an Order granting the requested relief, and granting such other and further relief as is necessary and appropriate in the circumstances.

MERRICK, BAKER & STRAUSS, P.C.

By: /s/ victor f. weber

BRUCE E. STRAUSS

MO#26323

VICTOR F. WEBER

MO#57361

1044 Main Street - Suite 500

Kansas City, MO 64105

Telephone: (816) 221-8855

Facsimile: (816) 221-7886

Email: victor@merrickbakerstrauss.com

PROPOSED ATTORNEYS FOR DEBTORS

**8760 Service Group, LLC and PELHAM
PROPERTY, LLC**

CERTIFICATE OF SERVICE

The undersigned certifies that on May 5, 2017, a true and complete copy of the foregoing was sent via electronic mail to those parties registered to receive electronic notice via the Court's CM/ECF system and via US Mail, postage prepaid on:

Ingredion Incorporated
1001 N Bedford Ave
N. Kansas City, Mo. 65301

and

C T CORPORATION SYSTEM
Registered Agent for Ingredion Incorporated
120 South Central Ave
Clayton, MO 63105

/s/Victor Weber

Exhibit B

Proposed Bid Procedures and Bid Protection Order for Initial Hearing

IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MISSOURI

In Re:)	In Proceedings Under Chapter 11
)	
8760 SERVICE GROUP, LLC and))	Case No. 17-20454
PELHAM PROPERTY, LLC))	
Debtors.))	(Lead Case)

ORDER APPROVING [CERTAIN BID PROTECTION AND] PROCEDURES FOR THE SOLICITATION OF OFFERS FOR (A) ONE OR MORE POTENTIAL SALE(S) OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS; (B) THE POSSIBLE ASSUMPTION AND ASSIGNMENT, OR REJECTION, OF A CERTAIN EXECUTORY CONTRACT; AND (C) RELATED RELIEF

At a hearing on May 19, 2017 (the "Bid Procedures Hearing"), this Court considered the *Motion to Approve (a) One or More Potential Sale(s) of All Assets Free and Clear of all Liens, Interests, Claims and Encumbrances, and Related Procedures and Bid Protection Pursuant to 11 U.S.C. §363, and (b) The Potential Assumption and Assignment of an Executory Contract and Related Procedures Pursuant to 11 U.S.C. §365, and Related Relief Pursuant to 11 U.S.C. §105* [Docket No. ____] (the "Sale Motion") filed by the debtors. Based on the arguments and evidence at the Bid Procedures Hearing, the Court hereby finds and determines that:

64. The Court has jurisdiction to consider the Sale Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, the consideration of the Sale Motion and the relief requested therein is a core proceeding pursuant to 28 U.S.C. § 157(b), and venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

65. As reflected in the *Certificate of Service* attached to the Motion and the *Certificate of Service* [Docket ____] filed with respect to the Bid Procedures Hearing, notice of the Motion and the notice of the Bid Procedures Hearing have been served by (a) first class United States mail, postage prepaid on (i) the parties identified on the Creditor Matrix filed in these Cases at the addresses set

forth therein, (ii) known holders of liens and security interests in the Debtors' assets, (iii) all known taxing authorities having jurisdiction over any of the Debtors' assets, including the Internal Revenue Service, (iv) all parties who have filed a written request for notice in the Cases pursuant to Bankruptcy Rule 2002; and (b) the Court's electronic filing system on those parties receiving electronic notice by such system (collectively, the "Notice").

66. The Notice is reasonable and sufficient in light of the circumstances and nature of the relief requested in the Sale Motion, and no other or further notice of the Sale Motion for the Bid Procedures Hearing is necessary. A reasonable and fair opportunity to object to the Sale Motion and the relief granted in this Order has been afforded under the circumstances.

67. The Debtors have articulated good and sufficient reasons for this Court to grant the relief requested in the Motion. Such good and sufficient reasons were set forth in the Sale Motion and on the record at the Bid Procedures Hearing and are incorporated by reference herein and, among other things, form the basis for the findings of fact and conclusions of law set forth herein.

68. The bid procedures proposed in the Motion are fair, reasonable and appropriate and are designed to maximize the value of the Debtors' estates. The Credit Bid Rights (as defined in the Bid Procedures) are permissible under § 363(k) of the Bankruptcy Code and are fair and reasonable in light of the nature of the Cases.

69. The service of the notice of the Bid Procedures, the Sale Hearing (as defined below), the Objection Deadline (as defined below), the respective dates, times and places for an Auction (as defined below), if required under the Bid Procedures, and the possible assumption and assignment of executory contracts and unexpired leases and rights thereunder, substantially in the form attached hereto as **Exhibit A** (the "Transaction Notice"), is adequate and reasonably calculated to provide due, proper, and timely notice to all interested parties of, among other things, the entry of this Order, the Bid Procedures, the Auction (if required under the Bid Procedures), the Sale Hearing, the

Sale Motion (as defined below), the proposed Transaction(s), including the sale of the debtors' estates' right, title and interest in, to and under the debtors' assets free and clear of any and all liens, claims, encumbrances, and interests, and the procedure for objecting thereto, the possible assumption and assignment of the debtors' Ingression contract and rights thereunder, and the procedures for objecting thereto. Except as otherwise set forth herein, no other or further notice is necessary.

70. The procedures for objections to the Transaction(s) and the proposed assumption and assignment of the Ingression contract are fair, reasonable, and appropriate.

71. The findings of fact and conclusions of law herein constitute the Court's findings of fact and conclusions of law for the purposes of Bankruptcy Rule 7052, made applicable pursuant to Bankruptcy Rule 9014. To the extent any findings of facts are conclusions of law, they are adopted as such. To the extent any conclusions of law are findings of fact, they are adopted as such.

72. The bid protections described in the Motion meet the "business judgment rule" standard. These protections, individually and collectively, are a material inducement for, and condition of the Stalking-Horse bid. The bid protection described herein promote more competitive bidding by inducing the Stalking-Horse Bidder to hold its offer open as a minimum or floor bid on which other bidders – and the debtors – can rely.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

- (a) The Motion is **GRANTED** as set forth herein.
- (b) All objections to the relief requested in the Motion, if any, that have not been withdrawn, waived, or settled as announced to the Court at the Bid Procedures Hearing are denied and overruled in their entirety on the merits.
- (c) The bid protections described in the Motion are approved.

(d) The debtors may proceed with the Transaction(s) in accordance with the Bid Procedures, which procedures are hereby approved.. However, the consummation of the sale of the Debtors' assets shall remain subject to the entry of an Order granting the Sale Motion.

(e) Potential Bidders must comply with all terms of the Bid Procedures in order to participate in the bidding process. All Bids must satisfy all of the requirements contained in the Bid Procedures.

(f) The debtors are authorized and directed to take any and all actions necessary or appropriate to implement the Bid Procedures. The process for submitting Qualified Bids is fair, reasonable and appropriate and is designed to maximize recoveries for the benefit of the Debtors' estates, their creditors and other parties in interest. Any disputes as to the selection of a Qualified Bid, Initial Highest Bid and/or Successful Bid shall be resolved by this Court.

(g) As further described below, the key dates for this Order and the Bid Procedures are as follows, with each of such dates being subject to extension by the Debtors with the consent of Lender:

<u>Event</u>	<u>Date and Time (if applicable)</u>
Transaction Notice	Within 1 days of the entry of this Order
Bid Deadline	May 25, 2017 at 5:00 p.m. prevailing Central Time
Auction	May 26, 2017 at 9:30 a.m. prevailing Central time
Contract/Lease and Sale Hearing Objection Deadline	May 30, 2017 at 5:00 p.m. prevailing Central Time
Sale Hearing	May 31 at 9:30 a.m. prevailing Central Time

(h) The Transaction Notice, in the form attached hereto as **Exhibit A**, is hereby approved. Within 24 hours, the debtors shall serve the Transaction Notice by (a) first class United States mail, postage prepaid on (i) the parties identified on the Creditor Matrix filed in these

Cases at the addresses set forth therein, (ii) known holders of liens and security interests in the Debtors' assets, (iii) all known taxing authorities having jurisdiction over any of the Debtors' assets, including the Internal Revenue Service, (iv) all parties who have filed a written request for notice in the Cases pursuant to Bankruptcy Rule 2002; and (b) the Court's electronic filing system on those parties receiving electronic notice by such system (collectively, the "Notice").

(i) Any person desiring to submit a bid for the debtors' assets must comply with the Bid Procedures and shall not be permitted to participate at the Auction unless such person is an Auction Participant or is otherwise permitted to participate at the Auction under the Bid Procedures.

(j) If a bid has been submitted for the debtors' assets in accordance with the Bid Procedures, the debtors will conduct an auction as to such assets (the "Auction") on **May 26, 2017, at 9:30 a.m., prevailing Central time**, at the offices of Merrick Banker and Struss, P.C. 1044 Main, Ste. 500, Kansas City, or at such later time or other place as agreed by the Sale Agent after consultation with the Lenders and Committee, or approved by Order of the Bankruptcy Court, and of which the Sale Agent will notify all Qualified Bidders who have submitted Qualified Bids.

(k) A final hearing (the "Sale Hearing") to consider the Sale Motion shall be held at the time and date noted in paragraph (g) hereof in the courtroom of the Honorable Dennis R. Dow United States Bankruptcy Judge, at the United States Bankruptcy Court, Western District of Missouri, 400 East 9th Street, Kansas City, Missouri.

(l) Objections, if any, to the Sale Motion shall be filed on the docket of the Bankruptcy Court on or before 5:00 p.m., prevailing Central time on May 30, 2017.

(m) The debtors are authorized to amend the Proposed Cure Schedule in the Transaction Notice by sending a new or amended Proposed Cure Schedule at any time prior to the Sale Hearing solely to the counterparties affected.

(n) Any person failing to timely file an objection to the Sale Motion shall be barred from objecting to the Sale Motion, including the sale of the debtors' assets free and clear of any and all liens, claims, encumbrances, and interests and will be deemed to consent to the Transaction(s), including the sale of the debtors' assets free and clear of any and all liens, claims, encumbrances, and other interests.

(o) Any person failing to timely file an objection to any Cure Amounts set forth in the Transaction Notice or the proposed assumption and assignment of the debtors' right, title and interest in, to and any assigned executory contract or leases shall be barred from objecting to the Cure Amounts and from asserting a claim for any cure or other amounts (or asserting that any defaults exist under the assigned executory contracts and leases as of the date of assumption) against the debtors, their estates, or the Successful Bidder(s) with respect to the assigned executory contract or lease arising prior to assumption and assignment of the Debtors' right, title and interest in, to and under the Desired 365 Contract and will be deemed to consent to the proposed assumption and assignment and rights thereunder as provided by such Transaction(s).

(p) Where any party files a timely objection to the maximum Cure Amount set forth in the Transaction Notice and the parties are unable to consensually resolve the dispute prior to the Sale Hearing, the amount to be paid with respect to such objection will be determined at the Sale Hearing or such other date and time as may be fixed by this Court. All other objections to the proposed assumption and assignment of the Debtors' right, title and interest in, to and under the assigned executory contracts and leases will be heard at the Sale Hearing.

(q) For cause shown, notwithstanding Bankruptcy Rules 6004, 6006, or otherwise, this Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing. To the extent applicable, the stays described in Bankruptcy Rules 6004(h) and 6006(d) are hereby waived.

(r) The terms of this Order shall control to the extent of any conflict with the Motion or the Bid Procedures.

(s) This Order shall become effective immediately upon its entry.

(t) The Court shall retain jurisdiction over any matter or dispute arising from or relating to the implementation of this Order.

Dated: May __, 2017

United States Bankruptcy Judge

Exhibit C

Proposed Transaction Notice

IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MISSOURI

In Re:)	In Proceedings Under Chapter 11
)	
8760 SERVICE GROUP, LLC and)	Case No. 17-20454
PELHAM PROPERTY, LLC)	
Debtors.)	(Lead Case)

NOTICE OF (A) POTENTIAL SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS; THE POSSIBLE ASSUMPTION AND ASSIGNMENT, OR REJECTION, OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES; (C) THE POSSIBLE ABANDONMENT OF CERTAIN ASSETS; AND (D) RELATED RELIEF

PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED AS SET FORTH HEREIN.

TO ALL PERSONS RECEIVING THIS NOTICE, PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On May 5, 2017, the debtors filed a *Motion to Approve (a) One or More Potential Sale(s) of All Assets Free and Clear of all Liens, Interests, Claims and Encumbrances, and Related Procedures and Bid Protection Pursuant to 11 U.S.C. §363, and (b) The Potential Assumption and Assignment, or Rejection, of Certain Executory Contracts and Unexpired Leases, and Related Procedures Pursuant to 11 U.S.C. §365, and (d) Related Relief Pursuant to 11 U.S.C. §105* [Docket No. ____] (the "Sale Motion") in cases jointly administered under Case No. 17-20454 (the "Cases") currently pending in the United States Bankruptcy Court for the Western District of Missouri (the "Bankruptcy Court").

2. In the Sale Motion, among other things, the debtors seek an order of the Bankruptcy Court: (a) authorizing the Debtors to sell, pursuant to Bid Procedures set forth herein to the Sale Motion, outside the ordinary course of business and free and clear of all liens, claims, encumbrances, and interests, all of the debtors' right, title and interest substantially all of the assets owned by the debtors (collectively, the "Assets") to the Successful Bidder(s)⁴; (b) authorizing the debtors to assume and assign the a certain executory contract with Ingredion Incorporated to the extent that the Successful Bidder(s) requests such assumption and assignment; (c) and otherwise granting all necessary and appropriate related relief. A copy of the Sale Motion, the Bid Procedures Order identified below, and other pleadings in the bankruptcy cases, can be obtained at the website listed below.

The Sale and Potential Abandonment Process

3. The Bid Procedures Order sets forth the following dates in connection with the transactions contemplated in the Sale Motion:

⁴ Capitalized terms not defined herein shall have the meanings ascribed to them in the Sale Motion.

<u>Event</u>	<u>Date and Time (if applicable)</u>
Transaction Notice	Within 1 days of the entry of this Order
Bid Deadline	May 25, 2017 at 5:00 p.m. prevailing Central Time
Auction	May 26, 2017 at 9:30 a.m. prevailing Central time
Contract/Lease and Sale Hearing Objection Deadline	May 30, 2017 at 5:00 p.m. prevailing Central Time
Sale Hearing	May 31 at 9:30 a.m. prevailing Central Time

4. An initial hearing on the Sale Motion, focusing on approval of the bid procedures and selection of any Stalking-Horse Bidder, including any related Bid Protection, was held on May 19, 2017. Thereafter, the Bankruptcy Court entered that certain *Order Approving the Procedures for the Solicitation of Offers for (a) One or More Potential Sale(s) of All Assets Free and Clear of all Liens, Interests, Claims and Encumbrances, and Related Procedures and Bid Protection Pursuant to 11 U.S.C. §363, and (b) The Potential Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and Related Procedures Pursuant to 11 U.S.C. §365, and (d) Related Relief Pursuant to 11 U.S.C. §105* [Docket No. ____] (the "Bid Procedures Order")

5. Pursuant to the Bid Procedures Order, if more than one Qualified Bid has been submitted for the Assets on or before **May 25, 2017 at 5:00 pm** in accordance with the Bid Procedures attached as Exhibit A, the Sale Agent will conduct an auction (the "Auction") on **May 26, 2017 at 9:30 a.m., prevailing Central time**, with respect to such Qualified Bids in order to determine the Successful Bid(s) to submit for approval by the Bankruptcy Court at the Final Hearing. Qualified Bidders seeking to participate as a bidder at the Auction must comply with the Bid Procedures.

6. Any objection to the relief requested in the Sale Motion for the final hearing on May 31, 2017, including any objection to any sale or abandonment, or to any assumption and assignment, or rejection, of any unexpired lease or executory contract, must be filed by **May 30, 2017 at 5:00 p.m. prevailing Central time**.

7. The Final Hearing on the Sale Motion shall be held on on May 31, 2017, at **9:30 a.m. prevailing Central time**, in the courtroom of the Honorable Dennis R. Dow, United States Bankruptcy Judge, at the United States Bankruptcy Court, Western District of Missouri, 400 East 9th Street, Kansas City, Missouri.

The Bid Procedures

8. A Potential Bidder who desires to make a Bid must deliver a written copy of its Bid on or before the Bid Deadline of **May 25, 2017 at 5:00 p.m. prevailing Central Time** to the debtors' counsel at the following address:

Victor Weber
Merrick, Baker, & Strauss, P.C.
1044 Main, Ste. 500
Kansas City, Mo. 64105
victor@merrickbaker@strauss

The debtors may extend the Bid Deadline, but will promptly notify all Potential Bidders of any such extension.

9. A Bid received from a Potential Bidder by the Bid Deadline will constitute a "Qualified Bid" only if it includes all of the requirements specified herein, all solely as determined by the debtors:

- (a) The Bid must be accompanied by satisfactory evidence of committed financing or other financial ability to consummate the Transaction in a timely manner.
- (b) The Bid cannot be conditioned upon the Bankruptcy Court's approval of any bid protections, such as a break-up fee, termination fee, expense reimbursement, working fee or similar type of payment.
- (c) The Bid must be received by the Bid Deadline.
- (d) The Bid must include a deposit of \$25,000.

10. If more than one Qualified Bid is submitted for the Assets in accordance with the Bid Procedures, the debtors will conduct an auction (the "Auction") on May 26, 2017, at 9:30 a.m., prevailing Central time, or at such later time as determined by the debtors, who will notify all Qualified Bidders who have submitted Qualified Bids (collectively, the "Auction Participants").

11. Prior to the Auction, the debtors will evaluate the Qualified Bids and select the Qualified Bid or combination of Qualified Bids that the debtors determine in their business judgment to be the highest or best Qualified Bid(s) (the "Initial Highest Bid") for the assets of the Debtors' estates. In making this determination, the debtors may consider, among other things, the amount of cash to be paid or delivered, the conditions to closing, the Assets being purchased, and related matters.

12. The debtors will give each of the Auction Participants notice of the Initial Highest Bid and a copy of such Bid prior to the scheduled start of the Auction.

13. At the commencement of the Auction, the debtors will formally announce the Initial Highest Bid(s) and the assets to which they relate. All Qualified Bids at the Auction will be based on and increased therefrom, and thereafter made in minimum increments higher than the previous Qualified Bid in an amount to be established by the debtors.

14. Unless otherwise determined by the debtors, in conducting the Auction (i) the debtors will first take bids for each Property, and (ii) after taking such bids, the debtors will then take bids for more than one Property. The debtors will have the right to adopt such other rules for the Auction which they believes in their business judgment will promote the goals of the Auction to obtain the highest and best price for the Assets.

15. The debtors may (a) determine which Qualified Bid, if any, is the highest or otherwise best offer(s); and (b) reject at any time before entry of an Order of the Bankruptcy Court approving the Successful Bid(s), any bid that, in the discretion of the debtors, is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code or the Bid Procedures, or (iii) contrary to the best interests of the debtors' estates and their creditors.

The Ingreddion Contract

16. In connection with the Transaction(s), the debtors may seek to assume their executory contract with Ingreddion Incorporated.

17. The debtors are not in default under the Ingreddion contract and no payment or condition is necessary for this contract to be assumed and assigned. The debtors believe that the Successful Bidder(s) will provide adequate assurance of future performance under the Ingreddion contract.

18. After the assumption and assignment of the Ingreddion contract, the debtors and the Successful Bidder(s) will be relieved of any liability to any counterparties or other third parties that accrued or arose before the date of assumption. Further, the Ingreddion contract will remain in full force and effect for the benefit of any Successful Bidder(s) in accordance with its terms, notwithstanding any provision which prohibits, restricts or conditions such assignment or transfer thereof or the debtors' rights thereunder.

19. IF NO PARTY OBJECTS TO THE PROPOSED ASSUMPTION AND ASSIGNMENT OF THE INGREDION CONTRACT AND RIGHTS THEREUNDER BEFORE THE OBJECTION DEADLINE: (I) SUCH EXECUTORY CONTRACT MAY BE ASSUMED AND ASSIGNED, IN WHICH CASE ALL INGREDION INCORPORATED WILL BE DEEMED TO HAVE CONSENTED AND WILL BE BOUND BY ORDER OF THE COURT TO SUCH ASSUMPTION AND ASSIGNMENT; (II) ANY SUCCESSFUL BIDDER WILL ENJOY ALL OF THE RIGHTS AND BENEFITS UNDER THE INGREDION CONTRACT WITHOUT THE NECESSITY OF OBTAINING ANY INGREDION INCORPORATED'S WRITTEN CONSENT TO THE ASSUMPTION AND ASSIGNMENT THEREOF; (III) INGREDION INCORPORATED WILL BE FOREVER BARRED AND ESTOPPED FROM ASSERTING OR CLAIMING AGAINST THE DEBTORS, THE DEBTORS' ESTATES, ANY SUCCESSFUL BIDDER, OR AN ASSIGNEE

THAT ANY AMOUNTS ARE DUE OR DEFAULTS EXIST, OR THAT CONDITIONS TO ASSIGNMENT MUST BE SATISFIED UNDER SUCH ASSIGNED EXECUTORY CONTRACT OR UNEXPIRED LEASE FOR THE PERIOD PRIOR TO THE EFFECTIVE DATE..

Additional Information Regarding Any Objection

20. Objections, if any, to all or any part of the Sale Motion shall be filed on the docket of the Bankruptcy Court by **May 30, 2017 at 5:00 p.m. prevailing Central Time.**

21. Any person failing to timely file an objection to the Sale Motion by **May 30, 2017 at 5:00 p.m. prevailing Central Time** shall be barred from objecting to the Sale Motion, including the sale of the free and clear of any and all liens, claims, encumbrances, and interests and will be deemed to consent to the Transaction(s), including the sale of the Assets free and clear of any and all liens, claims, encumbrances, and interests.

22. Where any party files a timely objection claiming it is necessary for a cure amount to be paid to assign and assume the Ingredion contract and the parties are unable to consensually resolve the dispute prior to the Sale Hearing, the amount to be paid with respect to such objection may be determined at the Sale Hearing or such other date and time as may be fixed by the Bankruptcy Court. All other objections to the proposed assumption and assignment of the debtors' right, title and interest in, to and under the Ingredion contract will be heard at the Sale Hearing.

23. Copies of the Sale Motion, the Bid Procedures, the Bid Procedures Motion, and the Bid Procedures Order, together with any and all exhibits, schedules, and attachments thereto, may be obtained by directing a written request to debtors' undersigned counsel.

Respectfully submitted,

MERRICK, BAKER & STRAUSS, P.C.

By: /s/ victor f. weber

BRUCE E. STRAUSS MO#26323

VICTOR F. WEBER MO#57361

1044 Main Street - Suite 500

Kansas City, MO 64105

Telephone: (816) 221-8855

Facsimile: (816) 221-7886

Email: victor@merrickbakerstrauss.com

PROPOSED ATTORNEYS FOR DEBTORS
8760 Service Group, LLC and PELHAM
PROPERTY, LLC

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is made and entered into this 25th day of April, 2017, among 8760 Service Group, LLC ("Company") Pelham Property, LLC and Basin Fork, LLC (jointly, "Affiliates") and Stacey A. Barnes ("Unitholder," and along with Company and Affiliates, the "Sellers"), and NEWCO, an entity to be formed by Brian C. Cullum ("Buyer").

RECITALS

A. Company and Affiliates plan to soon commence separate bankruptcy cases (the "Bankruptcy Cases") -by filing voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code").

B. Sellers wish to sell to Buyer, and Buyer wishes to purchase from Sellers, certain assets of Company, subject to the terms and conditions set forth herein.

C. The transactions contemplated by this Agreement are subject to the approval of the Bankruptcy Court and will be consummated only pursuant to a final order and related orders to be entered by the Bankruptcy Court and applicable provisions of the Bankruptcy Code (the "Sale Order").

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Assets Sold and Purchase Price. Subject to the representations and warranties of the parties hereto and the terms and conditions herein stated, on the Closing Date (as hereinafter defined) Sellers agree to sell and deliver to Buyer and Buyer agrees to purchase for an aggregate purchase price of up to \$1,500,000 (the "Purchase Price") one parcel of real estate and all of the tangible or intangible assets of every kind and nature used by Sellers in, or arising out of the operation of the business of Company (herein called the "Acquired Business") including without limitation the assets owned by Affiliates and the assets reflected on Exhibit 1 (with only such dispositions of assets in the usual and ordinary course of business consistent with past practice from the date of this Agreement to the Closing Date) and the following:

Assets

1. Machinery, equipment, inventory and supplies set forth on a list attached hereto as Exhibit 1
2. All customer, supplier and other business records and intangible items, including good will and growing concern value
3. All contracts, leases, licenses and other agreements listed

Assets

or described on Exhibit 2 (copies of which have previously been delivered to Buyer)

4. Real Estate (fabrication facility and vacant land) owned by Pelham Property, LLC
5. The name "8760 Service Group, LLC" and ancillary intellectual property

(collectively, the "Assets").

The aggregate amount of the Purchase Price (less Sellers' pro rata unpaid share, or plus the excess paid by Sellers over Sellers' pro rata share, of taxes and assessments on the Assets computed in accordance with paragraph 4 hereof) shall be paid to Company as follows:

(1) \$500,000 in cash at the Closing; and

(2) \$500,000 Promissory Note payable to Company and Affiliates secured by the Assets bearing interest at an annual rate of 5%, payable at the end of five years (the "Note") in form and substance satisfactory to Buyer, which amount owing under the Note may be reduced and set-off by any amounts which may become due and owing by Sellers to Buyer pursuant to Section 12 hereof.

(3) Up to \$500,000 payable to Company and Affiliates in earnout payments, payable in the amount of \$166,667 per year for each year of the three years subsequent to the Closing if and only to the extent EBITDA of the business operated by Buyer in any of those three years exceeds \$ 200,000.

2. Assumption of Liabilities. Except as stated in paragraph 10(b) hereof, no obligations or liabilities of Sellers are being assumed by Buyer under this agreement.

3. Closing Date. The closing ("Closing") shall be at the office of Stinson Leonard Street LLP in Kansas City, Missouri commencing at 10:00 a.m. on June 30, 2017, or such other date, time and place as the parties mutually agree (the "Closing Date").

4. Proration of Taxes. Sellers shall be responsible for and agree to pay when due all sales and use taxes arising out of the transactions contemplated hereunder. All ad valorem taxes and assessments against or in respect of the assets to be purchased hereunder for the taxable period which includes the Closing Date shall be prorated between Sellers and Buyer as of the Closing Date. In the event the amount of such taxes and assessments cannot be ascertained as of the Closing Date, proration shall be made on the basis of the preceding year.

5. Customer, Supplier and Other Business Records. On the Closing Date, Sellers shall deliver to Buyer all customer, supplier and other business and financial records pertaining

to the Acquired Business. Thereafter, Buyer shall grant Sellers reasonable access to such records.

6. Representations and Warranties of Sellers. Sellers jointly and severally represent and warrant as follows, each of which is true and correct on the date hereof and will be true and correct on the Closing Date, each of which shall be unaffected by any investigation heretofore or hereafter made by Buyer and each of which shall survive the Closing and the transactions contemplated hereby:

(a) Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Missouri. Company has the power to execute and deliver this agreement and to carry out the transactions hereunder contemplated. The execution, delivery and performance of this agreement will not violate or breach any provision of any mortgage, trust indenture, lien, lease, agreement, instrument, order, judgment, law, statute, regulation, ordinance, decree or other restriction of any kind or character to which either Seller is subject. This agreement has been duly authorized, executed and delivered by each of the Sellers and is valid, binding and enforceable against each of them in accordance with its terms.

(b) Prior to the Closing Date, Sellers will complete all actions and procedures, corporate and otherwise, and obtain all consents or other authorizations necessary or proper to authorize the transactions contemplated hereunder and to enable Sellers to perform all of their obligations hereunder.

(c) Company has good and marketable title to all the Assets to be sold hereunder and all such assets will be transferred to Buyer at the Closing free of all liens, claims, encumbrances and restrictions whatsoever.

(d) Neither of the Sellers has made any other contract or understanding to sell or otherwise transfer the Assets.

(e) Sellers have no right, claim or agreement pertaining to the employees of the Acquired Business which would affect the right of Buyer to employ such employees and Sellers recognize and agree that Buyer may, but shall have no obligation to, employ such employees.

(f) No representation or warranty of Sellers in this Agreement or in any certificate to be furnished by Sellers pursuant to this Agreement contains or will contain any untrue statement of a material fact or omits or will omit a material fact necessary to make the statements contained therein not misleading. To the best knowledge of Sellers there is no fact which Sellers have not disclosed in writing to Buyer which materially adversely affects, or may materially adversely affect, Sellers, the Acquired Business, its operations or prospects or the assets to be transferred hereunder.

7. Representations and Warranties of Buyer. Buyer represents and warrants as follows, each of which is true and correct on the date hereof and will be true and correct on the Closing Date, each of which shall be unaffected by an investigation heretofore or hereafter made by Sellers and each of which shall survive the Closing and the transactions contemplated hereby:

(a) Buyer is a limited liability company duly organized and existing and in good standing under the laws of the State of Delaware and has the power to execute and deliver this agreement and to carry out the transactions hereunder contemplated. Buyer's execution and delivery of this agreement and consummation of the transactions required hereby will not violate any provision of any mortgage, trust indenture, lien, lease, agreement, instrument, order, judgment, law, statute, regulation, ordinance, decree or other restriction of any kind or character to which Buyer is subject. This agreement has been duly authorized, executed and delivered by Buyer and is valid, binding and enforceable against Buyer in accordance with its terms.

(b) Prior to the Closing, Buyer will complete all actions and procedures, corporate and otherwise, and obtain all consents or other authorizations necessary or proper to authorize the valid and complete acquisition by Buyer of the Assets and to enable Buyer to perform all of its obligations hereunder.

8. Conduct of the Business of Sellers Pending the Closing Date.

(a) Full Access. Buyer and its authorized representatives shall have full access during normal business hours to all assets, books, records, contracts and documents of Company and Sellers shall furnish or cause to be furnished to Buyer and its authorized representatives all information with respect to the affairs of Company as Buyer may reasonably request with respect to the Acquired Business.

(b) Carry on in Regular Course. Sellers jointly and severally covenant and agree that with respect to the Acquired Business from the date hereof to the Closing Date (subject to written consent by Buyer to the contrary):

(i) Company will carry on the Acquired Business in the usual and ordinary course and consistent with past practices diligently and substantially in the same manner as heretofore.

(ii) Company will not increase or decrease the rates of pay of its employees or increase or decrease the fixed compensation payable or to become payable to any officer, employee or agent thereof, or change any contract or commitment to increase or decrease the benefits or compensation of any such officers, employees or agent.

(iii) Company will not enter into any contract or commitment or engage in any transaction not in the usual and ordinary course of its business and consistent with past practices.

(iv) All tangible property of Company will be used, operated, maintained and repaired in a careful and efficient manner.

(v) Sellers will use their best efforts (without making any commitments on behalf of Buyer) to preserve the business organization of the Acquired Business intact, to keep available to Buyer the present employees of

Company, and to preserve for Buyer the present relationships with the suppliers and customers of Company and others having business relations with it.

(vi) Company will duly comply with all applicable laws as may be required for the valid and effective sale and transfer of the assets to be transferred hereby, and the performance of all other acts and things contemplated by this Agreement.

9. Conditions Precedent to Buyer's Obligation. Each and every obligation of Buyer to be performed in connection with the Closing on the Closing Date shall be subject to the satisfaction of the following conditions:

(a) Representations and Warranties True as of the Closing Date. The representations and warranties made by Sellers in this agreement shall be true on and as of the Closing Date with the same effect as though such representations and warranties had been made or given on and as of the Closing Date.

(b) No Material Change. The condition (financial or otherwise), business, properties, assets or prospects of the Acquired Business shall not be adversely affected or threatened to be affected in any way as a result of fire, explosion, earthquake, disaster, accident, change in technology, obsolescence of product or service, any action or threatened action by the United States or any other governmental authority, flood, drought, embargo, riot, civil disturbance, uprising, activity of armed forces, or act of God or public enemy.

(c) Compliance with Agreement. Sellers shall have performed and complied with all of their obligations under this agreement which are to be performed or complied with by them prior to or on the Closing Date, in form and substance satisfactory to Buyer, which shall include changing the name of Company to something other than its existing name.

(d) Certificate. Sellers shall provide a certificate to Buyer signed by Unitholder and the President of Company certifying that the conditions set forth in paragraphs (a), (b) and (c) of this Section 9 have been fulfilled.

(e) Instrument of Transfer. Sellers shall have delivered or caused to be delivered to Buyer warranty deeds in the forms attached hereto as Exhibit 3 and a bill of sale substantially in the form of the bill of sale attached hereto as Exhibit 4 and such other assignments and other instruments of transfer and conveyance as Buyer shall deem to be necessary or desirable to vest in Buyer all right, title and interest in and to the assets of the Acquired Business.

(f) Assignment of Contracts and Licences. Sellers shall have delivered to Buyer (i) a valid assignment, as of the Closing Date, of the contracts and licenses listed on Exhibit 2 by Sellers and (ii) the written statement of the other parties to said contracts and licenses that they consent to said assignment and that as of the Closing Date Sellers are not in default under any of such contracts and licenses.

(g) Proceedings and Instruments Satisfactory. All proceedings, corporate or other, to be taken in connection with the transactions contemplated by this agreement, and all documents incident thereto, shall be satisfactory in form and substance to Buyer and Buyer's counsel; and Sellers shall have made available to Buyer for examination the originals or true and correct copies of all documents relating to the business and affairs of Sellers which Buyer may reasonably request.

(h) Employment Agreements. The employment agreements executed by Unitholder and Lindsay N. Barnes with Buyer, copies of which are attached and hereby incorporated by reference as Exhibit 5, shall remain in full force and effect without impairment.

10. Conditions Precedent to Sellers' Obligations. Each and every obligation of Sellers to be performed on the Closing Date shall be subject to the satisfaction of the following conditions:

(a) Payment of Purchase Price. Buyer shall deliver to Company a cashier's check in the amount of the purchase price as set forth in Section 1 and the Note.

(b) Assumption of Contracts. At the Closing on the Closing Date Buyer shall assume all liabilities arising after the Closing Date under the contracts, leases and other agreements listed in Exhibit 2.

11. Additional Agreements and covenants.

(a) Bankruptcy Actions. Sellers: (i) will provide Buyer with a reasonable opportunity to review and comment upon all motions, applications, petitions, schedules and supporting papers relating to the transactions contemplated by this Agreement prepared by Sellers (including forms of orders and notices to interested parties) prior to the filing thereof in the Bankruptcy Cases, and all such papers must be reasonably satisfactory in form and substance to Buyer, (ii) will promptly take such actions as are reasonably requested by Buyer to assist in obtaining entry of the Sale Order, including but not limited to evidence demonstrating that Buyer is a good faith buyer under Section 363(m) of the Bankruptcy Code, and (iii) shall execute such documents, and use their reasonable best efforts to take or cause to be taken all actions, and do or cause to be done all things necessary, proper or advisable to consummate the transactions contemplated by this Agreement, including but not limited to putting Buyer in actual possession, ownership and operating control of the assets free and clear of any and all liens, claims and interests; and to make all necessary filings and give all notices to third parties which may be necessary or required in order to effectuate the transactions contemplated hereby; and to fulfill or obtain the fulfillment of the conditions set forth in Articles 8 and 9 of this Agreement.

(b) Other Bids. Sellers may solicit bids from other prospective buyers for the sale of the Assets, on terms and conditions substantially the same in all respects to this Agreement (or more favorable terms to Sellers) (the "Auction"). If the sale price bid at

Auction exceeds the Purchase Price and a third party purchaser closes a purchases of the Assets ("Third Party Closing"), Seller shall pay to Buyer at the Third Party Closing a "break up" equal to five percent (5%) of the highest Purchase Price offered by Buyer at the auction, plus Purchaser's reasonable out of pocket expenses in an amount not to exceed \$50,000.00 (the "Bid Protection").

(c) Bankruptcy Court Approvals. This Agreement, and Sellers' and Buyer's obligations hereunder, are subject to, and conditioned upon, entry of (i) a final order by the Bankruptcy Court approving the Bid Protection on or before May 31, 2017, and (ii) the Sale Order by the Bankruptcy Court prior to the Closing Date.

12. Termination.

(a) This agreement may be terminated at any time prior to the Closing Date:

(i) By mutual consent of the parties hereto;

(ii) By the Buyer if any of the conditions of its obligations hereunder shall not have been satisfied at or prior to the Closing on the Closing Date and (if not satisfied) shall not have been waived by it; and

(iii) By the Sellers if any of the conditions of their obligations hereunder shall not have been satisfied at or prior to the closing on the Closing Date and (if not satisfied) shall not have been waived by both of them.

(b) The right of termination hereof, as granted to the respective parties hereto under subparagraph 13(a) above, shall be in addition to, and not in lieu of, any other legal or equitable remedy which the terminating party may have for or in respect of any breach of the obligations hereunder or failure to satisfy a condition to his or its obligations hereunder by another party hereto.

13. Miscellaneous.

(a) Notice. Any notices given under this agreement shall be deemed to be effectively given when delivered personally or placed in the United States mail, postage prepaid, certified or registered mail, addressed, in the case of Sellers, as follows:

8760 Service Group, LLC
5105 Pelham Drive
Sedalia, Missouri 65301

and in the case of Buyer, as follows:

Brian C. Cullum
12721 Pawnee Lane
Leawood, Kansas 66209

(b) Survival of Representations, Warranties, Covenants and Liabilities. The completion of the sale hereunder shall not terminate any of the covenants, representations, warranties or liabilities of the parties under this agreement, and the same shall continue and survive the completion of said sale.

(c) Entire Agreement. This agreement supersedes all prior negotiations between the parties hereto and contains the entire understanding between them. It may be modified only by a writing duly executed by each of the parties hereto or their successors or assigns.

(d) Successors and Assigns and Counterparts. This agreement shall be binding upon and shall inure to the benefit of the parties hereto and their successors and assigns and may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute but one and the same instrument.

(e) Governing Law. This agreement and all rights and obligations of the parties shall be governed, construed and interpreted under and pursuant to the laws of the State of Missouri applicable to agreements made and to be performed entirely within such State.

(f) Negotiated Transaction. The provisions of this agreement were negotiated by the parties hereto and said agreement shall be deemed to have been drafted by all the parties hereto.

(g) Joint and Several Obligations. Any obligation, agreement, covenant, representation or warranty undertaken by Company hereunder shall be deemed to be undertaken by Company and Unitholder jointly and severally.

(h) Further Assurances. Sellers agree that they will execute and deliver or cause to be executed and delivered from time to time such instruments, documents, agreements, consents and assurances and take such other actions as Buyer reasonably may require to more effectively convey, transfer to and vest in Buyer and to put Buyer in possession of the Assets.

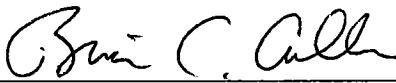
8760 Service Group, LLC

By: _____
Stacey Barnes, Member

Stacey A. Barnes

SELLERS

NEWCO, a limited liability company to be formed

By: _____
Brian C. Cullum, Member

BUYER