

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS (CHICAGO)
EASTERN DIVISION

In re:

TEC-AIR, INC.,

Debtor.

Chapter 11

Case No. 17-32273 (JSB)

ORDER APPROVING BIDDING PROCEDURES FOR THE SALE OF SUBSTANTIALLY ALL OF THE DEBTOR'S ASSETS; (B) APPROVING STALKING HORSE BID PROTECTIONS; (C) SCHEDULING AN AUCTION AND SALE HEARING; (D) APPROVING THE FORM AND MANNER OF NOTICE OF SALE, AUCTION, AND SALE HEARING; (E) ESTABLISHING NOTICE AND CONTRACT PROCEDURES FOR THE ASSUMPTION AND ASSIGNMENT OF ASSUMED CONTRACTS AND ASSUMED LEASES; AND (F) GRANTING RELATED RELIEF

Upon the motion (the "Motion") of Tec-Air, Inc., the above-captioned debtor and debtor-in-possession (the "Debtor"), pursuant to sections 105(a), 363, 365, 503 and 507 of title 11 of the United States Code (the "Bankruptcy Code") and Rules 2002, 6003, 6004, 6006, 9007 and 9008 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), for entry of an order (this "Order"), (a) approving the bidding procedures attached hereto as Exhibit 1 (the "Bidding Procedures") in connection with the solicitation and acceptance of higher and better bids, pursuant to the asset purchase agreement attached to the Motion as Exhibit B (the "Stalking Horse APA")¹ between the Debtor and Chatterjee Management Company (the "Stalking Horse Bidder") for the sale (the "Sale") of substantially all of the Debtor's assets (as defined in the Stalking Horse APA, the "Purchased Assets"); (b) approving certain bid protections for the Stalking Horse Bidder; (c) scheduling a hearing for approval of the Sale (the "Sale Hearing") and setting objection deadlines with respect to the Sale; (d) approving the form of notice of the Sale

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion or the Stalking Horse APA, as applicable.

related auction (the “Auction”) attached hereto as Exhibit 2 (the “Sale Notice”); (e) establishing procedures to determine Cure Costs and deadlines for objections to the potential assumption and assignment of the Assumed Contracts and Assumed Leases; and (f) granting related relief; and after due deliberation and good and sufficient cause appearing therefor;

THE COURT HEREBY FINDS AND CONCLUDES THAT:²

A. On October 27, 2017 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtor continues to operate and manage its business as a debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in this Chapter 11 Case.

B. The United States Bankruptcy Court for the Northern District of Illinois (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

C. The statutory and rule based predicates for the relief requested in the Motion are sections 105(a), 363, 365, 503 and 507 of the Bankruptcy Code and Bankruptcy Rules 2002, 6003, 6004, 6006, 9007, 9008.

D. On November 6, 2017, the Office of the United States Trustee for the Northern District of Illinois appointed an official committee of unsecured creditors (the “Committee”) pursuant to section 1102(a) of the Bankruptcy Code.

² The findings and conclusions set forth herein constitute the Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

E. Notice of the Motion having been given as set forth in the Motion is sufficient in light of the circumstances and the nature of the relief requested in the Motion and no other or further notice is necessary or required, except as otherwise set forth herein.

F. The Debtor has articulated good and sufficient reasons for the Court to grant the relief requested in the Motion regarding the Sale process, including, without limitation: (i) approving the Bidding Procedures; (ii) approving the Break-Up Fee (as defined below); (iii) scheduling the Auction and the Sale Hearing; (iv) approving the Sale Notice; and (v) approving the Cure Notice and Contract Procedures, subject to the modifications set forth herein and in the attached Bidding Procedures and Sale Notice.

G. The Bidding Procedures attached hereto as Exhibit 1 (including without limitation the Break-Up Fee) were proposed and negotiated in good faith by the Debtor, and are fair, reasonable and appropriate under the circumstances, and are properly designed to maximize the recovery from any sale of the Purchased Assets.

H. The form and scope of the Sale Notice attached hereto as Exhibit 2 is appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the Sale, the Sale Hearing and the Auction and no other and further notice is required.

I. The Contract Procedures and the notices related thereto, including the Cure Notice attached hereto as Exhibit 3 are appropriate and reasonably calculated to provide all Contract Parties with proper notice of the potential assumption and assignment of the Assumed Contracts and Assumed Leases and any Cure Costs relating thereto and no further or other notice is required, except as set forth herein.

J. The entry of this Order is in the best interests of the Debtor, its estate, its creditors, and other parties in interest; and it is therefore

ORDERED, ADJUDGED AND DECREED THAT:

1. The relief requested in the Motion is GRANTED, as set forth herein.
2. All objections to the relief requested in the Motion with respect to the Bidding Procedures (including without limitation the Break-Up Fee) or the Contract Procedures that have not been withdrawn, waived, or settled as announced to the Court at the hearing on the Motion or as reflected in this Order or by stipulation or withdrawal filed with the Court, are overruled.
3. The Debtor is hereby authorized to enter into and execute the Stalking Horse APA and to perform its obligations under the Stalking Horse APA, as modified by this Order; provided that, the Committee reserves its rights with respect to the substantive terms and conditions of the Stalking Horse APA, including, without limitation, the inclusion of all Avoidance Actions within the definition of the Purchased Assets as part of the Sale.
4. The Bidding Procedures attached hereto as Exhibit 1 (including without limitation the Break-Up Fee) are hereby approved and fully incorporated into this Order, shall apply with respect to the Auction and the proposed Sale of the Purchased Assets and, in the event of a conflict between the Bidding Procedures attached hereto as Exhibit 1 (including without limitation the Break-Up Fee) and this Order, this Order shall control.
5. The Debtor is authorized to take any and all actions necessary or appropriate, consistent with the terms of this Order, to implement the Bidding Procedures.
6. The Stalking Horse Bidder is hereby deemed a Qualified Bidder, whose bid as set forth in the Stalking Horse APA shall be deemed a Qualified Bid.
7. The Debtor, in consultation with the Committee and the Debtor's prepetition senior secured lender, The Leaders Bank ("Leaders"), shall have the right to determine at the Auction that any Qualified Bidder including the Stalking Horse Bidder shall be the Back-Up Bid.

8. Pursuant to the Bidding Procedures, a Potential Bidder that desires to make a bid shall deliver written copies of its bid to the parties identified in the Bidding Procedures no later than December 11, 2017 at 12:00 p.m. (prevailing Central Time) (the "Bid Deadline") and shall comply with all other requirements set forth in the Bidding Procedures in making such a bid for the Purchased Assets.

9. To the extent the Debtor receives at least one Qualified Bid, other than that of the Stalking Horse Bidder, the Debtor shall conduct the Auction commencing at 10:00 a.m. (prevailing Central Time) on December 13, 2017, at the offices of Polsinelli PC, 150 N. Riverside Plaza, Suite 3000, Chicago, Illinois 60606, or such later date and time as selected by the Debtor.

10. The Auction may be attended and viewed by the Debtor, its professionals, Auction Participants, the Committee (and its members and professionals) and Leaders (and its counsel). Any creditor wishing to attend the Auction may do so by contacting, no later than three (3) business days prior to the start of the Auction: Cullen and Dykman LLP, Attn: S. Jason Teele, Esq. (steele@cullenanddykman.com) and Nicole Stefanelli, Esq. (nstefanelli@cullenanddykman.com).

11. If the Debtor does not receive a Qualified Bid other than that of the Stalking Horse Bidder, the Debtor will not hold the Auction, and the Stalking Horse Bidder will be named the Successful Bidder. No later than 2:00 p.m. (prevailing Central Time) on the day that is one business day before the Auction, the Debtor shall notify all Qualified Bidders (including the Stalking Horse Bidder) and respective counsel to the Committee and Leaders whether the Auction will occur.

12. Upon conclusion of the bidding at any Auction, the Auction shall be closed, and the Debtor, in consultation with the Committee and Leaders, shall (i) review each Qualified Bid and Overbid on the basis of financial and contractual terms and the factors relevant to the Sale process and the contract assumption process, including, without limitation, those factors affecting the speed and certainty of consummating the proposed Sale and the amount of the cash (or cash equivalents) consideration and (ii) identify the highest or otherwise best offer for the Purchased Assets (the "Successful Bid" and the entity submitting such Successful Bid, the "Successful Bidder"), the Back-Up Bid and the Back-Up Bidder and advise the Qualified Bidders of such determinations.

13. The Debtor shall file notice of the identity of the Successful Bidder, and the Back-up Bidder, and the amount of the Successful Bid and Back-up Bid with the Court as soon as reasonably practicable after the conclusion of the Auction and not later than three (3) hours prior to the Sale Hearing. At that same time, the Debtor shall serve notice of the same by email or fax to all counterparties and creditors who have requested the same in writing from Debtor's counsel and have provided such counsel with their email addresses or fax numbers by no later than three (3) business days prior to the start of the Auction.

14. The Debtor, in its reasonable business judgment, in consultation with the Committee and Leaders, may (a) determine which Qualified Bid, if any, is the highest or otherwise best offer; and (b) reject, at any time before entry of an order of the Court approving a Qualified Bid, any bid that is (i) inadequate or insufficient; (ii) not in conformity with the requirements of the Bankruptcy Code, the Bidding Procedures, or the terms and conditions of the Sale; or (iii) contrary to the best interests of the Debtor, their estates, their creditors, or other stakeholders; provided, however, that notwithstanding anything contained herein or in any other related pleading, the Debtor may not modify the Bidding Procedures in any way that would

materially alter or impair the rights of the Stalking Horse Bidder under the Stalking Horse APA or this Order. All bids, including the Successful Bid, must comply with the Initial Minimum Overbid requirements (as defined in the Bidding Procedures).

15. The Debtor's presentation of a particular Qualified Bid other than the Stalking Horse Bid to the Court for approval does not constitute the Debtor's acceptance of such Qualified Bid. Other than as expressly set forth in the Bidding Procedures Order, the Debtor will be deemed to have accepted a bid only when the bid has been approved by the Court at the Sale Hearing.

16. After the Successful Bid, the next highest or otherwise best offer (the "Back-Up Bid"), as determined by the Debtor, in consultation with the Committee and Leaders, shall remain open, and the entity submitting such Back-Up Bid (the "Back-Up Bidder") shall be required to fully perform under such Back-Up Bid, until the earlier of closing of the Sale with the Successful Bidder or forty (40) days following the closing date contemplated in the Successful Bid. In the event the Successful Bidder fails to consummate the Sale as a result of the Successful Bidder's default or breach under the applicable purchase agreement in accordance with the terms of such purchase agreement by the closing date contemplated in such purchase agreement, the Debtor shall be, among other things, free to enter into a new purchase agreement with the Back-Up Bidder at the purchase price contemplated in the Back-Up Bid. Following the approval of the Sale of the Purchased Assets to the Successful Bidder at the Sale Hearing, if such Successful Bidder fails to consummate the approved Sale within twenty-one (21) days after entry of the Sale Order, the Debtor shall be authorized, in consultation with the Committee and Leaders, but not required, to deem the Back-Up Bid, as disclosed at the Sale Hearing, the Successful Bid, and the Debtor may consummate the Sale to the Back-Up Bidder pursuant to the terms and conditions of the Sale Order and without further order of the Court.

17. The Sale Notice attached hereto as Exhibit 2 is approved. The Sale Notice provides all parties in interest good and sufficient notice of the relief sought in the Motion, including, but not limited to, the Auction, the Bid Deadline, the Bidding Procedures (including without limitation the Break-Up Fee), the Sale Hearing and the Sale.

18. Within two (2) days of the entry of the Bidding Procedures Order, the Debtor shall serve by first class mail, postage prepaid, copies of: (i) this Order and (ii) the Sale Notice upon the following entities: (a) the Office of the United States Trustee for the Northern District of Illinois; (b) counsel to the Stalking Horse Bidder; (c) counsel to the Debtor's prepetition secured lenders; (d) counsel to the Committee; (e) all taxing authorities having jurisdiction over any of the Purchased Assets subject to the Sale, including the Internal Revenue Service; (f) the state/local environmental agencies in the jurisdictions where the Debtor leases real property; (g) all of the Debtor's known creditors; (h) all parties that have requested notice pursuant to Bankruptcy Rule 2002 as of the date prior to the date of entry of the Bidding Procedures Order; (i) all persons or entities known to the Debtor that have asserted a lien on, or security interest in, all or any portion of the Purchased Assets; and (j) any Potential Bidders previously identified or otherwise known to the Debtor.

19. The Contract Procedures, setting forth, among other things, the procedures for determining the Cure Costs and the deadline for objecting to the Cure Costs and/or the proposed assumption and assignment of executory contracts and unexpired leases, as provided in the Motion, are hereby approved in their entirety, except as modified herein. The Cure Notice attached hereto as Exhibit 3 provides proper notice to all parties in interest and is approved. The Debtor shall serve the Cure Notice on all Contract Parties by overnight mail so as to be delivered by no later than November 21, 2017.

20. The Court shall conduct the Sale Hearing on December 14, 2017 at 10:00 a.m. (prevailing Central Time), at which time the Court will consider approval of the Sale to the Successful Bidder and entry of the Sale Order.

21. Objections to (i) approval of the Sale and entry of the Sale Order, including the relief sought in the Motion that the sale of the Purchased Assets be free and clear of all Encumbrances pursuant to Bankruptcy Code section 363(f), with such Encumbrances to attach to the Sale Proceeds (if any) (a "Sale Objection") or (ii) proposed Cure Costs and/or the proposed assumption and assignment of Assumed Contracts and Assumed Leases, including, but not limited to, objections related to adequate assurance of future performance by the Successful Bidder (a "Contract Objection"), must be in writing, must conform to the Bankruptcy Rules and the Local Rules, must set forth the name of the objecting party, the basis for the objection and the specific grounds therefor, and shall be filed with the Court and served on (i) counsel to the Debtor, Cullen and Dykman LLP, Attn: S. Jason Teele, Esq. and Nicole Stefanelli, Esq., The Legal Center, One Riverfront Plaza, Newark, New Jersey 07102; (ii) counsel to the Stalking Horse Bidder, Meltzer, Purtil & Stelle LLC, Attn: Timothy W. Brink, Esq., 300 South Wacker Drive, Suite 2300, Chicago, Illinois 60606; (iii) counsel to the Committee, Shaw Fishman Glantz & Towbin LLC; Attn: Ira Bodenstein, Esq. and Gordon E. Gouveia, Esq., 321 N. Clark, Suite 800, Chicago, Illinois 60654; and (iv) the Office of the United States Trustee for the Northern District of Illinois, 219 S. Dearborn Street, Room 873, Chicago, IL 60604, so as to be received by such parties prior to 4:00 p.m. (prevailing Central Time) on December 7, 2017 (the "Sale Objection Deadline" and "Contract Objection Deadline"); provided, however, that in the event the Auction results in a Successful Bidder other than the Stalking Horse Bidder, Contract Parties shall be able to assert an objection at or before the Sale Hearing (the "Alternate Contract Objection Deadline") to the assignment of executory contracts and unexpired leases to such

Successful Bidder, other than to the Cure Amount which shall be subject to the Contract Objection Deadline, with any such objection being heard at the Sale Hearing or at a later-scheduled hearing as the Court deems appropriate.

22. In the event (a) an Auction is conducted, the deadline for objections related to the conduct of the Auction itself shall be at the Sale Hearing and (b) in the event the Auction results in a Successful Bidder other than the Stalking Horse Bidder, the deadline for objections relating to (i) the form of Sale Order approving such Successful Bidder's asset purchase agreement, and (ii) the proposed asset purchase agreement between the Debtor and such Successful Bidder shall be at the Sale Hearing.

23. Unless a Contract Objection is filed and served before the Contract Objection Deadline or the Alternate Contract Objection Deadline, as applicable, all Contract Parties shall be (i) forever barred from objecting to the proposed Cure Costs and from asserting any additional cure or other amounts, and the Debtor and the Successful Bidder shall be entitled to rely solely upon the proposed Cure Costs set forth in the Cure Notice; (ii) deemed to have consented to the assumption or assumption and assignment of the Assumed Contracts and Assumed Leases; (iii) forever barred and estopped from asserting or claiming against the Debtor or the Successful Bidder that any additional amounts are due or other defaults exist, that conditions to assignment must be satisfied under such Assumed Contracts and Assumed Leases, including, without limitation, any consent rights, or that there is any objection or defense to the assumption and assignment of such Assumed Contracts and Assumed Leases, including without limitation, adequate assurance of future performance; (iv) precluded from objecting to the Cure Costs (if any) and the assumption and assignment; and (v) barred and estopped from asserting or claiming that an Assumed Contract or Assumed Lease contains an enforceable consent right.

24. The Debtor, the Contract Party, and the Successful Bidder may consensually resolve any Contract Objection prior to, or after, the Sale Hearing. In the event the Contract Objection is not resolved, such Contract Objection will be heard at the Sale Hearing or thereafter. To the extent it is determined that the Cure Cost exceeds the amount set forth in the Cure Notice, the Successful Bidder may determine to not have such Contract or Lease assumed and assigned to it, in which case such Contract or Lease shall not be assumed and shall remain property of the Debtor's estate, subject to any further orders of the Court.

25. The Debtor is hereby authorized to share certain of the Contracts and Leases that contain confidentiality restrictions with Qualified Bidders, including the Stalking Horse Bidder, subject to the terms of the non-disclosure agreement by and between the Debtor and each Qualified Bidder, provided that each such Qualified Bidder requesting access to such confidential Contracts and Leases enters into a non-disclosure agreement with the Debtor, in a form acceptable to the Debtor.

26. In accordance with the provisions of Section 9.2 of the Stalking Horse APA, in the event that the Court approves a transaction with a Qualified Bidder that is not the Stalking Horse Bidder (the "Alternative Transaction"), the Debtor is authorized and directed to pay to the Stalking Horse Bidder as compensation for the Stalking Horse Bidder's efforts in connection with the negotiation and execution of the Stalking Horse APA, and the transactions contemplated thereby, a break-up fee in the amount of Two Hundred Fifteen Thousand Dollars (\$215,000.00) (the "Break-Up Fee"), not later than the time of the closing of the Alternative Transaction, in immediately available, good funds of the United States of America,

27. The Stalking Horse Bidder shall have an allowed administrative priority claim in Debtor's bankruptcy case for any portion of the Break-Up Fee that is not paid at the time of closing of the Alternative Transaction pursuant to section 503(b)(1)(A) of the Bankruptcy Code.

28. In the event Leaders submits a credit bid in accordance with subsection (l) of Section A of the Bidding Procedures, Leaders shall not have the consultation rights provided for in this Order or in the Bidding Procedures.

29. The Court finds that no consumer privacy ombudsman is required under section 363(b)(1) of the Bankruptcy Code.

30. All Qualified Bidders are deemed to have submitted to the exclusive jurisdiction of the Court with respect to all matters between and among any Qualified Bidder and the Debtor related to the Auction and the Sale.

31. All of the dates set forth on the attached Schedule 1 are hereby approved.

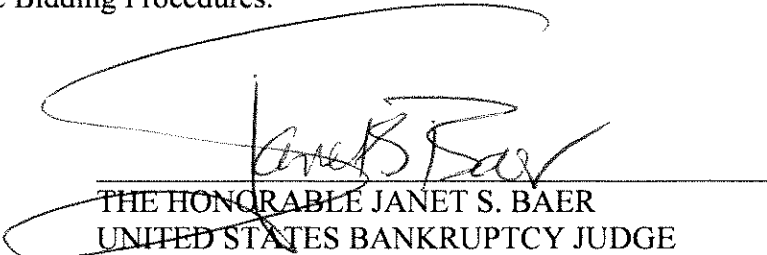
32. Any payments made to the Debtor's alleged secured creditors at closing of the Sale shall remain subject to the Committee's rights to challenge such creditor's liens and security interests under the applicable orders of this Court preserving such rights.

33. This Order shall constitute findings of fact and conclusions of law and shall take effect immediately upon execution hereof.

34. Notwithstanding the possible applicability of Bankruptcy Rule 6003 or 6004(h) or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry, and no automatic stay of execution shall apply to this Order.

35. The Court shall retain jurisdiction over any matters related to or arising from the implementation of this Order and the Bidding Procedures.

Dated: November 16, 2017
Chicago, Illinois



THE HONORABLE JANET S. BAER
UNITED STATES BANKRUPTCY JUDGE

SCHEDULE 1

Deadline for Debtor to Serve Notice of Sale Hearing and Notice of Entry of Bidding Procedures Order	Within (2) days after entry of the Bidding Procedures Order
Deadline for Debtor to Serve Cure Notices	Delivered on or before November 21, 2017
Bid Deadline	December 11, 2017 at 12:00 p.m. (prevailing Central Time)
Deadline to Object to Cure Amounts	December 7, 2017
Deadline to Object to Assumption and Assignment of Contracts and Leases to Stalking Horse Bidder	December 7, 2017
Sale Objection Deadline	December 7, 2017
Auction, if necessary	December 13, 2017 at 10:00 a.m. (prevailing Central Time)
Deadline of Debtor to File and Serve Notice of Winning Bidder and Amount of Bid	December 14, 2017 at 7:00 a.m. (prevailing Central Time)
Deadline to Object to Adequate Assurance of Successful Bidder <i>other than</i> Stalking Horse	If a bid other than the Stalking Horse APA is the Successful Bid then parties shall have until the Alternate Contract Objection Deadline (i.e., at or before the Sale Hearing)
Sale Hearing	December 14, 2017 at 10:00 a.m. (prevailing Central Time)

Exhibit 1 to Bidding Procedures Order
Bidding Procedures

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS (CHICAGO)
EASTERN DIVISION

In re:

TEC-AIR, INC.,

Debtor.

Chapter 11

Case No. 17-32273 (JSB)

BIDDING PROCEDURES

On October 27, 2017, Tec-Air, Inc., the above-captioned debtor and debtor-in-possession (the “Debtor”), entered into an Asset Purchase Agreement (the “Stalking Horse APA”) with Chatterjee Management Company (the “Stalking Horse Bidder”) pursuant to which the Stalking Horse Bidder proposes to purchase, acquire, and take assignment and delivery of, free and clear of all liens, claims, encumbrances, and other interests (except as otherwise provided in the Stalking Horse APA), substantially all of the Debtor’s assets (as defined in the Stalking Horse APA, the “Purchased Assets”). On November 16, 2017, the United States Bankruptcy Court for the Northern District of Illinois (the “Bankruptcy Court”) entered the *Order Approving Bidding Procedures for the Sale of Substantially All of the Debtor’s Assets; (B) Approving Stalking Horse Bid Protections; (C) Scheduling an Auction and Sale Hearing; (D) Approving the Form and Manner of Notice of Sale, Auction, and Sale Hearing; (E) Establishing Notice and Contract Procedures for the Assumption and Assignment of Assumed Contracts and Assumed Leases; and (F) Granting Related Relief* (the “Bidding Procedures Order”),¹ by which the Bankruptcy Court approved the procedures set forth below (the “Bidding Procedures”) to effectuate the sale of the Purchased Assets (the “Sale”). The Bidding Procedures are designed to facilitate a full, open and

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Bidding Procedures Order or the Stalking Horse APA, as applicable.

fair bidding process to maximize the value of the Purchased Assets for the benefit of the Debtor's creditors, stakeholders, and the bankruptcy estate.

DUE DILIGENCE

In order to access diligence materials and information related to the Debtor's assets, each potential bidder (a "Potential Bidder") must first deliver (unless previously delivered) to the Debtor's investment banker and counsel (as identified below) the following items prior to the Bid Deadline (defined below) (collectively, the "Participation Requirements"):

- (a) Confidentiality Agreement. An executed confidentiality agreement in form and substance reasonably acceptable to the Debtor; and
- (b) Identification of Potential Bidder. Identification of the Potential Bidder and any principals and representatives thereof who are authorized to appear and act on their behalf for all purposes regarding the contemplated Sale.

Upon satisfaction of the Participation Requirements, the Debtor will afford each Potential Bidder due diligence access to the Debtor's assets; provided, however, that (i) the Debtor shall have the right, in consultation with the official committee of unsecured creditors appointed in the chapter 11 case (the "Committee") and the Debtor's prepetition senior secured lender, The Leaders Bank ("Leaders"), to reasonably limit the due diligence provided to competitors; and (ii) the Debtor will have no obligation to provide due diligence access after the Bid Deadline. If the Debtor determines, in consultation with the Committee and Leaders, that a Potential Bidder does not constitute a Qualified Bidder (defined below), then such Potential Bidder's access to due diligence materials or additional non-public information shall terminate. The Debtor has designated its investment banker, Three Twenty-One Capital Partners, 2205 Warwick Way Suite 310, Marriottsville, MD 21104, Attn: Ervin M. Terwilliger, (E-mail: erv@321capital.com, Phone: 443-325-5290, ext. 201), to coordinate all reasonable requests from Potential Bidders for additional information and due diligence access. The Debtor and its representatives are not responsible for, and will bear no liability with respect to, any information obtained by any Qualified Bidder in connection with the Sale of the Purchased Assets.

The Stalking Horse Bidder shall be afforded the same due diligence access as is intended to be afforded to any Potential Bidder that satisfies the Participation Requirements; provided, however, that any such due diligence access shall not confer upon the Stalking Horse Bidder any additional rights to terminate the Stalking Horse APA.

By participating in the Auction, the Stalking Horse Bidder and all Qualified Bidders are deemed to acknowledge that they have had sufficient and reasonable access to the Debtor's books and records and opportunity to conduct due diligence.

BIDDING PROCESS

The Debtor and its advisors shall (i) determine, in consultation with the Committee and Leaders, whether a Potential Bidder is a Qualified Bidder; (ii) coordinate efforts of the Potential Bidders in conducting their due diligence investigation; (iii) receive offers from the Qualified Bidders; and (iv) negotiate the offers made to purchase the Purchased Assets (collectively, the “Bidding Process”). Except as otherwise provided herein, the Debtor shall have the right, after consultation with each Qualified Bidder, the Committee and Leaders, to adopt such other rules for the Bidding Process (including rules that may depart from those set forth herein) that will better promote the goals of the Bidding Process, that are consistent with the Debtor’s fiduciary duties, and that are not inconsistent with any of the other provisions hereof, the Bidding Procedures Order, or any other Bankruptcy Court order; provided, however, that notwithstanding anything contained herein or in any other related pleading, the Debtor may not modify the Bidding Procedures in any way that would materially alter or impair the rights of the Stalking Horse Bidder under the Stalking Horse APA or the Bidding Procedures Order.

A. Designation as Qualified Bidder

In order to be eligible to participate in the Auction (defined below) for the Purchased Assets, each Potential Bidder, other than the Stalking Horse Bidder or its designee or assignee, must be determined by the Debtor, in consultation with the Committee and Leaders, to have submitted a Qualified Bid (each, a “Qualified Bidder”). The Debtor shall have the right, in consultation with the Committee and Leaders, to determine whether a bidder is a Qualified Bidder.

The Stalking Horse Bidder is a Qualified Bidder, and the Stalking Horse Bidder’s bid is a Qualified Bid.

In order for any Potential Bidder to be considered a Qualified Bidder (other than the Stalking Horse Bidder and its designee or assignee, who are already considered Qualified Bidders), such Potential Bidder must submit a written offer (a “Qualified Bid”) such that it is received prior to the Bid Deadline and meets the following criteria:

- (a) Purchased Assets. Each bid must be a bulk bid to purchase all or substantially all of the Purchased Assets, and must clearly state which liabilities of the Debtor the Qualified Bidder is agreeing to assume.
- (b) Initial Minimum Overbid. Each bid must provide for the assumption of the Assumed Liabilities and the aggregate consideration proposed by each bid must equal or exceed the sum of (collectively, the “Initial Minimum Overbid”):
 - (i) cash in an amount equal to \$4,000,000.00; plus
 - (ii) assumption of the Cure Costs and Supplier Obligations up to an aggregate amount of \$600,000; plus

- (iii) cash equal to the sum of the Break-Up Fee; plus
 - (iv) \$50,000.00 in cash.
- (c) Deposit. Each bid must be accompanied by a cash deposit in the amount equal to Two Hundred Thousand and 00/100 Dollars (\$200,000.00) to be held in an interest-bearing escrow account to be identified and established by the Debtor (the "Deposit").
- (d) Executed and Marked Asset Purchase Agreement. Each bid must include a redlined copy of the Stalking Horse APA (the "Modified APA") to show all changes requested by the Qualified Bidder, including those related to the purchase price in accordance with subsection (b) above, and identify each Contract and Lease to be assumed thereunder.
- (e) No Contingencies. A bid may not be conditioned on obtaining internal approval, obtaining financing or on the outcome or review of due diligence, and a bid shall not contain any contingencies to the validity, effectiveness, and/or binding nature of the bid beyond those contained and that remain effective in the Stalking Horse APA.
- (f) Legal Capacity. Each bid must be accompanied by documentation that, in the Debtor's reasonable business judgment, in consultation with the Committee and Leaders, demonstrates that the Potential Bidder has the legal capacity to fund a purchase price in the amount of the Initial Minimum Overbid as set forth above, and otherwise consummate the proposed transaction.
- (g) Authorization to Bid. Each bid must include evidence of authorization and approval from such Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the Modified APA.
- (h) Irrevocability; Back-Up Bidder. Each bid must (i) contain an agreement for the Qualified Bidder to be a Back-Up Bidder (defined below) and (ii) be irrevocable (in the form resulting from any modifications that may be made prior to or at the Auction) until the earlier of (1) the day on which the Potential Bidder is notified that the bid is not a Qualified Bid; (2) the day on which a Successful Bid (defined below) is selected, if the bid is neither the Successful Bid nor the Back-Up Bid (as defined below); and (3) if the bid is the Back-Up Bid, then the earlier of (y) the day on which the Successful Bid closes or (z) forty (40) days after entry of the Sale Order.

- (i) No Fees Payable to Qualified Bidder. A bid may not request or entitle the Qualified Bidder to any break-up fee, termination fee, expense reimbursement or similar type of payment.
- (j) Financing Sources. Each bid must contain evidence of the ability to consummate the Sale satisfactory to the Debtor, in consultation with the Committee and Leaders, with appropriate contact information for all such financing sources (whether cash or borrowings) and may not contain any financing contingency (or conditions to borrowings).
- (k) Other Evidence. Each bid must contain evidence satisfactory to the Debtor, in its reasonable discretion, in consultation with the Committee and Leaders, that the Qualified Bidder (based on availability of financing, experience and other considerations or conditions) will be able to timely consummate the Sale to purchase the Purchased Assets if selected as the Successful Bidder.
- (l) Credit Bidding. Any party seeking to make a Qualified Bid, in whole or in part, pursuant to the rights provided under section 363(k) of the Bankruptcy Code, must clearly indicate the amount of such bid which will constitute its credit bid by the Bid Deadline; provided, however, that in order for such bid to be considered a Qualified Bid, it must, at a minimum, include cash sufficient to cover the Break-up Fee, the Carve-Out (as defined in the *Interim Order (A) Authorizing the Debtor to Use Cash Collateral (B) Granting Adequate Protection, (C) Scheduling a Final Hearing, and (D) Granting Related Relief* entered at Docket No. 37 or any subsequent order authorizing the use of cash collateral or debtor-in-possession financing) and the Transaction Fee to be paid to Three Twenty-One Capital Partners in connection with the Sale as defined in an order approving same by the Bankruptcy Court; provided, further, however, that in the event Leaders submits a credit bid in accordance with this subsection (l), Leaders shall not have the consultation rights provided for in these Bidding Procedures.

B. Bid Deadline

The deadline for a Potential Bidder to submit a bid (other than the Stalking Horse Bidder or its designee or assignee) shall be December 11, 2017 at 12:00 p.m. (prevailing Central Time) (the "Bid Deadline"). A bid received after the Bid Deadline shall not constitute a Qualified Bid.

Prior to the Bid Deadline, a Potential Bidder shall deliver a written copy of its bid via email (in .pdf or similar format) to: (i) Three Twenty-One Capital Partners, Attn: Ervin M. Terwilliger, (erv@321capital.com) and (ii) Debtor's counsel, Cullen and Dykman LLP, Attn: S. Jason Teele, Esq. (steale@cullenanddykman.com) and Nicole Stefanelli, Esq. (nstefanelli@cullenanddykman.com). Counsel to the Debtor shall promptly provide email copies of such bids to counsel to the Committee and Leaders.

Promptly upon determining, in consultation with the Committee and Leaders, that any Potential Bidder's bid is a Qualified Bid, counsel for the Debtor shall provide copies of such bid or bids to counsel for the Stalking Horse Bidder.

AUCTION

Only in the event that the Debtor receives at least one (1) Qualified Bid (other than that of the Stalking Horse Bidder) by the Bid Deadline, the Debtor shall conduct an auction (the "Auction") of the Purchased Assets to determine the highest or otherwise best bid with respect to the Purchased Assets. No later than 2:00 p.m. (prevailing Central Time) on the day that is one business day before the Auction, the Debtor will notify all Qualified Bidders and respective counsel to the Committee, Leaders, and the Stalking Horse Bidder whether the Auction will occur and will provide each Qualified Bidder with copies of all Qualified Bids.

The Auction will take place at 10:00 a.m. (prevailing Central Time) on December 13, 2017, at the offices of Polsinelli PC, 150 N. Riverside Plaza, Suite 3000, Chicago, Illinois 60606, or such later date and time as selected by the Debtor. The Auction will be conducted in a timely fashion according to the following procedures:

A. Participation in the Auction

The only persons or entities who will be permitted to bid at the Auction are the authorized representatives of each Qualified Bidder, including the Stalking Horse Bidder (collectively, the "Auction Participants"). Each Qualified Bidder must attend the Auction in person in order to bid at the Auction. While only the Auction Participants may bid at the Auction, the Auction may be attended and viewed also by the Debtor, its professionals, Auction Participants, the Committee (and its members and professionals) and Leaders (and its counsel).

Any creditor wishing to attend the Auction, no later than three (3) business days prior to the start of the Auction, must contact Debtor's counsel, Cullen and Dykman LLP, Attn: S. Jason Teele, Esq. (steale@cullenanddykman.com) and Nicole Stefanelli, Esq. (nstefanelli@cullenanddykman.com).

B. Baseline Bid

The Debtor and its professional advisors shall direct and preside over the Auction. At the beginning of the Auction, the Debtor and its professional advisors will, in consultation with the Committee and Leaders, announce the highest Qualified Bid received by the Bid Deadline which shall serve as the baseline bid at the Auction (the "Baseline Bid"). All bids made thereafter shall be Overbids (defined below), and shall be made and received on an open basis, and all material terms of each bid shall be fully disclosed to all other Qualified Bidders, including the Stalking Horse Bidder. The Auction shall be transcribed and all bids shall be made on the record and announced at the Auction, including the Baseline Bid, all Overbids, and the Successful Bid (defined below).

C. Terms of Overbids

An “Overbid” is any bid made at the Auction subsequent to the Debtor’s announcement of the Baseline Bid. Any Overbid following the Baseline Bid shall be at least \$25,000.00, and each subsequent Overbid must be made in increments of at least \$25,000.00 over the previous highest or best bid (the “Minimum Overbid Increments”), which amount may be modified by the Debtor in its sole discretion.

Any Overbid made by a Qualified Bidder (including with respect to any Back-Up Bid (defined below)) must remain open and binding on the Qualified Bidder until and unless the Debtor accepts a higher Qualified Bid as an Overbid. The Debtor shall announce at the Auction the material terms of each Overbid and the basis for calculating the total consideration offered in each such Overbid.

D. Determination and Rejection of Bids.

The Debtor, in its reasonable business judgment, after consultation with the Committee and Leaders, may (a) determine which Overbid, if any, is the highest or otherwise best offer; and (b) reject, at any time before entry of an order of the Bankruptcy Court approving an Overbid, any bid that is (i) inadequate or insufficient; (ii) not in conformity with the requirements of the Bankruptcy Code, the Bidding Procedures, the Bidding Procedures Order or the terms and conditions of the Sale; or (iii) contrary to the best interests of the Debtor, its estate, its creditors and other stakeholders.

The Debtor reserves the right, in its reasonable business judgment, and in consultation with the Committee and Leaders, to adjourn the Auction one or more times to, among other things, (i) facilitate discussions between the Debtor and Qualified Bidders, (ii) allow Qualified Bidders to consider how they wish to proceed, and (iii) provide Qualified Bidders the opportunity to provide the Debtor with such additional evidence as the Debtor, in its reasonable business judgment, may require, that the Qualified Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed transaction at the prevailing Overbid amount.

E. Closing the Auction

Upon conclusion of the bidding process, the Auction shall be closed, and the Debtor, in consultation with the Committee and Leaders, shall (i) review each Qualified Bid on the basis of financial and contractual terms and the factors relevant to the Sale process, including those factors affecting the speed and certainty of consummating the Sale and the amount of the cash (or cash equivalents) consideration, and (ii) determine the highest or otherwise best offer for the Purchased Assets (the “Successful Bid”), the entity submitting such Successful Bid (the “Successful Bidder”), the next highest or otherwise best offer after the Successful Bid (the “Back-Up Bid”) and the entity submitting such Back-Up Bid (the “Back-Up Bidder”); and advise the Qualified Bidders of such determinations. The Back-Up Bid shall remain open, and the Back-Up Bidder shall be required to fully perform under such Back-Up Bid, until the earlier of consummation of the Sale with the Successful Bidder or forty (40) days following the Sale Hearing (the “Back-up Bid Acceptance Deadline”). .

The Debtor shall file notice of the identity of the Successful Bidder, and the Back-Up Bidder, and the amount of the Successful Bid and Back-Up Bid with the Bankruptcy Court as soon as reasonably practicable following the close of the Auction, but no later than at least three (3) hours before the Sale Hearing. At that same time, the Debtor shall serve notice of the same by email or fax to all counterparties and creditors who have requested the same in writing from Debtor's counsel and have provided such counsel with their email addresses or fax numbers by no later than three (3) business days prior to the start of the Auction.

F. No Collusion; Good-Faith *Bona Fide* Offer.

Each Qualified Bidder, including the Stalking Horse Bidder, participating at the Auction will be required to confirm on the record at the Auction that (i) it has not engaged in any collusion with respect to the bidding, and (ii) its Qualified Bid is a good-faith *bona fide* offer and it intends to consummate the proposed transaction if selected as the Successful Bidder.

G. Consent to Jurisdiction as Condition to Bidding

Each Qualified Bidder, including the Stalking Horse Bidder, participating at the Auction shall be deemed to have consented to the exclusive jurisdiction of the Bankruptcy Court and to have waived any right to a jury trial in connection with any disputes among any Qualified Bidder and the Debtor relating to the Auction and the construction and enforcement of the Qualified Bidder's contemplated Sale documents, as applicable.

SALE HEARING

A hearing to consider approval of the Sale of the Purchased Assets to the Successful Bidder (or to approve the Stalking Horse APA if no Auction is held) (the "Sale Hearing") is currently scheduled to take place on December 14, 2017, at 10:00 a.m. (prevailing Central Time), or as soon thereafter as counsel may be heard, before the Honorable Janet S. Baer in Courtroom 615 in the Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, Illinois 60604.

STALKING HORSE APA

Notwithstanding anything in these Bidding Procedures to the contrary, the Stalking Horse APA and related transaction documents will remain in full force and effect until such agreements have terminated in accordance with their respective terms; provided, however, that the Stalking Horse Bidder has agreed to the modified deadlines and dates set forth herein.

BID PROTECTIONS

In accordance with the provisions of Section 9.2 of the Stalking Horse APA, in the event that the Court approves a transaction with a Qualified Bidder that is not the Stalking Horse Bidder (the "Alternative Transaction"), the Debtor is authorized and directed to pay to the Stalking Horse Bidder as compensation for the Stalking Horse Bidder's efforts in connection with the negotiation and execution of the Stalking Horse APA, and the transactions contemplated thereby, (i) the Break-Up Fee in the amount of Two Hundred Fifteen Thousand Dollars

(\$215,000.00), not later than the time of the closing of the Alternative Transaction, in immediately available, good funds of the United States of America, and the Stalking Horse Bidder shall have an allowed administrative priority claim in the Debtor's bankruptcy case in the amount of any unpaid Break-Up Fee pursuant to section 503(b)(1)(A) of the Bankruptcy Code.

RETURN OF DEPOSIT

The Deposit of the Successful Bidder or the Back-up Bidder (as applicable) will be applied to the purchase price of such transaction at closing. The Deposits for each Qualified Bidder will be held in one or more interest-bearing escrow accounts on terms acceptable to the Debtor in its sole discretion and will be returned (other than with respect to the Stalking Horse Bidder, the Successful Bidder, and the Back-Up Bidder) within three (3) business days after the Auction. The Deposit of the Back-up Bidder will be returned within three (3) business days after either (i) closing by the Successful Bidder or (ii) the Back-up Bid Acceptance Deadline. Upon the return of the Deposits, their respective owners will receive any and all interest that will have accrued thereon.

If a Successful Bidder (or Back-up Bidder, if applicable) fails to consummate a proposed transaction because of a breach by such Successful Bidder (or Back-up Bidder, if applicable), the Debtor will not have any obligation to return the Deposit deposited by such Successful Bidder (or Back-up Bidder, if applicable), which may be retained by the Debtor as liquidated damages, in addition to any and all rights, remedies, or causes of action that may be available to the Debtor. If a Successful Bidder fails to consummate a proposed transaction, the Debtor will be free to consummate the proposed transaction with the applicable Back-Up Bidder pursuant to the Sale Order without the need for an additional hearing or further order of the Bankruptcy Court.

RESERVATION OF RIGHTS

The Debtor reserves its rights to modify these Bidding Procedures in its reasonable business judgment, in consultation with the Committee and Leaders, in any manner that will best promote the goals of the bidding process, or impose, at or prior to the Auction, additional customary terms and conditions on the sale of the Purchased Assets, including, without limitation: (a) extending the deadlines set forth in these Bidding Procedures; (b) adjourning the Auction at the Auction and/or adjourning the Sale Hearing in open court without further notice; (c) adding procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction; (d) canceling the Auction; (e) rejecting any or all bids or Qualified Bids (except for the Stalking Horse Bidder's bid); and (f) adjusting the amount of the Minimum Overbid Increment, including by requesting that Qualified Bidders submit last or final bids on a "blind" basis.

Notwithstanding the foregoing and subject in all respects to the Stalking Horse APA, the Debtor may not alter, impair or modify the Stalking Horse Bidder's rights and obligations under the Stalking Horse APA and the Bidding Procedures Order as part of any bid at the Auction or otherwise.

Exhibit 2 to Bidding Procedures Order
Sale Notice

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS (CHICAGO)
EASTERN DIVISION

In re:

TEC-AIR, INC.,

Debtor.

Chapter 11

Case No. 17-32273 (JSB)

**NOTICE OF BID DEADLINE, AUCTION, AND SALE HEARING IN CONNECTION
WITH THE SALE OF SUBSTANTIALLY ALL OF THE DEBTOR'S ASSETS**

PLEASE TAKE NOTICE THAT:

1. On October 27, 2017, Tec-Air, Inc., the above-captioned debtor and debtor-in-possession (the "Debtor"), filed the *Debtor's Motion for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of Substantially All of the Debtor's Assets; (B) Approving Stalking Horse Bid Protections; (C) Scheduling an Auction and Sale Hearing; (D) Approving the Form and Manner of Notice of Sale, Auction, and Sale Hearing; (E) Establishing Notice and Contract Procedures for the Assumption and Assignment of Assumed Contracts and Assumed Leases; and (F) Granting Related Relief; and (II)(A) Authorizing and Approving the Sale Free and Clear of Liens, Claims, Interests, and Encumbrances; (B) Authorizing the Assumption and Assignment of Executory Contracts and Leases; and (C) Granting Related Relief* (the "Sale Motion") with the United States Bankruptcy Court for the Northern District of Illinois (the "Bankruptcy Court").

2. The Debtor has entered into an Asset Purchase Agreement (the "Stalking Horse APA") with Chatterjee Management Company (the "Stalking Horse Bidder") pursuant to which the Stalking Horse Bidder proposes to purchase, acquire, and take assignment and delivery of substantially all of the Debtor's assets (as defined in the Stalking Horse APA, the "Purchased Assets"), free and clear of all liens, claims, encumbrances, defenses (including, without limitation, rights of setoff) and interests, including, without limitation, security interests of whatever kind or nature, mortgages, conditional sales or title retention agreements, pledges, deeds of trust, hypothecations, liens, encumbrances, assignments, preferences, debts, easements, charges, suits, licenses, options, rights-of-recovery, judgments, orders and decrees of any court or foreign or domestic governmental entity, taxes (including foreign, state and local taxes), licenses, covenants, restrictions, indentures, instruments, leases, options, off-sets, claims for reimbursement, contribution, indemnity or exoneration, successor, product, environmental, tax, labor, ERISA, CERCLA, alter ego and other liabilities, causes of action, contract rights and claims, to the fullest extent of the law, in each case, of any kind or nature (including, without limitation, all "claims" as defined in section 101(5) of the Bankruptcy Code), known or unknown, whether pre-petition or post-petition, secured or unsecured, choate or inchoate, filed or unfiled, scheduled or unscheduled, perfected or unperfected, liquidated or unliquidated, noticed

or unnoticed, recorded or unrecorded, contingent or non-contingent, material or non-material, statutory or non-statutory, matured or unmatured, legal or equitable to the maximum extent permitted by section 363 of the Bankruptcy Code (the “Sale”).

3. On November 16, 2017, the Bankruptcy Court entered the *Order Approving Bidding Procedures for the Sale of Substantially All of the Debtor’s Assets; (B) Approving Stalking Horse Bid Protections; (C) Scheduling an Auction and Sale Hearing; (D) Approving the Form and Manner of Notice of Sale, Auction, and Sale Hearing; (E) Establishing Notice and Contract Procedures for the Assumption and Assignment of Assumed Contracts and Assumed Leases; and (F) Granting Related Relief* (the “Bidding Procedures Order”),¹ by which the Bankruptcy Court approved the bidding procedures to effectuate the Sale of the Purchased Assets (the “Bidding Procedures”).

4. The Debtor is soliciting offers for the purchase of the Purchased Assets consistent with the Bidding Procedures. All interested bidders should carefully read the Bidding Procedures and Bidding Procedures Order and are invited to contact the Debtor’s proposed investment banker, Three Twenty-One Capital Partners, 2205 Warwick Way Suite 310, Marriottsville, MD 21104, Attn: Ervin M. Terwilliger, (E-mail: erv@321capital.com, Phone: 443-325-5290, ext. 201). **The Bid Deadline is December 11, 2017 at 12:00 p.m. (prevailing Central Time)**.

5. Consistent with the Bidding Procedures Order, if the Debtor receives one or more Qualified Bids in addition to the bid of the Stalking Horse Bidder on or before the Bid Deadline, the Debtor shall conduct the Auction for the purpose of determining the highest or otherwise best bid for the Purchased Assets. The Auction shall be organized by the Debtor’s professionals and conducted at the offices of Polsinelli PC, 150 N. Riverside Plaza, Suite 3000, Chicago, Illinois 60606 on **December 13, 2017 at 10:00 a.m. (prevailing Central Time)**, or such other location and time as may be announced prior to the Auction to all Qualified Bidders, the U.S. Trustee, the official committee of unsecured creditors appointed in the chapter 11 case (the “Committee”) and the Debtor’s prepetition senior secured lender, The Leaders Bank (“Leaders”). The Auction will be recorded and transcribed by an authorized court reporter. If only the Stalking Horse Bidder is a Qualified Bidder as of the Bid Deadline, the Auction will be deemed canceled and the Stalking Horse Bidder shall be deemed the Successful Bidder, and the Debtor will seek authority to consummate the Sale as contemplated in the Stalking Horse APA. The Debtor, its professionals, the Committee, Leaders, Qualified Bidders and their respective members and professionals, and creditors and their respective counsel, financial advisors, and/or other authorized representatives may attend the Auction. The time and place of the Auction may change with notice. The Debtor shall file notice of any such change with the court, and shall

¹ This Notice is subject to the full terms and conditions of the Bidding Procedures and the Bidding Procedures Order, which shall control in the event of any conflict. The Debtor encourages parties in interest to review such documents in their entirety and consult an attorney if they have questions or want advice. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Stalking Horse APA or Bidding Procedures Order, as applicable.

serve such notice by email or fax on all creditors who notified Debtor's counsel of their intention to attend the Auction, as well as on all Qualified Bidders, the Committee and Leaders.

6. Any creditor wishing to attend the Auction, no later than three (3) business days prior to the start of the Auction, must contact Debtor's counsel, Cullen and Dykman LLP, Attn: S. Jason Teele, Esq. (steale@cullenanddykman.com) and Nicole Stefanelli, Esq. (nstefanelli@cullenanddykman.com).

7. If the Debtor does not receive a Qualified Bid other than that of the Stalking Horse Bidder, the Debtor will not hold the Auction, and the Stalking Horse Bidder will be named the Successful Bidder. No later than 2:00 p.m. (prevailing Central Time) on the day that is one business day before the Auction, the Debtor shall notify all Qualified Bidders (including the Stalking Horse Bidder) and respective counsel to the Committee and Leaders, whether the Auction will occur.

8. The Debtor will seek approval of the Sale at a hearing scheduled to commence at **December 14, 2017 at 10:00 a.m. (prevailing Central Time)** (the "Sale Hearing") before the Honorable Janet S. Baer in Courtroom No. 615 in the Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, Illinois 60604. The Sale Hearing may be adjourned from time-to-time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court or on the Bankruptcy Court's docket.

9. The Debtor shall file notice of the identity of the Successful Bidder, and the Back-up Bidder, and the amount of the Successful Bid and Back-up Bid with the Court as soon as reasonably practicable after the conclusion of the Auction and not later than three (3) hours prior to the Sale Hearing. At that same time, the Debtor shall serve notice of the same by email or fax to all counterparties and creditors who have requested the same in writing from Debtor's counsel and have provided such counsel with their email addresses or fax numbers by no later than three (3) business days prior to the start of the Auction.

10. At the Sale Hearing, the Bankruptcy Court may enter such orders as it deems appropriate under applicable law and as required by the circumstances and equities of this chapter 11 case, and the Debtor, subject to the terms of the Successful Bidder's asset purchase agreement, may seek entry of an order which provides, except with respect to any Assumed Liabilities, all persons and entities, including, but not limited to, all debt security holders, equity security holders, governmental, tax and regulatory authorities, lenders, trade creditors, litigation claimants and other creditors, holding liens, claims, encumbrances or interests of any kind or nature whatsoever against or in all or any portion of the Purchased Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, liquidated or unliquidated or subordinate), arising under or out of, in connection with, or in any way relating to the Debtor, the Purchased Assets, the operation of the Debtor's business prior to the Closing Date or the transfer of the Purchased Assets to the Successful Bidder, except as expressly set forth in the Stalking Horse APA with respect to the Assumed Liabilities and Permitted Encumbrances (as defined in the Stalking Horse APA), that all such persons are forever prohibited and permanently enjoined from (i) commencing or continuing in any manner any action or other proceeding, the employment of process, or any act (whether in law or equity,

in any judicial, administrative, arbitral, or other proceeding) to collect or recover any interest; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order with respect to an interest, (iii) creating, perfecting, or enforcing any interest, or (iv) asserting any right of subrogation of any kind with respect to an interest, in each case as against the Successful Bidder or its designee, any of their respective affiliates or subsidiaries, or any of their respective representatives, or any of their respective property or assets, including the Purchased Assets.

11. Objections to approval of the Sale, including the relief sought in the Sale Motion that the sale of the Purchased Assets be free and clear of all Encumbrances pursuant to section 363(f) of the Bankruptcy Code, with such Encumbrances to attach to the Sale Proceeds (if any) (a "Sale Objection") must be in writing, must conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court for the Northern District of Illinois, must set forth the name of the objecting party, the basis for the objection and the specific grounds therefor, and shall be filed with and filed with the Bankruptcy Court and served on (i) counsel to the Debtor, Cullen and Dykman LLP, Attn: S. Jason Teele, Esq. and Nicole Stefanelli, Esq., The Legal Center, One Riverfront Plaza, Newark, New Jersey 07102; (ii) counsel to the Stalking Horse Bidder, Meltzer, Purtill & Stelle LLC, Attn: Timothy W. Brink, Esq., 300 South Wacker Drive, Suite 2300, Chicago, Illinois 60606; (iii) counsel to the Committee, Shaw Fishman Glantz & Towbin LLC; Attn: Ira Bodenstein, Esq. and Gordon E. Gouveia, Esq., 321 N. Clark, Suite 800, Chicago, Illinois 60654; and (iv) the Office of the United States Trustee for the Northern District of Illinois, 219 S. Dearborn Street, Room 873, Chicago, IL 60604, so as to be received by such parties prior to 4:00 p.m. (prevailing Central Time) on December 7, 2017 (the "Sale Objection Deadline").

12. In the event (a) an Auction is conducted, the deadline for objections related to the conduct of the Auction itself shall be at the Sale Hearing and (b) in the event the Auction results in a Successful Bidder other than the Stalking Horse Bidder, the deadline for objections relating to (i) the form of Sale Order approving such Successful Bidder's asset purchase agreement, and (ii) the proposed asset purchase agreement between the Debtor and such Successful Bidder shall be at the Sale Hearing.

13. You may obtain a copy of the Sale Motion, the Stalking Horse APA, the Bidding Procedures and the Bidding Procedures Order, including all exhibits thereto, by sending a written request to the Debtor's undersigned counsel.

CONSEQUENCES OF FAILING TO TIMELY FILE AND SERVE AN OBJECTION

ANY PARTY OR ENTITY WHO FAILS TO TIMELY MAKE AN OBJECTION TO THE SALE ON OR BEFORE THE SALE OBJECTION DEADLINE IN ACCORDANCE WITH THE BIDDING PROCEDURES ORDER WILL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE SALE, INCLUDING WITH RESPECT TO THE TRANSFER OF THE SELLING DEBTOR'S ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS, EXCEPT AS SET FORTH IN THE APPLICABLE PURCHASE AGREEMENT.

Dated: November __, 2017
Chicago, Illinois

CULLEN AND DYKMAN LLP

/s/ _____
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*Proposed Counsel to the Debtor and
Debtor-in-Possession*

Exhibit 3 to Bidding Procedures Order
Cure Notice

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS (CHICAGO)
EASTERN DIVISION

In re:

TEC-AIR, INC.,

Debtor.

Chapter 11

Case No. 17-32273 (JSB)

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

PLEASE TAKE NOTICE THAT:

1. On October 27, 2017, Tec-Air, Inc., the above-captioned debtor and debtor-in-possession (the "Debtor"), filed the *Debtor's Motion for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of Substantially All of the Debtor's Assets; (B) Approving Stalking Horse Bid Protections; (C) Scheduling an Auction and Sale Hearing; (D) Approving the Form and Manner of Notice of Sale, Auction, and Sale Hearing; (E) Establishing Notice and Contract Procedures for the Assumption and Assignment of Assumed Contracts and Assumed Leases; and (F) Granting Related Relief; and (II)(A) Authorizing and Approving the Sale Free and Clear of Liens, Claims, Interests, and Encumbrances; (B) Authorizing the Assumption and Assignment of Executory Contracts and Leases; and (C) Granting Related Relief* (the "Sale Motion") with the United States Bankruptcy Court for the Northern District of Illinois (the "Bankruptcy Court").

2. The Debtor has entered into an Asset Purchase Agreement (the "Stalking Horse APA") with Chatterjee Management Company (the "Stalking Horse Bidder") pursuant to which the Stalking Horse Bidder proposes to purchase, acquire, and take assignment and delivery of substantially all of the Debtor's assets (as defined in the Stalking Horse APA, the "Purchased Assets"), free and clear of all liens, claims, encumbrances, defenses (including, without limitation, rights of setoff) and interests, including, without limitation, security interests of whatever kind or nature, mortgages, conditional sales or title retention agreements, pledges, deeds of trust, hypothecations, liens, encumbrances, assignments, preferences, debts, easements, charges, suits, licenses, options, rights-of-recovery, judgments, orders and decrees of any court or foreign or domestic governmental entity, taxes (including foreign, state and local taxes), licenses, covenants, restrictions, indentures, instruments, leases, options, off-sets, claims for reimbursement, contribution, indemnity or exoneration, successor, product, environmental, tax, labor, ERISA, CERCLA, alter ego and other liabilities, causes of action, contract rights and claims, to the fullest extent of the law, in each case, of any kind or nature (including, without limitation, all "claims" as defined in section 101(5) of the Bankruptcy Code), known or unknown, whether pre-petition or post-petition, secured or unsecured, choate or inchoate, filed or unfiled, scheduled or unscheduled, perfected or unperfected, liquidated or unliquidated, noticed

or unnoticed, recorded or unrecorded, contingent or non-contingent, material or non-material, statutory or non-statutory, matured or unmatured, legal or equitable to the maximum extent permitted by section 363 of the Bankruptcy Code (the "Sale").

3. On November 16, 2017, the Bankruptcy Court entered the *Order Approving Bidding Procedures for the Sale of Substantially All of the Debtor's Assets; (B) Approving Stalking Horse Bid Protections; (C) Scheduling an Auction and Sale Hearing; (D) Approving the Form and Manner of Notice of Sale, Auction, and Sale Hearing; (E) Establishing Notice and Contract Procedures for the Assumption and Assignment of Assumed Contracts and Assumed Leases; and (F) Granting Related Relief* (the "Bidding Procedures Order"),¹ by which the Bankruptcy Court approved (a) the bidding procedures to effectuate the Sale of the Purchased Assets (the "Bidding Procedures") and (b) procedures for the assumption and assignment of the Assumed Contracts and Assumed Leases (the "Assumption Procedures").

4. The Debtor will seek approval of the Sale at a hearing scheduled to commence at **December 14, 2017 at 10:00 a.m. (prevailing Central Time)** (the "Sale Hearing") before the Honorable Janet S. Baer in Courtroom No. 615 in the Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, Illinois 60604. The Sale Hearing may be adjourned from time-to-time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court or on the Bankruptcy Court's docket.

5. Upon the closing of the Sale, the Debtor intends to assume and assign to the Stalking Horse Bidder, or any other Successful Bidder(s) arising from the Auction (as defined in the Bidding Procedures Order), the Assumed Contracts set forth on Exhibit A hereto and the Assumed Leases set forth on Exhibit B hereto, subject to (a) the Stalking Horse Bidder's right to remove certain Assumed Contracts from the list of Assigned Contracts pursuant to Section 2.3 of the Stalking Horse APA or (b) any similar right of any other Successful Bidder(s) arising from the Auction. In addition, the cure costs, if any, necessary for the assumption and assignment of the Assumed Contracts and Assumed Leases (the "Cure Costs") are set forth on Exhibit A and Exhibit B, respectively.

6. The Debtor has evaluated the financial wherewithal of the Stalking Horse Bidder (e.g., financial credibility, willingness, and ability of the interested party to perform under the Assumed Contracts and Assumed Leases) and believes that the Stalking Horse Bidder's financial health, agreement to pay cure amounts related to the Assumed Contracts and Assumed Leases, and commitment to pay obligations as they come due satisfies the requirements of adequate assurance of future performance under section 365(f)(2)(B) of the Bankruptcy Code.

¹ This Notice is subject to the full terms and conditions of the Bidding Procedures and the Bidding Procedures Order, which shall control in the event of any conflict. The Debtor encourages parties in interest to review such documents in their entirety and consult an attorney if they have questions or want advice. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Stalking Horse APA or Bidding Procedures Order, as applicable.

PARTIES LISTED ON EXHIBIT A AND EXHIBIT B ARE RECEIVING THIS NOTICE BECAUSE THE STALKING HORSE BIDDER HAS IDENTIFIED THEM AS A COUNTERPARTY TO AN ASSUMED CONTRACT OR ASSUMED LEASE.

7. Objections to proposed Cure Costs and/or the proposed assumption and assignment of Assumed Contracts and Assumed Leases, including, but not limited to, objections related to adequate assurance of future performance by the Successful Bidder (a "Contract Objection"), must be in writing, must conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court for the Northern District of Illinois, must set forth the name of the objecting party, the basis for the objection and the specific grounds therefor, and shall be filed with and filed with the Bankruptcy Court and served on (i) counsel to the Debtor, Cullen and Dykman LLP, Attn: S. Jason Teele, Esq. and Nicole Stefanelli, Esq., The Legal Center, One Riverfront Plaza, Newark, New Jersey 07102; (ii) counsel to the Stalking Horse Bidder, Meltzer, Purtill & Stelle LLC, Attn: Timothy W. Brink, Esq., 300 South Wacker Drive, Suite 2300, Chicago, Illinois 60606; (iii) counsel to the Committee, Shaw Fishman Glantz & Towbin LLC; Attn: Ira Bodenstein, Esq. and Gordon E. Gouveia, Esq., 321 N. Clark, Suite 800, Chicago, Illinois 60654; and (iv) the Office of the United States Trustee for the Northern District of Illinois, 219 S. Dearborn Street, Room 873, Chicago, IL 60604, so as to be received by such parties prior to 4:00 p.m. (prevailing Central Time) on December 7, 2017 (the "Contract Objection Deadline"); provided, however, that in the event the Auction results in a Successful Bidder other than the Stalking Horse Bidder, Contract Parties shall be able to assert an objection at or before the Sale Hearing (the "Alternate Contract Objection Deadline") to the assignment of executory contracts and unexpired leases to such Successful Bidder, other than to the Cure Amount which shall be subject to the Contract Objection Deadline, with any such objection being heard at the Sale Hearing or at a later-scheduled hearing as the Bankruptcy Court deems appropriate.

CONSEQUENCES FOR FILING TO TIMELY FILE AND SERVE AN OBJECTION

UNLESS A CONTRACT OBJECTION IS FILED AND SERVED BEFORE THE CONTRACT OBJECTION DEADLINE OR THE ALTERNATE CONTRACT OBJECTION DEADLINE, AS APPLICABLE, ALL CONTRACT PARTIES SHALL BE (I) FOREVER BARRED FROM OBJECTING TO THE PROPOSED CURE COSTS AND FROM ASSERTING ANY ADDITIONAL CURE OR OTHER AMOUNTS, AND THE DEBTOR AND THE SUCCESSFUL BIDDER SHALL BE ENTITLED TO RELY SOLELY UPON THE PROPOSED CURE COSTS SET FORTH IN THE CURE NOTICE; (II) DEEMED TO HAVE CONSENTED TO THE ASSUMPTION OR ASSUMPTION AND ASSIGNMENT OF THE ASSUMED CONTRACTS AND ASSUMED LEASES; (III) FOREVER BARRED AND ESTOPPED FROM ASSERTING OR CLAIMING AGAINST THE DEBTOR OR THE SUCCESSFUL BIDDER THAT ANY ADDITIONAL AMOUNTS ARE DUE OR OTHER DEFAULTS EXIST, THAT CONDITIONS TO ASSIGNMENT MUST BE SATISFIED UNDER SUCH ASSUMED CONTRACTS AND ASSUMED LEASES, INCLUDING, WITHOUT LIMITATION, ANY CONSENT RIGHTS, OR THAT THERE IS ANY OBJECTION OR DEFENSE TO THE ASSUMPTION AND ASSIGNMENT OF SUCH ASSUMED CONTRACTS AND ASSUMED LEASES, INCLUDING WITHOUT LIMITATION, ADEQUATE

ASSURANCE OF FUTURE PERFORMANCE; (IV) PRECLUDED FROM OBJECTING TO THE CURE COSTS (IF ANY) AND THE ASSUMPTION AND ASSIGNMENT; AND (V) BARRED AND ESTOPPED FROM ASSERTING OR CLAIMING THAT AN ASSUMED CONTRACT OR ASSUMED LEASE CONTAINS AN ENFORCEABLE

Dated: November __, 2017
Chicago, Illinois

CULLEN AND DYKMAN LLP

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*Proposed Counsel to the Debtor and
Debtor-in-Possession*

Exhibit A
 Assumed Contracts

Counterparty	Description of Assumed Contract	Cure Amount
Comcast Business 1701 John F. Kennedy Blvd. Philadelphia, PA 19103	Business Service Order Agreement between Comcast Business and Tec-Air, Inc. dated June 15, 2015	
North Indiana Public Service Company 801 E. 86 th Avenue Merrillville, IN 46410	Northern Indiana Public Service Company Agreement for Electric Service between Northern Indiana Public Service Company and Tec-Air, Inc. dated August 1, 2016	
North Indiana Public Service Company 801 E. 86th Avenue Merrillville, IN 46410	Economic Development Rider & Rate 624 Agreement between Northern Indiana Public Service Company and Tec-Air, Inc. dated November 12, 2015	
Indiana Economic Development Corporation Attention: General Counsel One North Capitol, Suite 700 Indianapolis, IN 46204-2288 Indiana Department of Revenue Office of the Commissioner IGC-North, Room N248 Indianapolis, IN 46204	Economic Development for a Growing Economy (EDGE) Tax Credit Agreement between the Indiana Economic Development Corporation and Tec-Air, Inc. dated January 22, 2014	
Indiana Economic Development Corporation Attention: General Counsel One North Capitol, Suite 700 Indianapolis, IN 46204-2288	Indiana Economic Development Corporation Skills Enhancement Fund (SEF) Grant Agreement between the Indiana Economic Development Corporation and Tec-Air, Inc. dated January 22, 2014	

Counterparty	Description of Assumed Contract	Cure Amount
IQMS Manufacturing ERP 2231 Wisteria Lane Paso Robles, CA 93446-9820	Annual Maintenance Contract between IQMS Manufacturing ERP and Tec-Air, Inc. dated August 4, 2017	
Impact Technology Solutions 335 W 806 N Valparaiso, IN 46385	Service Agreement between Impact Technology Solutions and Tec-Air, Inc. dated September 5, 2017	
H-O-H Water Technology, Inc. 500 S Vermont Street P.O. Box 487 Palatine, IL 60078-0487	Fixed Payment Contract between H-O-H Water Technology, Inc. and Tec-Air, Inc. dated February 25, 2016	
Waste Management of Indiana, L.L.C. 2000 Dombey Road Portage, IN 46368	Service Agreement between Waste Management of Indiana, L.L.C. and Tec-Air, Inc. dated November 9, 2015	
Wells Fargo Equipment Finance Manufacturer Services Group 300 Tri-State International, Suite 400 Lincolnshire, IL 60069 National Lift Truck, Inc. 3333 Mt. Prospect Road Franklin Park, IL 60131	Single Sided Lease Agreement between Wells Fargo Equipment Finance, Manufacturer Services Group and Tec-Air, Inc. dated May 15, 2017	

Counterparty	Description of Assumed Contract	Cure Amount
Wells Fargo Financial Leasing, Inc. 800 Walnut, 4 th Floor Des Moines, IA 50309 COTG-Xerox 3 Territorial Court Bolingbrook, IL 60440	Image Management Agreement between Wells Fargo Financial Leasing, Inc. and Tec-Air, Inc. dated November 30, 2015	
Fletcher Jones Audi Chicago 1111 N. Clark Street Chicago, IL 60610 VW Credit Leasing, Ltd 1401 Franklin Boulevard Libertyville, IL 60048	Motor Vehicle Lease Agreement – Closed End between Fletcher Jones Audi Chicago and Tec-Air, Inc. dated November 22, 2014	

Exhibit B

Assumed Leases

Counterparty	Description of Assumed Lease	Cure Amount
Mitchell H. Simborg Simborg Industrial Real Estate, Inc. 1149 West 175th Street Homewood, IL 60430 Phillip L. Goldberg Simborg Industrial Real Estate, Inc. 1149 West 175th Street Homewood, IL 60430 Richard J. Traub, Esq. Freeborn & Peters LLP 311 South Wacker Drive, Suite 3000 Chicago, IL 60606	Lease Agreement between Munster Development LLC and Tec-Air, Inc. dated October 2013	
Prairie Square LLC 2121 45th Street Highland, IN 46322 Attention: On Site Manager	Lease Agreement between Prairie Square LLC and Tec-Air, Inc. dated September 19, 2017	