

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION - DETROIT**

In the Matter of:

Zweite Stufe, Inc., *et.al.*,¹

Debtors.

Bankruptcy Case No. 16-53059
Honorable Mark A. Randon
Chapter 11

**MOTION FOR AUTHORIZATION TO CONVEY PONTIAC AND
BURTON PROPERTY PURSUANT TO 11 U.S.C. § 363 FREE AND CLEAR
OF LIENS, CLAIMS AND ENCUMBRANCES, AND FOR
AUTHORIZATION TO ASSUME AND ASSIGN LEASES PURSUANT TO
11 U.S.C. § 365 AND FED. R. BANKR. P. 2002 AND 6006**

Zweite Stufe, Inc. and Wilise Corp. (together, the "Debtors") moves the Court for an order authorizing it (i) to sell certain assets at its Pontiac and Burton locations free and clear of liens, claims, interests and encumbrances; (ii) to assume and assign certain leasehold interests; and (iii) remit proceeds of sale (minus a holdback) to Franchise Credit, LLC. In support of its motion (the "Motion"), the Debtors state as follows:

JURISDICTION

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334(a) and 157(a), and the order of reference filed in this district entered pursuant to 28 U.S.C. § 157(a).

¹ The Debtors in these jointly administered cases include Zweite Stufe, Inc. (Bankr. Case No. 16-53059) and Wilise Corp. (Bankr. Case No. 16-53062).

2. This matter is a core proceeding under 28 U.S.C. § 157(b)(1). It involves the sale of property of the Debtors' estate pursuant to 28 U.S.C. § 157(b)(2)(N).

BACKGROUND

3. On September 21, 2016 (the "Petition Date"), the Debtors commenced their Chapter 11 bankruptcy cases by the filing of a voluntary petition under Title 11 of the United States Code (the "Bankruptcy Code"). The Debtors continue in possession of their assets as a debtors-in-possession under Chapter 11 of the Bankruptcy Code.

4. The Debtors are parties to leases (the "Leases") of the real property and improvements located at G3345 S Dort Highway, Burton, Michigan and 1250 Cesar E Chavez, Pontiac, Michigan (the "Locations").

5. AMRESKO Commercial Finance, LLC, as agent for Franchise Credit, LLC ("FC"), claims a first-priority security interest and lien granted upon the personal property at the Locations.

6. The Debtors have diligently marketed their assets and have negotiated with potential third parties regarding the sale of Debtors' assets at the Locations.

7. By this Motion, the Debtors seek authorization to assume and assign the Leases associated with the Locations and to sell its tangible and intangible assets relating to or used in connection with their operations at the Locations (collectively, the "Pontiac and Burton Property").

8. The Debtors and Stonewall Road Automotive Group LLC, ("Buyer") are negotiating the terms of an asset purchase agreement (the "APA"). While no final agreement has yet been reached, the Debtors expect the APA to be finalized before the hearing on this Motion. A copy of the current draft of the proposed APA is attached hereto as Exhibit 6-1.

9. The Debtors agree to sell the assets at the Locations to the Buyer for a total of \$210,000.00. See Ex. 6-1. Additionally, the Debtors have agreed to assume the Leases and then assign the Leases to the Buyer. A list of those Leases and the parties to the Leases, along with any cure amounts which will be paid at closing, is attached hereto as Exhibit 6-2.

10. The APA reflects the following terms and conditions:

- a. Buyer would acquire all of the Debtors' right title and interest in and to substantially all of the assets relating to or used in connection with the operation of the Locations;
- b. The conveyance of the Locations and the assets contained therein would be free of all liabilities, obligations, liens and encumbrances except as agreed to by the parties;
- c. The Debtors will assume the Leases and assign the Leases to the Buyer;
- d. The purchase price would be \$210,000.00; and
- e. The transaction is subject to Court approval.

ARGUMENT

11. Section 363 of the Code empowers a debtor-in-possession, after notice and a hearing, to "use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). The standard for approving the sale of assets pursuant to Section 363(b)(1) of the Code is whether the proposed sale represents an exercise of sound business judgment by the debtor. See In re Schipper, 933 F.2d 513, 515 (7th Cir. 1991) (citing In re Lionel, 722 F.2d 1063, 1071 (2d Cir. 1983); In re Eng'g Prods. Co., Inc., 121 B.R. 246, 249 (Bankr. E.D. Wis. 1990)).

12. Courts consider the following factors to determine whether a proposed sale is an exercise of the debtor's sound business judgment: (a) whether a sound business reason exists for the proposed sale; (b) whether fair and reasonable consideration is provided; (c) whether the sale has been proposed and negotiated in good faith; and (d) whether adequate and reasonable notice is provided. In re Eng'g Prods. Co., Inc., 121 B.R. at 247-49.

13. Here, the proposed sale of the Pontiac and Burton Property satisfies each of the four factors recited above. First, the Debtors are relying on a well-founded business justification in deciding to sell the Pontiac and Burton Property, because the Debtors have determined that the purchase price to be paid by the Buyer is the highest and best price that can be achieved for the Pontiac and Burton Property. Second, the consideration being paid by Buyer is reasonable. The

Debtors have negotiated the purchase price with the Buyer, but the transaction is still subject to higher and better offers. Third, the sale is proposed and has been negotiated at arm's length and in good faith. Finally, this Motion is subject to Court approval after notice to all interested parties.

14. As described above, the terms of the sale to Buyer have been thoroughly and extensively negotiated. Because the sale is the result of arms' length, good faith negotiations between the parties, and because the sale remains subject to higher and better offers, the Debtors request that the Court find Buyer is a good faith purchaser for purposes of 11 U.S.C. § 363(m).

A. A Sale Free and Clear of Liens, Claims and Encumbrances is Appropriate Pursuant to 11 U.S.C. § 363(f)(2), (3), and (4) of the Bankruptcy Code.

15. A sale of property free and clear of liens, claims and encumbrances, with all liens, claims and encumbrances to attach to the proceeds from the sale, is appropriate, where, as here, certain entity holding an interest in the property at issue consent. 11 U.S.C. § 363(f)(2). Upon information and belief, FC will consent to the sale free and clear of its liens if all of the proceeds from the sale, other than a \$10,000 holdback, are remitted to FC.

B. The Purchaser is a good Faith Purchaser and is Entitled to Full Protection of Section 363(m) of the Bankruptcy Code, and the Transfer and Sale of the Assets Does Not Violate Section 363(n)

16. Under section 363(m) of the Bankruptcy Code, the reversal or modification on appeal of an authorization of the sale of property pursuant to

section 363 does not affect the validity of such sale to an entity that purchased the property in good faith. 11 U.S.C. § 363(m). Because the proposed sale has been negotiated at arm's-length and in good faith, the purchaser is entitled to the full protections of section 363(m). A party should have to show fraud or collusion between the buyer and the debtor-in-possession or trustee or other bidders in order to demonstrate a lack of good faith. See Kabro Assocs. Of West Islip, LLC v. Colony Hill Assocs. (In re Colony Hill Assoc.), 111 F.3d 269, 276 (2d Cir. 1997)("[t]ypically, the misconduct that would destroy a [buyer]'s good faith status at a judicial sale involves fraud, collusion between the [buyer] and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders"). See also In re Anglika Films, 57th, Inc., 1997 WL 283412, *7 (S.D. N.Y. 1997); In re Bakalis, 220 B.R. 525, 537 (Bankr. E.D. N.Y. 1998).

17. Further, the transactions contemplated hereby do not constitute an avoidable transaction under section 363(n). Section 363(n) permits a debtor-in-possession to avoid a sale "if the sale price was controlled by agreement among potential bidders at such sale." No party to the negotiations of the sale, including the Debtor, believes that there is any indication of collusion in the instant circumstances. Accordingly, the Purchaser should receive the protections afforded a good faith purchaser under section 363(m).

C. The Proposed Assumption and Assignment of the Leases Complies with Section 365 of the Bankruptcy Code.

18. Section 365 of the Code authorizes the Debtor to assume and assign the underlying Leases for the Locations, subject to approval of the Court, provided that monetary defaults under the leases are cured and the assignee provides adequate assurance of future performance.

19. A debtor's decision to assume or reject an executory contract or unexpired lease is entitled to the deferential business judgment standard. See Software Customizer v. Bullet Jet Charter (In re Bullet Jet Charter), 177 B.R. 593, 601 (Bankr. N.D. Ill. 1995). In determining whether assumption and assignment of a lease or executory contract is warranted, "[t]he bankruptcy court reviews the debtor's business judgment with respect to the proposed assumption to determine whether assumption would serve the reorganization or whether it would take away funds available to other creditors." ReGen Capital I, Inc. v. UAL Corp. (In re UAL Corp.), 635 F.3d 312, 319 (7th Cir. 2011).

20. Bankruptcy Rule 6006 requires that the Motion provide certain information, including the leases to be assumed and assigned, the parties thereto, the cure amounts, the identity of the assignee, and some form of adequate assurance of future performance by the assignee.

21. Here, the Debtors seek authorization to assume and then assign the Leases relating to the Locations. The Debtors believe that the landlords will not oppose the assignment. In the event a landlord does not consent, the Debtors and/or

the Buyer will submit evidence of the Buyer's financial condition to adequately assure future performance under the Leases.

22. Debtors have served this Motion upon both Landlords.

HOLDBACK AND REMITTANCE OF PROCEEDS TO FC

23. FC has consented to Debtors withholding \$10,000 of sale proceeds to be held in escrow to fund Debtors' professional fees as allowed by the Court (the "Holdback") to be held in the Stevenson & Bullock, P.L.C. IOLTA Account.

24. FC's consent to the sale is contingent upon the Debtors remitting all proceeds of sale at closing to FC, other than the Holdback.

NO PRIOR REQUEST

25. No prior request for the relief sought in this Motion has been made to this or any other Court.

WAIVER OF STAY IMPOSED BY RULE 6004(H) AND 6006(d)

26. The Debtors hereby requests that the stays imposed by Fed. R. Bankr. P. 6004(h) and 6006(d) be modified so that any order granting this Motion becomes effective immediately.

NOTICE

27. This Motion was served on (i) the United States Trustee, (ii) any party claiming an interest in Pontiac and Burton Property, (iii) the Pontiac and Burton Landlords; and (iv) all parties requesting service through the court's ECF system. All other parties-in-interest were served notice of the Motion including all

creditors identified on the court's creditor matrix. The Debtors submit that this notice complies with FRBP 2002(a), 6004(a), 6004(c) and Local Rule 6004-1(b), and no further notice need be given.

NO PRIOR NOTICE

28. No prior motion for the relief requested herein has been made to this or any Court.

WHEREFORE, Debtors moves the Court for an order:

- (a) Authorizing the Debtors to assume and assign the Leases relating to the Locations to Buyer or a higher and better bidder;
- (b) Authorizing the Debtors to sell the assets contained at the Locations as well as any intangible assets relating thereto to the Buyer or a higher and better bidder;
- (c) Determining that the sale shall be free and clear of all liens, claims and encumbrances under 11 U.S.C. § 363(f);
- (d) Determining that Buyer is a good faith purchaser under 11 U.S.C. § 363(m);
- (e) Authorizing the Debtors to remit all proceeds of sale, other than the Holdback, to FC;
- (f) Modifying the stays imposed by Fed. R. Bankr. P. 6004(h) and 6006(d) so that the order approving this Motion becomes effective immediately; and

(g) Granting such other and further relief as the Court may deem just and equitable.

Respectfully submitted,

STEVENSON & BULLOCK, P.L.C.

By: /s/Ernest M. Hassan, III

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Dated: 4.5.2017

EXHIBIT 1
PROPOSED ORDER

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION - DETROIT**

In the Matter of:

Zweite Stufe, Inc., *et.al.*,¹

Debtors.

Bankruptcy Case No. 16-53059
Honorable Mark A. Randon
Chapter 11

**ORDER GRANTING DEBTOR'S MOTION FOR AUTHORIZATION
TO CONVEY PONTIAC AND BURTON PROPERTY PURSUANT TO 11
U.S.C. § 363 FREE AND CLEAR OF LIENS, CLAIMS AND
ENCUMBRANCES, AND FOR AUTHORIZATION TO ASSUME AND
ASSIGN LEASES PURSUANT
TO 11 U.S.C. § 365 AND FED. R. BANKR. P. 2002 AND 6006**

Upon the motion (the "Sale Motion")² of Zweite Stufe, Inc. and Wilise Corp. (together, the "Debtors") for an order authoring the sale of substantially all of the Debtors' assets at the Pontiac and Burton Property (defined as "Purchased Assets" in the APA referenced below) free and clear of liens, claims, and encumbrances and to assume and assign leases related thereto; it appearing that the relief requested is in the best interest of the Debtors' estate, creditors and other parties-in-interest; it appearing that the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); it appearing that venue of this proceeding and this Sale Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409;

¹ The Debtors in these jointly administered cases include Zweite Stufe, Inc. (Bankr. Case No. 16-53059) and Wilise Corp. (Bankr. Case No. 16-53062).

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Sale Motion and the APA, as applicable.

notice of this Sale Motion and the opportunity for a hearing on this Sale Motion was appropriate under the particular circumstances and that no other or further notice need be given; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY FOUND THAT:

A. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, made applicable to this proceeding pursuant to Bankruptcy rules 7052 and 9014. To the extent 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.

B. Proper, timely, adequate and sufficient notice of the Sale Motion and this hearing has been provided in accordance with Sections 102(1) and 363(b) of the Bankruptcy Code, Bankruptcy rules 2002, 6004, 9006, 9007, 9008 and 9014, the local rules of this Court. The Debtors have given due and proper notice of the Sale, assumption and assignment for each of the executory contracts and unexpired leases identified in the APA, to be assumed and assigned under the APA to each non-debtor counter party thereto. No other or further notice of the Sale Motion and the assumption and assignment of the assumed contracts and leases is necessary.

C. The Debtors are the sole and lawful owner of the Purchased Assets, as set forth in the APA, and, upon entry of this Order the Debtors have the legal power and authority to convey all of its right, title and interest therein and thereto.

D. Buyer is Stonewall Road Automotive Group LLC, a Delaware limited liability company. The asset purchase agreement (the "APA") between Buyer and the Debtors, in the form attached hereto as Exhibit A, is approved.

E. The APA was negotiated by Debtors and Buyer at arms'-length without collusion or fraud, and in good faith within the meaning of section 363(m) of the Bankruptcy Code. As a result of the foregoing, Buyer is entitled to the protections of section 363(m) of the Bankruptcy Code. Moreover, neither the Debtors nor Buyer engaged in any conduct that would cause or permit the APA or the consummation of the transactions contemplated therein to be avoided, or costs or damages to be imposed, under section 363(n) of the Bankruptcy Code.

F. The terms and conditions of the APA, including the total consideration to be realized by the debtor pursuant to the APA is fair and reasonable and the transactions contemplated by the APA are in the best interests of the Debtors' estate. The purchase price paid under the APA represents a fair and reasonable offer to purchase the Purchased Assets under the circumstances of these chapter 11 cases and constitutes adequate and reasonably equivalent value for the Purchased Assets.

G. Sound business reasons exist for the sale. Among other things, the Debtors have shown an emergent need to consummate the sale as soon as possible. Accordingly, the Debtors have shown good and sufficient business justification under sections 363(b) and (l) and 105(a) of the Bankruptcy Code for the sale of the Purchased Assets to Buyer.

H. Approval of the APA and consummation of the transactions contemplated therein are in the best interests of the Debtors, its creditors, its estate, and all parties in interest.

IT IS THEREFORE ORDERED.

1. The Sale Motion is GRANTED in its entirety and the sale to Buyer is approved as the highest and best offer. All objections or other responsive pleadings to the Sale Motion that were filed, if any, are OVERRULED.
2. The APA, including any amendments, supplements and modifications thereto, and all of the terms and conditions therein, is hereby approved.
3. Pursuant to section 363(b) of the Bankruptcy Code, the sale of the Purchased Assets (which include the Pontiac and Burton Property), and the transactions contemplated under the APA, are approved, and are free and clear of all liens, claims, encumbrances and interests of any kind, except as expressly set forth in the APA. Such liabilities, if any, shall attach to the Purchase Price in the same order and priority as they currently exist and shall remain obligations of the Debtors' estate and no recovery shall be permitted as

against the Purchased Assets or Buyer's future proceeds of the Purchased Assets.

4. Pursuant to section 363(b) of the Bankruptcy Code, the Debtors are hereby authorized and directed to sell the Purchased Assets to Buyer and consummate the sale in accordance with, and subject to the terms and conditions of, the APA.
5. Pursuant to sections 363 (b) and (f) of the Bankruptcy Code, the Purchased Assets shall be transferred to Buyer upon consummation of the APA at the closing free and clear of all liens, claims, encumbrances and interests, including without limitation, all claims arising in any way in connection with any agreements, acts, or failures to act, of the Debtors or any of the Debtors' predecessors or affiliates, whether known or unknown, contingent or otherwise, whether arising before or subsequent to the commencement of these cases, and whether imposed by agreement, understanding, law, equity or otherwise, including claims arising under federal or state tax laws or doctrines of successor or transferee liability.
6. The Debtors are authorized to assume and assign the Leases, consisting of the Burton Lease and the Pontiac Lease (as defined in the APA), to Buyer under 11 U.S.C. §365 as set forth in the APA, and Buyer is not assuming any executory contracts or leases other than the Leases pursuant to the terms of the APA.

7. The transactions contemplated by the APA are undertaken by Buyer in good faith, as that term is used in section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided herein by this Order to consummate the sale shall not affect the validity of the sale of the Purchased Assets to Buyer. Buyer is a purchaser in good faith of the Purchased Assets, and is entitled to all of the protections afforded by section 363(m) of the Bankruptcy Code.
8. The purchase price of \$210,000.00 and other consideration provided by Buyer for the Purchased Assets under the APA shall be deemed to constitute reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, and any state, territory, or possession.
9. Subject to a \$10,000 holdback for Debtors' professional fees to be held in the Stevenson & Bullock, P.L.C. IOLTA Account, all proceeds of sale shall be remitted to Franchise Credit, LLC.
10. Subject to the occurrence of the closing, this Order: (a) is and shall be effective as a determination that all liens, interests and claims of any kind or nature whatsoever existing as to the Purchased Assets (which include the Pontiac and Burton Property) prior to closing have been unconditionally released, discharged and terminated, and that the conveyances described in this Order have been effected; and (b) shall be binding upon and shall

govern the acts of all persons and entities, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deed, registers of deeds, administrative agencies, governmental departments, secretaries of state, federal, state and local officials, and all other persons and entities who may be required by operations of law, the duties of their office, or contract, to accept, file register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to the Pontiac and Burton Property.

11. Upon the occurrence of the closing, this Order may, but is not required to, be recorded or filed with the Oakland County Register of Deeds to evidence the fact that all liens, mortgages, encumbrances and/or interests with respect to the Pontiac and Burton Property have been released.

12. All federal, state and local government agencies or departments are ordered and directed to accept all filings necessary and appropriate to consummate the sale of the Pontiac and Burton Property to Buyer including without limitation, filing in the Oakland County Register of Deeds, State of Michigan, and other governmental agencies or departments.

13. Without limiting the right of the Debtors to file this Order as provided in paragraph 10 above, this Court retains jurisdiction to enforce and implement the terms and provisions of this Order, and of any agreements executed in

connection therewith in all respects, including, but not limited to, retaining jurisdiction to; (a) resolve any disputes arising under or related to the sale of the Pontiac and Burton Property except as otherwise provided therein; and (b) interpret, implement and enforce the provision of this Order.

14. Debtors' creditors are authorized and directed on or before the closing to execute such documents and take all other actions as may be necessary to release their interest in, or claims against Pontiac and Burton Property, if any, as such interest or claims may have been recorded or otherwise exist.

15. Buyer, its successors and assigns, is authorized to demand and receive any and all of the Debtors' Purchased Assets and to give receipts and releases for and in respect of the Debtors' Purchased Assets, or any part thereof, and from time to time to institute and prosecute in each of the respective Debtors' names, for the benefit of Buyer and its respective successors and assigns, any and all proceedings at law, in equity or otherwise, which Buyer and its successors and assigns, may deem proper for the collection or reduction to possession of any of the Debtors' Purchased Assets, and to do all acts and things with respect to the Debtors' Purchased Assets which Buyer and its successors and assigns, shall deem desirable. The foregoing powers are coupled with an interest and are and shall be irrevocable by the Debtors.

16. To the extent the transactions contemplated by the APA require the transfer by the Debtors of any licenses, permits, registrations or governmental authorization, the Debtors are authorized to transfer such licenses, permits, registrations or governmental authorization to Buyer or its successors and assigns as of the Closing Date, to the fullest extent permitted under applicable law.

17. The Debtors will cooperate with Buyer and Buyer will cooperate with the Debtors, in each case to ensure that the transaction contemplated in the APA is consummated, and the Debtors will make such modifications or supplements to any bill of sale or other document executed in connection with the closing to facilitate such consummation as contemplated by the APA (including, without limitation, adding, pursuant to the terms of the APA, such specific assets and documents as may be reasonably requested by Buyer).

18. The APA and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto, in a writing signed by the parties thereto, and in accordance with the terms thereof, without further order of the Court, provided that any such modification, amendment or supplement does not have a material adverse effect on the Debtors' estate. To the extent that any provision of the APA conflicts with any provision of this Order, the APA shall govern and control.

19. This Order shall be binding in all respects upon the Debtors, its estates, all creditors of, and holders of any equity interests in, the Debtors (whether known or unknown), any holders of claims or interests in the Purchased Assets, all non-debtor parties to the Leases assumed pursuant to the terms of the APA, all successors and assigns of Buyer, all affiliates and subsidiaries of the Debtors and any trustee appointed in this chapter 11 case or in any chapter 7 case to which this case might be converted. This Order and the APA shall inure to the benefit of the Debtors, its estates, its creditors, Buyer and their respective successors and assigns.

20. All of the provisions of this Order are non-severable and mutually dependent.

21. Notwithstanding the provisions of Fed. R. Bankr. P. 6004(h) and Rule 62(a) of the Federal Rules of Civil Procedures, this Order shall not be stayed for fourteen (14) days after the entry of hereof, but shall be effective and enforceable immediately upon entry hereof.

EXHIBIT 2

NOTICE AND OPPORTUNITY TO RESPOND TO SALE MOTION

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION - DETROIT**

In the Matter of:

Zweite Stufe, Inc., *et al.*,¹

Debtors.

Bankruptcy Case No. 16-53059
Honorable Mark A. Randon
Chapter 11

**NOTICE OF DEBTORS' MOTION FOR AUTHORIZATION TO CONVEY
PONTIAC AND BURTON PROPERTY PURSUANT TO 11 U.S.C. § 363
FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES, AND
FOR AUTHORIZATION TO ASSUME AND ASSIGN LEASES PURSUANT
TO 11 U.S.C. § 365 AND FED. R. BANKR. P. 2002 AND 6006**

PLEASE TAKE NOTICE that on March 14, 2017, Debtors filed its Motion for Authorization to Convey Pontiac and Burton Property Pursuant to 11 U.S.C. § 363 Free and Clear of Liens, Claims and Encumbrances, and for Authorization to Assume and Assign Leases Pursuant to 11 U.S.C. § 365 and Fed. R. Bankr. P. 2002 and 6006 (the "Sale Motion").

Your rights may be affected. You may wish to review the Motion and discuss it with your attorney, if you have one in this bankruptcy case. If you do not have an attorney, you may wish to consult one.

¹ The Debtors in these jointly administered cases include Zweite Stufe, Inc. (Bankr. Case No. 16-53059) and Wilise Corp. (Bankr. Case No. 16-53062).

If you wish to object to the Court granting the relief sought in the Motion, or if you want the Court to otherwise consider your views on the Motion, within twenty-one (21) days of service of the Motion, **or such shorter time as the Court may hereafter order**, you or your attorney must:

1. File with the Court a written response or an answer, explaining your position at:

United States Bankruptcy Court
211 West Fort Street
Detroit, Michigan 48226

If you mail your response to the Court for filing, you must mail it early enough so the Court will receive it on or before the date stated above.

You must also mail a copy to:

Stevenson & Bullock, P.L.C.
Attn.: Ernest M. Hassan, III
26100 American Drive, Suite 500
Southfield, Michigan 48034

-and-

Office of the United States Trustee
211 West Fort Street, Suite 700
Detroit, Michigan 48226

If a response or answer is timely filed and served, the clerk may schedule a hearing on the Motion and you will be served with a notice of the date, time, and location of the hearing.

If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the Motion and may enter an Order granting the relief sought therein.

Respectfully submitted,

STEVENSON & BULLOCK, P.L.C.

By: /s/Ernest M. Hassan, III

Ernest M. Hassan, III (P67815)

Elliot G. Crowder (P76137)

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Dated: 4.5.2017

EXHIBIT 3

CERTIFICATE OF SERVICE FOR SALE MOTION

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION – DETROIT**

IN THE MATTER OF:

Zweite Stufe, Inc., *et al.*,¹

Debtors.

Bankruptcy Case No. 16-53059

Honorable Mark A. Randon

Chapter 11

CERTIFICATE OF SERVICE

Ernest M. Hassan, III certifies that on April 5, 2017 a copy of the **Motion for Authorization to Convey Pontiac and Burton Property Pursuant to 11 U.S.C. § 363 Free and Clear of Liens, Claims and Encumbrances, and for Authorization to Assume and Assign Leases Pursuant to 11 U.S.C. § 365 and Fed. R. Bankr. P. 2002 and 6006 and all exhibits attached thereto** was served upon all parties listed below, electronically and/or by depositing same in a United States Postal Box located in Southfield, Michigan, with postage fully prepaid thereon.

OFFICE OF THE U.S. TRUSTEE	Zweite Stufe, Inc. Wilise Corp. 1266 Yorkshire Road Grosse Pointe Park, MI 48230
Jason W. Bank jbank@kerr-russell.com ssmith@kerr-russell.com	William C. Blasses wblasses@kerr-russell.com
David Ross Ienna david@fairmaxlaw.com	Howard Marc Spector hspector@spectorjohnson.com sshank@spectorjohnson.com
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Thomas John Kelly, Jr.	Chasins Property One, LLC

¹ The Debtors in these jointly administered cases include Zweite Stufe, Inc. (Bankr. Case No. 16-53059) and Wilise Corp. (Bankr. Case No. 16-53062).

tkelly@wolfsonbolton.com

c/o Alan Lowenthal
88 Kercheval Ave.; Suite 100-4
Grosse Pointe Farms, MI 48236

Ernest M. Hassan, III certifies that on April 5, 2017 a copy of the **Notice of Motion for Authorization to Convey the Pontiac and Burton Property Pursuant to 11 U.S.C. § 363 Free and Clear of Liens, Claims and Encumbrances, and for Authorization to Assume and Assign Leases Pursuant to 11 U.S.C. § 365 and Fed. R. Bankr. P. 2002 and 6006** was served electronically and/or by depositing same in a United States Postal Box located in Southfield, Michigan, with postage fully prepaid thereon addressed to all parties listed on the Debtors' creditor matrices.

Respectfully submitted,

STEVENSON & BULLOCK, P.L.C.

By: /s/Ernest M. Hassan, III

Ernest M. Hassan, III(P67815)

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Dated: April 5, 2017

EXHIBIT 6-1

APA

ASSET PURCHASE AGREEMENT

among

ZWEITE STUFE, INC.,

WILISE CORP.

and

STONEWALL ROAD AUTOMOTIVE GROUP LLC

dated as of

April [], 2017

TABLE OF CONTENTS

ARTICLE I PURCHASE AND SALE..... 2

Section 1.01 Purchase and Sale of Assets. 2

Section 1.02 Excluded Assets. 2

Section 1.03 Assumption of Liabilities. 2

Section 1.04 Purchase Price. 2

Section 1.05 Allocation of Purchase Price. 2

ARTICLE II CLOSING..... 3

Section 2.01 Closing. 3

Section 2.02 Closing Deliverables. 3

Section 2.03 Conditions Precedent to Seller’s Obligations. 3

Section 2.04 Conditions Precedent to Buyer’s Obligations..... 4

Section 2.05 Termination. 5

Section 2.06 Effect of Termination. 6

ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLERS 6

Section 3.01 Organization and Authority of Seller; Enforceability..... 6

Section 3.02 No Conflicts; Consents. 6

Section 3.03 Title to Purchased Assets..... 7

Section 3.04 Assigned Contracts. 7

Section 3.05 Permits..... 7

Section 3.06 Non-foreign Status. 7

Section 3.07 Legal Proceedings. 7

Section 3.08 Brokers. 7

Section 3.09 Transactions with Affiliates. 8

Section 3.10 Insurance. 8

Section 3.11 Real Property..... 8

Section 3.12 Employee Matters..... 9

Section 3.13 Full Disclosure. 9

Section 3.14 Purchase and Sale of Property.....	9
ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BUYER.....	9
Section 4.01 Organization and Authority of Buyer; Enforceability.....	9
Section 4.02 No Conflicts; Consents.....	10
Section 4.03 Legal Proceedings.....	10
Section 4.04 Brokers.....	10
Section 4.05 Terms of Sale; Investigation.....	10
ARTICLE V COVENANTS.....	11
Section 5.01 Bulk Sales Laws.....	11
Section 5.02 Transfer Taxes.....	11
Section 5.03 Further Assurances.....	11
Section 5.04 Conduct of Business.....	11
Section 5.05 Assigned Contracts; Cure of Defaults.....	11
ARTICLE VI. 12	
ARTICLE VII MISCELLANEOUS.....	12
Section 7.01 Expenses.....	12
Section 7.02 Notices.....	12
Section 7.03 Headings.....	13
Section 7.04 Severability.....	13
Section 7.05 Entire Agreement.....	13
Section 7.06 Successors and Assigns.....	14
Section 7.07 No Third-party Beneficiaries.....	14
Section 7.08 Amendment and Modification.....	14
Section 7.09 Waiver.....	14
Section 7.10 Governing Law.....	14
Section 7.11 Submission to Jurisdiction.....	14
Section 7.12 Waiver of Jury Trial.....	14
Section 7.13 Specific Performance.....	15
Section 7.14 Counterparts.....	15

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this “**Agreement**”), dated as of April [___], 2017, is entered into among Zweite Stufe, Inc., a Michigan corporation (“**Zweite Stufe**”), Wilise Corp., a Michigan corporation (“**Wilise**”), and Stonewall Road Automotive Group LLC, a Delaware limited liability company (“**Buyer**”). Each of Zweite Stufe and Wilise may be referred to herein as a “**Seller**,” and together, “**Sellers**.”

RECITALS

WHEREAS, Zweite Stufe owns and operates the automotive repair center located at G3345 S Dort Highway, Burton, Michigan 48529 (the “**Burton Shop**”), operating under the name Maaco Collision Repair & Auto Painting (the business of Zweite Stufe as it exists today, the “**Burton Shop Business**”);

WHEREAS, Wilise owns and operates the automotive repair center located at 1250 Cesar E Chavez, Pontiac, Michigan 48340 (the “**Pontiac Shop**,” and together with the Burton Shop, the “**Shops**”), operating under the name Maaco Collision Repair & Auto Painting (the business of Wilise as it exists today, the “**Pontiac Shop Business**”, and together with the Burton Shop Business, the “**Businesses**”);

WHEREAS, On September 21, 2016, Zweite Stufe and Wilise filed voluntary petitions in the Bankruptcy Court for the Eastern District of Michigan (the “**Bankruptcy Court**”) for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as amended (“**Case 16-53059**” and “**Case 16-53062**,” which have been consolidated for joint administration, the “**Bankruptcy Case**”);

WHEREAS, Sellers wish to sell and assign to Buyer, and Buyer wishes to purchase and assume from Sellers, pursuant to Sections 105, 363 and 365 of the Bankruptcy Code, the rights and obligations of Sellers to the Purchased Assets and the Assumed Liabilities, subject to the terms and conditions set forth herein; and

WHEREAS, in order to induce Buyer to enter in this Agreement and to consummate the transactions contemplated thereby, and to protect the goodwill in the Businesses and the valuable customer and employee relationships of the Businesses and Buyer, Sellers agree to be bound by the restrictive covenants set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
PURCHASE AND SALE

Section 1.01 Purchase and Sale of Assets. At the Closing (as defined below), and subject to the terms and conditions set forth herein, Sellers shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase from Sellers, all of Sellers' right, title and interest in the assets (the "**Purchased Assets**") set forth on **Section 1.01** of the disclosure schedules attached hereto ("**Disclosure Schedules**"), free and clear of any mortgage, pledge, lien, charge, right of possession, restriction, title retention, conditional sale, security interest, claim or other encumbrance of any nature whatsoever (each, an "**Encumbrance**").

Section 1.02 Excluded Assets. Notwithstanding the foregoing, the Purchased Assets shall not include the assets set forth on **Section 1.02** of the Disclosure Schedules (the "**Excluded Assets**").

Section 1.03 Assumption of Liabilities. Subject to the terms and conditions set forth herein, Buyer shall assume and agree to pay, perform and discharge only the liabilities and obligations set forth on **Section 1.03** of the Disclosure Schedules (collectively, the "**Assumed Liabilities**"). Other than the Assumed Liabilities, Buyer shall not assume any liabilities or obligations of Sellers of any kind, whether known or unknown, contingent, matured or otherwise, whether currently existing or hereinafter created (all such liabilities not assumed by Buyer, the "**Excluded Liabilities**").

Section 1.04 Purchase Price. The aggregate purchase price for the Purchased Assets shall be \$210,000 (the "**Purchase Price**"), plus the assumption of the Assumed Liabilities. Buyer shall pay the Purchase Price to Sellers at the Closing (as defined herein) in cash, by wire transfer of immediately available funds in accordance with the wire transfer instructions set forth in **Section 1.04** of the Disclosure Schedules.

Section 1.05 Allocation of Purchase Price. Sellers and Buyer agree to allocate the Purchase Price among the Purchased Assets for all purposes (including tax and financial accounting) in accordance with **Section 1.05** of the Disclosure Schedules, which methodology shall be applied by Buyer and be consistent with Section 1060 of the Internal Revenue Code and the Treasury Regulations promulgated thereunder. Buyer and Sellers shall file all tax returns (including amended returns and claims for refund) and information reports in a manner consistent with such allocation.

ARTICLE II CLOSING

Section 2.01 Closing. The closing of the transactions contemplated by this Agreement (the “**Closing**”) shall take place on the next day following the satisfaction or waiver of the conditions set forth in this Article II (the “**Closing Date**”) at the offices of Sheppard, Mullin, Richter & Hampton LLP at 12275 El Camino Real, Suite 200, San Diego, California 92130, or at such other date or location, as the parties mutually agree. The consummation of the transactions contemplated by this Agreement shall be deemed to occur at 12:01 a.m. on the Closing Date.

Section 2.02 Closing Deliverables.

(a) At the Closing, Sellers shall deliver to Buyer the following:

(i) a bill of sale in the form attached hereto as Exhibit A (the “**Bill of Sale**”) and duly executed by Sellers, transferring the Purchased Assets to Buyer;

(ii) the lease for the Burton Shop premises subject to the modifications identified on Exhibit B-1 (the “**Burton Lease**”), duly executed by Zweite Stufe and Chasins Property One, LLC;

(iii) the lease for the Pontiac Shop premises subject to the modifications identified on Exhibit B-2 (The “**Pontiac Lease**”), duly executed by Wilise and North Woodward Automobile Club, LLC;

(iv) copies of all consents, approvals, waivers and authorizations referred to in **Section 3.02** of the Disclosure Schedules;

(v) a certificate pursuant to Treasury Regulations Section 1.1445-2(b) that each Seller is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code, duly executed by Sellers in a form satisfactory to Buyer; and

(vi) such other customary instruments of transfer, assumption, filings or documents, in form and substance reasonably satisfactory to Buyer, as may be required to give effect to this Agreement.

(b) At the Closing, Buyer shall deliver to Sellers the following:

(i) the Purchase Price; and

(ii) such other customary instruments of transfer, assumption, filings or documents, in form and substance reasonably satisfactory to Buyer, as may be required to give effect to this Agreement.

Section 2.03 Conditions Precedent to Sellers’ Obligations.

(a) The obligation of Sellers to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or written waiver of each of the following conditions:

(i) Buyer shall have, or shall have caused to be, satisfied or complied with and performed in all material respects, all terms, covenants and conditions of this Agreement to be complied with or performed by Buyer; and

(ii) all of the representations and warranties made by Buyer in this Agreement shall have been true and correct in all material respects as of the date hereof, and shall be true and correct in all material respects as of the Closing with the same force and effect as if such representations and warranties had been made at and as of the Closing, except for changes permitted or contemplated by this Agreement.

Section 2.04 Conditions Precedent to Buyer's Obligations.

(a) The obligation of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or written waiver of each of the following conditions:

(i) Sellers shall have, or shall have caused to be, satisfied or complied with and performed in all material respects, all terms, covenants and conditions of this Agreement to be complied with or performed by Sellers;

(ii) The leases for the Leased Real Property, modified in accordance with the modifications identified on Exhibits B-1 and B-2 attached hereto, shall have been assigned to and assumed by Buyer pursuant to the Sale Order;

(iii) all of the representations and warranties made by Sellers in this Agreement shall have been true and correct in all material respects as of the date hereof, and shall be true and correct in all material respects as of the Closing with the same force and effect as if such representations and warranties had been made at and as of the Closing, except for changes permitted or contemplated by this Agreement; and

(iv) the Bankruptcy Court shall have entered a final and non-appealable order ("**Sale Order**") in the Bankruptcy Case, upon appropriate notice to the appropriate parties-in-interest entitled thereto, in form and substance satisfactory to Buyer, which, among other things: (i) provides that the Buyer is not a successor to either Seller or otherwise liable for any of the Liabilities of either Seller; (ii) approves the sale of the Purchased Assets to the Buyer on the terms and conditions set forth in this Agreement and authorizes Sellers to proceed with the transactions contemplated hereunder; (iii) states that any objections filed with respect to the sale of the Purchased Assets that have not been withdrawn are overruled or the interests of such objections have been otherwise satisfied or adequately provided for by the Bankruptcy Court; (iv) finds that the Purchase Price represents the highest and best offer received for the Purchased Assets; (v) finds that the sale is in the best interests of the Sellers' estates and creditors; (vi) finds that the Buyer is a good faith purchaser of the Purchased Assets under Section 363(m) of the Bankruptcy Code and that the provisions of Section 363(n) of the Bankruptcy Code have not been violated; (vii) provides that the sale of the Purchased Assets to the Buyer shall be free and clear of all liens, claims, interests and Encumbrances whatsoever under Section 363 of the Bankruptcy Code and any other applicable sections of the Bankruptcy Code to the fullest extent

permitted by the Bankruptcy Code, with the exceptions expressly stated herein; (viii) provides that the Bankruptcy Court shall retain jurisdiction, among other things, for the purpose of enforcing the provisions of the Sale Order including, without limitation, compelling delivery of the Purchased Assets to the Buyer and protecting the Buyer against any Encumbrances against the Sellers or the Purchased Assets; (ix) provides that the parties hereto shall be authorized to close this transaction immediately upon execution of the Sale Order pursuant to Rules 6004(g) and 6006(d) of the Federal Rules of Bankruptcy Procedure; and (x) authorizes the Sellers to execute, deliver, perform under, consummate and implement this Agreement, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the foregoing. To the extent that there is any inconsistency between this paragraph and the Sale Order, the Sale Order shall govern.

Section 2.05 Termination. This Agreement may be terminated at any time prior to the Closing as follows:

- (a) by the mutual written consent of Buyer and Sellers;
- (b) by Buyer upon written notice to Sellers if:
 - (i) there has been a failure to perform any covenant or agreement made by Sellers pursuant to this Agreement, or the failure of any Sellers representations and warranties to be true and correct, that would give rise to the failure of any of the conditions specified in Section 2.04 and such failure, if curable, has not been cured by Sellers within ten (10) business days of Sellers' receipt of written notice of such breach from Buyer; or
 - (ii) any of the conditions in Section 2.04 will not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by May 30, 2017, unless such failure will be due to the failure of Buyer to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing.
- (c) by Sellers upon written notice to Buyer if:
 - (i) there has been a failure to perform any covenant or agreement made by Buyer pursuant to this Agreement, or the failure of any Buyer representations and warranties to be true and correct, that would give rise to the failure of any of the conditions specified in Section 2.03 and such failure, if curable, has not been cured by Buyer within ten (10) business days of Buyer's receipt of written notice of such breach from Sellers; or
 - (ii) any of the conditions in Section 2.03 will not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by May 30, 2017, unless such failure will be due to the failure of Sellers to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing;
- (d) by either Buyer or Sellers if the Closing does not occur on or before May 30, 2017, for any reason other than: (i) in the case of termination by Buyer, Buyer's breach of, or failure to perform under, this Agreement; and (ii) in the case of termination by Sellers, Sellers' breach of, or failure to perform under, this Agreement.

Section 2.06 Effect of Termination. Any termination pursuant to Section 2.05 will be effected by written notice from the party so terminating to the other party, which notice will specify the Section hereof pursuant to which this Agreement is being terminated. In the event of termination of this Agreement as provided in Section 2.05, this Agreement will forthwith become void and there shall be no liability or obligation on the part of Buyer, Sellers, or their respective officers, managers, member, directors or shareholders, as applicable; *provided, however,* that each of Buyer, Sellers shall remain liable for any breaches of this Agreement prior to its termination; and provided, further, this Section 2.06, Article VII and any other provision expressly stated to survive termination shall remain in full force and effect and survive any termination of this Agreement.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLERS

Each Seller represents and warrants to Buyer that the statements contained in this Article III are true and correct as of the date hereof. For purposes of this Article III, "Seller's knowledge," "knowledge of Seller" and any similar phrases shall mean the actual or constructive knowledge of any director or officer of such Seller, after due inquiry.

Section 3.01 Organization and Authority of Seller; Enforceability. Seller is a corporation duly organized, validly existing and in good standing under the laws of the state of Michigan. Seller has full corporate power and authority to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder and to consummate the transactions contemplated hereby, subject to bankruptcy court approval of the Eastern District of Michigan,. The execution, delivery and performance by Seller of this Agreement and the documents to be delivered hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of Seller subject to bankruptcy court approval of the Eastern District of Michigan. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by Seller, and (assuming due authorization, execution and delivery by Buyer) this Agreement and the documents to be delivered hereunder constitute legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms subject to bankruptcy court approval of the Eastern District of Michigan.

Section 3.02 No Conflicts; Consents. Except as disclosed on **Section 3.02** of the Disclosure Schedules, the execution, delivery and performance by Seller of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby, do not and will not conflict with, or result in (with or without notice or lapse of time or both) any violation of, or default under, or give rise to a right of termination, acceleration or modification of any obligation or loss of any benefit under any contract or other instrument to which Seller is a party or to which any of the Purchased Assets are subject. No consent, approval, waiver or authorization is required to be obtained by Seller from any person

or entity (including any governmental authority) in connection with the execution, delivery and performance by Seller of this Agreement and the consummation of the transactions contemplated hereby.

Section 3.03 Title to Purchased Assets. Seller owns and has good title to the Purchased Assets,.

Section 3.04 Assigned Contracts/Leases. Section 3.04 of the Disclosure Schedules includes each contract and lease included in the Purchased Assets and being assigned to and assumed by Buyer (the “Assigned Contracts/Leases”). Each Assigned Contract/Lease is valid and binding on Seller in accordance with its terms and is in full force and effect. None of Seller or, to Seller’s knowledge, any other party thereto is in breach of or default under (or is alleged to be in breach of or default under), or has provided or received any notice of any intention to terminate, any Assigned Contract/Lease. No event or circumstance has occurred that, with or without notice or lapse of time or both, would constitute an event of default under any Assigned Contract/Lease or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of benefit thereunder. Complete and correct copies of each Assigned Contract/Lease have been made available to Buyer. There are no disputes pending or threatened under any Assigned Contract/Lease.

Section 3.05 Permits. Section 3.05 of the Disclosure Schedules lists all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances and similar rights obtained from governmental authorities necessary to run the Businesses as of the date hereof.

Section 3.06 Non-foreign Status. Seller is not a “foreign person” as that term is used in Treasury Regulations Section 1.1445-2.

Section 3.07 Legal Proceedings. There is no claim, action, suit, proceeding or governmental investigation (“Action”) of any nature pending or, to Seller’s knowledge, threatened against or by Seller (a) relating to or affecting the Purchased Assets or the Assumed Liabilities; or (b) that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

Section 3.08 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder’s or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Seller.

Section 3.09 Transactions with Affiliates. There are no existing or pending transactions, and there are no agreements or understandings, between Seller or any of the officers, directors or employees of Seller, or any entity in which any such party has an equity interest (an “**Affiliated Entity**”), or any person related to or affiliated with Seller or any officer, manager, director or employee of any Affiliated Entity.

Section 3.10 Insurance. Seller maintains insurance policies covering the Purchased Assets. Such policies are in full force and effect and all installments of premiums due thereon have been paid in full. Seller has complied with the requirements of such policies. There are no notices of pending or threatened termination or premium increases with respect to any such policies. There has been no casualty or loss or occurrence which may give rise to any claim of any kind not covered by insurance and Seller is not aware of any casualty occurrence which may give rise to any claim of any kind not covered by insurance. No third party has filed any claim against Seller for personal injury or property damage of any kind.

Section 3.11 Real Property.

(a) Seller does not own, and has never owned, any real property.

(b) Zweite Stufe has a valid leasehold interest in the property located at the Burton Shop and Wilise has a valid leasehold interest in the property located at the Pontiac Shop (together, the “**Leased Real Property**”), free and clear of all Encumbrances.

(c) With respect to each existing lease for the Leased Real Property: (i) such lease is in full force and effect and there are no written or oral promises, agreements, undertakings, or other commitments between Seller and the lessor thereunder, (ii) no default or event of default by Seller or, to Seller’s knowledge, any lessor exists under the lease, (iii) no party to such lease has given notice of default or termination, and (iv) no condition exists with respect to such lease which, with the passage of time or giving of notice, or both, could result in a default or event of default under such lease or termination thereunder.

(d) Seller has made no assignment, sublease, transfer or other encumbrance of the lease for the Leased Real Property and Seller has the exclusive, unencumbered right to use and enjoy the Leased Real Property. Neither the transactions contemplated by this Agreement, nor the use and enjoyment of the Leased Real Property, shall violate the terms of the lease for the Leased Real Property or infringe or conflict in any way with the rights of any person, firm, association, corporation or other entity in any material manner.

(e) No portion of the Leased Real Property, or any building or improvement located thereon, violates any Law, including those Laws relating to zoning, building, land use, environmental, health and safety, fire, air, sanitation and noise control. To Seller’s knowledge, the Leased Real Property is not subject to (i) any decree or order of any governmental entity (or, to Seller’s knowledge, threatened or proposed order), or (ii) any rights of way, building use restrictions, exceptions, variances, reservations or limitations of any nature whatsoever.

Section 3.12 Employee Matters.

(a) Seller is not party to or bound by any collective bargaining agreement with any labor organizations, has not experienced any strike, grievance, unfair labor practice claim, or other employee or labor dispute, and has not engaged in any unfair labor practice. To Seller's knowledge, there is no organizational effort presently being made or threatened by or on behalf of any labor union with respect to any employees. Seller acknowledges and agrees that Buyer may extend offers of employment to any and all of Seller's past or present employees, but shall have no obligation to do so.

Section 3.13 Full Disclosure. No representation or warranty by Sellers in this Agreement and no statement contained in the Disclosure Schedules to this Agreement or any certificate or other document furnished or to be furnished to Buyer pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

Section 3.14 Purchase and Sale of Property. Subject to the terms and conditions of this Agreement, including, without limitation, approval of the Bankruptcy Court through the entry of the approval order, Seller hereby agrees to sell, transfer, assign, convey and deliver to Buyer, free and clear of any and all liens, claims, encumbrances, and interests of any kind pursuant to Section 363(b), (f) and (m) of the Bankruptcy Code, and Buyer agrees to purchase and acquire from Seller, all of Seller's right, title and interest in and to the following (collectively, the "Assets"), AS-IS, WHERE IS, without any representation or warranty, express or implied, that are located at, used or required in connection with or related in any way to, the Businesses.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Sellers that the statements contained in this **Article IV** are true and correct as of the date hereof. For purposes of this **Article IV**, "Buyer's knowledge," "knowledge of Buyer" and any similar phrases shall mean the actual or constructive knowledge of any director or officer of Buyer, after due inquiry.

Section 4.01 Organization and Authority of Buyer; Enforceability. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the state of Delaware. Buyer has full power and authority to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by Buyer of this Agreement and the documents to be delivered hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action on the part of

Buyer. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by Buyer, and (assuming due authorization, execution and delivery by Seller) this Agreement and the documents to be delivered hereunder constitute legal, valid and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms.

Section 4.02 No Conflicts; Consents. The execution, delivery and performance by Buyer of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby, do not and will not: (a) violate or conflict with the certificate of formation, operating agreement or other organizational documents of Buyer; or (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Buyer. No consent, approval, waiver or authorization is required to be obtained by Buyer from any person or entity (including any governmental authority) in connection with the execution, delivery and performance by Buyer of this Agreement and the consummation of the transactions contemplated hereby.

Section 4.03 Legal Proceedings. There is no Action of any nature pending or, to Buyer's knowledge, threatened against or by Buyer that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

Section 4.04 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Buyer.

Section 4.05 Terms of Sale; Investigation. Buyer has made such investigation as it has deemed appropriate in connection with the decision to enter into this Agreement. Buyer has had the opportunity to inspect the tangible Purchased Assets and the Shops and visit with Sellers' representatives to discuss the Businesses. Buyer is relying on the results of such investigations and the advice of its own advisors and has not relied upon any statement or representation made by Sellers or any director, officer, employee, agent, attorney, accountant, or affiliate of the Sellers, other than the covenants, representations and warranties of Sellers set forth in this Agreement. Sellers make no representations or warranties, express or implied, of any kind concerning the past, present or future profitability or viability of the Shops or the Businesses, except as expressly set forth in this Agreement and other agreements contemplated hereby. Buyer acknowledges that EXCEPT AS OTHERWISE SPECIFICALLY SET FORTH IN THIS AGREEMENT AND OTHER AGREEMENTS CONTEMPLATED HEREBY, BUYER WILL ACCEPT THE PURCHASED ASSETS AT THE CLOSING "AS-IS, WHERE-IS" AND "WITH ALL FAULTS" WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED.

**ARTICLE V
COVENANTS**

Section 5.01 Bulk Sales Laws. The parties hereby waive compliance with the provisions of any bulk sales, bulk transfer or similar laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Purchased Assets to Buyer.

Section 5.02 Transfer Taxes. All transfer, documentary, sales, use, stamp, registration, value added and other such taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the documents to be delivered hereunder shall be borne and paid by Sellers when due. Each Seller shall, at its own expense, timely file any tax return or other document with respect to such taxes or fees (and Buyer shall cooperate with respect thereto as necessary).

Section 5.03 Further Assurances. Following the Closing, each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the documents to be delivered hereunder.

Section 5.04 Conduct of Business. From the date hereof until the Closing Date, each Seller shall:

- (a) conduct its business in substantially the manner as it has been regularly conducted; and
- (b) use commercially reasonable efforts to maintain its business, employees, customers, assets, suppliers, and operations as an ongoing business in accordance with past customer and practice.

Section 5.05 Assigned Contracts/Leases; Cure of Defaults. The Sellers shall promptly, on or prior to, or immediately after the Closing Date, cure any and all defaults and breaches and satisfy any liability or obligation arising from or relating to pre-Closing periods under the Assigned Contract/Leases so that such Assigned Contract/Leases may be assigned by the Sellers to the Buyer in accordance with the provisions of Section 365 of the Bankruptcy Code, the Sale Order, any other orders of the Bankruptcy Court effectuating such assignments, and this Agreement. Prior to Closing, the Sellers shall not reject under Section 365 of the Bankruptcy Code, waive or release any of its rights under, amend or otherwise modify any of the Assigned Contract/Leases without the prior written consent of the Buyer. The Sellers shall obtain an order or orders (which may include the Sale Order) in a form reasonably satisfactory to the Buyer, among other things (i) approving the assumption and assignment of the Assigned Contract/Leases to the Buyer pursuant to, and subject to the provisions of, Section 365 of the Bankruptcy Code, (ii) providing that all defaults of the Sellers under the Assigned

Contract/Leases arising or accruing prior to the date of the Closing (without giving effect to any acceleration clauses or any default provisions in such contracts of a kind specified in Section 365(b)(2) of the Bankruptcy Code) have been cured or will be promptly cured by Sellers so that the Buyer shall have no liability or obligation with respect to any default or obligation arising or accruing prior to the date of the Closing or in respect of any cure obligations, and (iii) in the absence of an objection that is sustained by the Bankruptcy Court, providing that the Assigned Contract/Leases shall be transferred to, and remain in full force and effect for the benefit of, the Buyer, notwithstanding any provision in any such Assigned Contract/Lease or in applicable law (including those described in Sections 365(b)(2) and (f) of the Bankruptcy Code) that prohibits, restricts, or limits in any way such assignment or transfer. To the extent Sellers cure any defaults and breaches, such cures shall not impact the Purchase Price.

Section 5.06 Employee. While this Agreement does not obligate Buyer to hire any of the Sellers' employees, Buyer reserves the right to extend offers of employment to any of Sellers' employees.

ARTICLE VI.

ARTICLE VII MISCELLANEOUS

Section 7.01 Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

Section 7.02 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this **Section 7.02**):

If to Sellers and Owner: Teresa Gassenfeit
 1266 Yorkshire Rd.
 Grosse Pointe, MI 48230
 Telephone: []
 E-mail: []

with a copy to: Stevenson & Bullock, P.L.C.
Attention: Ernest M. Hassan III, Esq.
26100 American Drive, Suite 500
Southfield, MI 48034
Telephone: (248) 354-7906 ext. 2229
E-mail: ehassan@sbplclaw.com

If to Buyer: Stonewall Road Automotive Group LLC
c/o Meadow Road Franchise Partners, LLC
Attention: Nick Rhoads
Telephone: (646) 218-9874
E-mail: nick@meadowroadpartners.com
Facsimile: (212) 257-6441

with a copy to: Sheppard, Mullin, Richter & Hampton LLP
Attention: Andrew Felner, Esq.
30 Rockefeller Plaza
New York, NY 10112
Telephone: (212) 653-8481
E-mail: afelner@sheppardmullin.com
Facsimile: (212) 655-1718

Section 7.03 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 7.04 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

Section 7.05 Entire Agreement. This Agreement and the documents to be delivered hereunder constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and the documents to be delivered hereunder, the Exhibits and Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

Section 7.06 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party; provided, however, Buyer may assign its rights or obligations hereunder to any of its subsidiaries, affiliates or successors without the consent of any other party hereto. No assignment shall relieve the assigning party of any of its obligations hereunder. .

Section 7.07 No Third-party Beneficiaries. Except as provided in Article VI, this Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 7.08 Amendment and Modification. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto.

Section 7.09 Waiver. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 7.10 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the Eastern District of Michigan Bankruptcy Court and Title 11 of the United States Code without giving effect to any choice or conflict of law provision or rule (whether of the State of Michigan or any other jurisdiction).

Section 7.11 Submission to Jurisdiction. Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in the Bankruptcy Court, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

Section 7.12 Waiver of Jury Trial. Each party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby.

Section 7.13 Specific Performance. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

Section 7.14 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

Zweite Stufe, Inc.,
a Michigan corporation

By _____
Name:
Title:

Wilise Corp.,
a Michigan corporation

By _____
Name:
Title:

Name: Teresa Gassenfeit

Stonewall Road Automotive Group LLC,
a Delaware limited liability company

By _____
Name:
Title:

Disclosure Schedules

Section 1.01

Purchased Assets

1. Those assets identified on Exhibit C;
2. All machinery, equipment, tools, furniture, office equipment, computer hardware, supplies, materials, vehicles and other items of tangible personal property (other than Inventories) of every kind owned, leased, used or held for use by Sellers in connection with the Businesses (wherever located and whether or not carried on Sellers' books), together with any express or implied warranty by the manufacturers or sellers or lessors of any item or component part thereof and all maintenance records and other documents relating thereto ("**Tangible Personal Property**");
3. all inventories of Sellers, wherever located, which are used, or held for use, in connection with the operation of the Businesses, including all finished goods, work in process, raw materials, spare parts and all other materials and supplies to be used or consumed by Sellers in the Businesses, including any of the foregoing held in consignment, bailment or other similar arrangement by any third party ("**Inventories**");
4. all rights of Sellers under the contracts identified on Section 3.04 of the Disclosure Schedules ("**Assigned Contracts/Leases**");
5. all transferrable governmental authorizations or permits held for use in or that relate to the operation of the Businesses and all pending applications therefor or renewals thereof ("**Permits**");
6. all fixtures and improvements to the Leased Real Property ("**Fixtures**");
7. all telephone and facsimile numbers and listings used by Sellers in the Businesses;
8. all security, utility and other deposits made by or on behalf of Sellers including all rights to recovery or refund of such amounts;
9. all customer lists and customer management systems;
10. all data and records related to or reflecting the operations of the Businesses, including client, supplier and customer lists and records, purchasing, pricing and billing records, insurer lists and records, referral sources, research and development reports and records, production reports and records, service and warranty records, equipment logs, operating guides and manuals, financial and accounting records, creative materials, advertising materials, promotional materials, studies, reports, correspondence and other similar

documents and records and, subject to legal restrictions, copies of all personnel records within the Sellers' possession, custody and control ("**Books and Records**"); provided, however, Sellers shall have the right to make copies of any Books and Records, at Sellers' own expense, in order for Sellers to satisfy their obligations under applicable bankruptcy law, and Buyer shall provide reasonable access to Sellers to make such copies; and

11. all accounts receivable held or received by Sellers relating to goods sold or services performed prior to the Closing.

Section 1.02

Excluded Assets

1. Sellers' assets that are not used in the Businesses, including, but not limited to, assets related to Sellers' shops in Rochester Hills and Romulus, Michigan;
2. Zweite Stufe's equity interests in Wilise;
3. All financial information, corporate minute books, corporate seals, stock books, charter document and other corporate books and records pertaining to the existence and organization of the Sellers;
4. Cash;
5. Pre-paid expenses, deposits (including utility deposits) and rebates, refunds, returns or similar payments attributable to, or based upon the period through the Closing Date, or any claims for such rebates, refunds or similar payments (collectively, the "**Prepaid Expenses and Rebates**");
6. All bank and investment accounts maintained by or for any Seller;
7. All rights of each Seller in, to and under any and all contracts or agreements of any nature for which the obligations of the Seller party thereto are not expressly assumed by the Buyer pursuant to the Assignment and Assumption Agreement, or that by their terms are nontransferable or not assignable, or for which Seller has elected not to obtain a consent or approval, in its sole and reasonable discretion, so long as the transactions contemplated hereby are capable of being consummated notwithstanding such election;
8. All claims, rights, proceeds or recoveries arising out of any actual, pending, threatened or potential litigation or cause of action to which any Seller is, or may in the future be, a party;
9. All rights, claims, refunds, adjustments, recoveries, payments from, and/or proceeds of any insurance policies to the extent they relate to Excluded Assets;
10. All preference or avoidance claims and actions of Seller or Debtors, and all defenses to claims asserted against the Debtors, including, without limitation, any such claims, actions and defenses arising under Sections 502, 510, 544, 545, 547, 548, 549, 550 and/or 553(b) of the Bankruptcy Code;
11. Any rights to refunds for taxes and assessments, of any kind whatsoever, paid on or with respect to any Excluded Assets;

12. Any and all claims, credits, refunds, abatements, allocations, causes of action, claims for relief, choses in action, rights of recovery, rights of set-off, rights of indemnity, contribution or recoupment, counter-claims, cross-claims and defenses of Sellers to the extent related to any Excluded Assets or attributable to any period prior to the Closing Date; and all rights of Sellers under this Agreement and all other agreement entered into pursuant to, and instruments executed in connection with, this Agreement or the transaction contemplated hereby.
13. Sellers' rights under this Agreement and the other agreements, certificates and instruments to be executed by Sellers in connection with or pursuant to this Agreement.
14. Audi 2011 A3.

Section 1.03

Assumed Liabilities

1. All obligations under the Assigned Contracts/Leases, but only to the extent that such obligations arise from and after the Closing Date and do not relate to any breach, default or violation of Sellers on or prior to the Closing.

Section 1.04

Wire Transfer Instructions

Bank: [_____]

Routing#: [_____]

Account#: [_____]

Beneficiary's Name: [_____]

Beneficiary's Address: [_____]

Reference: [_____]

Section 1.05

Purchase Price Allocation

The consideration for the Assets as determined for federal income tax purposes pursuant to Treasury Regulation 1.1060-1(c) (the “Tax Purchase Price”) shall be allocated as provided in Treasury Regulations Sections 1.1060-1(c) and this Schedule 1.05 (“Allocation Schedule”). References in this Allocation Schedule to a “Class” of Assets refers to the designated “Class” as defined in Treasury Regulations Section 1.338-6(b)(2). Any agreement of Buyer and Sellers required under this Allocation Schedule shall not be unreasonably withheld or delayed. Buyer and Sellers shall execute and file all Tax Returns in a manner consistent with the allocations determined pursuant to this Allocation Schedule and shall not take any position before any governmental authority or in any judicial proceeding that is inconsistent with such allocation, except (i) pursuant to a final “determination” (as defined in Section 1313(a) of the Code) or (ii) in accordance with a written opinion of legal counsel to the effect that failing to take such inconsistent position would subject Buyer or Sellers, as the case may be, to Tax penalties. Buyer and Sellers shall timely file Forms 8594 with the IRS in accordance with the requirements of Section 1060 of the Code and that are prepared consistent with the allocations determined pursuant to this Allocation Schedule. Any redetermination of the Tax Purchase Price within the meaning of Treasury Regulations Section 1.338-7 shall be made as required thereby and shall be taken into account by Buyer and Sellers in carrying out the provisions of this Allocation Schedule and the preparation and filing of Internal Revenue Service Forms 8594 and corresponding state and local Tax Returns. In the event that the allocation of the Tax Purchase Price has not been fully determined in accordance with this Allocation Schedule by the time the income Tax Returns of Buyer or Sellers are required to be filed (taking available extensions of time into account), then to the extent not so determined, Buyer and Sellers shall each file its Tax Returns based on its good faith determination; and if the final determination of the allocation pursuant to Allocation Schedule varies from the manner in which Buyer or Sellers prepared such Tax Returns, then it shall file an amendment of such Tax Returns in order to make the Tax Return as so filed consistent with the allocation of the Tax Purchase Price as finally determined pursuant to this Allocation Schedule.

(a) *Allocation Among Classes of Assets.* The Tax Purchase Price shall be allocated to Class I Assets (cash and certain cash equivalents) to the extent thereof and thereafter Tax Purchase Price first shall be allocated as follows:

(1) First, Tax Purchase Price shall be allocated to any Assets that are Class II assets (*i.e.*, actively traded personal property within the meaning of Code Section 1092(d)(1) and Treasury Regulations Section 1.1092(d)-1, determined without regard to Code Section 1092(d)(3), and certificates of deposit and foreign currency even if they are not such actively traded personal property) in proportion to and to the extent of their fair market values as of the Closing Date, which Buyer and Sellers agree shall be the face amounts of any certificates of deposit, the exchange rate for foreign currency as reported in the *Wall Street Journal*, and

the closing prices for other Class II Assets on such exchange or trading system as determined in accordance with paragraph (b) of this Allocation Schedule;

(2) Second, any remaining Tax Purchase Price shall be allocated to Assets that are Class III assets (*i.e.*, accounts receivable) in proportion to and to the extent of their fair market values as of the Closing Date, which shall be treated as the face amounts thereof, less any reserves for noncollectibility;

(3) Third, any remaining Tax Purchase Price shall be allocated in proportion to and to the extent of their fair market values as of the Closing Date to Assets that are Class IV assets (*i.e.*, stock in trade of Sellers or other property of a kind that would properly be included in the inventory of Sellers if on hand at the close of its taxable year, or property held by Sellers primarily for sale to customers in the ordinary course of its trade or business), as determined pursuant to a methodology permitted under Internal Revenue Service Revenue Procedure 77-12, 1977-1 CB 569 and selected by Buyer and otherwise determined pursuant to paragraph (b) of this Allocation Schedule;

(4) Fourth, any remaining Tax Purchase Price shall be allocated to Assets that are Class V assets (all assets other than Class I, II, III, IV, VI, and VII assets) in proportion to and to the extent of their fair market values as of the Closing Date as determined pursuant to paragraph (b) of this Allocation Schedule;

(5) Fifth, any remaining Tax Purchase Price shall be allocated to Assets that are Class VI assets (section 197 intangibles, as defined in Code Section 197, except goodwill and going concern value) in proportion to and to the extent of their fair market values as of the Closing Date as determined pursuant to paragraph (b) of this Allocation Schedule; and

(6) Finally, any remaining Tax Purchase Price shall be allocated to Class VII assets (*i.e.*, goodwill and going concern value).

No later than 90 days after the final determination of the Purchase Price, Buyer shall give written notice to Sellers of Buyer's determination of (i) the exchange(s) or trading system(s) to be used for the valuation of any Class II Assets that are actively traded personal property, (ii) the methodology to be used for valuation of Class IV assets and the fair market values as of the Closing Date for all Assets that are Class IV assets, Class V assets or Class VI assets and for which a specific agreed fair market value is not set forth in paragraph (a) of this Allocation Schedule, and (iii) the allocation of the Tax Purchase Price based on the foregoing. Buyer's determination of such matters shall be binding on Buyer, Sellers and Owner for purposes of the application of this Allocation Schedule, and the Tax Purchase Price shall be allocated as provided in such notice so given by Buyer.

Section 3.02

Consents

1. Approval will be required from the Bankruptcy Court in accordance with Sections 2.04(iii) and 5.09 of the Agreement.

Section 3.04

Assigned Contracts/Leases

1. The Burton Lease.
2. The Pontiac Lease.

Section 3.05

Permits

1. [SMRH Note: Sellers to list]

Section 3.07

Legal Proceedings

1. Zweite Stufe is a debtor in the United States Bankruptcy Court, Eastern District of Michigan, case number 16-53059.
2. Wilise is a debtor in the United States Bankruptcy Court, Eastern District of Michigan, case number 16-53062.

Exhibit A

Bill of Sale

Exhibit B-1

Modifications to Burton Lease

1. The Burton Lease shall be modified such that Buyer will not be liable for any obligations to be performed and fulfilled by tenant under the Burton Lease accruing prior to the effective date of the Sale Order; provided, however, Buyer shall pay to landlord \$_____ as payment for rent that was outstanding prior to the effective date of the Sale Order.

Exhibit B-2

Modifications to Pontiac Lease

1. The Pontiac Lease shall be modified such that Buyer will not be liable for any obligations to be performed and fulfilled by tenant under the Pontiac Lease accruing prior to the effective date of the Sale Order; provided, however, Buyer shall pay to landlord \$_____ as payment for rent that was outstanding prior to the effective date of the Sale Order.

Exhibit C

List of Assets

[Please see attached]

EXHIBIT 6-2

LEASES

G3345 S Dort Highway, Burton, Michigan
1250 Cesar E Chavez, Pontiac, Michigan