

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF COLORADO**

In re:)	
)	
T K Mining Services, LLC)	Case No. 16-21016-EEB
a Colorado limited liability company)	
)	
E.I.N. # 20-1941474)	Chapter 11
Debtor.)	

**MOTION FOR ORDER APPROVING SALE OF
SUBSTANTIALLY ALL OF THE DEBTOR’S ASSETS
FREE AND CLEAR OF ALL LIENS, CLAIMS, AND ENCUMBRANCES**

T K Mining Services, LLC (“TKM” or the “Debtor”), as debtor in possession in the above-captioned Chapter 11 case, pursuant to sections 363 and 365 of title 11, United States Code (the “Bankruptcy Code”), and Rules 2002, 6004, and 6006 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), respectfully moves the Court for entry of orders: (A) approving the sale transaction pursuant to the Asset Purchase Agreement together with all related documents and agreements as well as all exhibits, schedules, and addenda thereto (as may be amended, the “APA” or the “Asset Purchase Agreement”),¹ a copy of which is attached hereto as Exhibit A, with Compliance Staffing Agency, LLC, a Pennsylvania limited liability company (“CSA” or the “Proposed Buyer”), free and clear of claims, liens, encumbrances, and other interests; (B) approving the assumption and assignment of certain executory contracts and unexpired leases; and, (C) approving procedures to establish certain cure amounts for executory contracts and unexpired leases to be assumed as part of the APA; (D) approving sale and bidding procedures; (E) scheduling a sale approval hearing; and (F) following implementation of the notices and sale procedures so approved, and the sale approval hearing, sale of the Debtor’s assets pursuant to the Asset Purchase Agreement.

JURISDICTION

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

BACKGROUND

¹Capitalized terms not otherwise defined herein have the meanings ascribed to them in the APA.. The Debtor may file revised schedules and Exhibits to the APA.

2. On November 10, 2016 (the "Petition Date"), the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code). The Debtor is authorized to continue to operate its business and manage its properties as debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. No trustee, examiner, or statutory creditors' committee has been appointed in this Chapter 11 Case. TKM continues to operate its business in the ordinary course.

4. On May 25, 2017, the Debtor entered into the APA with the Proposed Buyer, subject to the entry of an Order of this Court approving the execution of the APA by the Debtor and consummation of the transactions contemplated under the APA. The Debtor seeks the required approval by this Sale Motion.

5. The APA provides for sale of substantially all assets of the Debtor to the Proposed Buyer free and clear of liens and encumbrances, and assignment of certain executory contracts designated for assignment to Proposed Buyer. Proposed Buyer will purchase from Seller, all of Seller's rights, title and interest in and to the following assets of Seller (collectively, the "Purchased Assets"):

- (a) all equipment, machinery, fixtures, vehicles, computer hardware and furniture used or useful in connection with the Business (collectively, the "**Equipment**"), and all supplies, spare parts and warranties relating to any of the Equipment;
- (b) all raw material, work-in-process, finished goods and spare parts inventory of the Business;
- (c) (I) all patents, registered and unregistered trademarks, service marks, logos, corporate and trade names, domain names and registered and common law copyrights, and all applications therefor, used or useful in connection with the Business and (ii) all inventions, discoveries, techniques, processes, methods, formulae, designs, computer software, trade secrets, confidential information, know-how and ideas used or useful in connection with the Business;
- (d) all accounts receivable of the Business (the "**Receivables**") and all other claims, causes of action, avoidance actions, choses in action and rights of recovery and setoff relating to the Business or any of the Assets;
- (e) the contracts for services to be rendered to the following customers of the Debtor: Freeport McMoRan; Twentymile Mine (Peabody); Glenwood Taverns; Glenwood Tramway; CUC Construction; Baretta; and Climax Molybdenum (the "Assigned Contracts");

- (f) all permits, licenses, franchises, certificates, authorizations, consents and approvals obtained from or issued by any governmental entity and which are necessary or desirable for the ownership or operation of the Business or any of the Assets;
- (g) all books, records, files, ledgers, drawings, specifications and manuals relating to the Business or any of the Assets, all advertising materials relating to the Business and all other information relating to the Business or any of the Assets, regardless of the form in which such information appears;
- (h) all cash, cash equivalents and bank accounts;
- (i) all goodwill of the Business or associated with any of the Assets; and
- (j) all other assets of Seller, tangible or intangible, which are used or useful in connection with, or relate to, the Business.

Notwithstanding any other provision hereof, the Assets do not include the following (collectively, the "Excluded Assets"): Debtor's organizational documents, minute books, stock book and stock certificates; All prepaid Taxes and other Tax assets of Debtor; All Business Permits which are non-transferable and all Assigned Contracts for which consent to assignment is required (unless such consent is obtained); all employment or consulting relationships between the Debtor and any of its employees or consultants and all Assigned Contracts relating thereto; and all insurance policies; provided, that the right to recover under any such policy with respect to any Assumed Liability which arises out of conditions existing or events occurring on or before the Closing Date shall be assigned to the Buyer.

6. The Debtor expects that the proceeds from the Sale will enable the Debtor to repay its creditors in full, and pay all of the administrative expenses of the bankruptcy estate, and make a distribution to unsecured creditors. Additionally, if CSA is the successful bidder, the Debtor believes that CSA will retain most, if not all of the Debtor's employees. Further, through utilization of the proceeds of sale, and an additional agreement with an affiliate of the Debtor, Debtor anticipates that all known creditors of its affiliates currently in Chapter 7 proceedings before this Court will be paid or satisfied, in full.

RELIEF REQUESTED BY THIS MOTION

7. By this Motion, the Debtor seeks entry of two related orders:
- (a) First, the Debtor requests the expedited entry of an order (the "Sale Procedures Order") in the form attached hereto as Exhibit B, pursuant to 11 U.S.C. §§ 363 and FED.R.BANKR.P. 2002 and 6004, (I) authorizing and approving certain proposed procedures to govern the sale process and provide for the submission of any competing bids for substantially all the Debtor's assets and the form and manner of notices of (a) the hearing to consider authorization and approval of the sale, and (b) the assumption and assignment of

executory contracts and unexpired leases of personal property and of nonresidential real property (collectively, the “Executory Contracts”) pursuant to 11 U.S.C. § 365; and (ii) setting a hearing to consider the sale on or before June 7, 2016 with an objection deadline of June 5, 2017.

- (b) Second, the Debtor requests entry of an order (the “Sale Order”), in the form attached hereto as Exhibit C pursuant to 11 U.S.C. §§ 363(b), (f), and (m), and 365 and FED.R.BANKR.P. 6004 and 6006, authorizing and approving, among other things, (I) the sale of the Debtor’s assets pursuant to the APA among the Debtor and the Proposed Buyer free and clear of liens, claims, encumbrances, and other interests (the “363 Transaction”), and (ii) the assumption and assignment of certain executory contracts and Executory Contracts of the Debtor.

8. The Debtor does not ask for approval of the distributions of the proceeds of sale by this Sale Motion, except insofar as such distributions are required to consummate the sale and the assumption and assignment of executory contracts contemplated under the APA. The Debtor contemplates seeking authority to distribute the proceeds pursuant to a Plan of Reorganization which will be filed contemporaneously with this Sale Motion.

THE ASSET PURCHASE AGREEMENT

9. Subject to approval and the submission of any higher or better offers, the Debtor has reached an agreement with the Proposed Buyer (together with the Debtor, the “Parties”) as embodied in the proposed APA. The APA is the result of extensive, arm’s-length negotiations between the Parties.

10. The 363 Transaction, as embodied in the APA, contemplates that substantially all of the Debtor’s assets will be sold and transferred to the Proposed Buyer, and that certain liabilities of the Debtor will be assumed by the Proposed Buyer. Assets excluded from the Sale, which are defined in the APA, will be administered in the Chapter 11 case.

11. The purchase price for the Purchased Assets is equal to the sum of \$950,000, subject to certain reductions or increases based on the value of “Net Working Capital Assets.”

PROPOSED SALE PROCEDURES

12. The sale of the Purchased Assets pursuant to the APA is subject to higher or better offers received before the hearing upon approval of this Sale Motion. Any competing offers must necessarily be for a price not less than \$25,000 higher than the price specified in the APA, because the Debtor has agreed to pay the Buyers costs and expenses associated with execution of the APA, in an amount not exceeding \$25,000, if a competing bid is accepted by the Debtor.

13. Good and sufficient cause exists to approve the Sale Procedures. The Sale Procedures are in the best interests of the Debtor and its economic stakeholders and other parties because they

will enable the Debtor to realize the sufficient value from the sale of the Debtor's Assets to pay or satisfy its creditors and the creditors of Debtor's Affiliates. Additionally, the Sale Procedures include appropriate noticing procedures to ensure all parties in interest will receive adequate notice of all relevant information.

14. The expeditious nature of the proposed Sale is reasonable and justified. The market for the Debtor's assets is limited. The proposed purchase price is approximately \$200,000 higher than the expected value of the Debtor's assets. In addition, additional consideration to support the Sale will be provided by an affiliate of the Debtor, such that all debts of the Debtors Chapter 11 Affiliates will be satisfied. The Notice period will provide any potentially qualified interested parties with an opportunity to come forward and make a competitive bid. If any potential purchasers do express an interest in acquiring the Debtor's assets, the Debtor proposes bid procedures as set forth in Exhibit D to this Motion to permit competitive bidding.

15. The Debtor submits that the notice of the Sale will constitute good and sufficient notice of the Sale Procedures, the Sale Hearing and the 363 Transaction, and that no other or further notice need be given.

16. Without the APA, the Debtor would not have the certainty of a minimum price for the Purchased Assets and, thus, the reimbursement of the Proposed Buyer's expenses preserves the value of the Debtor's estate. *See Corradino v. Lamb (In re Lamb)*, No. 96-1-1099-DK, 2002 WL 31508913, at *2 (Bankr. D. Md. Oct. 11, 2002) (stating that a break-up fee should be in the best interest of the estate and necessary); *see also Calpine Corp. v. O'Brien Env'tl. Energy, Inc. (In re O'Brien Env'tl. Energy, Inc.)*, 181 F.3d 527, 536-38 (3d Cir. 1999).

17. The Proposed Buyer has proceeded in reliance upon the agreement by the Debtor to seek the Sale Procedures and in reasonable expectation that this Court would enter an order providing such relief. The Debtor submits that the Sale Procedures are a normal and oftentimes necessary component of sales outside the ordinary course of business under section 363 of the Bankruptcy Code. In particular, protections such as the Buyer's expense reimbursement encourage a potential purchaser to invest the requisite time, money, and effort to conduct due diligence and negotiations with a debtor despite the inherent risks and uncertainties of the chapter 11 process. *See e.g., In re Hupp Indus., Inc.*, 140 B.R. 191, 194 (Bankr. N.D. Ohio 1992) (without any reimbursement, "bidders would be reluctant to make an initial bid for fear that their first bid will be shopped around for a higher bid from another bidder who would capitalize on the initial bidder's . . . due diligence"); *In re Marrose Corp.*, Nos. 89 B 12171 (CB) to 89 B 12179 (CB), 1992 WL 33848, at *5 (Bankr. S.D.N.Y. Feb. 15, 1992) (stating that "agreements to provide reimbursement of fees and expenses are meant to compensate the potential acquirer who serves as a catalyst or 'stalking horse' which attracts more favorable offers").

18. The Sale Notice (attached as Exhibit E), the Assumption and Assignment Notice (attached as Exhibit F), and the method of service described herein and provided in the Sale Procedures Order, fully comply with Bankruptcy Rule 2002 and constitute good and sufficient notice of the Sale Procedures, the Bid Deadline, the 363 Transaction, the assumption and

assignment of executory contracts and Executory Contracts, the relevant objection deadlines, the Sale Hearing, and all matters related thereto. Accordingly, the Debtor requests that the Court approve the form and manner of such notices.

SALE OF THE PURCHASED ASSETS

19. In accordance with Bankruptcy Rule 6004(f)(1), sales of property rights outside the ordinary course of business may be by private sale or public auction. The Debtor has determined that a private sale of the Purchased Assets in accordance with the Asset Purchase Agreement will enable it to obtain the highest or best offer for the Purchased Assets, thereby maximizing the value of assets, and is in the best interests of the Debtor and its creditors and other stakeholders.

20. Section 363(b)(1) of the Bankruptcy Code provides, in pertinent part, that 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)(1). To obtain court approval to sell property under section 363(b), the Debtor must show a “sound business purpose” for the proposed action. *Stephens. Indus, Inc. v. McClung*, 789 F.2d 386, 390 (6th Cir. 1986); *see also Comm. of Equity Sec. Holders v. Lionel Corp.* (In re Lionel Corp.), 722 F.2d 1063, 1071 (2d Cir. 1983). The “sound business purpose” test commonly considers four factors:

1. a sound business reason or emergency justifies a pre-confirmation sale;
2. adequate and reasonable notice of the sale was provided to interested parties;
3. the sale has been proposed in good faith; and
4. the purchase price is fair and reasonable.

In re Barnhill’s Buffet, Inc., No. 07-08948, 2008 Bankr. LEXIS 2864, at *7 (Bankr. M.D. Tenn. Feb. 28, 2008) (citing *In re Titusville Country Club*, 128 B.R. 396, 399 (Bankr. W.D. Pa. 1991)). “Where the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor’s conduct.” *Comm. of Asbestos-Related Litigants v. Johns-Manville Corp.* (In re *Johns-Manville Corp.*), 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986).

21. If a valid business justification exists, the applicable principle of law embeds the debtor’s decision to sell property out of the ordinary course of business with a strong presumption that “in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the Debtors.” *Official Comm. of Subordinated Bondholders v. Integrated Res Inc.* (In re *Integrated Res., Inc.*), 147 B.R. 650, 656 (S.D.N.Y. 1992) (quoting *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)), *appeal dismissed*, 3 F.3d 49 (2d Cir. 1993). A section 363 sale should be approved if the Court is satisfied that the debtor has exercised sound business judgment; provided adequate notice; the Proposed Buyer has proceeded in good faith; and the purchase price is fair. *See Barnhill’s Buffet*, 2008 Bankr. LEXIS 2864, at *7; *see also In re Del. & Hudson Ry. Co.*, 124 B.R. 169, 176 (D. Del. 1991). The 363 Transaction satisfies each condition.

22. It is well established that a Chapter 11 debtor may sell all or substantially all its assets pursuant to section 363(b) prior to continuation of a Chapter 11 plan, provided the court finds an articulated business reason for the proposed sale, such as exists in the cases at bar. *See Consumer News & Bus. Channel Piship v. Fin. News Network Inc. (In re Fin. News Network Inc.)*, 980 F.2d 165, 169 (2d Cir. 1992) (in considering sale outside plan of reorganization, bankruptcy judge must not be shackled with unnecessarily rigid rules when exercising the undoubtedly broad administrative power granted him under the [Bankruptcy] Code”) (quoting *Lionel* at 1069); *see also Licensing By Paolo. Inc. v. Sinatra (In re Gucci)*, 126 F.3d 380, 387 (2d Cir. 1997) (“A sale of a substantial part of a Chapter 11 estate . . . may be conducted if a good business reason exists to support it.”); *Official Comm. of Unsecured Creditors of LTV Aerospace & Defense Co. v. LTV Corp. an re Chateaugay Corp.*, 973 F.2d 141, 144 (2d Cir. 1992) (approval of subsidiary’s sale of its assets before confirmation of plan was not abuse of discretion) *In re Chrysler LLC*, 405 B.R. 84 (Bankr. S.D.N.Y. 2009); *In re General Motors Corp.*, 407 B.R. 463 (Bankr S.D.N.Y. 2009).

23. This Motion requests approval of a sale transaction that embodies the objective of the Debtor to implement the best available means to maximize the value of the Debtor’s assets, to preserve jobs for the Debtor’s employees, and to provide for satisfaction of all known claims against the Debtor. Compelling circumstances exist here to conclude a 363 sale of the Debtor’s assets on an expedited basis. Those circumstances include the following:

- (a) the Sale Motion seeks approve of sale of substantially all assets of the Debtor to Compliance Staffing Agency, LLC, a Pennsylvania limited liability company (the “Buyer”) free and clear of liens and encumbrances, including approval of assignment of certain contracts designated for assignment to Buyer;
- (b) the Asset Purchase Agreement provides for closing of the transactions on June 9, 2017; and that Closing Date was selected by the parties such that the Closing may be accommodate prior to the lapse of the Debtors’ liability insurance policy;
- (c) the Debtor cannot operate without a liability policy, because its customers require maintenance of insurance as a condition of Debtor providing services to them;
- (d) Debtor may not be able to obtain continuing insurance at any price after its current liability policy lapses; and
- (e) continuity of operations is important to both the Debtor and Buyer so as to minimize the costs of assumption and assignment of executory contracts from Debtor to Buyer.

24. To maximize the value of the Debtor’s assets and instill confidence on the part of consumers, employees, suppliers, and other stakeholders that the business will effectively continue, the proposed sale of substantially all of the Debtor’s assets to the Proposed Buyer under 11 U.S.C. § 363 must be expeditiously pursued and approved. Implementation of the sale will

best serve the interests of the Debtor's economic stakeholders, as the only other alternative will result in substantially reduced recoveries from the Debtor's assets as well as severe economic consequences for its employees, and customers.

25. The Debtor, in the exercise of sound business judgment, has concluded that the 363 Transaction is the only means of preserving value and continuing the business for the benefit of all economic stakeholders.

THE 363 TRANSACTION MUST BE FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS, INCLUDING RIGHTS OR CLAIMS BASED ON SUCCESSOR OR TRANSFeree LIABILITY

26. It is appropriate that the Purchased Assets be sold free and clear of liens, claims, encumbrances, and interests, including rights or claims based on any successor or transferee liability, pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, except those liabilities assumed by Proposed Buyer or a successful bidder, with any such liens, claims, encumbrances, or interests to attach to the net sale proceeds of the Purchased Assets. Section 363(f) of the Bankruptcy Code provides:

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

1. applicable nonbankruptcy law permits sale of such property free and clear of such interest;
2. such entity consents;
3. such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
4. such interest is in bona fide dispute; or
5. such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f).

27. The Debtor believes, and alleges that none of the Purchased Assets is subject to any claim or interest at this time.

28. To facilitate the sale of the Purchased Assets, it is necessary to authorize the sale of the Purchased Assets free and clear of any and all liens, claims, encumbrances, or interests, including rights or claims based on any successor or transferee liability (other than the liabilities assumed by Proposed Buyer or any other successful bidder) with any such liens, claims, encumbrances, or interests to transfer to and attach to the net proceeds of the sale with the same rights and priorities therein.

29. The liens, claims, encumbrances, and interests held by creditors whose claims do not

constitute Assumed Liabilities may be satisfied by at least one of the five conditions set forth in section 363(f), and any such liens, claims, encumbrances, and interests will be adequately protected by transfer to and attachment to the net proceeds of the sale of the Purchased Assets, subject to any claims and defenses the Debtor may possess with respect thereto. The value of the sale proceeds will be sufficient to satisfy the lienholders in full, thus satisfying section 363(f)(3) of the Bankruptcy Code. In addition, certain holders of liens have consented, or may be deemed to have consented, to the sale of the Purchased Assets, thereby satisfying section 363(f)(2) of the Bankruptcy Code.

30. Thus, the sale of the Purchased Assets free and clear of liens, claims, encumbrances, and interests, including rights or claims based on any successor or transferee liability, except for the liabilities assumed by the Proposed Buyer or any other successful bidder, will satisfy the statutory prerequisites of sections 363(f) of the Bankruptcy Code. Accordingly, the Purchased Assets should be transferred to the successful bidder free and clear of all liens, claims, encumbrances, and interests, except for Assumed Liabilities, with such liens, claims, encumbrances, and interests to be transferred to and attach to the net sale proceeds of the Purchased Assets.

ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED EXECUTORY CONTRACTS

31. The APA establishes procedures for assuming and assigning executory contracts or Executory Contracts to the Proposed Buyer. Specifically, the Proposed Buyer has the right to designate as an “Assumable Executory Contract,” any Executory Contract or Lease that it may want to assume, subject to the procedures set forth in the Assumption and Assignment Notice attached hereto as Exhibit F. The Debtor requests the Court to approve the Assumption and Assignment Procedures, which include procedures for determining cure amounts for the executory contracts to be assumed and assigned to the Buyer pursuant to the APA.

GOOD FAITH OF PROPOSED BUYER

32. The Proposed Buyer has been and is acting in good faith and is entitled to the protections of Section 363(m) of the Bankruptcy Code, which 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).

33. The terms and provisions of the APA were negotiated by the Debtor and the Proposed Buyer at arm’s length, without collusion and in good faith. The APA represents substantial value to the Debtor and provides fair consideration for the Purchased Assets. Moreover, the Proposed

Buyer holds no interests in the Debtor, and the Proposed Buyer has no affiliation with the Debtor or its officers or directors.

34. Accordingly, the Proposed Buyer should be found to be acting in good faith and entitled to the protections afforded under section 363(m).

REQUEST FOR RELIEF UNDER BANKRUPTCY RULES 6004(H) AND 6006(D)

35. Bankruptcy Rule 6004(h) provides that an “order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” FED.R.BANKR.P. 6004(h). Any order approving the sale of the Purchased Assets in accordance with the Sale Procedures must be effective immediately upon entry of such order by providing that the fourteen-day stay shall not apply. As described above, absent a prompt approval and consummation of the 363 Transaction, the Purchased Assets will rapidly decline in value as wasting assets. Therefore, it is imperative that the Sale Order be effective immediately to permit the 363 Transaction to close without any delay. The fourteen-day stay under Bankruptcy Rule 6004(h) should be waived.

36. Bankruptcy Rule 6006(d) provides that an order authorizing the assignment of an executory contract or unexpired lease under section 365(f) is stayed until the expiration of fourteen days after entry of the order, unless the court orders otherwise. FED.R.BANKR.P. 6006(d). Any order approving the sale of the Purchased Assets, which includes approving the assumption and assignment of the Executory Contracts to the Proposed Buyer, must be effective immediately upon entry of such order by providing that the fourteen-day stay shall not apply. The exigent circumstances necessitating the prompt consummation of the 363 Transaction mandates that the Sale Order, the assumption and assignment of the Assumable Executory Contracts to the Proposed Buyer be effective immediately upon entry. It is essential that the Sale Order be effective without any delay by providing that the fourteen-day stay under Bankruptcy Rule 6006(d) is waived.

NOTICE

37. No trustee, examiner or creditors’ committee has been appointed in this Chapter 11 Case. The Debtor has provided notice of this motion via email, fax, hand delivery or overnight mail to: (a) the Office of the United States Trustee; (b) Jared Walters, as the Trustee in Bankruptcy for the Debtor’s Affiliates in Chapter 7 cases pending in this Court, TK Holdings, Ltd (“TK Holdings”) (Case No. 16-21012 EEB); TK Industrial, LLC (“TK Industrial”) (Case No. 16-21017 EEB); and TK Diversified Services, LLC (“TK Diversified”) (Case No. 16-21019-EEB); and Big Sky, LLC, (Case No. 16-21020-EEB); (c) those persons who have requested notice pursuant to Bankruptcy Rule 2002 (collectively, the “Notice Parties”), and (d) known counterparties to contracts that may be assumed.

38. In addition to the foregoing, the Debtor has provided notice of this Sale Motion by first class mail to all creditors listed in the Debtor’s Schedules, and all creditors who have filed a

proof of claim in this bankruptcy case, pursuant to Rule 9013-1 of the Local Rules of this Court (except those who have received notice by other means as described in paragraph 37, above.

39. The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

NO PRIOR REQUEST

40. No prior request for the relief sought herein has been made to this or any other court.

REQUEST FOR RELIEF

WHEREFORE the Debtor respectfully requests entry of an order granting the relief requested herein and such other and further relief as is just.

Dated: May 28, 2017

Respectfully submitted,

THOMAS F. QUINN, P.C.

s/ Thomas F. Quinn

By: _____

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**EXHIBIT A TO MOTION OF DEBTOR T K MINING SERVICES, LLC
TO SELL SUBSTANTIALLY ALL OF ITS ASSETS
CASE NO. 16-21016-EEB
UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF COLORADO**

(Asset Purchase Agreement)

ASSET PURCHASE AGREEMENT

This Agreement is made as of May 25, 2017, between TK Mining Services, LLC, a Colorado limited liability company ("**Seller**"), and Compliance Staffing Agency, LLC, a Pennsylvania limited liability company ("**Buyer**"). Capitalized terms used herein are defined in the text; an index of such terms is attached to the end of this Agreement.

PREAMBLE

Seller is engaged in the business of providing mining services from its Delta, Colorado location (the "**Business**");

On November 10, 2016, Seller filed voluntary a petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101-1532, et seq. (the "**Bankruptcy Code**") in the United States Bankruptcy Court for the District of Colorado (the "**Bankruptcy Court**"), thereby commencing the Case No. 16-21016-EEB (the "**Bankruptcy Case**"), and continues to manage its property as debtor and debtor-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code; and

Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, substantially all of Seller's assets, all upon the terms and subject to the conditions set forth herein. Therefore, the parties agree as follows with the intent to be legally bound.

AGREEMENT

ARTICLE I

PURCHASE AND SALE OF ASSETS

1.01. Purchase and Sale of Assets. On the Closing Date, and subject to the Sale Order, Seller shall sell, assign and transfer to Buyer, and Buyer will purchase from Seller, all of Seller's rights, title and interest in and to the following assets of Seller (collectively, the "**Assets**");

(a) all equipment, machinery, fixtures, vehicles, computer hardware and furniture used or useful in connection with the Business (collectively, the "**Equipment**"), and all supplies, spare parts and warranties relating to any of the Equipment;

(b) all raw material, work-in-process, finished goods and spare parts inventory of the Business (collectively, the "**Inventory**");

(c) (i) all patents, registered and unregistered trademarks, service marks, logos, corporate and trade names, domain names and registered and common law copyrights, and all applications therefor, used or useful in connection with the Business and (ii) all inventions, discoveries, techniques, processes, methods, formulae, designs, computer software, trade secrets, confidential information, know-how and ideas used or useful in connection with the Business (collectively, the "**Intellectual Property**");

(d) all accounts receivable of the Business (the "**Receivables**") and all other claims, causes of action, avoidance actions, choses in action and rights of recovery and setoff relating to the Business or any of the Assets;

(e) the contracts set forth on Schedule 1.01(e) (the "**Assigned Contracts**");

(f) all permits, licenses, franchises, certificates, authorizations, consents and approvals obtained from or issued by any governmental entity and which are necessary or desirable for the ownership or operation of the Business or any of the Assets (collectively, the "**Business Permits**");

(g) all books, records, files, ledgers, drawings, specifications and manuals relating to the Business or any of the Assets, all advertising materials relating to the Business and all other information relating to the Business or any of the Assets, regardless of the form in which such information appears;

(h) all cash, cash equivalents and bank accounts;

(i) all goodwill of the Business or associated with any of the Assets; and

(j) all other assets of Seller, tangible or intangible, which are used or useful in connection with, or relate to, the Business.

1.02. Excluded Assets. Notwithstanding any other provision hereof, the Assets do not include the items listed on Schedule 1.02 (the "**Excluded Assets**").

1.03. Assumption of Liabilities. On the Closing Date, and subject to the Sale Order, Buyer shall assume and becomes liable for only the post-closing obligations under the Assigned Contracts (collectively, the "**Assumed Liabilities**"); all other liabilities (collectively, the "**Excluded Liabilities**"), continue to be liabilities of Seller.

1.04. Purchase Price. The purchase price for the Assets (the "**Purchase Price**") will be US\$950,000, which amount is subject to the adjustments set forth in Section 1.05 and Section 1.06 below, and subject to the Sale Order, payable by Buyer on the Closing Date in immediately available funds. The Purchase Price includes any and all cure amounts under the Assigned Contracts. In addition to the Purchase Price, Buyer will pay David Schaaf, to be paid to David Schaaf and the other TK Mining employees identified in Section 5.02(b)(iii) below, the collective sum of \$550,000 in consideration of such employees transitioning the Assets to Buyer (the "**Employment Payments**").

1.05 Cash and Accounts Receivable Adjustment.

(a) On or immediately prior to the Closing Date, the Seller will, in good faith, prepare, or cause to be prepared, a statement which shall set forth a reasonably itemized calculation of the cash and accounts receivables of the Seller on the Closing Date based on GAAP applied in a manner consistent with that used by the Seller in preparing its historical financial statements.

(b) At the Closing, the Purchase Price will be decreased on a dollar-for-dollar basis if: the amount of (i) cash included in the Assets, and (ii) collectible Accounts Receivable (under 30 days outstanding) included in the Assets, are less than a combined amount of \$700,000, then the Purchase Price will be decreased by the amount of such deficiency.

1.06 Cure Amount Adjustment. At the Closing, the Purchase Price will be decreased on a dollar-for-dollar basis in the amount of any Cure Amounts as provided in Section 4.10(a).

1.07. Withholding. Notwithstanding any contrary provision of this Agreement, Buyer shall be entitled to deduct and withhold (or cause to be deducted and withheld) from amounts otherwise payable to any Person pursuant to this Agreement, as applicable, such amounts as it is required to deduct and withhold with respect to the making of such payment under any applicable Governmental Rules. To the

extent that amounts are so withheld by Buyer and remitted to the appropriate governmental entity, such withheld and remitted amounts shall be treated for all purposes of this Agreement, as applicable, as having been paid to the Person in respect of which such deduction and withholding was made.

ARTICLE II REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Buyer as follows:

2.01. Organization and Qualification. Seller is a limited liability company duly organized, validly existing and in good standing in the State of Colorado. Seller is duly qualified to do business as a foreign entity and is in good standing in all jurisdictions in which the ownership of its properties or the nature of its business makes such qualification necessary.

2.02. Power and Authority. Subject to the approval of the Bankruptcy Court, Seller has the requisite power and authority to own its assets, to conduct its business as presently conducted and to execute, deliver and perform the Transaction Documents to which it is a party.

2.03. Execution and Enforceability. This Agreement has been, and on the Closing Date the other Transaction Documents to which Seller is a party will be, duly and validly executed and delivered by Seller and constitute (or upon such execution and delivery will constitute) legal, valid and binding obligations of Seller enforceable against Seller in accordance with their respective terms.

2.04. No Breach, Default, Violation or Consent. Except as otherwise disclosed on Schedule 2.04 or pursuant to the Bankruptcy Case, the execution, delivery and performance by the Seller Parties of the Transaction Documents do not and will not: (a) violate the organizational documents of Seller; (b) breach or result in a default (or an event which, with the giving of notice or the passage of time, or both, would constitute a default) under, require any consent under, result in the creation of any Lien on the assets of Seller under or give to others any rights of termination, acceleration, suspension, revocation, cancellation or amendment of any Assigned Contract or Business Permit; (c) breach or otherwise violate any order, writ, judgment, injunction or decree issued by any governmental entity (each a "**Governmental Order**") which names Seller or is directed to Seller or any of its assets; (d) violate any law, rule, regulation, ordinance or code of any governmental entity (each a "**Governmental Rule**"); or (e) require any consent, authorization, approval, exemption or other action by, or any filing, registration or qualification with, any person or entity (each a "**Person**").

2.05. Financial Matters.

(a) The books of account and other financial records of Seller, all of which have been made available to Buyer, are correct and complete in all respects, represent actual, bona fide transactions and have been maintained in accordance with sound business and accounting practices.

(b) Seller has previously delivered to Buyer correct and complete copies of (i) its audited balance sheets and statements of income, retained earnings and cash flows as of and for its fiscal years ended 2015, including the footnotes thereto, along with reviewed balance sheets and statements of income for 2016 and (ii) its unaudited interim balance sheet and statements of income, retained earnings and cash flows as of and for the four months ended April 30, 2017 (the "**Current Financial Statements**" and, together with the items described in clause (i) above, the "**Financial Statements**"). The Financial Statements fairly present the financial condition of Seller as at the end of the periods covered thereby and the results of its operations and the changes in its financial position for the periods covered thereby, and were prepared in accordance with GAAP applied on a consistent basis throughout the periods covered

thereby subject, in the case of the Current Financial Statements, to year-end audit adjustments (which will not be material except as otherwise disclosed on Schedule 2.05) and the lack of footnotes and other presentation items.

(c) The filings made by Seller pursuant to the Bankruptcy Case, including the petition, the schedules and exhibits thereto, the lists of creditors and parties in interest, are correct and complete in all respects.

2.06. Litigation and Governmental Orders.

(a) Except for the Bankruptcy Case and as otherwise disclosed on Schedule 2.06, there is no (and since December 31, 2011 there has not been any) pending or, to Seller's knowledge, threatened investigation, action or proceeding (each a "**Proceeding**") against Seller, the Business or any of the Assets by or before any governmental entity or arbitrator. Schedule 2.06 sets forth a correct and complete list of each Proceeding (i) described in the preceding sentence or (ii) to which Seller has been a party since December 31, 2011, together with the parties thereto, the alleged basis therefor, the relief sought therein and the current status thereof.

(b) Schedule 2.06 sets forth a correct and complete list of all Governmental Orders which name Seller or are directed to Seller, the Business or any of the Assets, together with the governmental entity who issued the same and the subject matter thereof. Seller is in compliance with all such Governmental Orders.

2.07. Business Permits. Schedule 2.07 sets forth a correct and complete list of all Business Permits and indicates for each whether the same are transferable to Buyer and, if so, whether consent to such transfer is required. The Business Permits have been validly acquired, are in full force and effect and represent all governmental permits, licenses, franchises, certificates, authorizations, consents and approvals necessary under applicable Governmental Rules for Buyer to conduct the Business as currently conducted and to own, occupy or use the Assets. No violations have been recorded against any Business Permit, no citation, notice or warning has been issued by any governmental entity with respect to any Business Permit, no investigation or hearing has been held by or before any governmental entity with respect to any Business Permit, Seller has not received any notice from any governmental entity that it intends to cancel, revoke, terminate, suspend or not renew any Business Permit and Seller has no knowledge of any basis for any of the foregoing. Seller is in compliance with all Business Permits. Seller has made available to Buyer correct and complete copies of each Business Permit.

2.08. Personal Property.

(a) Except as otherwise disclosed on Schedule 2.08, the Equipment is in good repair and operating condition and is suitable for the purposes for which it is used. The Equipment constitutes all equipment, machinery, fixtures, vehicles, computer hardware and furniture necessary to conduct the Business as currently conducted. Schedule 2.08 sets forth a correct and complete list of all leases and other agreements pursuant to which Seller leases any of the Equipment and which provide for payments of \$12,000 or more per calendar year.

(b) Except as otherwise disclosed on Schedule 2.08, all Inventory (i) is in all material respects of a quantity and quality usable and salable in the ordinary course of business and (ii) except for such items acquired or produced after the Current Financial Statement Date, is reflected on the Current Financial Statements at the lower of cost (determined on a [**first-in,**] [**last-in,**] first-out basis) or market in accordance with GAAP applied on a consistent basis, with adequate provisions or adjustments having been made for excess and slow-moving inventory and inventory obsolescence and shrinkage.

(c) Except as otherwise disclosed on Schedule 2.08, all Receivables (i) represent amounts receivable for goods actually delivered or services actually provided (or, in the case of non-trade receivables, represent amounts receivable in respect of other bona fide business transactions), (ii) are not subject to any material defenses, counterclaims or rights of setoff, (iii) have been billed and are generally due and payable within 30 days after billing and (iv) are fully collectible in the ordinary course of business except, in the case of receivables arising prior to the Current Financial Statement Date, to the extent of the reserves set forth in the Current Financial Statements and, in the case of receivables arising after such date, to the extent of a reasonable allowance for bad debts. Except as otherwise disclosed on Schedule 2.08, all accounts payable of Seller are bona fide, have been incurred in the ordinary course of business and are not in default.

(d) The Assets do not include any stock, partnership interest, joint venture interest or other equity interest in any other Person.

2.09. Intellectual Property. Schedule 2.09 sets forth a correct and complete list of (a) all patents, registered and unregistered trademarks, service marks, logos, corporate and trade names, domain names and registered and unregistered copyrights, and all applications therefor, included in the Intellectual Property, (b) all licenses or other agreements pursuant to which any Person has the right to use any Intellectual Property owned by Seller and (c) all licenses or other agreements pursuant to which Seller has the right to use any Intellectual Property owned by others (excluding "off-the-shelf" software applications that are generally available to the public). Seller has the lawful right to use all of the Intellectual Property, and no such use infringes upon the lawful rights of any other Person. To Seller's knowledge, no Person is using any Intellectual Property in a manner which infringes upon the lawful rights of Seller. The Intellectual Property constitutes all intellectual property necessary to conduct the Business as currently conducted.

2.10. Personnel Matters.

(a) Seller has previously provided to Buyer a correct and complete list of each of its employees as of May 12, 2017, together with each such employee's job title, salary or hourly wage and maximum bonus eligibility as of such date.

(b) All full-time, part-time, temporary, salaried and hourly employees, and all independent contractors, of Seller have been properly classified as such by Seller for all relevant purposes, including without limitation for participation in Plans and eligibility for overtime pay.

(c) Except as otherwise disclosed on Schedule 2.10, (i) no employees of Seller are represented by any labor union or similar organization, (ii) Seller is not party to any collective bargaining or similar agreement covering any of its employees and (iii) since December 31, 2011, no labor union or similar organization or group of employees has made a demand for recognition, filed a petition seeking a representation proceeding, given Seller notice of any intention to hold an election of a collective bargaining representative or engaged in any organizing activities.

(d) Except as otherwise disclosed on Schedule 2.10, there is no (and since December 31, 2011 there has not been any) (i) actual or, to Seller's knowledge, threatened strike, work stoppage, contract dispute or other labor disturbance involving any employees of Seller or (ii) pending or, to Seller's knowledge, threatened Proceeding by or before any governmental entity which relates to allegedly unfair or discriminatory employment or labor practices by Seller or the violation by Seller of any Governmental Rule relating to employment or labor practices.

2.11. Status of Assigned Contracts. Each Assigned Contract is in full force and effect and is enforceable against Seller and, to Seller's knowledge, the other parties thereto, in accordance with its terms. Seller is in compliance with each such Assigned Contract. To Seller's knowledge, all other parties to such Assigned Contracts are in compliance with the terms thereof. Seller has made available to Buyer correct and complete copies of each such Assigned Contract.

2.12. Title Matters. Seller has and will convey to Buyer good and marketable title to all Assets purported to be owned by it and good leasehold title to all Assets purported to be leased by it, in each case free and clear of all liens, claims and encumbrances of any nature whatsoever (collectively, "**Liens**").

2.13. Customers and Suppliers. Schedule 2.13 sets forth a correct and complete list of each of the top ten customers and suppliers of Seller (in terms of dollar volume of goods and services purchased or sold) during the 12 months ending December 31, 2016, and indicates with respect to each the name and address, dollar volume and nature of the relationship. Seller is not required to provide any material bonding or other financial security arrangements in connection with any of their transactions with any such customer or supplier. Since December 31, 2016, no such customer or supplier has terminated its relationship with, or materially reduced its purchases from or sales to, Seller, and Seller has no knowledge that any such customer or supplier intends to terminate its relationship with, or materially reduce its purchases from or sales to, Seller.

2.14. Accurate Disclosure. None of the information furnished by Seller to Buyer or any of its representatives in connection with this Agreement and the other Transaction Documents, and none of the representations and warranties of Seller set forth herein, (a) is false or misleading in any material respect, (b) contains any untrue statement of a material fact or (c) omits any statement of material fact necessary to make the same not misleading.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows:

3.01. Organization. Buyer is a limited liability company duly organized, validly existing and in good standing in the Commonwealth of Pennsylvania.

3.02. Power and Authority. Buyer has the requisite power and authority to own its properties and assets, to conduct its business as presently conducted and to execute, deliver and perform the Transaction Documents to which it is a party.

3.03. Execution and Enforceability. This Agreement has been, and on the Closing Date the other Transaction Documents to which Buyer is a party will be, duly and validly executed and delivered by Buyer and constitute (or upon such execution and delivery will constitute) legal, valid and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms.

ARTICLE IV
TRANSACTIONS PRIOR TO CLOSING

4.01. Conduct of Business Prior to Closing. At all times prior to the Closing Date Seller will (a) operate its business only in the ordinary course and consistent with past practice and (b) take no action, and use its commercially reasonable efforts to prevent the occurrence of any event or the existence of any condition, which would result in any of Seller's representations and warranties herein not being true and correct.

4.02. Casualty, Loss or Damage to Assets. If at any time prior to the Closing Date any casualty, loss or damage occurs with respect to any Asset, then Seller will promptly inform Buyer of the same and, at Buyer's option, will either (a) repair or replace such Asset such that the Asset to be transferred to Buyer hereunder is in a condition at least as good as it was in immediately prior to the occurrence of such casualty, loss or damage or (b) transfer all insurance proceeds payable to Seller on account of such casualty, loss or damage to Buyer at the Closing.

4.03. Exclusivity. Except as set forth in Section 4.11 below, or as may be required to comply with the Bankruptcy Code or any Order of the Bankruptcy Court, until such time as this Agreement has been terminated as provided herein, Seller will deal exclusively with Buyer in connection with the proposed sale of the Business and the Assets and neither Seller nor any Person acting on its behalf will directly or indirectly solicit, initiate, encourage or entertain any inquiries or proposals from, discuss or negotiate with, provide any nonpublic information to or consider the merits of any inquiries or proposals from any Person (other than Buyer) relating to any transaction directly or indirectly involving the sale of the Business or any of the Assets or any equity securities of Seller. Seller will notify Buyer of any such inquiry or proposal within 24 hours of receipt or awareness of the same.

4.04. Access to Information. At all times prior to the Closing Date Seller will furnish to Buyer and its representatives (a) full access during normal business hours to the properties, books and records and personnel of Seller and (b) all such information concerning the Business or the Assets as any of them may reasonably request.

4.05. Notification of Changes. If, at any time prior to the Closing, Seller or Buyer becomes aware that any of its representations or warranties set forth herein is false or misleading in any material respect, it will promptly notify the other party of the same. Unless otherwise specifically agreed to by the parties in writing, no such disclosure will be considered to be an amendment to this Agreement or the Schedules hereto or will release such party from any liability arising out of such false or misleading representation or warranty.

4.06. Commercially Reasonable Efforts. Except as set forth in Sections 4.07, 4.08, 4.09 and 4.10, the parties agree to use their commercially reasonable efforts to take or cause to be taken and to do or cause to be done all such actions and things as are necessary or advisable, or as may be reasonably requested by the other party, in order to consummate the transactions contemplated hereby and by the other Transaction Documents. Without limiting the generality of the foregoing, the parties agree to take all commercially reasonable actions necessary in order to obtain any consent or approval of any third party, including without limitation any governmental entity, which is required in connection with this Agreement or the other Transaction Documents or any of the transactions contemplated hereby or thereby.

4.07 Bankruptcy Court Filings. Seller shall pursue diligently the entry of the Sale Order under the procedures established by the Bankruptcy Court, and shall take or cause to be taken the following:

(a) Seller will file the 363 Motion with the Bankruptcy Court, including (i) written approval of the expense reimbursement for Buyer as set forth in Section 7 of the Letter of Intent and Section 4.11 below (ii) notice being sent to all required parties and (iii) a hearing of the Bankruptcy Court by June 8, 2017; and

(b) Seller will file with the Bankruptcy Court a motion for an order authorizing the assumption and assignment pursuant to Section 365 of the Bankruptcy Code of the Assigned Contracts and Seller will send notice to counterparties to all executory contracts and unexpired leases that such contracts may become Assigned Contracts, in each case more particularly set forth in Section 4.10 below.

4.08 Bankruptcy Matters. As used in this Agreement, the following terms have the following meanings:

(a) **“Sale Motion”** means a motion seeking entry of the Sale Order.

(b) **“Sale Order”** means an order of the Bankruptcy Court, in form and substance approved by counsel to Buyer (such approval not to be unreasonably withheld or conditioned so long as the Order is not inconsistent with, and does not limit the rights and protections of Buyer under this Agreement or any other Transaction Document) which, among other things: (i) approves (A) this Agreement, the other Transaction Documents and the execution, delivery, and performance by Seller of this Agreement, the other Transaction Documents and the other instruments and agreements contemplated hereby and thereby; (B) the sale of the Purchased Assets to Buyer free and clear of all Liens and Actions to the greatest extent possible under Section 363(f) of the Bankruptcy Code; (C) the assumption of the Assumed Liabilities by Buyer on the terms set forth herein and in the other Transaction Documents; (D) the assumption and assignment to Buyer of the Assigned Contracts on the terms set forth herein and in the other Transaction Documents; and (E) the amount of the Cure Amounts on a final basis; (ii) determines that Buyer is a good faith purchaser within the meaning of Section 363(m) of the Bankruptcy Code; (iii) contains a finding that this Agreement was negotiated, proposed and entered into by the Parties without collusion, in good faith and from arm's length bargaining positions; (iv) contains a finding that Seller and Buyer have not engaged in any conduct that would cause or permit this Agreement to be avoidable under Section 363(n) of the Bankruptcy Code; (v) provides that this Agreement and the transactions contemplated hereby may, subject to the terms set forth herein, be specifically enforced against and binding upon, and not subject to rejection or avoidance by any Debtor or their respective estates or any chapter 7 or chapter 11 trustee of Debtors or other representative of their respective estates; (vi) provides that the Bankruptcy Court shall retain jurisdiction to resolve any controversy or claim arising out of or relating to this Agreement or the breach thereof; (vii) provides that, upon Buyer's payment of the consideration provided hereunder, Seller shall have received fair and reasonably equivalent value for the Purchased Assets; (viii) provides that the Closing will occur in accordance with the terms and conditions hereof; (ix) provides that Seller gave notice to all required parties; (x) provides for the waiver by the Parties of compliance with, and any claims related to non-compliance with, the provisions of any bulk sales, bulk transfer or similar Laws of any jurisdiction that may be applicable; and (xi) provides that other than the Assumed Liabilities, Buyer is not assuming any successor liability of Seller.

4.09 Bankruptcy Court Approvals. Seller shall promptly file the Sale Motion seeking entry of the Sale Order. If the entry of the Sale Order is appealed, Seller and Buyer shall use their respective reasonable efforts to defend such appeal(s)

4.10 Assumption of Contracts.

(a) Seller will file with the Bankruptcy Court a motion for an order authorizing the assumption and assignment pursuant to Section 365 of the Bankruptcy Code of the Assigned Contracts.

Seller will send notice to counterparties to all executory contracts that such contracts may become Assigned Contracts. Each such executory contract lease was identified on an exhibit to the notice. Such exhibit set forth the amount, if any, Seller believed to be necessary to cure defaults under each such executory contract to enable it to be assumed and assigned, which amounts are set forth in Schedule 4.10(a) (“**Cure Amounts**”) and if no Cure Amount was estimated to be applicable with respect to any particular contract, the amount of such Cure Amount designated for such contract was “\$0.00”.

(b) Buyer agrees that Schedule 1.01(e) identifies those executory contracts that Buyer has elected to treat as Assigned Contracts. Buyer shall pay any and all Cure Amounts, if any, with respect to Assigned Contracts at Closing.

(c) Seller shall or shall cause, at the Closing, each contract that the Buyer has elected to treat as an Assigned Contract as set forth in Schedule 1.01(e) to be assumed and assigned to Buyer in accordance with Section 365 of the Bankruptcy Code and the Sale Order. Seller shall timely file appropriate motions and take such other actions as may be necessary to assume and assign to Buyer the Assigned Contracts, and the Sale Order shall authorize such assumption and assignment. On the date of the assignment thereof to Buyer, the Seller shall be released from any further liability under the Assigned Contracts.

4.11 Reimbursement of Buyer Expenses.

(a) Seller agrees to immediately notify Buyer if any employee or representative of Seller or the Chapter 7 Trustee of TK Holdings LTD, receives any indications of interest, requests for information or offers to acquire all or any portion of the Seller equity interests or the Assets, whether by merger, purchase of stock, purchase of assets, tender offer or otherwise, and will communicate to Buyer in reasonable detail the terms of any such indication, request or offer, and will provide Buyer with copies of all written communications relating to any such indication, request or offer. Buyer may, at its option, terminate this Agreement, upon receipt of a competing offer or expression of interest.

(b) In the event any other party makes an formal offer for the Assets prior to Bankruptcy Court Approval of this Transaction, and the formal offer for the assets exceeds \$975,000, then the Buyer will have 5 days from notification to either modify its offer to an amount in excess of the competing offer or terminate this Agreement, in which event Buyer will be paid its costs and expenses as set forth in subsection (c).

(c) In the event the Bankruptcy Court does not approve the Transaction, or the Transaction is not consummated for any reason other than the determination of Buyer not to close, then Seller shall pay to Buyer on demand an amount equal to the reasonable out-of-pocket expenses (including the reasonable fees and expenses of legal counsel, accountants and other advisors and whether incurred prior to or after the date hereof) incurred by Buyer in connection with this Transaction, but in no event more than Twenty-Five Thousand Dollars.

ARTICLE V
CLOSING AND CLOSING CONDITIONS

5.01. Closing. The closing of the transactions contemplated hereby (the "**Closing**") will take place on June 9, 2017 by teleconference and the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format or by facsimile, or on such other date not later than June 9, 2017 as the parties may mutually agree upon. The date on which the Closing occurs is referred to herein as the "**Closing Date**".

5.02. Closing Deliveries of the Seller.

(a) Transaction Documents. The Seller and any other parties thereto (other than Buyer) shall have executed and delivered to Buyer the following documents and such other documents and instruments, in form and substance satisfactory to Buyer and its counsel, as are necessary or desirable in order to consummate the transactions contemplated hereby, each dated the Closing Date (together with this Agreement and any agreements listed in Section 5.03(a), the "**Transaction Documents**");

(i) a Bill of Sale from Seller to Buyer in substantially the form of Exhibit A;

(ii) an Assignment and Assumption Agreement between Buyer and Seller in substantially the form of Exhibit B (the "**Assignment and Assumption Agreement**");

(b) Other Closing Deliveries. Seller shall make the following additional deliveries to Buyer, which deliveries shall be executed (if applicable) by the parties thereto (other than Buyer) and in form and substance satisfactory to Buyer and its counsel:

(i) the consents and approvals listed on Schedule 5.02(b);

(ii) a certificate of good standing of Seller of a recent date issued by the Secretary of State of its jurisdiction of organization;

(iii) Employment Agreements for each of Dave Schaaf, Erik Groves, Noelle DeJulio, Toni Andre and Keith Buhrdorf (the "**Employment Agreements**");

(iv) The Bankruptcy Court shall have entered the Sale Order, the Sale Order shall not have been amended, supplemented, or otherwise modified in any material respect without the prior written consent of Buyer, the Sale Order shall be in full force and effect and, as of the Closing Date the Sale Order shall be a "Final Order" such that (i) no request for stay of the Sale Order is pending, no such stay is in effect, and, if any deadline for filing any such request is designated by statute or regulation, it is passed, including any extensions thereof; (ii) no petition for rehearing or reconsideration of the Order, or protest of any kind, is pending before any Governmental Entity and the time for filing any such petition or protest is passed; and (iii) the Order has not been appealed and the deadline for filing notice of appeal has passed, including any extensions thereof; and

(v) evidence indicating that cash and collectable accounts receivable (under 30 days outstanding) totaling a combined amount of \$650,000, are included in the Assets and transferred to Buyer.

5.03. Closing Deliveries of Buyer.

(a) Transaction Documents. Buyer and any other parties thereto (other than the Seller) shall have executed and delivered to the Seller the following documents and such other documents and instruments, in form and substance satisfactory to the Seller and its counsel, as are necessary or desirable in order to consummate the transactions contemplated hereby, each dated the Closing Date:

(i) the Assignment and Assumption Agreement;

(b) Other Closing Deliveries. Buyer shall make the following additional deliveries to Seller, which deliveries shall be executed (if applicable) by the parties thereto (other than Seller) and in form and substance satisfactory to Seller and its counsel:

(i) a certificate of good standing of Buyer of a recent date issued by the Secretary of State of its jurisdiction of organization;

(ii) the Employment Agreements; and

(iii) payment of the Purchase Price and Employment Payments in accordance with Section 1.04.

5.04. Conditions Precedent to Obligations of Buyer. Buyer's obligation to proceed with the Closing is subject to delivery of the closing deliverables contemplated by Section 5.02 and to the satisfaction by the Seller Parties of each of the following conditions precedent:

(a) Accuracy of Representations and Warranties. The representations and warranties of the Seller set forth herein will be true and correct on and as of the Closing Date with the same force and effect as though made on and as of such date.

(b) Performance and Compliance. The Seller will have performed or complied with each covenant and agreement to be performed or complied with by it hereunder on or prior to the Closing Date.

(c) Litigation. There will be no pending or threatened action by or before any governmental entity or arbitrator seeking to restrain, prohibit or invalidate any of the transactions contemplated by the Transaction Documents or seeking monetary relief against Buyer by reason of the consummation of such transactions, and there will not be in effect any Governmental Order which has such effect.

(d) Material Adverse Effect. No event will have occurred and no condition will exist which, individually or in the aggregate, has had, or is likely to have, a material adverse effect.

5.05. Conditions Precedent to Obligations of the Seller Parties. The Seller's obligation to proceed with the Closing is subject to delivery of the closing deliverables contemplated by Section 5.03 and to the satisfaction by Buyer of each of the following conditions precedent:

(a) Accuracy of Representations and Warranties. The representations and warranties of Buyer set forth herein will be true and correct on and as of the Closing Date with the same force and effect as though made on and as of such date.

(b) Performance and Compliance. Buyer will have performed or complied with each covenant and agreement to be performed or complied with by it hereunder on or prior to the Closing Date.

(c) Litigation. There will be no pending or threatened action by or before any governmental entity or arbitrator seeking to restrain, prohibit or invalidate any of the transactions contemplated by the Transaction Documents or seeking monetary relief against the Seller by reason of the consummation of such transactions, and there will not be in effect any Governmental Order which has such effect.

ARTICLE VI CERTAIN POST-CLOSING MATTERS

6.01. Non-Competition and Non-Solicitation.

(a) During the 3-year period commencing with the Closing Date (the "**Restricted Period**"), neither Seller, TK Holdings, LTD nor David A. Schaaf (each a "**Restricted Seller Party**"), and none of their respective Affiliates, may (i) engage in any Competing Business or (ii) own, be employed by, provide financing to, consult with or otherwise render services to any Person who is engaged in any Competing Business; provided, that the ownership of an equity interest of not more than 2% in a publicly traded entity that is engaged in a Competing Business is not a violation of this covenant so long as such Person has no active participation in the business of such entity.

(b) During the Restricted Period, none of the Restricted Seller Parties and none of their respective Affiliates may solicit or induce any employee, distributor, sales representative, agent or contractor of Buyer or any of its Affiliates to terminate his or its employment or other relationship with Buyer or any of its Affiliates.

(c) If any Restricted Seller Party is in breach of any of the provisions of subsections (a) or (b) above, then the time periods set forth in such subsections, as they relate to such Restricted Seller Party, will be extended by the length of time during which such Restricted Seller Party is in breach of any of such provisions.

(d) The Restricted Seller Parties acknowledge and agree that Buyer would be irreparably damaged if any of the provisions of this Section are not performed in accordance with their specific terms or are otherwise breached. Accordingly, the Restricted Seller Parties agree that Buyer is entitled to an injunction or injunctions to prevent breaches of this Section and has the right to specifically enforce this Section against each Restricted Seller Party in addition to any other remedy to which Buyer may be entitled hereunder, at law or in equity.

As used in this Agreement the following terms have the following meanings:

"**Affiliates**" means, as to any specified person or entity, any other person or entity that is directly or indirectly controlled, is under common control with, such specified person or entity, and if such person is an individual, any member of the immediately family of such individual. As used in this definition, "control" shall mean possession, directly or indirectly, of power to direct or cause the direction of the management or policies.

"**Competing Business**" means the manufacture, marketing or sale of products or services which are competitive with any Products and which are directly or indirectly marketed or sold in the Territory.

"**Product**" means any product or service which the Business or Buyer is marketing, selling or developing on the Closing Date.

"**Territory**" means any state in the United States, any Canadian province, Australia, Mexico, and any other foreign country, in each case in which Seller or Buyer is marketing or selling any Products on the Closing Date.

6.02. Certain Employee Matters.

(a) Buyer agrees to offer employment to each person who is an employee of Seller on the Closing Date. Each such offer will be for the same wage or salary as are applicable to such employee on the Closing Date. Buyer will recognize each such employee's years of service with Seller for all applicable purposes. Seller's employees are not intended to be third party beneficiaries of this subsection.

(b) Except as otherwise specifically provided in this Agreement, Buyer does not and will not assume or be responsible for any obligations or liabilities arising out of any employment relationship between Seller and any employee or former employee of Seller. Without limiting the generality of the foregoing, Buyer will have no liability or obligation in connection with Seller's employees or former employees and their beneficiaries for (i) contributions to or payments under employee benefit plans, stock options, programs, arrangements or understandings, (ii) accrued, but unused, sick leave, vacation pay and severance pay, if any, (iii) liabilities or obligations under any collective bargaining agreement or bargaining relationship or (iv) claims, demands, administrative proceedings or suits arising out of or in connection with alleged unlawful employment practices of Seller, all of which are Excluded Liabilities.

6.03. Change of Seller's Name. Seller acknowledges that from and after the Closing Date it has no right to use its present corporate name or any trade names included in the Assets. Seller agrees that, immediately after the Closing, it will take all such action as is necessary to change its corporate name and to otherwise permit Buyer to have the exclusive right to such corporate and trade names.

ARTICLE VII
INDEMNIFICATION

7.01. Indemnification by Seller Parties. Seller will defend, indemnify and hold harmless Buyer and its equityholders, directors, managers, officers, employees and agents (each a "**Seller Party Indemnitee**") from and against any and all claims, damages, losses, liabilities, costs and expenses, including without limitation reasonable attorneys' fees and court costs (collectively, "**Losses**"), that constitute, or arise out of or in connection with:

(a) any misrepresentation or breach of warranty under Article II (a "**Seller Warranty Breach**");

(b) any default by the Seller Parties in the performance or observance of any of their covenants or agreements hereunder or under any other Transaction Document; or

(c) any Excluded Assets or Excluded Liabilities.

7.02. Third Party Claims. If any Proceeding is initiated against any Seller Party Indemnitee (each an "**Indemnitee**") by any third party and such Indemnitee intends to seek indemnification from

Seller (each an "**Indemnitor**"), under this Article on account of its involvement in such Proceeding, then such Indemnitor will give prompt notice to the applicable Indemnitor of such Proceeding; provided, that the failure to so notify such Indemnitor will not relieve such Indemnitor of its obligations under this Article, but will reduce such obligations by the amount of damages or increased costs and expenses attributable to such failure to give notice. Upon receipt of such notice, such Indemnitor will diligently defend against such Proceeding on behalf of such Indemnitor at its own expense using counsel reasonably acceptable to such Indemnitor; provided, that if such Indemnitor fails or refuses to conduct such defense, or such Indemnitor has been advised by counsel that it may have defenses available to it which are different from or in addition to those available to such Indemnitor, or that its interests in such Proceeding are adverse to such Indemnitor's interests, or if, due to the limitations elsewhere in this Article, such Indemnitor's indemnification liability in respect of the claim for which indemnification is sought is less than one-half of the amount being sought, then such Indemnitor may defend against such Proceeding at such Indemnitor's expense. Such Indemnitor or Indemnitor, as applicable, may participate in any Proceeding being defended against by the other at its own expense, and will not settle any Proceeding without the prior consent of the other, which consent will not be unreasonably withheld; provided, that the consent of an Indemnitor is not required if such Indemnitor failed or refused to defend the Indemnitor in the Proceeding that is being settled. Such Indemnitor and Indemnitor will cooperate with each other in the conduct of any such Proceeding.

7.03. Notice and Satisfaction of Indemnification Claims. No indemnification claim will be deemed to have been asserted until the applicable Indemnitor has been given notice by the Indemnitor of the amount of such claim and the facts on which such claim is based. For purposes of Section 7.04, notice of an indemnification claim will be deemed to cover claims arising out of all related Proceedings so long as, in the case of Proceedings instituted by third parties, the Indemnitor complies with Section 7.04. If the Indemnitor is not Buyer or Seller, then such notice will be given on behalf of such Indemnitor by Buyer or Seller, as applicable. Indemnification claims will be paid within 30 days after the Indemnitor's receipt of such notice and such evidence of the amount of such claim and the Indemnitor's liability therefor as the Indemnitor may reasonably request.

7.04. Duration of Certain Indemnification Obligations. Claims for indemnification under Section 7.01(a) may only be asserted within the following time periods:

(a) claims arising out of any Seller Warranty Breach under Section 2.01 (Organization and Qualification), Section 2.02 (Power and Authority), Section 2.03 (Execution and Enforceability), Section 2.18 (Title Matters), and any claims arising out of fraud, may be asserted at any time;

(b) all other claims may be asserted until the Closing Date.

ARTICLE VIII
GENERAL PROVISIONS

8.01. Assignment. Neither this Agreement nor any right, interest or obligation hereunder may be assigned, pledged or otherwise transferred by any party, whether by operation of law or otherwise, without the prior consent of the other party or parties; provided, that any party may assign its rights hereunder to a purchaser of all or substantially all of its assets or any successor by merger.

8.02. Confidentiality.

(a) As used in this Section the "**Confidential Information**" of a party means all information concerning or related to the business, operations, financial condition or prospects of such party or any of its Affiliates, regardless of the form in which such information appears and whether or not such information has been reduced to a tangible form, and specifically includes (i) all information regarding the officers, directors, managers, employees, equityholders, customers, suppliers, distributors, sales representatives and licensees of such party and its Affiliates, in each case whether present or prospective, (ii) all inventions, discoveries, trade secrets, processes, techniques, methods, formulae, ideas and know-how of such party and its Affiliates, (iii) all financial statements, audit reports, budgets and business plans or forecasts of such party and its Affiliates and (iv) the Transaction Documents and the transactions contemplated thereby; provided, that the Confidential Information of a party does not include (A) information which is or becomes generally known to the public through no act or omission of the other party and (B) information which has been or hereafter is lawfully obtained by the other party from a source other than the party to whom such Confidential Information belongs (or any of its Affiliates or their respective officers, directors, employees, equityholders or agents) so long as, in the case of information obtained from a third party, such third party was or is not, directly or indirectly, subject to an obligation of confidentiality owed to the party to whom such Confidential Information belongs or any of its Affiliates at the time such Confidential Information was or is disclosed to the other party.

(b) Except as otherwise permitted by subsection (c) below, each party agrees that it will not, without the prior written consent of the other party, disclose or use for its own benefit any Confidential Information of the other party.

(c) Notwithstanding subsection (b) above, each of the parties is permitted to:

(i) disclose Confidential Information of the other party to its officers, directors, employees, equityholders, lenders, agents and Affiliates, but only to the extent reasonably necessary in order for such party to perform its obligations and exercise its rights and remedies under this Agreement, and such party will take all such action as are necessary or desirable in order to ensure that each of such Persons maintains the confidentiality of any Confidential Information that is so disclosed;

(ii) make additional disclosures of or use for its own benefit Confidential Information of the other party, but only if and to the extent that such disclosures or use are specifically contemplated by this Agreement; and

(iii) disclose Confidential Information of the other party to the extent, but only to the extent, required by Governmental Rules; provided, that prior to making any disclosure pursuant to this subsection, the disclosing party will notify the affected party of the same, and the affected party will have the right to participate with the disclosing party in determining the amount and type of Confidential Information of the affected party, if any, which must be disclosed in order to comply with Governmental Rules.

(d) Notwithstanding any other provision of this Section, all information that constitutes Confidential Information of Seller and which relates to the Assets or the Business as of immediately prior to the Closing shall be deemed to be Confidential Information of Buyer as of the Closing and thereafter, and the Seller Parties shall have no further rights thereto except as specifically provided herein.

8.03. Expenses. Except as otherwise specifically provided herein or in any other Transaction Document, each party is responsible for such expenses as it may incur in connection with the negotiation, preparation, execution, delivery, performance and enforcement of the Transaction Documents. Any sales Tax, transfer Tax or similar Tax payable as a result of the transfer of the Assets to Buyer will be paid by Seller.

8.04. Further Assurances. The parties will from time to time do and perform such additional acts and execute and deliver such additional documents and instruments as may be required by applicable Governmental Rules or reasonably requested by any party to establish, maintain or protect its rights and remedies or to effect the intents and purposes of this Agreement and the other Transaction Documents. Without limiting the generality of the foregoing, each party agrees to endorse (if necessary) and deliver to the other, promptly after its receipt thereof, any payment or document which it receives after the Closing Date and which is the property of the other.

8.05. Notices. All notices, consents, requests, demands and other communications required or permitted hereunder: (a) will be in writing; (b) will be sent by messenger, certified or registered U.S. mail, a reliable express delivery service or e-mail (with a copy sent by one of the foregoing means), charges prepaid as applicable, to the appropriate address(es) set forth below; and (c) will be deemed to have been given on the date of receipt by the addressee (or, if the date of receipt is not a business day, on the first business day after the date of receipt), as evidenced by (i) a receipt executed by the addressee (or a responsible person in his or her office), the records of the Person delivering such communication or a notice to the effect that such addressee refused to claim or accept such communication, if sent by messenger, U.S. mail or express delivery service, or (ii) a receipt generated by the sender's computer showing that such communication was sent to the appropriate number on a specified date, if sent by e-mail. All such communications will be sent to the following addresses, or to such other addresses as any party may inform the others by giving five business days' prior notice:

If to Seller:

TK Mining
650 North Main Street
Delta, Colorado 81416
Attn: David A. Schaaf
e-mail: dschaaf@tkholdingsltd.com

With a copy to:

TK Mining
650 North Main Street
Delta, Colorado 81416
Attn: Erik Groves, Esq.
e-mail: egroves@tkholdingsltd.com

If to Buyer:

Compliance Staffing Agency, LLC
160 Technology Drive
Canonsburg, PA 15317
Attn: Troy Dolan
e-mail: troyd25@aol.com

With a copy to:

Cohen & Grigsby, P.C.
625 Liberty Avenue, 5th Floor
Pittsburgh, PA 15222
Attn: Christopher Myers, Esq.
e-mail: cmyers@cohenlaw.com

8.06. Publicity. Neither party will make any press release or other public announcement regarding this Agreement or the other Transaction Documents or any transaction contemplated hereby or thereby until the text of such release or announcement has been submitted to the other party and the other party has approved the same.

8.07. Consent to Jurisdiction and Service of Process. Except for the matters to be decided by the Bankruptcy Court, the parties hereto hereby submit to the exclusive jurisdiction of the Federal Courts of the United States and the State Courts of Colorado having jurisdiction over Delta, CO, in each case, in respect of the interpretation and enforcement of the provisions of this Agreement and the other Transaction Documents and any dispute or controversy related to the transactions contemplated hereby and thereby and hereby waive, and agree not to assert, any defense in any Proceeding for the interpretation or enforcement of this Agreement and the other Transaction Documents or any dispute or controversy related to the transactions contemplated hereby or thereby, that they are not subject thereto or that such Proceeding may not be brought or is not maintainable in such courts or that this Agreement or the other Transaction Documents may not be enforced in or by such courts or that their property is exempt or immune from execution, that the Proceeding is brought in an inconvenient forum or that the venue of the Proceeding is improper. Service of process with respect thereto may be made upon Buyer or the Seller Parties by mailing a copy thereof by registered or certified mail, postage prepaid, to such party at its address as provided in Section 8.06.

8.08. Knowledge Parties. References in this Agreement to Seller's knowledge or words of similar import mean the knowledge of David A. Schaaf, assuming reasonable investigation and inquiry as to the subject matter in question is made of Seller's other officers, directors, management employees and outside counsel and accountants.

8.09. Representation of Buyer and its Affiliates. Seller agrees that, following the Closing, Cohen & Grigsby, P.C. ("**Cohen & Grigsby**") may serve as counsel to Buyer and its Affiliates in connection with any matters related to the Transaction Documents and the transactions contemplated thereby, including any litigation, claim or obligation arising out of or relating to the Transaction Documents or the transactions contemplated hereby, notwithstanding any representation by Cohen & Grigsby of Buyer and its Affiliates prior to the Closing. Seller hereby (a) waives any claim they have or may have that Cohen & Grigsby has a conflict of interest or is otherwise prohibited from engaging in such representation and (b) agrees that, in the event that such a dispute arises after the Closing between Buyer and Seller or any of their respective Affiliates, Cohen & Grigsby may represent Buyer or any of its Affiliates in such dispute even though the interests of such Person(s) may be directly adverse to Seller or their respective Affiliates. Seller represents that Seller's own attorney has explained and helped Seller evaluate the implications and risks of waiving the right to assert a future conflict against Cohen & Grigsby, and Seller's consent with respect to this waiver is fully informed.

8.09. Termination.

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

(i) by mutual agreement of Buyer and Seller;

(ii) by Buyer if there has been a misrepresentation by the Seller Parties hereunder, a breach by the Seller Parties of any of their warranties or covenants set forth herein or if any of the conditions specified in Section 5.04 have not been fulfilled within the time required and have not been waived by Buyer;

(iii) by Seller if there has been a misrepresentation by Buyer hereunder, a breach by Buyer of any of its warranties or covenants set forth herein or if any of the conditions specified in Section 5.05 have not been fulfilled within the time required and have not been waived by Seller;

(iv) by Buyer or Seller if the Closing has not occurred prior to the date specified in Section 5.01; provided, that Buyer or Seller may terminate this Agreement pursuant to this subsection only if the Closing has not occurred on or prior to such date for a reason other than a failure by such party to satisfy the conditions to Closing of the other party set forth in Section 5.04 or 5.05, as applicable; or

(v) by Buyer pursuant to Section 4.11 (b) or 4.11(c).

(b) If this Agreement is terminated by either Seller or Buyer as provided above, then neither party will have any further obligations or liabilities hereunder except for obligations or liabilities arising from a breach of this Agreement prior to such termination or which survive such termination by their own terms, and in the case of a termination pursuant to Section 8.09(v), Seller shall reimburse Buyer pursuant to Section 4.11 hereof.

8.10. Miscellaneous. This Agreement: (a) may be amended only by a writing signed by each of the parties; (b) may be executed in several counterparts, each of which is deemed an original but all of which constitute one and the same instrument; (c) together with the other Transaction Documents, contains the entire agreement of the parties with respect to the transactions contemplated hereby and thereby and supersedes all prior written and oral agreements, and all contemporaneous oral agreements, relating to such transactions; (d) is governed by, and will be construed and enforced in accordance with, the laws of the State of Colorado, without giving effect to any conflict of laws rules; and (f) is binding upon, and will inure to the benefit of, the parties and their respective heirs, successors and permitted assigns. The due performance or observance by a party of any of its obligations under this Agreement may be waived only by a writing signed by the party against whom enforcement of such waiver is sought, and any such waiver will be effective only to the extent specifically set forth in such writing. The waiver by a party of any breach or violation of any provision of this Agreement will not operate as, or be construed to be, a waiver of any subsequent breach or violation hereof. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

[signature page follows]

Execution Version

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

TK MINING SERVICES LLC

By: 
David A. Schaaf, CEO

COMPLIANCE STAFFING AGENCY, LLC

By: _____
Title: _____

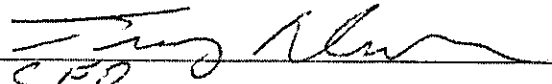
Execution Version

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

TK MINING SERVICES LLC

By: _____
David A. Schaaf, CEO

COMPLIANCE STAFFING AGENCY, LLC

By:  _____
Title: CEO

INDEX OF DEFINED TERMS

The following terms are defined in the Agreement on the following page:

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SCHEDULE 1.02

EXCLUDED ASSETS

1. Seller's organizational documents, minute books, stock book and stock certificates.
2. All prepaid Taxes and other Tax assets of Seller.
3. All Business Permits which are non-transferable and all Assigned Contracts for which consent to assignment is required (unless such consent is obtained).
4. All Plans, all related trusts and all Assigned Contracts relating thereto.
5. All employment or consulting relationships between the Seller and any of its employees or consultants and all Assigned Contracts relating thereto.
6. All insurance policies; provided, that the right to recover under any such policy with respect to any Assumed Liability which arises out of conditions existing or events occurring on or before the Closing Date shall be an Asset.

**EXHIBIT D TO MOTION OF DEBTOR T K MINING SERVICES, LLC
TO SELL SUBSTANTIALLY ALL OF ITS ASSETS
CASE NO. 16-21016-EEB
UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF COLORADO**

(Bid Procedures)

BID PROCEDURES

These sale and bid procedures (the "Bid Procedures") govern the procedures for the sale of substantially all of the assets (the "Assets") of the T K Mining Services, LLC, as Debtor and Debtor-in-Possession (the "Debtor") in a case (the "Chapter 11 Case") pending pursuant to Chapter 11 of the "Bankruptcy Code" in the United States Bankruptcy Court for the District of Colorado (the "Bankruptcy Court") under Case No. 16-21016-EEB.

By motion (the "Sale Motion")¹ dated May 27, 2017, the Debtor sought, among other things, approval of the procedures governing the process and procedures for the sale of the Debtor's Assets. On _____, 2017, the Bankruptcy Court entered an order approving these Bid Procedures. The Bankruptcy Court has scheduled a hearing on _____, 2017, at : _m. (prevailing Mountain Time), to consider the sale of the Assets (the "Sale Hearing").

I. Pending Asset Purchase Agreement

The Debtor has completed arm's length negotiations with Compliance Staffing Agency, LLC, a Pennsylvania limited liability company (the "Proposed Buyer"), to serve as the Proposed Buyer for the Assets. As a result of those negotiations, the Proposed Buyer has submitted an initial bid for the Assets of \$950,000, subject to adjustment upwards or downwards in accordance with the provisions of the Pending Asset Purchase Agreement (as defined below) (the "Pending Sale Terms"). The Pending Sale Terms, memorialized by an Asset Purchase Agreement by and between the Debtor and the Proposed Buyer, dated May 25, 2017 attached to the Sale Motion as **Exhibit A** (as may be amended, the "Pending Asset Purchase Agreement"), shall be subject to higher and better bids pursuant to the terms of these Bid Procedures and applicable law.

II. Assets to Be Sold

Any Potential Bidder (defined below) may obtain a detailed description of the Assets through the process described herein. Except as excluded in the Pending Asset Purchase Agreement, the Debtor intends to sell substantially all its assets, which include, but are not limited to: cash in bank accounts, accounts receivable, furniture, fixtures and equipment, certain contracts, intellectual property, inventory, goodwill and general intangibles, and other tangible personal property.

Pursuant to section 363 of the Bankruptcy Code and in accordance with these Bid Procedures, the Debtor intends to sell the Assets free and clear of all liens, claims, encumbrances, and interests and the Assets will be sold on an "As Is, Where Is" basis.

The Debtor proposes to sell the Assets in accordance with the terms and conditions set forth in the Pending Asset Purchase Agreement, with such modifications to the Pending Asset Purchase Agreement as made by the Successful Bidder (defined below).

¹Capitalized terms used, but not otherwise defined herein, shall have the meanings given to them in the Procedures Motion.

III. Assumption of Contracts

As part of the sale of the Assets, the Debtor has proposed to assume and assign certain contracts (the "Assigned Contracts") to the Successful Bidder (defined below). A list of the Assigned Contracts may be obtained from the Debtor.

IV. Participation Requirements

Unless otherwise ordered by the Bankruptcy Court, for cause shown, or as otherwise determined by the Debtor, in order to participate in the bidding process, prior to the Bid Deadline (defined below), each person other than the Proposed Buyer who wishes to participate in the bidding process (each a "Potential Bidder") must deliver to the Notice Parties (defined below) at the addresses provided below:

- (a) an executed confidentiality agreement (to be delivered prior to the distribution of any confidential information by the Debtor to a Potential Bidder) in form and substance satisfactory to the Debtor;
- (b) sufficient information, as determined by the Debtor, which may include current audited financial statements and the latest unaudited financial statements of the Potential Bidder, or, if the Potential Bidder is an entity formed for the purposes of acquiring the Assets, current audited financial statements and the latest unaudited financial statements of the equity holders of the Potential Bidder who will guarantee the obligations of the Potential Bidder, or such other form of financial disclosure and credit-quality support or enhancement that will allow the Debtor to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate the sale; and
- (c) a statement demonstrating to the Debtor's satisfaction, a bona fide interest in purchasing the Assets.

A Potential Bidder that has executed a confidentiality agreement and has otherwise complied with the requirements described above, and that the Debtor determines in its reasonable business judgment is reasonably likely (based on availability of financing, experience, or other considerations) to be able to consummate the sale, will be deemed a "Qualified Bidder."

V. Due Diligence

The Debtor may, in its reasonable business judgment, and subject to competitive and other business considerations, afford each Qualified Bidder and any person seeking to become a Qualified Bidder that has executed a confidentiality agreement with the Debtor, such due diligence access to materials and information relating to the Assets as the Debtor deems appropriate. Due diligence access may include management presentations as may be scheduled by the Debtor, access to electronic data rooms, on-site inspections, and other matters which a Qualified Bidder may reasonably request and as to which the Debtor, in its reasonable business judgment, may agree. No additional due diligence will continue after the Bid Deadline (defined

below). The Debtor shall provide the Proposed Buyer with access to all material due diligence materials, management presentations, on-site inspections, and other information provided to any Qualified Bidders that were not previously made available to the Proposed Buyer as soon as reasonably practicable and in no event later than five (5) Business Days after the date that the Debtor made such information available to any Qualified Bidder. Neither the Debtor nor any of its affiliates (or any of their respective representatives) will be obligated to furnish any information relating to the Assets to any person other than to Qualified Bidders. The Debtor makes no representation or warranty as to the information to be provided through this due diligence process or otherwise, except to the extent set forth in the Pending Asset Purchase Agreement or in any other definitive agreement a Successful Bidder executed and delivered to by the Debtor.

VI. Bid Deadline

A Qualified Bidder that desires to make a bid shall deliver copies of such bid no later than **2:00 p.m. (prevailing Mountain Time) on or before June 5, 2017** (the "Bid Deadline"), via email, to Debtor's counsel at the following email address: tquinn@tfqlaw.com.

The Debtor may extend the Bid Deadline, but it is not obligated to do so; provided that for any such extension beyond five (5) Business Days, the Debtor has obtained the written consent of the Proposed Buyer. If the Debtor extends the Bid Deadline, it will promptly notify all Qualified Bidders (including the Proposed Buyer).

VII. Requirements of a Qualified Bid

A bid submitted will be considered a Qualified Bid only if the bid is submitted by a Qualified Bidder prior to the Bid Deadline and complies with all of the following (a "Qualified Bid"):

- (a) it is in writing;
- (b) it: (a) is definitive and binding, not subject to due diligence or any conditions other than Court approval; (b) is accompanied by evidence of financial wherewithal of the proposed buyer acceptable to the Debtor in its sole discretion; (c) is accompanied by a deposit of immediately available funds equal to ten percent (10%) of the proposed cash purchase price; (d) is accompanied by an asset purchase agreement marked to show changes from the Pending Asset Purchase Agreement (a "Modified APA"); and (e) contemplates a cash purchase price of at least \$975,000 (the "Minimum Cash Overbid Amount");
- (c) it is irrevocable until the earlier of (i) the Qualified Bidder's bid being determined by the Debtor not to be a Qualified Bid or (ii) another Qualified Bid being approved by the Bankruptcy Court, subject to the Reserve Bidder (defined below) provision hereof;
- (d) it provides that the Qualified Bidder is obligated to perform as the Reserve

Bidder (defined below) in the event the Qualified Bidder is not the Successful Bidder, but is the second highest bidder for the Assets; and

- (e) it is accompanied by an affirmative statement from the Qualified Bidder that: (i) it has and will continue to comply with these Bid Procedures; (ii) its bid does not entitle such Qualified Bidder to any break-up fee, termination fee, expense reimbursement, or similar type of payment or reimbursement; and (iii) it waives any substantial contribution administrative expense claims under section 503(b) of the Bankruptcy Code related to bidding for the Assets.

For purposes of these Bid Procedures and bidding at the Auction, the Proposed Buyer is a Qualified Bidder and the Pending Sale Terms is a Qualified Bid. The Debtor shall notify all other Qualified Bidders whether their bids have been determined to be Qualified Bids by no later than 5:00 p.m. (prevailing Mountain Time) on June 5, 2017. The Debtor reserves the right to reject any bid on any grounds or extend this deadline if clarifying information is necessary.

VIII Expense Reimbursement

The Debtor recognizes the value and benefits that the Proposed Buyer has provided to the Debtor by entering into the Pending Asset Purchase Agreement, as well as the Proposed Buyer's expenditure of time, energy, and resources. Therefore, in the event another party other than the Proposed Buyer is the Successful Bidder for the Assets, subject to the terms of the Pending Asset Purchase Agreement, the Debtor shall reimburse the Proposed Buyer for the actual and reasonable out-of-pocket expenses incurred by the Proposed Buyer in performance of the Proposed Buyer's due diligence investigation, review, research, and analysis regarding the Assets and the negotiations and documentation of the Pending Asset Purchase Agreement, in a total amount of not more than \$25,00 (the "Expense Reimbursement").

IX. Auction Process

In the event that the Debtor receives more than one Qualified Bid, the Debtor will conduct an auction (the "Auction") for the Assets. The Auction will take place on June 5, 2017 at 4:00 p.m. (prevailing Mountain Time) at Thomas F. Quinn, P.C., 303 East 17th Avenue, Suite 800, Denver, CO 80203. If the Debtor does not receive any Qualified Bids other than the Pending Sale Terms, the Auction shall be cancelled and the Debtor, subject to requiring and obtaining approvals of the Bankruptcy Court and satisfaction of the conditions set forth in the Pending Asset Purchase Agreement, shall promptly proceed to seek entry of the appropriate order approving the sale of the Assets to the Proposed Buyer pursuant to the terms of the Pending Asset Purchase Agreement.

The Debtor will have the right to enact detailed procedures for the conduct of the Auction at any time prior to the start of the Auction so long as such procedures are consistent with the Procedures Order. Any rules developed by the Debtor will provide that all bids in the Auction with respect to any set of assets will be made and received in one room, on an open basis, and all other Qualified Bidders participating in the Auction will be entitled to be present for all bidding

on assets on which they have made a qualified bid with the understanding that the true identity of each Qualified Bidder will be fully disclosed to all other Qualified Bidders participating in the Auction and that all material terms of each Qualified Bid submitted in response to the Baseline Bid (defined below) or to any Subsequent Overbid (defined below) made at the Auction will be fully disclosed to all other Qualified Bidders throughout the entire Auction. The Debtor will provide for a record of the Auction, which shall either be transcribed or videotaped.

Parties entitled to attend the Auction shall include the Debtor, the Proposed Buyer, Qualified Bidders that submitted Qualified Bids, and each of those respective parties' representatives. The Proposed Buyer and each Qualified Bidder shall appear at the Auction in person, or through a representative who provides appropriate evidence of such person's authority. Only a Qualified Bidder that submitted a Qualified Bid and the Proposed Buyer shall be entitled to make bids at the Auction.

Prior to the Auction, the Debtor will share with all Qualified Bidders the highest and best bid received at the Bid Deadline (each, a "Baseline Bid"). Qualified Bidders will be permitted to revise, increase, and/or enhance their bids at the Auction based upon the terms of the Baseline Bid. All Qualified Bidders will have the right to make additional modifications to their Modified APA or the Pending Asset Purchase Agreement, as applicable, at the Auction.

The Auction will be conducted in rounds and in any order the Debtor determines. At the end of every round, the Debtor shall declare the highest and best bid at that time for the Assets. Each Qualified Bidder shall have the right to continue to improve its respective bid at the Auction. The initial minimum overbid shall be the Baseline Bid plus \$10,000 (the "Initial Overbid"). Thereafter, a Qualified Bidder (including the Proposed Buyer) may increase its Qualified Bid in any manner that it deems fit; provided, however, that each subsequent bid above the Initial Overbid (each, a "Subsequent Overbid") must have a purchase price that exceeds the purchase price of the previous highest bid by at least \$10,000 of additional consideration in terms of net value to the Debtor. For any Initial Overbid or Subsequent Overbid, the Proposed Buyer shall receive a credit for the then current good faith estimate of the Expense Reimbursement

The Initial Overbid and Subsequent Overbids must continue to meet each of the criteria of a Qualified Bid (other than the requirement that such bids be submitted by the Bid Deadline), including a purchase price that includes the Minimum Cash Overbid Amount. The Debtor reserves the right to approach any Qualified Bidder and seek clarification to bids at any time.

The Auction will continue until the Debtor determines, subject to Bankruptcy Court approval, that they have received the highest and best offer for the Assets (a "Successful Bid") and the next highest and best Qualified Bid for the Assets as the next highest and best offer for the Assets (each, a "Reserve Bid"). The Qualified Bidder submitting the Successful Bid shall be the "Successful Bidder" and the Qualified Bidder submitting the Reserve Bid shall be the "Reserve Bidder." Within 24 hours of identifying any Successful Bidder and Reserve Bidder, the Debtor shall file a notice with the Bankruptcy Court identifying such parties.

The Debtor reserves the right, in its business judgment, to make one or more modifications

and/or adjournments to the Auction to, among other things: (i) facilitate discussions between the Debtor, on the one hand, and individual Qualified Bidders, on the other hand; (ii) allow individual Qualified Bidders to consider how they wish to proceed; and (iii) give Qualified Bidders the opportunity to provide the Debtor with such additional evidence as the Debtor in its reasonable business judgment may require. To the extent the Auction is canceled or postponed, the Debtor shall file a notice with the Bankruptcy Court.

X. The Sale Hearing

At the Sale Hearing, the Debtor will seek entry of an order authorizing and approving the sale to the Successful Bidder and, on a contingent basis, the Reserve Bidders. No later than _____, 2017, at _____.m. (prevailing Mountain Time), all objections to the relief requested at the Sale Hearing shall be filed and served in the manner prescribed in the notice of the motion to approve the sale of the Assets. No later than _____, 2017, at _____.m. (prevailing Mountain Time), all objections solely with respect to events at the Auction shall be filed and served in the manner prescribed in the notice of the motion to approve the sale of the Assets.

The Sale Hearing may be adjourned or rescheduled from time to time.

XI. Failure to Consummate Purchase

Following the Sale Hearing, if the Successful Bidder fails to consummate the closing of the sale because of a breach or failure to perform on the part of such Successful Bidder, the Debtor will be authorized, but not required, to consummate the sale with the Reserve Bidder without further order of the Bankruptcy Court. In such instance, the defaulting Successful Bidder's deposit shall be forfeited to the Debtor. Additionally, the Debtor shall be entitled to seek all available damages from the defaulting Successful Bidder.

XII. Return of Deposit

The deposits of the Successful Bidder shall be applied to the Successful Bidder's obligations under the Successful Bid upon closing of the transactions contemplated thereby. If a Successful Bidder fails to close the transactions contemplated by the Successful Bid then such Successful Bidder shall forfeit its deposit.

The deposit of the Reserve Bidder shall be returned to the Reserve Bidder upon the closing of the transaction to the Successful Bidder; provided, however, that if a Successful Bidder fails to close the transaction when and as provided in the Successful Bid, then the deposit of the Reserve Bidder shall be applied to the Reserve Bidder's obligations under the Reserve Bid upon closing of the transactions contemplated thereby. If a Reserve Bidder fails to close the transactions contemplated by a Reserve Bid, then such Reserve Bidder shall forfeit its deposit.

All other deposits of Qualified Bidders who are not the Successful Bidder or the Reserve Bidder shall be returned within three (3) business days after the conclusion of the Auction. The Debtor

reserves all of its rights regarding any return of deposits, and the failure by the Debtor to timely return any deposits shall not serve as a claim for breach of any Qualified Bids or create any default in favor of any Qualified Bidders.

XIII. Modification of Bid Procedures

Upon prior notice to the Proposed Buyer, the Debtor may amend any non-material terms of these Bid Procedures, in its reasonable business judgment, at any time in any manner that will best promote the goals of the bidding process, including but not limited to extending or modifying any of the dates described herein except as otherwise provided for herein, except as otherwise provided for herein.