

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

SKIP BARBER RACING SCHOOL LLC,

Chapter 11

Case No. 17-35871 (CGM)

Debtor.

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**ORDER (I) APPROVING BIDDING PROCEDURES; (II) SCHEDULING
BID DEADLINE, AUCTION DATE AND SALE HEARING AND
APPROVING NOTICE THEREOF; AND (III) APPROVING
PROCEDURES RELATED TO ASSUMPTION AND ASSIGNMENT OF
CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND
APPROVING NOTICE THEREOF**

Upon the Motion (the "Motion") of Skip Barber Racing School LLC, debtor and debtor in possession (the "Debtor"), dated June 20, 2017, under sections 105, 363, and 365 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code"), Rule 6004-1 of the Local Rules of the United States Bankruptcy Court for the Southern District of New York (the "Local Rules") and Rules 2002, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") for the entry of: (i) this initial order (the "Bidding Procedure Order"), (a) approving the bidding procedures (the "Bidding Procedures"), substantially similar to the procedures attached to this Bidding Procedures Order as Exhibit A, (b) approving the form of notice of the Bidding Procedures, Auction, Sale Hearing and Sale, (c) approval of procedures for the assumption by the Debtors and assignment to the Prevailing Bidder of Assigned Contracts, including notice of proposed cure amounts; (d) and granting other related relief; and (ii) the entry of a second order (the "Sale Order"), (a) authorizing the Debtor to enter into the Proposed Asset Purchase Agreement (the "Purchase Agreement"), a form of which is attached as Exhibit B, and approving the sale to the bidder for the Purchased Assets set forth in the Purchase Agreement

(the “Sale”), (b) the assumption and assignment to the Prevailing Bidder of the Assigned Contracts and (c) granting other relief related thereto; the Court having reviewed the Motion and scheduled a hearing (the “Procedures Hearing”) on the Motion, and the Court having found that (i) the Court has jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); and (iv) notice of the Motion and Hearing was sufficient under the circumstances; and after due deliberation the Court having determined that the relief requested in the Motion is in the best interest of the Debtor’s estate and its creditors; and upon the record of the hearing having been held on July 11, 2017, and good and sufficient cause having been shown; it is hereby ORDERED, as follows:

1. The Motion (as it pertains to approval of the matters set forth herein) is granted. Any objections to this Bidding Procedures Order that have not been previously resolved or withdrawn are overruled on the merits. This Bidding Procedures Order shall be valid, binding and enforceable on all parties in interest and fully effective immediately upon entry.

2. The Debtor shall cause to be served, within five (5) business days after issuance of this Bidding Procedures Order, by first-class mail, postage prepaid, or by electronic mail (i) notice of the Bid Deadline, Auction and Sale Hearing substantially in the form attached hereto as Exhibit C (the “Notice of Bid Deadline, Auction, and Sale Hearing”), (ii) this Bidding Procedures Order, including the Bidding Procedures attached hereto as Exhibit A, and (iii) the Motion (the Notice of Bid Deadline, Auction, and Sale Hearing, this Bidding Procedures Order and the Bidding Procedures, the Motion, collectively, the “Sale Package”), upon: (a) all potential buyers previously identified or solicited by the Debtor and any additional parties who have previously expressed an interest in potentially acquiring the Purchased Assets, (b) all other

potentially interested parties identified by the Debtor or its professionals; (c) the Office of the United States Trustee for the Southern District of New York (the "U.S. Trustee"), (d) each non-Debtor counter-party to the Debtor's executory contracts and unexpired leases (collectively, the "Contracts"), (e) all parties in interest who have requested notice in the Cases under Bankruptcy Rule 2002, (f) all parties who are known to possess or assert a lien, claim, encumbrance or interest in or upon any of the Purchased Assets, including but not limited to the People's United Bank, N.A. ("People's") and CMS Mezzanine Debt Subpartnership ("CMS") and counsel to People's and counsel to CMS, (g) counsel for the Official Committee of Unsecured Creditors (the "Creditors' Committee"), if one is appointed, (h) the Internal Revenue Service, (i) the Attorney General for the State of New York, Attorney General for the State of Georgia and the Attorney General for the State of Delaware, (j) the United States Attorney's office, (k) all applicable federal, state and local regulatory or taxing authorities or recording offices which have a reasonably known interest in the relief requested in the Motion. Due to the size and complexity of the Case, the Debtors' known creditors (other than if included in (a) - (j)) will receive only the Notice of Bid Deadline, Auction and Sale Hearing. Such notice shall be sufficient and appropriate notice of the Sale with respect to known interested parties.

BIDDING PROCEDURES AND AUCTION

3. The Bidding Procedures are incorporated herein by reference and are approved and shall govern the qualification of bidders, the submission, content and qualification of all Qualified Bids and bidding procedures relating to the Auction of the Purchased Assets. The Bidding Procedures are necessary and reasonable under the circumstances of this case, are intended and are likely to preserve and enhance the value of the Debtors' estates and are approved in their entirety.

4. The proposed Purchase Agreement is incorporated herein by reference and is approved as the form of agreement to be used by bidders in conjunction with the Bidding Procedures.

5. Subject to the terms and conditions set forth in the Bidding Procedures, the Debtor is hereby authorized and directed to (a) solicit any person to become a Potential Bidder, (b) permit Potential Bidders to conduct a due diligence investigation in connection with the Sale, (c) in consultation with People's, CMS, and the Creditors' Committee (if one is appointed), determine whether a bid timely submitted by a Potential Bidder is a Qualified Bid, (d) if one or more Qualified Bids is submitted, conduct an Auction, (e) at the conclusion of such Auction, in consultation with People's, CMS, and the Creditors' Committee (if one is appointed), designate the highest or otherwise best offer as the Prevailing Bidder and the next highest or otherwise best offer and the Back-Up Bidder, and (f) in consultation with People's, CMS and the Creditors' Committee (if one is appointed), seek Bankruptcy Court approval at the Sale Hearing of the Prevailing Bid submitted by the Prevailing Bidder and the Back-Up Bid submitted by the Back-Up Bidder.

SALE HEARING AND OBJECTIONS TO THE SALE

6. The Court shall hold the Sale Hearing on **July 28, 2017 at 11:00 a.m.** (Eastern Time), or such other date and time as may be convenient to the Court, or as may be announced at the Sale Hearing without further notice.

7. To be considered by the Court, any objections to the Sale of the Purchased Assets to the Prevailing Bidder under the Purchase Agreement shall (a) be in writing, (b) conform to the Bankruptcy Rules and the Local Rules, (c) set forth the name of the objecting party, the nature and amount of any claims or interest held or asserted against the Debtor's estate or its properties,

the basis for the objection and the specific grounds therefor and (d) be filed with the with the Clerk of the Bankruptcy Court with a courtesy copy delivered to the chambers of the Honorable Cecilia G. Morris, Chief United States Bankruptcy Judge of the United States Bankruptcy Court for the Southern District of New York at 355 Main Street, Poughkeepsie, NY 12601 and served on the following (collectively, the “Objection Notice Parties”): (i) the Office of the United States Trustee, 74 Chapel Street, Suite 200, Albany, NY 12207, attn.: Alicia M. Leonhard, Esq.; (ii) Edward Pontacoloni, Esq., counsel to People’s Bank, Updike, Kelly & Spellacy, P.C., 100 Pearl Street, Hartford, CT 06103, (iii) counsel to CMS, Drinker Biddle & Reath LLP, 321 Great Oaks Blvd., Albany, NY 12203 attn: Stacy A. Lutkus, Esq., and (iv) Debtor’s counsel, Gerard R. Luckman, Esq., Forchelli, Curto, Deegan, Schwartz, Mineo & Terrana, LLP, located at 333 Earle Ovington Boulevard, Uniondale, NY 11553, (v) counsel for the Official Committee of Unsecured Creditors, if one is appointed, and (vi) counsel for the Prevailing Bidder, so as to be received no later than **4:00 p.m.** (Eastern time) on **July 26, 2017** (the “Sale Objection Deadline”).

8. Any entity that fails to file and serve its objection before the expiration of the Sale Objection Deadline and otherwise in accordance with this Bidding Procedures Order shall be prohibited from asserting at the Sale Hearing or at any time thereafter any objection to the Motion or the consummation and performance of the Sale as contemplated by the terms of the Purchase Agreement submitted by the Prevailing Bidder, including the transfer of the Purchased Assets free and clear of all Liabilities (other than Liabilities assumed by the Prevailing Bidder).

9. If the Debtor receives more than one Qualified Bid from Qualified Bidders the Debtor shall conduct an Auction commencing at **1:00 p.m.** (Eastern Time) on **July 26, 2017** at Forchelli, Curto, Deegan, Schwartz, Mineo & Terrana, LLP, 333 Earle Ovington Blvd., Suite

1010, Uniondale, New York 11553 or such other time or place as the Debtor, at least two (2) business days before the Auction, notifies all Qualified Bidders who have submitted Qualified Bids. The Debtor shall conduct an open Auction in accordance with the Bidding Procedures on the record, recorded by a court reporter. Each Qualified Bidder participating at the Auction shall confirm that it has not engaged in any collusion with respect to the bidding or the Sale.

ASSUMPTION AND ASSIGNMENT OF CONTRACTS

10. The Debtor shall send notice within five (5) business days of the date of the entry of this Bidding Procedures Order substantially in the form annexed hereto as Exhibit D (the “Notice of Assumption and Assignment”) to all non-Debtor counter-parties to the Contracts. The Notice of Assumption and Assignment shall set forth (i) that such Contract may be assumed by the Debtor and assigned to the Prevailing Bidder under the Bidding Procedures and (ii) the Cure Amount (as defined in the Notice of Assumption and Assignment) associated with the assumption and assignment of such Contract. Upon receipt of any Qualified Bid submitted by a Qualified Bidder, the Debtor shall promptly determine whether a Notice of Assumption and Assignment needs to be given to any additional non-Debtor parties to Contracts, which are listed on any schedule to such Prevailing Bidder's version of the Purchase Agreement to be assumed and assigned to such Qualified Bidder (the “Assumed Contracts”), and shall mail, or otherwise serve by overnight courier service or other prompt method of service, within three (3) business days of receipt of such Qualified Bid, such additional Notices of Assumption and Assignment as may be required. A counterparty to a Contract which later receives a notice that a Qualified Bidder has designated that Contract for assumption and assignment may object as set forth in paragraphs 11 and 14, below.

11. All objections to the assumption, sale and assignment of any Assigned Contract or to any Cure Amount (each, an “Assumption and/or Cure Objection”) must be filed with the Court and served upon the Objection Notice Parties so as to be actually received no later than the Sale Objection Deadline. All Assumption and/or Cure Objections must state with specificity the nature of such objection and may be heard by the Court at the Sale Hearing or such other date and time as the Debtor may schedule with the Court.

12. If an objection is timely filed and served in accordance with paragraph 11 above challenges a Cure Amount, such objection must set forth the amount of cure being claimed by the objecting party (the “Claimed Cure Amount”) with appropriate documentation in support thereof. Upon receipt of a timely filed and served objection to a Cure Amount, the Prevailing Bidder shall include in the Post-Closing Cure Reserve Amount an amount equal to the Claimed Cure Amount, which amount may be released and paid to such counterparty by the Debtor after the Cure Amount is fixed by the Court or agreed upon by the Debtor and the objecting party as the Claimed Cure Amount. So long as the Claimed Cure Amount shall have been set aside in the Escrow Account, the Debtor shall be authorized, without further delay, to assume, sell and assign the Assigned Contract that is the subject of such Claimed Cure Amount objection to the Prevailing Bidder.

13. If no objection to the Cure Amount or the proposed assumption, sale and assignment in respect of an Assigned Contract is timely filed and served: (i) the Debtor may assume, sell and assign to the Prevailing Bidder such Assigned Contracts (ii) the Cure Amount set forth in the Notice of Assumption and Assignment shall be binding upon the respective non-Debtor party to the Assigned Contract for all purposes in this Case, and (iii) the respective non-Debtor party shall be forever barred from objecting to the assumption, sale and assignment

of the relevant Assigned Contract and/or Cure Amount, and from asserting against the Debtor or the Prevailing Bidder any right of setoff, condition to assignment and/or any additional cure or other amount with respect to such Assigned Contract.

14. Due to the timing of the Sale process set forth in the Bidding Procedures and this Bidding Procedures Order, non-Debtor parties to Assigned Contracts may raise objections to adequate assurance of future performance under the Assigned Contracts at the Sale Hearing.

15. The effective date of any assumption, sale and assignment of any Assigned Contract shall be the Closing (as defined in the Purchase Agreement). Accordingly, any Cure Amounts to be paid under any Assigned Contract shall be paid in accordance with the Purchase Agreement of the Prevailing Bidder upon or as soon as reasonably practicable after the Closing Date or as soon thereafter as the Cure Amount is fixed by the Court or agreed upon by the Debtor, the Prevailing Bidder and the objecting party.

ADDITIONAL PROVISIONS

16. The proposed Purchase Agreement and any exhibits and schedules thereto (collectively, the "Transaction Documents") may be amended, modified or supplemented, or the provisions thereof waived, in accordance with the terms of the proposed Purchase Agreement and/or as required to implement the Bidding Procedures and Sale process without further order of this Court or notice thereof to any party, other than Potential Bidders or Qualified Bidders.

17. The failure to include or reference in this Bidding Procedures Order any particular provisions of the Bidding Procedures shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court that the Bidding Procedures be authorized and approved in their entirety.

18. This Court shall retain exclusive jurisdiction to interpret, construe, enforce and implement the terms of this Bidding Procedures Order and grant any remedy, at law or equity, as the circumstances require.

19. Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), this Bidding Procedures Order shall not be stayed for fourteen (14) days after the entry hereof and shall be effective and enforceable immediately upon signature hereof.

20. The Court shall retain jurisdiction over any matter or dispute arising from or relating to the implementation of this Bidding Procedures Order.

Dated: July 12, 2017
Poughkeepsie, New York



/s/ Cecelia G. Morris

Hon. Cecelia G. Morris
Chief U.S. Bankruptcy Judge

EXHIBIT A

BID PROCEDURES

BIDDING PROCEDURES

These bidding procedures (the “Bidding Procedures”) set forth the terms by which Skip Barber Racing School LLC, (the “Debtor” or the “Seller”), Debtor and debtor in possession may effectuate a sale (the “Sale”) of substantially all of its assets (the “Purchased Assets”) subject to the terms and conditions and in accordance with the process and procedures set forth herein. These Bidding Procedures were approved by an order (the “Bidding Procedures Order”) entered on July 12, 2017, by the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) in the following proceeding: In re Skip Barber Racing School LLC, Case No. 17-35871 (CGM).

I. Important Dates, Contact Information, and Terms

The following dates and deadlines apply to the proposed Sale.

General Bid Deadline:	July 24, 2017 at 5 p.m. (prevailing ET)
Auction:	July 26, 2017 at 1:00 p.m. (prevailing ET)
Sale Hearing:	July 28, 2017 at 11:00 a.m. (prevailing ET)
Sale Closing:	on or before August 4, 2017

The key dates in the sale process may be extended by the Debtor in consultation with the Consultation Parties (defined below) or by the Bankruptcy Court for cause.

Parties interested in the Assets may contact the Debtor through their attorneys by contacting Gerard R. Luckman, Esq, Forchelli, Curto, Deegan, Schwartz, Mineo & Terrana, LLP, 333 Earle Ovington Blvd., Suite 1010, Uniondale, NY 11553, telephone: (516) 248-1700, email: gluckman@forchellilaw.com.

“Consultation Parties” means, collectively, the Debtor and its professionals and advisors, People’s United Bank, N.A. (“People’s”) and its professionals and advisors, CMS Mezzanine Debt Subpartnership (“CMS”) and its professionals and advisors, and the Official Committee of Unsecured Creditors, if one is appointed in this case (the “Creditors Committee”), and its professionals and advisors.

II. Due Diligence and Participation

To participate in the sale process as a potential purchaser, conduct due diligence upon the Assets and be entitled to submit a bid for consideration hereunder, a party (each an “Interested Party”) must deliver the following to the Debtor:

- (A) an executed confidentiality agreement in form and substance reasonably satisfactory to the Debtor;

- (B) a statement and other factual support demonstrating to the Debtor's reasonable satisfaction, after consultation with the Consultation Parties, that the Interested Party has a *bona fide* interest in purchasing the Assets or some subset of the Assets; and
- (C) sufficient information, as determined by the Debtor in consultation with the Consultation Parties, to confirm that the Interested Party has the financial wherewithal and any required corporate, legal or other authorization necessary to close the Sale, including, but not limited to, a form of financial disclosure acceptable to the Debtor in their discretion.

Upon satisfactory receipt of the items above, as determined by the Debtor in consultation with the Consultation Parties, then such Interested Party will be deemed a "Potential Bidder," and the Debtor will deliver to such Potential Bidder: (A) an information package containing information and financial data with respect to the Assets (the "Information Package"); and (B) access information for the Debtor's confidential electronic data room concerning the Assets (the "Data Room"). The identity of each Potential Bidder may be disclosed to any other Potential Bidders. The Debtor will deliver a list of all current Potential Bidders to the Consultation Parties within one (1) business day after each Potential Bidder is added.

Until the business day immediately preceding the Bid Deadline, the Debtor will provide any Potential Bidder such due diligence access or additional information as the Debtor, in consultation with the Consultation Parties, determine to be reasonably requested and appropriate under the circumstances. In the event that any such due diligence material is in written form and has not previously been provided to any other Potential Bidder, the Debtor will provide such materials to all Potential Bidders to the extent practicable, as well as to the Consultation Parties. The Debtor retains the right to establish, maintain and make available a "virtual data room" containing due diligence material in written form, access to which shall be made available to all Potential Bidders.

Unless otherwise determined by the Debtor, in consultation with the Consultation Parties, the availability of additional due diligence to a Potential Bidder will cease if (A) the Potential Bidder does not become a Qualified Bidder or (B) the bidding process is terminated in accordance with its terms. Except as provided above with respect to the Information Package and access to the Data Room, neither the Debtor nor their representatives will be obligated to furnish any information of any kind whatsoever relating to the Purchased Assets to any party

A party may participate in the bidding process by submitting a bid to purchase less than all of the Purchased Assets. In addition, parties may participate in the bidding process by submitted a joint bid to purchase all, or less than all, of the Purchased Assets.

III. General Bid Deadline

A Potential Bidder that desires to make a bid shall deliver written and electronic copies of its bid in both PDF and Word format to the Notice Parties listed below so as to be received no later than 5:00 p.m. (prevailing Eastern Time) on July 24, 2017 (the "General Bid Deadline").

The “Notice Parties” means each of the following: (A) the Debtor c/o Michael C. Culver, 5489 Technology Parkway, Braselton, GA 30517, telephone: (203) 434-7711, mculver@skipbarber.com; (B) counsel to the Debtor, Forchelli, Curto, Deegan, Schwartz, Mineo & Terrana, LLP, 333 Earle Ovington Blvd., Ste. 1010, Uniondale, New York 11553, attn: Gerard R. Luckman, gluckman@forchellilw.com and Brian J. Hufnagel, bhufnagel@forchellilaw.com; (C) counsel to People’s, Updike, Kelly & Spellacy, P.C., 100 Pearl Street, P.O. Box 231277, Hartford, CT 06123-1277, attn: Kevin J. McEleney, kmceleney@uks.com and Ed Pontacoloni, epontacoloni@uks.com, (D) counsel to CMS, Drinker Biddle & Reath LLP, 321 Great Oaks Blvd., Albany, NY 12203 attn: Stacy A. Lutkus, stacy.lutkus@dbr.com, (D) counsel to the Creditors’ Committee if one is appointed.

IV. Qualified Bids

Assuming that there is an Auction, a Potential Bidder will not be entitled to participate in any Auction or otherwise purchase the Assets, unless it shall have submitted a Qualified Bid by the General Bid Deadline in accordance with these Bidding Procedures that includes all of the following items (the “Bid Package”):

- (A) An executed confidentiality agreement in form and substance reasonably satisfactory to the Debtor;
- (B) The true identity of the party submitting the bid and details regarding any other parties participating in the bid;
- (C) A written acknowledgment by the Qualified Bidder and each participant in such bid that it/they agrees to all of the terms set forth in these Bidding Procedures;
- (D) Written evidence that the Qualified Bidder has obtained authorization and approval from its board of directors (or comparable governing body) with respect to the submission of its bid and acceptance of the terms set forth in these Bidding Procedures, or representation that no such authorization or approval is required; provided, however, that neither People’s nor CMS, or their designated affiliate(s) shall be required to provide such information;
- (E) Audited (if in existence) or unaudited financial statements and/or other written evidence of a financing commitment or other evidence, satisfactory to the Debtor, in consultation with the Consultation Parties, of the financial ability to close under its asset purchase agreement within the deadline described above; provided, however, that neither Peoples nor CMS, or their designated affiliate(s) shall be required to provide such information;
- (F) A signed Purchase Agreement, in form and substance substantially similar to the form Asset Purchase Agreement attached hereto as Exhibit 1 and incorporated herein by reference, which shall contain a list of the unexpired leases and executory contracts to be assumed and assigned to the bidder;

- (G) The Potential Bidder will pay any and all cure costs associated with the assumption of any unexpired leases or executory contracts;
- (H) The bid is formal, binding and unconditional (except for those conditions expressly set forth in the applicable APA, including expressly stating any conditions relating to the assumption and assignment of contracts and leases) and is not subject to any due diligence or financing contingency and is irrevocable until the earlier of 48 hours after the Sale of the Purchased Assets has closed or 30 days after the conclusion of the Sale Hearing;
- (I) Does not entitle the Potential Bidder to any breakup fee, termination fee, expense reimbursement or similar type of payment or reimbursement and includes a waiver of any substantial contribution administrative expense claim under section 503(b) of the Bankruptcy Code related to bidding for the Assets;
- (J) A Good Faith Deposit (defined below); and
- (K) The Qualified Bid is received by the Bid Deadline.

With the exception of Peoples and CMS, or their designated affiliate(s), a Potential Bidder must deposit with counsel to the Debtor as escrow agent (the "Deposit Agent") a cash deposit equal to the greater of (i) \$100,000 or (ii) five (5%) percent of the cash purchase price set forth in the Purchase Agreement submitted by the Potential Bidder (any such deposit, a "Good Faith Deposit"). The Good Faith Deposit must be made by wire transfer and will be held by the Deposit Agent.

If a bid is received and, in the Debtor's judgment, after consultation with the Consultation Parties, it is not clear whether the bid is a Qualified Bid, the Debtor and the Consultation Parties may consult with the Potential Bidder and seek additional information in an effort to establish whether or not a bid is a Qualified Bid.

The Debtor shall provide to the Consultation Parties copies of each Bid Package received. A Bid Package received from a Potential Bidder that is determined by the Debtor, after consultation with the Consultation Parties, to meet the above requirements (or any modification to the above requirements made after consultation with the Consultation Parties) will be considered a "Qualified Bid," and each Potential Bidder that submits a Qualified Bid will be considered a "Qualified Bidder." For purposes of the Auction, Peoples and CMS, or their designated affiliate(s), will each be deemed a Qualified Bidder without the requirement of the submission of a Bid Package or of any deposit but subject in all respects to the Credit Bidding section set forth below.

A Qualified Bid and bids at the Auction may be valued by the Debtor, after consultation with the Consultation Parties, based upon factors such as: (A) the purported amount of the Qualified Bid, including the bid's impact on all constituents of the Debtor, any benefit to the Debtor's bankruptcy estate from any assumption of liabilities, the waiver of liabilities through a

Credit Bid, and an analysis of other non-cash consideration; (B) the value to be provided to the Debtor under the Qualified Bid, including the net economic effect upon the Debtor's estate; (C) contingencies with respect to the Sale and the ability to close the proposed Sale without delay, and any incremental costs to the Debtor in closing delays; (D) the ability to obtain any and all necessary governmental approvals for the proposed transaction; and (E) any other factors the Debtor, after consultation with the Consultation Parties, may deem relevant.

Except with respect to People's and CMS, or their designated affiliate(s), the Debtor, in consultation with the Consultation Parties, reserves the right to impose additional terms and conditions with respect to all Qualified Bidders.

V. Credit Bid

For purposes of these Bidding Procedures and the Auction, People's and CMS, or their designated affiliate(s), shall each be deemed a Qualified Bidder, and shall have the right to submit a credit bid up to the full amount of its respective allowed secured claim for the Purchased Assets at the Auction ("Credit Bid"). As a condition to Credit Bidding any portion of its secured claim, People's and CMS, or their designated affiliate(s), shall include an offer to fund, in cash, at Closing, the Carve-out (as that term is defined in the Interim Cash Collateral Order, or a later final order approving the use of cash collateral) and any reasonable, allowed estate professional fees and expenses incurred and unpaid as of Closing. Notwithstanding the foregoing, nothing contained herein shall be deemed consent by the Creditors' Committee, if any, of People's, CMS, or their designated affiliate(s)' ability to Credit Bid its secured claim and all such rights to object to Credit Bidding are hereby preserved. In the event there is an objection to the rights of People's or CMS to credit bid up to the full amount of its respective secured claim, such dispute shall be subject to the determination of the Bankruptcy Court.

VI. Baseline Bid and Stalking Horse Selection

The Debtor, after consultation with the Consultation Parties, will select what they determine to be the highest or best Qualified Bid (or collection of Qualified Bids) for the Purchased Assets (the "Baseline Bid") to serve as the starting point at the Auction. As soon as practicable, the Debtor will identify the Baseline Bid and provide to all Qualified Bidders copies of all Qualified Bids (with such distribution permissible by electronic means, including posting to the Data Room).

The Debtor reserves the right to negotiate any offer made to purchase the Assets, and to determine whether it is beneficial to the estate and its creditors to enter into a stalking-horse agreement for the Assets prior to the Auction, provided that the Debtor will not consent to a break-up fee in excess of 3.0% of the stalking-horse bid without further order of the Court, and provided further that the first Bid following the Baseline Bid, if the stalking horse bidder submits the baseline Bid, shall equal or exceed the amount of the stalking-horse purchaser's bid plus the break-up fee.

VII. Auction

If more than one Qualified Bid is received by the General Bid Deadline, then the Debtor will conduct an auction (the "Auction") to take place at 1:00 p.m. (prevailing ET) on July 26, 2017, at Forchelli, Curto, Deegan, Schwartz, Mineo & Terrana, LLP, 333 Earle Ovington Blvd., Suite 1010, Uniondale, New York 11552, or such other time as the Debtor, after consultation with the Consultation Parties, may notify Qualified Bidders who have submitted Qualified Bids.

Only Qualified Bidders and their designated agents will be eligible to participate at the Auction, subject to such modifications and limitations as the Debtor may impose in good faith, after consultation with the Consultation Parties. Professionals and/or other representatives of the Consultation Parties and a representative from the Office of the United States Trustee for the Southern District of New York will be able to attend and observe the Auction.

At the Auction, participants will be permitted to increase their bids. Bidding on the Assets will start at the purchase price and terms proposed in the Baseline Bid, and will proceed thereafter in increments of \$20,000 (the "Minimum Overbid").

The Debtor may adopt rules, after consultation with the Consultation Parties, for the Auction at any time that the Debtor determines to be appropriate to promote the goals of the bidding process and are not inconsistent with these Bidding Procedures, including auctioning subsets of the Purchased Assets first but making any "winning bid" on a subset of the Purchased Assets contingent upon the outcome of the Auction of all of the Purchased Assets. People's and SMS shall be permitted to make their Credit Bid upon the subset of Assets consisting of the tangible and intangible assets subject to the People's lien and security interest, or the CMS lien security interest as the case may be, without the assumption of unexpired leases or executory contracts, employment obligations or customer deposits. The Debtor, in consultation with the Consultation Parties, is permitted, but not required, to ascribe a liquidation value to certain assets to assist the Debtor in comparing bids for a subset of the Purchased Assets against bids for all of the Purchased Assets, provided that any ascribed liquidation value shall not be determinative of the actual value of such Purchased Assets. If the Debtor believes that such value would be overly speculative under the circumstances, however, they may decline to assign any such liquidation values. Any rules developed by the Debtor will provide that all bids will be made and received in one room, on an open basis, and all other Qualified Bidders will be entitled to be present for all bidding with the understanding that the true identity of each Qualified Bidder will be fully disclosed to all other Qualified Bidders and that all material terms of each Qualified Bid submitted in response to the Baseline Bid or to any successive bids made at the Auction will be fully disclosed to all other Qualified Bidders throughout the entire Auction, and each Qualified Bidder will be permitted to take what the Debtor and the Consultation Parties determine to be an appropriate amount of time to respond to the previous bid at the Auction.

The Debtor reserves the right to and may, after consultation with the Consultation Parties, reject at any time before entry of the relevant Sale Order (as defined below) any bid that, in the Debtor's judgment, is: (A) inadequate or insufficient; (B) not in conformity with the requirements of the Bankruptcy Code, these Bidding Procedures or the terms and conditions of

the Sale; or (C) contrary to the best interests of the Debtor and the estate. In doing so, the Debtor may take into account the factors set forth above regarding the contents of a Qualified Bid.

Prior to the conclusion of the Auction, the Debtor, after consultation with the Consultation Parties, will: (A) review and evaluate each bid made at the Auction on the basis of financial and contractual terms and other factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the Sale; (B) identify the highest or otherwise best offer or collection of offers (the “Prevailing Bid”); (C) determine which Qualified Bid is the Prevailing Bid and which is the next highest or otherwise best bid (the “Back-Up Bid”) for the Purchased Assets; and (D) notify all Qualified Bidders participating in the Auction, prior to its adjournment, of the Prevailing Bidder, the amount and other material terms of the Prevailing Bid and the identity of the party that submitted the Back-Up Bid (the “Back-Up Bidder”). At the Sale Hearing, the Debtor will present the Prevailing Bid and the Back-Up Bid to the Bankruptcy Court for approval.

No additional bids may be submitted or considered after the conclusion of the Auction.

EACH BID - INCLUDING BIDS CONTAINED IN THE BID PACKAGE SHALL CONSTITUTE AN IRREVOCABLE OFFER AND BE BINDING ON THE QUALIFIED BIDDER(S) FROM THE TIME THE BID IS SUBMITTED UNTIL THE EARLIER OF 48 HOURS AFTER THE SALE OF THE ASSETS HAS CLOSED OR 30 DAYS AFTER THE CONCLUSION OF THE SALE HEARING.

VIII. Acceptance of Qualified Bids

The Debtor presently intends to consummate the Sale with the Prevailing Bidder, or if the Prevailing Bidder cannot or refuses to consummate the Sale because of the breach or failure on the part of the Prevailing Bidder, then with the Back-Up Bidder. However, the Debtor’s presentation of the Prevailing Bid and the Back-Up Bid to the Bankruptcy Court for approval does not constitute the Debtor’s acceptance of such bid. The Debtor will be deemed to have accepted the Prevailing Bid or the Back-Up Bid, as applicable, only when such bid has been approved by the Sale Order.

If for any reason the Prevailing Bidder fails to consummate the purchase of the Purchased Assets, or any subset thereof, the Back-Up Bidder may be deemed by the Debtor (after consultation with the Consultation Parties) to be the highest or best bid, and the Debtor and the Back-Up Bidder will thereafter effect the sale of the Purchased Assets to the Back-Up Bidder as soon as is commercially reasonable. If such failure to consummate the purchase is the result of a breach by the Prevailing Bidder, the Debtor shall have the right to retain the Good Faith Deposit until required to return it by an order of the Bankruptcy Court and shall reserve the right to seek all available damages from the Prevailing Bidder, including, but not limited to, with respect to the Good Faith Deposit.

IX. The Sale Hearing

On or before July 28, 2017, subject to any continuance or postponement by the Bankruptcy Court, the Bankruptcy Court shall conduct a hearing (the "Sale Hearing") to determine whether to approve the Sale of Purchased Assets free and clear of all liens, claims, interests, encumbrances and liabilities, including the assumption and assignment of certain executory contracts and unexpired leases as described in the applicable Purchase Agreement.

At the Sale Hearing, the Debtor will seek Bankruptcy Court Approval of the Sale of the Purchased Assets to the Prevailing Bidder and the Back-Up Bidder. In the event the Prevailing Bidder cannot or refuses to consummate the Sale because of the breach or failure on the part of the Prevailing Bidder, the Debtor will be permitted to close with the Back-Up Bidder without further order of the Bankruptcy Court. The Debtor's presentation to the Bankruptcy Court for approval of these particular bids does not constitute acceptance of any bids. The Debtor has accepted a bid only when the Bankruptcy Court, following the Sale Hearing, has approved the Sale and entered an order authorizing and approving the Sale, which shall be in form and substance acceptable to the Debtor and the Prevailing Bidder or the Back-Up Bidder, as applicable (the "Sale Order"). After consultation with the Consultation Parties, the Sale Hearing may be adjourned or rescheduled without notice or with limited and shortened notice to parties other than the Consultation Parties, including by (A) an announcement of such adjournment at the Sale Hearing or at the Auction or (8) the filing of a notice of adjournment with the Bankruptcy Court prior to the commencement of the Sale Hearing.

X. Terms of Sale: "As Is, Where Is"

Any Sale shall be on an "as is, where is" basis and without representations or warranties of any kind, nature or description by the Debtor, their agents or the Debtor's chapter 11 estate, whether written or verbal, whether express, implied or by operation of law, except and solely to the extent expressly set forth in the Purchase Agreement of the Prevailing Bidder or the Back-Up Bidder, as applicable. Each Qualified Bidder shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Purchased Assets that are the subject of the Auction prior to making its bid, that it has relied solely upon its own independent review and investigation in making its bid. Except as otherwise provided in the Purchase Agreement of the Prevailing Bidder or the Back-Up Bidder, as applicable, all of the Debtor's right, title and interest in the Purchased Assets shall be sold free and clear of liens, claims, interests, encumbrances and liabilities as proposed in the form of Sale Order (collectively, "Liabilities"), with any Liabilities to attach to the proceeds of the Sale as permitted by law and provided in the proposed form of Sale Order.

XI. Closing

Except to the extent of any contrary provision in the Purchase Agreement of the Prevailing Bidder or the Back-Up Bidder, as applicable, the closing (the "Closing") shall occur on or before August 4, 2017, subject to the right of the Debtor and the Prevailing Bidder or the Back-Up Bidder, as applicable, to extend such date consistent with such party's Purchase Agreement and these Bidding Procedures.

XII. General

The Debtor may, after consultation with the Consultation Parties, amend these Bidding Procedures or the bidding process at any time and from time to time in any manner that they determine will best promote the goals of the Bidding Procedures, including extending or modifying any of the dates described herein. The Debtor shall promptly notify parties in interest and Potential Bidders of any such modifications. No bidder has any rights against the Debtor, the estate, or any of the Debtor's other professionals by virtue of any modification of these Bidding Procedures, or by virtue of having or not having its bid accepted by the Debtor or approved by the Bankruptcy Court. To participate in the Auction, each Qualified Bidder will sign an acknowledgment of no rights or claims against the Debtor, the estate, or the Debtor's professionals for the foregoing.

XIII. Return of Good Faith Deposit

The Good Faith Deposits of all Qualified Bidders will be held in escrow by the Deposit Agent and while held in escrow will not become property of the Debtor's bankruptcy estate unless released from escrow pursuant to terms of the applicable escrow agreement or pursuant to further order of the Bankruptcy Court. The Deposit Agent will retain the Good Faith Deposits of the Prevailing Bidder and the Back-Up Bidder until the closing of the Sale unless otherwise ordered by the Bankruptcy Court. The Good Faith Deposits of the other Qualified Bidders will be returned within four business days of the entry of the Sale Order. At the closing of the Sale contemplated by the Prevailing Bid, the Prevailing Bidder will be entitled to a credit for the amount of its Good Faith Deposit. The Good Faith Deposit of the Back-Up Bidder will be released by the Debtor four (4) business days after the Closing of the Sale.

XIV. Consultation with Consultation Parties

In the event that any Consultation Party or an affiliate of any of the foregoing, submits a Qualified Bid, including without limitation, People's or CMS or their designated affiliate(s), then such party shall cease to be a Consultation Party.

For the avoidance of doubt, if a member of the Creditors' Committee submits a Qualified Bid, the Creditors' Committee will continue to have Consultation Rights; provided, however, that the Creditors' Committee shall exclude such member from any discussions or deliberations regarding the sale of the Purchased Assets and shall not provide any information regarding the sale of the Purchased Assets to such member.

XV. No Modification to Cash Collateral Order(s)

Nothing herein is intended to or shall be deemed to vary, modify, alter or supersede in any way the terms of the Interim Cash Collateral Order entered by the Bankruptcy Court (or any final order approving the use of cash collateral, if entered by the Bankruptcy Court).

XVI. Reservation of Rights

In consultation with the Consultation Parties, the Debtor reserves the right to amend or modify the proposed Bidding Procedures, including without limitation, the proposed Bid Deadline, Auction Date, and Sale Hearing date, in connection with the conditions or requirements of any Qualified Bidder (as defined in the Bidding Procedures) who may wish to be a “stalking horse bidder” for the Purchased Assets.

EXHIBIT B

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT

By and among

_____,
a _____,

as Purchaser,

Skip Barber Racing School, LLC
a Delaware limited liability company

as Seller,

July __, 2017

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this “**Agreement**”) is made and entered into on June ___, 2017, by and between _____ a _____ company (the “**Purchaser**”), on the one hand, and SKIP BARBER RACING SCHOOL LLC, a Delaware limited liability company (the “**Seller**”).

RECITALS

A. The Seller has filed a voluntary bankruptcy petition pursuant to chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) before the United States Bankruptcy Court for the Southern District of New York at Poughkeepsie (the “**Bankruptcy Court**”) and is in the possession of its assets and in the management of its business pursuant to sections 1107 and 1108 of the Bankruptcy Code.

B. The Seller is engaged in the business of operating a motor vehicle racing school catering to individuals, corporate groups and aspiring competitors (the “**Business**”).

C. The Purchaser desires to purchase from the Seller, and the Seller desire to sell to the Purchaser, substantially all assets of the Business, other than the exclusions provided for herein, upon the terms and subject to the conditions set forth herein and in accordance with Sections 363 and 365 of the Bankruptcy Code.

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement and other good and valuable consideration, sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows:

SECTION 1 PURCHASE OF ASSETS

1.1 Acquired Assets. Subject to the terms and conditions hereof, at the Closing, the Seller shall sell, assign, transfer, convey, and deliver to the Purchaser, and the Purchaser shall purchase and accept, all of the Seller’s right, title and interest in and to substantially all of the Seller’s Business and assets, including but not limited to accounts receivable, inventory, personal property, contracts, leases, general intangibles, intellectual property, and other fixed assets (collectively, the “**Acquired Assets**”). The Acquired Assets will not include those items of personal property, contracts, and/or leases set forth on Schedule A hereto (the “**Excluded Assets**”). Certain of the Acquired Assets shall be assumed by Seller and assigned to Purchaser, pursuant to Bankruptcy Code §365, and the balance of the Acquired Assets shall be conveyed by a Bill of Sale and/or Assignment in a form reasonably acceptable to Purchaser and Seller.

1.2 Sale Free and Clear of Liens. The Acquired Assets shall be transferred by the Seller, free and clear of all liens, claims and encumbrances (the “**Liens**”), pursuant to Bankruptcy Code §363(f).

1.3 Assumption of Liabilities. Notwithstanding anything to the contrary in this Agreement, other than the liabilities of Seller specifically set forth on Schedule B hereto,

Purchaser shall not assume any liabilities of the Seller or its estate, nor shall Purchaser be deemed to be a successor to the Seller or its bankruptcy estate for any purpose whatsoever.

1.4 Third Party Consents; Assignment and Assumption of Contracts. At the request of the Purchaser, the Seller shall obtain, prior to the Closing Date, solely those consents of third parties specifically identified by Purchaser which are required to transfer or assign any interest of the Seller in the Seller contracts specifically identified on Schedule B without liability to the Buyer except for obligations first arising under such contracts following Closing. At Closing of the transactions contemplated hereby, Seller shall be required to assume and assign to Purchaser only those contracts specifically identified on Schedule B hereto. To the extent that the Seller is required to pay any cure amounts with respect to the assumption and assignment of the executory contracts and unexpired leases identified on Schedule B hereto, Purchaser shall pay such amounts directly to the relevant counterparty, with the exception of any unexpired leases of non-residential real property.

SECTION 2 PURCHASE PRICE

2.1 Purchase Price. The purchase price for the Acquired Assets (the “**Purchase Price**”) shall be \$_____ Dollars. On the Closing Date, the Purchaser shall pay to Seller by wire transfer of immediately available funds to an account(s) designated by Seller an amount equal to the Purchase Price (as defined below) minus the Deposit (defined below). Upon receipt of the Closing Payment, the Seller shall deliver the items set forth herein in Section 3.2 to the Purchaser.

2.2 Deposit. Upon the execution of this Agreement, the Purchaser shall pay to Seller the sum of \$_____ Dollars (the “**Deposit**”), which amount shall be credited against the Purchase Price as described in Section 2.1 hereof. Upon the Purchaser’s material breach of this Agreement, and upon five (5) business days’ notice to the Purchaser, the Deposit shall be forfeited to the Seller’s bankruptcy estate. In the event that the Seller enters into a Competing Transaction (defined herein), the Deposit shall be returned to the Purchaser within two (2) business days following the Seller’s execution of the agreement to enter into such Competing Transaction unless Purchaser is the second highest bidder at the auction in which Court-approved bid procedures shall apply. The Deposit shall be held in an attorney escrow account of the Seller’s attorney until its application pursuant to this Section 2.2.

SECTION 3 CLOSING

3.1 Closing. The closing (the “**Closing**”) shall take place no later than the fifth (5th) business day following entry of the Sale Order, provided that consummation of the sale has not been stayed by operation of law, including pursuant to Rules 6004(h) and 6006(d) of the Federal Rules of Bankruptcy Procedure, or a court of competent jurisdiction, or at such other date and place as shall be agreed among the parties hereto (the “**Closing Date**”) and shall be effective at 11:59 PM on the Closing Date.

3.2 Seller Closing Deliveries. The Seller shall deliver to the Purchaser the following documents on the Closing Date:

(a) a bill of sale, assignment and general conveyance, in form and substance reasonably satisfactory to the Purchaser and Seller, dated as of the Closing Date, with respect to the Acquired Assets sufficient to vest title in the Acquired Assets in the Purchaser pursuant to the provisions of the Sale Order; and

(b) all other documents reasonably requested by the Purchaser to be delivered by the Seller in connection with the consummation of the transactions contemplated by this Agreement.

3.3 Purchaser Closing Deliveries. The Purchaser shall deliver the following to the Seller on the Closing Date:

(a) the Purchase Price by wire transfer of immediately available funds to an account or accounts designated by the Seller; and

(b) all other documents reasonably requested by the Seller to be delivered by the Purchaser in connection with the consummation of the transactions contemplated by this Agreement.

SECTION 4 REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller hereby represents and warrants to the Purchaser as of the date hereof and as of the Closing Date as follows. The Seller acknowledges that the Purchaser is relying on the following representations and warranties in entering into this Agreement.

4.1 Authorization for Agreement and Consents. The Seller has all requisite corporate or limited liability company power and authority, as applicable, to enter into this Agreement and to sell, assign, transfer and convey the Acquired Assets to the Purchaser under this Agreement. The execution, delivery and performance of this Agreement by the Seller is subject to Bankruptcy Court approval. Subject to approval of the Bankruptcy Court, this Agreement and any documents or instruments to be executed and delivered by Seller pursuant hereto constitute and will constitute legal, valid and binding obligations of the Seller, as applicable, enforceable in accordance with their terms.

SECTION 5 REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser hereby represents and warrants to the Seller as of the date hereof and as of the Closing Date as follows. The Purchaser hereby acknowledges that the Seller is relying on the following representations and warranties in entering into this Agreement.

5.1 Authorization for Agreement and Consents. The Purchaser has all requisite limited liability company power and authority to enter into this Agreement and to perform its obligations hereunder. The execution, delivery and performance of this Agreement by the Purchaser and the consummation of the transactions contemplated hereby have been duly authorized by all necessary actions of the Purchaser under applicable law. This Agreement and any documents or instruments to be executed and delivered by the Purchaser pursuant hereto constitute and will constitute legal, valid and binding obligations of the Purchaser enforceable in accordance with their terms.

SECTION 6 SELLER'S REQUIREMENTS PENDING CLOSING

6.1 Conduct of the Business Pending Closing. From the date of the Agreement until the Closing, the Seller shall operate the Business in a manner consistent with the Seller's operations during the preceding three (3) month period, provided that Purchaser acknowledges and agrees that the Seller is in severe financial distress, that such operations are not consistent with the Seller's ordinary course historical operations, that Seller has been placed on credit hold by substantially all of Seller's vendors and that Seller is in material default under certain contracts material to the operation of Seller's business. The Seller shall provide reports, as reasonably requested, to the Purchaser of all of the Business's financial and sales data in a form mutually agreed by Purchaser and Seller. From the date of the Agreement until the Closing, the Purchaser shall have the right to enter and inspect any premises from which the Business operates during normal business hours and upon at least two days prior notice. Except as otherwise contemplated under this Agreement or as required by applicable law, from the date hereof until the Closing, without the prior consent of the Purchaser, which shall not be unreasonably, withheld, conditioned or delayed the Seller shall:

- (a) not enter into any contract or agreement to assign, modify, terminate or amend any of the Seller's contracts and leases included in the Acquired Assets except those that expire per terms;
- (b) not sell, lease, license, or otherwise surrender, relinquish, encumber, or dispose of any of the Acquired Assets (other than sales of inventory in the ordinary course);
- (c) not take any action or omit to take any action that would cause any of the representations and warranties of the Seller to become inaccurate; and
- (d) recognizing that the Seller is in severe financial distress, use its commercially reasonable efforts to preserve its relationships with third parties and keep available the services currently provided to the Seller.

provided, however, that (i) nothing in this Section 6 shall restrict the Seller from taking actions otherwise specifically permitted or contemplated by this Agreement or otherwise required by the Bankruptcy Court or the pendency of the Bankruptcy Filing; and provided, further, that nothing in this Section 6 shall restrict the Seller from entering into or consummating the sale or

assignment of any of the Excluded Assets on terms consistent with documentation filed with the Bankruptcy Court.

SECTION 7 EMPLOYEES

7.1 EMPLOYEES; BENEFITS. EXCEPT AS SET FORTH ON SCHEDULE C ANNEXED HERETO, THE PURCHASER SHALL OFFER EMPLOYMENT TO COMMENCE AS OF THE CLOSING DATE TO SUBSTANTIALLY ALL PERSONS CURRENTLY EMPLOYED BY SELLER (THE “EMPLOYEES”), ON TERMS SIMILAR TO THOSE CURRENTLY OFFERED BY THE SELLER TO SUCH EMPLOYEES. THE EMPLOYEES WHO ACCEPT AND COMMENCE EMPLOYMENT WITH THE PURCHASER ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE “NEWCO EMPLOYEES”. THE PROVISIONS OF THIS SECTION 7.1 ARE FOR THE SOLE BENEFIT OF THE PARTIES TO THIS AGREEMENT AND NOTHING HEREIN, EXPRESSED OR IMPLIED, IS INTENDED OR SHALL BE CONSTRUED TO CONFER UPON OR GIVE TO ANY PERSON (INCLUDING FOR THE AVOIDANCE OF DOUBT ANY NEWCO EMPLOYEES), OTHER THAN THE PARTIES HERETO AND THEIR RESPECTIVE PERMITTED SUCCESSOR AND ASSIGNS, ANY LEGAL OR EQUITABLE OR OTHER RIGHTS OR REMEDIES UNDER ANY PROVISION OF THIS AGREEMENT.

SECTION 8 APPROVAL OF BANKRUPTCY COURT AND COMPETING TRANSACTIONS

8.1 Submission for Bankruptcy Court Approval. On or before June __, 2017, the Seller shall file a motion (the “**Sale Motion**”), notices and proposed orders, as may be appropriate, all in form and substance reasonably satisfactory to Purchaser, seeking (i) approval of this Agreement, the Seller’s performance hereunder and the sale of the Acquired Assets free and clear of all liens, claims, interests, and encumbrances (the “**Sale Order**”). The Sale Order shall be entered no later than _____, 2017, which deadline may be extended one (1) time by the Seller, upon written notice to the Purchaser, for a period of ten (10) days provided that a hearing to consider entry of the Sale Order is scheduled before the Bankruptcy Court before the expiration of such ten (10) day period. The Sale Order shall be deemed to be reasonably satisfactory to Purchaser if it contains findings and conclusions by the Bankruptcy Court that, among other things, decree, find and conclude that: (i) this Agreement is approved pursuant to section 363 of the Bankruptcy Code; (ii) the Acquired Assets are being sold to Purchaser free and clear of all liens, claims, interests, and encumbrances of any type whatsoever, including claims otherwise arising under doctrines of successor liability pursuant to section 363(f) of the Bankruptcy Code, (iii) the actions taken by the Purchaser in connection with the sale were undertaken in good faith, as such term is defined in section 363(m) of the Bankruptcy Code, and the Purchaser is a good faith purchaser and is entitled to the full protection of section 363(m) of the Bankruptcy Code; (iv) the Purchaser is not liable for any claims held by any Person against the Seller or for any obligations of the Seller arising under or related to the Acquired Assets except as expressly set forth in this Agreement; and (v) the Seller has complied with the notice requirements of Rules 2002, 6004, 6006 and 9014 of the Federal Rules of Bankruptcy Procedure

and any applicable rules of the Bankruptcy Court with respect to the transactions contemplated hereby.

8.2 Competing Transaction. The Purchaser acknowledges that, from the date hereof until the entry of the Sale Order, the Seller has a fiduciary duty to, and to cause its representatives and affiliates to consider submission of any inquiries, proposals or offers by, any Person (in addition to the Purchaser and its affiliates, agents, and representatives) in connection with any sale or other disposition, directly or indirectly, in one or more transactions, of the Acquired Assets or any portion thereof, whether such transaction is structured as an asset sale, stock sale, merger, recapitalization or otherwise (each, a “**Competing Transaction**”). In addition, Purchaser acknowledges that from the date hereof until the issuance of the Sale Order by the Bankruptcy Court, the Seller shall have the responsibility and obligation to respond to any inquires or offers to purchase all or any part of the Acquired Assets and perform any and all other acts related thereto which are required under the Bankruptcy Code or other applicable legal requirements, including, without limitation, supplying information relating to the Business and the Acquired Assets to prospective purchasers.

8.3 Bid Protections. If Purchaser is selected as the stalking horse bidder, then, in consideration for the Purchaser having expended considerable time and expense in connection with this Agreement, the negotiation thereof, and the identification and quantification of assets of the Seller, the Seller believes that the Purchaser is entitled to certain bid protections to be approved by the Bankruptcy Court. Seller agrees to promptly seek approval of the bid protections set forth in section 8.4 of this Agreement.

8.4 Termination Fee. Subject to approval by the Bankruptcy Court, if Seller enters into a Competing Transaction, then Seller shall, or shall cause the purchaser in a Competing Transaction, as applicable, to pay to the Purchaser a termination fee of Fifty Thousand (\$50,000) Dollars (the “**Termination Fee**”) upon consummation of the Competing Transaction from the proceeds of such Competing Transaction paid at the closing thereof. The Termination Fee payable to the Purchaser under this Agreement shall be entitled to administrative expense priority in the Seller’s bankruptcy case pursuant to sections 503(b) and 507(a) of the Bankruptcy Code.

SECTION 9 CONDITIONS PRECEDENT

9.1 Conditions Precedent to the Obligations of the Purchaser. The obligations of the Purchaser hereunder are subject to the satisfaction on or prior to the Closing of the conditions set forth below (compliance with which or the occurrence of which may be waived in whole or in part in a writing executed by the Purchaser, unless such a waiver is prohibited by law).

(a) **Compliance with Agreement.** The Seller shall have performed and complied in all material respects with all of its obligations under this Agreement which are to be performed or complied with by Seller prior to or on the date of the Closing.

(b) No Order. No statute, rule, regulation, executive order, decree, ruling, or preliminary or permanent injunction shall have been enacted, entered, promulgated, or enforced by any governmental authority or arbitrator, including without limitation the Bankruptcy Court, that prohibits, restrains, enjoins, or materially restricts the consummation of the transactions contemplated by this Agreement that has not been withdrawn or terminated; and no claim, action, suit, arbitration, inquiry, adverse proceeding or investigation (each, an “**Action**”) shall be pending (other than an Action that has been or would be vitiated by the Sale Order) by or before any governmental authority or arbitrator against the Purchaser or the Seller, seeking to restrain, enjoin or materially restrict the transactions contemplated by this Agreement; provided, however, that the provisions of this Section shall not apply if the Purchaser has directly solicited or encouraged any such Action.

(c) Release. The Sale Order shall provide that the Purchaser is released from any and all claims of any kind or nature whatsoever, through and including the Closing Date, which could be asserted by the Seller, the Seller's bankruptcy estate or any party having standing to take action on behalf of the Seller's bankruptcy estate.

(d) Bankruptcy Court Approval. The Bankruptcy Court shall have entered the Sale Order as described herein.

9.2 Conditions Precedent to the Obligations of the Seller. The obligations of the Seller hereunder are subject to the satisfaction on or prior to the Closing of the conditions set forth below (compliance with which or the occurrence of which may be waived in whole or in part in a writing executed by the Seller, unless such a waiver is prohibited by law).

(a) Representations and Warranties True. The representations and warranties made by the Purchaser in this Agreement shall be true and correct, in each case as of the Closing Date (other than those representations and warranties that address matters as of a particular date), with the same effect as though such representations and warranties had been made or given on and as of such date.

(b) Compliance with Agreement. The Purchaser shall have performed and complied in all material respects with all of their obligations under this Agreement which are to be performed or complied with by Purchaser prior to or on the date of the Closing Date.

(c) No Order. No statute, rule, regulation, executive order, decree, ruling, or preliminary or permanent injunction shall have been enacted, entered, promulgated, or enforced by any governmental authority or arbitrator, including without limitation the Bankruptcy Court, that prohibits, restrains, enjoins, or materially restricts the consummation of the transactions contemplated by this Agreement that has not been withdrawn or terminated; and no Action shall be pending (other than an Action that has been or would be vitiated by the Sale Order) by or before any governmental authority or arbitrator against the Purchaser or the Seller, seeking to restrain, enjoin or materially restrict the transactions contemplated by this Agreement.

(d) Bankruptcy Court Approval. The Bankruptcy Court shall have entered the Sale Order as described herein, and such Sale Order shall not be subject to any stay.

SECTION 10 MISCELLANEOUS

10.1 Expenses. Except as provided in 8.4 above, each party will be responsible for the payment of its own costs and expenses (including, without limitation, professional fees of its attorneys, accountants and other advisors) in connection with the transactions contemplated herein.

10.2 Notice of Litigation. During the period from the date of this Agreement to the Closing Date, each party will promptly inform the other party in writing of any litigation commenced or, to the knowledge of such party, threatened against such party in respect of the transactions contemplated by this Agreement or the Business.

10.3 Assignment. Purchaser may, without the prior written consent of the Seller, transfer or assign by operation of law or otherwise this Agreement to one or more parents, subsidiaries, or affiliates of the Purchaser.

10.4 Good Faith. The Seller and the Purchaser shall cooperate in all reasonable respects and in good faith in seeking (i) entry by the Bankruptcy Court of the Sale Order and (ii) the consummation of the transactions contemplated hereby.

10.5 Governing Law. This Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

10.6 Jurisdiction and Jury Waiver. The Parties agree that the Bankruptcy Court shall have exclusive jurisdiction to resolve any controversy or claim arising out of or relating to this Agreement or any other agreement entered into by the Parties in connection herewith, or the breach hereof or thereof, and each of the Parties hereby consents to the personal jurisdiction of such court (and of the appropriate appellate courts) in any such action or proceeding and waives any right to trial by jury and any objection, including, but not limited to, any objection to the laying of venue or on the grounds of *forum non conveniens*, which any of them may now or hereafter have to the bringing of such action or proceeding in such jurisdiction. Each Party hereby irrevocably consents to the service of process of any of the aforesaid courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the other parties to such action or proceeding.

10.7 Amendment and Modification. No amendment, modification, waiver, replacement, termination, or cancellation of any provision of this Agreement will be valid, unless the same will be in writing and signed by the Purchaser and the Seller party hereto.

10.8 Notices. All notices, requests, demands and other communications hereunder shall be made in writing. Notices, requests, demands and other communications shall be deemed to be duly given upon the date of delivery, if delivered by hand; upon the date of sending, if

delivered by email; upon the second business day after mailing, if mailed by certified or registered mail with postage prepaid; or upon the first day after dispatch, if sent by nationally-recognized overnight courier as follows:

If to the Seller:

Skip Barber Racing School LLC
c/o Gerard R. Luckman, Esq.
Forchelli, Curto, Deegan, Schwartz, Mineo & Terrana, LLP
333 Earle Ovington Boulevard, Suite 1010
Uniondale, NY 11553
gluckman@forchellilaw.com

If to the Purchaser:

With a copy to:

or to such other addresses as any party may provide to the other parties in writing.

10.9 Entire Agreement. This Agreement, together with its schedules and the certificates, agreements, documents, instruments and writings that are delivered pursuant hereto, constitutes the entire agreement and understanding of the Purchaser and the Seller with respect to the subject matter hereof and supersedes all prior understandings, agreements, or representations by or among the Purchaser and the Seller, written or oral, to the extent they relate in any way to the subject matter hereof or the transactions contemplated hereby.

10.10 Successors. This Agreement shall be binding upon and shall inure to the benefit of each of the parties hereto and to their respective successors and permitted assigns.

10.11 Counterparts and Electronic Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute but one and the same instrument. Signatures in Portable Document Format or other similar electronic format shall constitute original signatures for the purposes of this Agreement.

10.12 Severability. The provisions of this Agreement will be deemed severable and the invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of the other provisions hereof.

10.13 Drafting Presumption. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

10.14 Headings. The headings used in this Agreement are for convenience only and shall not constitute a part of this Agreement.

10.15 Schedules. All of the Schedules attached hereto are incorporated herein and made a part of this Agreement by reference.

10.16 Third Party Beneficiaries. This Agreement is solely for the benefit of the parties hereto and their respective successors and permitted assigns, and this Agreement shall not be deemed to confer upon or give to any other third party any remedy, claim of liability or reimbursement, cause of action, or other right.

(Signature page to follow.)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

PURCHASER:

By: _____

Name:

Title:

SELLER:

SKIP BARBER RACING SCHOOL LLC

By: _____

Name: Michael Culver

Title: Chief Executive Officer

SCHEDULE A
EXCLUDED ASSETS

Excluded Assets shall include:

SCHEDULE B
ASSUMED LIABILITIES AND CONTRACTS

Purchaser shall assume the following contracts liabilities of Seller subject to the terms hereof:

- Deposits of customers will be honored by purchaser solely by allowing such customers to utilize the deposits in connection with attendance at future Skip Barber classes or events. Purchasers shall have no liability to refund any deposit or honor any deposit that has been assigned to a third-party.

SCHEDULE C
EXCLUDED EMPLOYEES

The Purchaser shall not offer employment to the following employees of the Seller:

EXHIBIT C

NOTICE OF BID DEADLINE AND SALE HEARING

Forchelli, Curto, Deegan,
Schwartz, Mineo & Terrana, LLP
333 Earle Ovington Blvd., Suite 1010
Uniondale, New York 11553
Tel. No. (516) 248-1700
Fax No. (516) 248-1729
Gerard R. Luckman
Brian J. Hufnagel

Auction: July 26, 2017 @ 1:00 p.m. ET
@ Forchelli, Curto, Deegan, Schwartz
Mineo & Terrana, LLP
Sale Hearing and All Hearings
Hearing Date: July 28, 2017 @ 11:00 a.m. ET
Obj. Date: July 26, 2017 @ 5:00 p.m. ET

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re:

Chapter 11

SKIP BARBER RACING SCHOOL LLC,

Case No. 17-35871 (CGM)

Debtor.

-----X

**NOTICE OF (1) ADJOURNMENT OF HEARINGS, (2) ESTABLISHING
BID DEADLINE AND (3) SCHEDULING AUCTION AND SALE
HEARING FOR THE APPROVAL OF THE SALE OF SUBSTANTIALLY
ALL OF THE ASSETS OF THE DEBTOR FREE AND CLEAR OF LIENS,
CLAIMS AND INTERESTS**

PLEASE TAKE NOTICE, that the Bankruptcy Court has rescheduled the following
hearings from July 24, 2017 at 11:00 a.m. to July 28, 2017 at 11:00 a.m.:

- 1) **Case Status Hearing,**
- 2) **Final Hearing on the Debtor's Application for Use of Cash Collateral and
Related Relief,**
- 3) **Final Hearing on the Debtor's Motion Authorizing Payment of Prepetition
Wages and Related Relief, and**
- 4) **Motion of the Debtor for Sale of Substantially all of its Assets and Related Relief,**

PLEASE TAKE FURTHER NOTICE, that on July 12, 2017 the United States
Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") entered an
order (the "Bidding Procedures Order") approving certain bidding and auction procedures (the

“Bidding Procedures”) and related schedules and deadlines for the sale by Skip Barber Racing School LLC (the “Debtor”), the debtor and debtor-in-possession in the above captioned case (the “Case”), of substantially all of the assets and personal property (the “Purchased Assets”) of the Debtor.

PLEASE TAKE FURTHER NOTICE that all interested parties are invited to seek to become a Qualified Bidder and submit a Qualified Bid to purchase the Purchased Assets in accordance with the terms of the Bidding Procedures Order and the Bidding Procedures. Only Qualified Bidders who have submitted Qualified Bids shall be eligible to participate in the Auction. *All interested potential bidders should carefully read the Bidding Procedures, a copy of which is attached hereto as Exhibit A. All interested potential bidders should contact counsel for the Debtors for a copy of the proposed Purchase Agreement referenced in the Bidding Procedures.*

PLEASE TAKE FURTHER NOTICE that the following dates and times shall apply with respect to the Bidding Procedures:

General Bid Deadline:	July 24, 2017 at 5 p.m. (prevailing ET)
Auction:	July 26, 2017 at 1:00 p.m. (prevailing ET)
Sale Hearing:	July 28, 2017 at 11:00 a.m. (prevailing ET)
Sale Closing:	on or before August 4, 2017

PLEASE TAKE FURTHER NOTICE THAT PURSUANT TO 11 U.S.C. §§ 363(b) AND (f), THE PROPOSED SALE IS FREE AND CLEAR OF LIABILITIES (OTHER THAN ASSUMED LIABILITIES AND PERMITTED ENCUMBRANCES) OF OTHERS, AND ALL SUCH LIABILITIES SHALL ATTACH TO THE PROCEEDS OF THE SALE WITH THE

SAME VALIDITY AND PRIORITY THAT EXISTED IMMEDIATELY PRIOR TO THE SALE.

PLEASE TAKE FURTHER NOTICE that the Bankruptcy Court shall hold a sale hearing (the “Sale Hearing”) on July 28, 2017 at 11:00 a.m. (Eastern Time), or such other date and time as may be convenient to the Bankruptcy Court, or as may be announced at the Sale Hearing without further notice. At the Sale Hearing, the Debtor intends to request that the Bankruptcy Court enter an order approving, among other things, the Prevailing Bid for the Purchased Assets, and under that order the Debtor will transfer the Purchased Assets to the Prevailing Bidder free and clear of Liabilities (other than Liabilities assumed by the Prevailing Bidder), including Assigned Contracts. At the Sale Hearing, the Bankruptcy Court may enter such orders as it deems appropriate under applicable law and as required by the circumstances and equities of the Case.

PLEASE TAKE FURTHER NOTICE that objections to the sale of the Purchased Assets to the Prevailing Bidder or to the Purchase Agreement submitted by the Prevailing Bidder shall (a) be in writing, (b) conform to the Bankruptcy Rules and the Local Rules, (c) set forth the name of the objecting party, the nature and amount of any claims or interest held or asserted against the Debtor’s estate or its properties, the basis for the objection and the specific grounds therefor and (d) be filed with the with the Clerk of the Bankruptcy Court with a courtesy copy delivered to the chambers of the Honorable Cecilia G. Morris, Chief United States Bankruptcy Judge of the United States Bankruptcy Court for the Southern District of New York at 355 Main Street, Poughkeepsie, NY 12601 and served on the following (collectively, the “Objection Notice Parties”): (i) the Office of the United States Trustee, 74 Chapel Street, Suite 200, Albany, NY 12207, attn.: Alicia M. Leonhard, Esq.; (ii) Edward Pontacoloni, Esq., counsel to People’s

Bank, Updike, Kelly & Spellacy, P.C., 100 Pearl Street, Hartford, CT 06103, (iii) counsel to CMS, Drinker Biddle & Reath LLP, 321 Great Oaks Blvd., Albany, NY 12203 attn: Stacy A. Lutkus, Esq., and (iv) Debtor's counsel, Gerard R. Luckman, Esq., Forchelli, Curto, Deegan, Schwartz, Mineo & Terrana, LLP, located at 333 Earle Ovington Boulevard, Uniondale, NY 11553, (v) counsel for the Official Committee of Unsecured Creditors, if one is appointed, and (vi) counsel for the Prevailing Bidder, so as to be received no later than ____ .M. (Eastern time) on _____ 2017 (the "Sale Objection Deadline").

PLEASE TAKE FURTHER NOTICE THAT any entity that fails to file and serve an objection before the Sale Objection Deadline shall be prohibited from asserting at the Sale Hearing or at any time thereafter any objection to the Motion for approval of the Sale of the Purchased Assets or the consummation and performance of the Sale as contemplated by the terms of the Purchase Agreement submitted by a Prevailing Bidder, including the transfer of the Purchased Assets free and clear of all Liabilities (other than Liabilities assumed by the Prevailing Bidder).

PLEASE TAKE FURTHER NOTICE THAT if a copy of the Motion to approve the Sale of the Purchased Assets is not enclosed, you may obtain a copy by contacting counsel for the Debtor at the address set forth above.

PLEASE TAKE FURTHER NOTICE THAT this Notice is subject to the full terms and conditions of the Bidding Procedures and the Bidding Procedures Order, which shall control in the event of any conflict, and the Debtor encourages parties in interest to review such documents in their entirety.

**IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE
BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED WITHOUT
FURTHER NOTICE OR HEARING.**

Dated: Uniondale, New York
July 12, 2017

Forchelli, Curto, Deegan,
Schwartz, Mineo & Terrana, LLP
Attorneys for the Debtor

By: s/ Gerard R. Luckman
Gerard R. Luckman
333 Earle Ovington Blvd, Suite 1010
Uniondale, New York 11553
Tel. No. (516) 248-1700
Fax No. (516) 248-1729
gluckman@forchellilaw.com

EXHIBIT D

NOTICE OF ASSUMPTION AND ASSIGNMENT

Forchelli, Curto, Deegan,
Schwartz, Mineo & Terrana, LLP
333 Earle Ovington Blvd., Suite 1010
Uniondale, New York 11553
Tel. No. (516) 248-1700
Fax No. (516) 248-1729
Gerard R. Luckman
Brian J. Hufnagel

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re:

Chapter 11

SKIP BARBER RACING SCHOOL LLC,

Case No. 17-35871 (CGM)

Debtor.
-----X

**NOTICE OF ASSUMPTION AND ASSIGNMENT OF EXECUTORY
CONTRACTS AND UNEXPIRED LEASES**

PLEASE TAKE NOTICE, that on July 12, 2017 the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) entered an order (the “Bidding Procedures Order”) approving certain bidding and auction procedures (the “Bidding Procedures”) and related schedules and deadlines for the sale by Skip Barber Racing School LLC (the “Debtor”), the debtor and debtor-in-possession in the above captioned case (the “Case”), of substantially all of the assets and personal property (the “Purchased Assets”) of the Debtor and the procedure for the fixing of cure amounts (the “Cure Amounts”) related to the Debtor’s assumption, sale and assignment of certain executory contracts and unexpired leases (the “Assigned Contracts”) as set forth herein. .

PLEASE TAKE FURTHER NOTICE that the Debtor will assume, sell and assign the Assigned Contracts to the Prevailing Bidder under the terms of the Asset Purchase Agreement, as submitted by the Prevailing Bidder after the Auction (as amended, together with the exhibits

and schedules thereto, the “Purchase Agreement”), as determined under the Bidding Procedures Order. In addition, under the Purchase Agreement, Qualified Bidders, and ultimately, the Prevailing Bidder may designate any contract listed on Schedule A1 (which is attached hereto) (the “Pending Contracts”) to be included as an Assigned Contract at any time through and after the Auction in accordance with the Bidding Procedures and the Purchase Agreement. Accordingly, any Qualified Bidder, and ultimately the Prevailing Bidder, may elect to assume or not assume any of the Pending Contracts at any time through and after the Auction, if one is held, in accordance with the Bidding Procedures and the Purchase Agreement, in which case the contents of the Assigned Contracts list contained herein and Pending Contract list in Schedule A1 will change. A supplemental and revised notice in the same form as this Notice will be filed with the Bankruptcy Court and served on all Contract parties and shall identify any such changes. Any Pending Contract that becomes an Assigned Contract will be assumed, sold and assigned to the Prevailing Bidder under the terms and conditions of the Purchase Agreement submitted by the Prevailing Bidder.

PLEASE TAKE FURTHER NOTICE that the Debtor believes that any and all defaults (other than the commencement of these Cases) and actual pecuniary losses in respect of particular Assigned Contracts will be cured by the payment of the respective Cure Amount set forth in the following chart and, in respect of any Pending Contract that is designated as an Assigned Contract, by payment of the respective Cure Amount set forth on Schedule A1.

CHART OF CURE AMOUNTS FOR ASSIGNED CONTRACTS

Contract Counter-Party	Contract Description	Cure Amount
<i>None at this time</i>	<i>None at this time</i>	

PLEASE TAKE FURTHER NOTICE that the following procedures shall apply with respect to the Assigned Contracts:

1. Except as otherwise provided herein, all objections to the assumption, sale and assignment of any Assigned Contract, including on grounds of lack of adequate assurance of future performance by the Prevailing Bidder, or to the Cure Amount set forth above in respect of any such Contract must be in writing and state with specificity the nature of such objection and the cure amount being claimed by the objecting party with appropriate documentation in support thereof (an "Assumption and/or Cure Objection"). A counter-party to an Assigned Contract that the Prevailing Bidder has designated for assumption and assignment which later receives notice that a rival Qualified Bidder has also designated such Contract for assumption and assignment may also object to that rival Qualified Bidder's assumption of the Assigned Contract, in accordance with paragraph 2 below.

2. If an objection is timely filed, served and challenges a Cure Amount set forth above in this Notice or on Schedule A1 (for any Pending Contract that is subsequently designated as an Assigned Contract), such objection must set forth the amount of cure being claimed by the objecting party (the "Claimed Cure Amount") with appropriate documentation in support thereof. Upon receipt of a timely filed and served objection to a Cure Amount, the Prevailing Bidder shall include in the Post-Closing Cure Reserve Amount an amount equal to the Claimed Cure Amount, which amount may be released and paid to such counterparty by the Debtor after the Cure Amount is fixed by the Bankruptcy Court or agreed upon by the Debtor and the objecting party as the Claimed Cure Amount. So long as the Claimed Cure Amount shall have been set aside in the Escrow Account, the Debtor shall be authorized, without further delay, to assume, sell and assign the Assigned Contract that is the subject of such Claimed Cure Amount objection to the Prevailing Bidder. Due to the timing and nature of the Sale process set forth in the Bidding Procedures and the Bidding Procedures Order, non-Debtor counterparties to Assigned Contracts may raise objections to adequate assurance of future performance under the Assigned Contracts at the Sale Hearing.

3. An Assumption and/or Cure Objection must be filed with the Bankruptcy Court and served so as to be actually received by the parties below no later than the deadlines established in paragraph 1 above. An Assumption and/or Cure Objection must be served on the following "Objection Notice Parties": (i) the Office of the United States Trustee, 74 Chapel Street, Suite 200, Albany, NY 12207, attn.: Alicia M. Leonhard, Esq.; (ii) Edward Pontacoloni, Esq., counsel to People's Bank, Updike, Kelly & Spellacy, P.C., 100 Pearl Street, Hartford, CT 06103, (iii) counsel to CMS, Drinker Biddle & Reath LLP, 321 Great Oaks Blvd., Albany, NY 12203 attn: Stacy A. Lutkus, Esq., and (iv) Debtor's counsel, Gerard R. Luckman, Esq., Forchelli, Curto, Deegan, Schwartz, Mineo & Terrana, LLP, located at 333 Earle Ovington Boulevard, Uniondale, NY 11553, (v) counsel for the Official Committee of Unsecured Creditors, if one is appointed, and (vi) counsel for the Prevailing Bidder. An Assumption and/or Cure Objection may be heard by the Bankruptcy Court at the hearing on July 28, 2017 at 11:00 a.m. (Eastern Time),

(the “Sale Hearing”) or such other date and time as the Debtor may schedule with the Bankruptcy Court.

4. If no objection to the Cure Amount or the proposed assumption, sale and assignment in respect of an Assigned Contract is timely filed and served: (i) the Debtor may assume, sell and assign to the Prevailing Bidder such Assigned Contracts (ii) the Cure Amount set forth in the Notice of Assumption and Assignment shall be binding upon the respective non-Debtor party to the Assigned Contract for all purposes in this Case, and (iii) the respective non-Debtor party shall be forever barred from objecting to the assumption, sale and assignment of the relevant Assigned Contract and/or Cure Amount, and from asserting against the Debtor or the Prevailing Bidder any right of setoff, condition to assignment and/or any additional cure or other amount with respect to such Assigned Contract.

5. The effective elate of any assumption, sale and assignment of any Assigned Contract shall be the Closing (as defined in the Purchase Agreement). Accordingly, any Cure Amounts to be paid under any Assigned Contract shall be paid in accordance with the Purchase Agreement of the Prevailing Bidder upon or as soon as reasonably practicable after the Closing Date or as soon thereafter as the Cure Amount is fixed by the Bankruptcy Court or agreed upon by the Debtor, the Prevailing Bidder and the objecting party.

**IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE
BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED WITHOUT
FURTHER NOTICE OR HEARING.**

Dated: Uniondale, New York
July 12, 2017

Forchelli, Curto, Deegan,
Schwartz, Mineo & Terrana, LLP
Attorneys for the Debtor

By: s/ Gerard R. Luckman
Gerard R. Luckman
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