

STATE OF WISCONSIN
CIRCUIT COURT
MILWAUKEE COUNTY
BRANCH 11

IN RE:

UMS HOLDINGS, LLC
SCHULZ'S RECYCLING, INC.
UMS TRUCKING, LLC
UNITED MFR, LLC
UNITED MILWAUKEE SCRAP, LLC
UNITED MILWAUKEE SCRAP INTERNATIONAL SALES CORP.

Case No. 19 CV 8498
Case Code: 30304
Other Debtor Actions

RECEIVER'S NOTICE OF MOTION AND MOTION FOR (A) ENTRY OF AN ORDER APPROVING AUCTION TERMS AND PROCEDURES, SCHEDULING A SALE HEARING AND APPROVING BREAK-UP FEE, (B) AN ORDER AUTHORIZING SALE ASSETS TO WINNING BIDDER FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES, DEEMING SALE TO THE WINNING BIDDER TO BE A LIQUIDATOR'S SALE OF ASSETS PURSUANT TO WIS. STATS. §128.25(6)(C) AND AUTHORIZING THE DISTRIBUTION OF SALE PROCEEDS, AND (C) RELATED RELIEF

Rebecca R. DeMarb, as the assignee and the proposed Wis. Stats. Chapter 128 Receiver (the "Receiver") of United Milwaukee Scrap, LLC, a Wisconsin limited liability company, UMS Trucking, LLC, a Wisconsin limited liability company, United MFR, LLC, a Wisconsin limited liability company, and Schulz's Recycling, Inc. (each a "Company" and collectively, the "Companies") gives notice that she will move and does hereby move requesting (i) the entry of an order approving the Auction Procedures (as defined below) and the Break-Up Fee (as defined below), scheduling a sale hearing and setting objection deadlines for the foregoing, (ii) the

entry of an order authorizing the sale of substantially all of the Receiver's assets to the Winning Bidder (as defined below), free and clear of all liens, claims and encumbrances and deeming such sale to be a liquidators' sale of assets pursuant to §128.25(6)(c) and (iii) such other and further relief as the Court deems just and proper. In support of her Motion, the proposed Receiver states as follows:

BACKGROUND

1. On November 5, 2019, the Companies, along with UMS Holdings, LLC and United Milwaukee Scrap International Sales Corp., issued an Assignment for the Benefit of Creditors to the Receiver. That same day, the Receiver filed the voluntary assignments for the benefit of creditors with the Milwaukee County Circuit Court (the "Court") pursuant to Chapter 128 of the Wisconsin Statutes as a single case to be jointly administered (collectively, the "Chapter 128 Proceedings"). On the same date, the Receiver filed the Petition to Appoint Receiver and a proposed Order Appointing Receiver.

2. The Companies are engaged in the business of buying, processing and selling scrap metals generated from industry, obsolete materials, plant demolitions, construction and other sources. The Companies operate several facilities in Milwaukee, as well as one in Merrill, Wisconsin and one in Burnsville, Minnesota (the "Minnesota Location"). The Companies employ a total of approximately 116 employees at the Companies' various locations.

3. Each Company's property has been transferred to the Receiver by operation of law pursuant to Wis. Stats. § 128.19(1) (collectively, the "Receiver Assets"). The Receiver Assets consist primarily of equipment, scrap inventory, spare and repair parts and accounts receivable, along with various causes of action including avoidance actions. The Companies do not own any real estate.

Marketing Process for Sale of the Receiver Assets

4. On March 19, 2019, the Companies retained Livingstone Partners LLC ("Livingstone"), a Chicago-based investment banking firm, to assist the Companies in selling their assets to a third-party purchaser.

5. Shortly following its engagement by the Companies, Livingstone implemented a process to market the assets for sale. In connection with that process, Livingstone prepared a confidential information presentation (the "CIP") for the sale and set-up a proprietary data room (the "Data Room") containing information about the Companies and their respective assets to facilitate due diligence by potential buyers.

6. In connection with its marketing efforts, Livingstone sent a one-page executive summary document regarding the potential acquisition opportunity to approximately 130 potential buyers, which resulted in 66 potential buyers executing confidentiality agreements. Those potential buyers that executed confidentiality agreements were provided with the CIP and approximately 15 of those interested buyers (those that specifically expressed interest in receiving further information)

were provided access to the Data Room. The above-described efforts by Livingstone resulted in the receipt of four indications of interest (each, an "IOI") from potential buyers. Livingstone arranged plant tours and management meetings for each potential buyer that submitted an IOI.

7. Livingstone's efforts in marketing the assets of the Companies resulted in the execution of a Purchase Agreement dated November 5, 2019 (the "Stalking Horse Purchase Agreement") between the Receiver and Alter Trading Corporation (the "Stalking Horse Bidder"), a copy of which Purchase Agreement is attached hereto as Exhibit A.

8. Pursuant to the Stalking Horse Purchase Agreement, the Stalking Horse Bidder has agreed to purchase certain of the Receiver Assets (as more particularly described below).

9. The Stalking Horse Purchase Agreement is subject to the solicitation of higher and better bids by the Receiver in accordance with the Auction Terms and Procedures attached hereto as Exhibit B (the "Auction Procedures").

10. The following is a brief summary of the primary terms of the Stalking Horse Purchase Agreement. It is not intended to be a comprehensive discussion of all of the provisions of the Stalking Horse Purchase Agreement and is qualified in all respects by the terms of the Stalking Horse Purchase Agreement itself. For a complete recital of all of the terms and conditions of such agreement, please consult the Stalking Horse Purchase Agreement. In the event of a discrepancy between the

following summary and the terms of the Stalking Horse Purchase Agreement the terms of the Stalking Horse Purchase Agreement shall control.

(a) Stalking Horse Assets. The assets to be purchased by the Stalking Horse Bidder pursuant to the Stalking Horse Purchase Agreement consist of the following (collectively, the "Stalking Horse Assets"): (i) all machinery and equipment, trailers, vehicles, rolling stock, containers, fixtures, scales, handling equipment, tools, furniture, furnishings, supplies, repair and spare parts and other items of tangible personal property (collectively, "Fixed Assets"); (ii) all inventory of scrap material that is held for use, sale, resale, further processing or delivery (collectively, "Inventory"); (iii) certain claims that are described on Schedule 2.1(c) to the Stalking Horse Purchase Agreement and arise solely from or relate solely to any of the other Stalking Horse Assets; and (iv) certain contracts that are listed on Schedule 2.1(d) to the Stalking Horse Purchase Agreement. Subject to the terms and conditions set forth herein, the Stalking Horse Assets will be transferred to the Stalking Horse Bidder free and clear of all liens, claims and encumbrances pursuant to an order entered in this Court approving the sale (the "Sale Approval Order").

(b) Purchase Price. The proposed purchase price consists of the sum of the following: (i) 80% of the appraised gross orderly liquidation value, as set forth in that certain United Milwaukee Scrap LLC Valuation and Review, dated October 9, 2019 with an effective date of June 25, 2019, issued to the Stalking Horse Bidder by Gordon Brothers LLP (the "Fixed Asset Appraisal"), of all Fixed Assets

verified by the Stalking Horse Bidder prior to closing; (ii) 70% of the appraised gross orderly liquidation value, as set forth in the Fixed Asset Appraisal, of all Fixed Assets that are not verified by the Stalking Horse Bidder prior to closing; and (iii) the fair market value of the Inventory as of the closing, as determined by a physical count and valuation procedure customary in the scrap industry and mutually agreed to by the Receiver and the Stalking Horse Bidder. The purchase price is subject to a holdback equal to 70% of the gross orderly liquidation value of the unverified Fixed Assets which holdback, in any event, will not exceed \$1.825 million, with the purchase price to be reduced for any Fixed Assets that are not verified within 120 days after closing through the return of funds to the Stalking Horse Bidder from such holdback.

(c) Estimated Value of Purchase Price. Based upon non-public information available to it, including the fixed asset appraisal referenced in the Stalking Horse Purchase Agreement, Livingstone estimates that the purchase price set forth in Stalking Horse Purchase Agreement has a value to the receivership estate of approximately \$6,105,805 plus the value of the Inventory at Closing. (the "Estimated Stalking Horse Purchase Price").

(d) Deposit. The Stalking Horse Bidder has submitted to the Receiver a deposit in the amount of \$500,000 (the "SHB Deposit"), to be credited to the purchase price at closing.

(e) Liabilities. Other than for (i) obligations arising after closing under contracts assumed by the Stalking Horse Bidder (if any), (ii) obligations under the transition services agreement contemplated by the Stalking Horse Purchase Agreement, (iii) payment of any access payments, consistent with Section 6.5 of the Stalking Horse Purchase Agreement, and (iv) the obligation to use commercially reasonable efforts to retain employees of the Companies, as more specifically set forth in the Stalking Horse Purchase Agreement, the Stalking Horse Bidder does not assume any debts, liabilities, or obligations of the Receiver or the Companies.

(f) Break-Up Fee. If all or substantially all of the Stalking Horse Assets are sold to any third party (other than the Stalking Horse Bidder), the Receiver will pay to the Stalking Horse Bidder cash or other immediately available funds in an amount equal to \$750,000 (the "Break-Up Fee") and will return the SHB Deposit to the Stalking Horse Bidder.

(g) Conditions to Closing. In addition to certain other conditions set forth in the Stalking Horse Purchase Agreement, the closing of the transactions contemplated by the Stalking Horse Purchase Agreement is subject to Court approval and, if the Auction is held, the Stalking Horse Bidder being the Winning Bidder (as defined below) at the Auction.

RELIEF REQUESTED

Approval of Auctions Terms and Procedures

11. In attempt to maximize the value of the Receiver Assets for the benefit of the creditors of the Companies (collectively, "Creditors"), the Receiver is seeking approval of the Auction Procedures, which will give the Receiver the opportunity to solicit higher and better bids for the Stalking Horse Assets and the other Auction Assets (as defined below) and conduct the Auction (as defined below), while maintaining the ability to sell the Stalking Horse Assets pursuant to the Stalking Horse Purchase Agreement in the event no other Qualified Bids (as defined in the Auction Procedures) are received.

12. The following is a summary of the primary terms of the Auction Procedures. This summary is not intended to be a complete discussion of all of the provisions of the Auction Procedures and is qualified in all respects by the terms of the Auction Procedures. For a complete recital of all of the terms and conditions of the Auction Procedures, parties are encouraged to consult the Auction Procedures.

(a) Auction Assets. All of the Receiver Assets, other than certain excluded assets will be offered for sale at the Auction, including, but not limited to, the Stalking Horse Assets. A list of the Receiver Assets excluded from the Auction is included in the Auction Procedures. The assets to be offered for sale at the Auction are hereinafter referred to as the "Auction Assets."

(b) “As Is, Where Is” Sale. The Auction Assets will be sold on an “AS IS, WHERE IS” basis with all defects and faults, without any representations or warranties of any kind or nature.

(c) Due Diligence. Interested parties that have executed a form of confidentiality agreement acceptable to the Receiver will have an opportunity to conduct due diligence, which shall be coordinated by Livingstone.

(d) Qualified Bidders. Only "Qualified Bidders" (as defined in the Auction Procedures) may bid at the Auction. To become a Qualified Bidder, an interested party must submit to Livingstone, no later than 4:00 p.m. (Central Time) on November 29, 2019 (the "Bid Deadline"), a bid that meets the requirements for a "Qualified Bid" set forth in the Auction Procedures. The Receiver shall not consider any bids received after the Bid Deadline. The Stalking Horse Bidder is deemed to be a Qualified Bidder. For purposes of determining whether a bid meets the requirements for a "Qualified Bid," the purchase price under the Stalking Horse Purchase Agreement will be deemed to equal the Estimated Stalking Horse Purchase Price. Accordingly, all Qualified Bids must be equal to or greater than the Estimated Stalking Horse Purchase Price plus the Break-Up Fee plus the required initial overbid of \$250,000.

(e) Designation of Qualified Bidders. The Receiver shall designate Qualified Bidders by 4:00 p.m. (Central Time) on the first business day following Bid Deadline.

(f) Sale to Stalking Horse Bidder. If no Qualified Bids are submitted (other than that submitted by the Stalking Horse Bidder), the Receiver shall report the same to the Court, cancel the Auction, declare the Stalking Horse Bidder the Winning Bidder and proceed to seek Court approval of the Stalking Horse Purchase Agreement and the transactions contemplated thereby.

(g) Auction. If one or more Qualified Bids are received (in addition to that submitted by the Stalking Horse Bidder), the Auction will be conducted in accordance with the Auction Procedures.

(h) Winning Bidder and Back-Up Bidder. Upon the conclusion of the bidding at Auction, the Receiver shall accept or reject the highest or otherwise best bid for the Stalking Horse Assets (which bid may include former assets of the Companies held by the Receiver in Wisconsin that are not part of the Stalking Horse Assets). If the Receiver accepts such highest or otherwise best bid for the Stalking Horse Assets (and any other assets, if applicable), that bid shall be deemed the "Winning Bid" and the Qualified Bidder submitting such Winning Bid shall be the "Winning Bidder." The Receiver may designate the second-highest or otherwise second-best bid as the "Back-Up Bid," in which case the Qualified Bidder submitting such Back-Up Bid shall be the "Back-Up Bidder."

(i) Court Approval. The Receiver's obligation to sell all or any portion of the Auction Assets is subject to the entry of the Sale Approval Order.

(j) Closing. If approved by the Court, the closing of the sale to the Winning Bidder shall take place no later than six business days after the Court's entry the Sale Approval Order or on such other date as agreed to by the Receiver and the Winning Bidder in writing. In the event that, for any reason, the Winning Bidder fails to close, the Receiver, in her discretion, may elect to regard the Back-Up Bid as the highest or best bid, and if authorized by the Sale Order to do so, the Receiver may proceed to consummate the transaction contemplated by the Back-Up Bid.

13. The Auction Procedures are designed to maximize the value of the Auction Assets through the opportunity for competitive bidding.

14. Pursuant to the Auction Procedures, Livingstone will solicit bids from other potential buyers that will bring value to the receivership estate in excess of the Estimated Stalking Horse Purchase Price, with the objective of having two or more Qualified Bidders participate in the Auction.

15. As set forth more fully in the Auction Procedures, the Receiver will consult with BMO Harris Bank, N.A. and Associated Bank, N.A. in their capacities as Agent and Lenders under the existing credit facility with the Companies prior to making certain material decisions regarding the Auction and auction process.

16. Accordingly, the Receiver believes that approval of the Auction Procedures by the Court is in the best interests of Creditors.

Scheduling of Auction Procedures Hearing, Sale Hearing, Auction and Objection Deadlines

17. Subject to the Court's availability, the Receiver proposes the following timetable in connection with the sale process described in the Auction Procedures:

(a) Notice of this Motion. On or before November 8, 2019, the Receiver will serve notice of this Motion, substantially in the form of Exhibit B attached hereto (the "Notice"), by mail, postage prepaid, on (i) all entities known by the Receiver to have expressed a bona fide interest in acquiring any of the Auction Assets, (ii) all entities known by the Debtor to have asserted a lien, claim, or encumbrance on or against any of the Auction Assets and (iii) all known Creditors. In addition, on or before November 11, 2019, this Motion (with exhibits) will be available for viewing online through a hyperlink designated in the Notice.

(b) Auction Procedures Order. The Court will hold a hearing will be held at 10:30 a.m. on November 22, 2019 to consider the entry of an order approving the Auction Procedures and the Break-Up Fee (the "Auction Procedures Hearing"). Objections to the approval of the Auction Procedures or the Break-Up Fee must be filed with the Court by 3:00 p.m. (Central Time) on November 21, 2019. If no objections are filed by such deadline, the Receiver will ask the Court to cancel Auction Procedures Hearing and enter an order approving the Auction Procedures and the Break-Up Fee, which order shall be in a form to be negotiated between the

Receiver, the Stalking Horse Bidder and such other parties in interest as the Receiver deems necessary and filed with the Court as a proposed order.

(c) Auction. In the event one or more Qualified Bids are submitted as provided in the Auction Procedures, the Auction will be held on or about on December 3, 2019, at 10:30 a.m. in Milwaukee, Wisconsin.

(d) Objections to Sale of Auction Assets. Objections to the sale of the all or any portion of the Auction Assets to the Winning Bidder must be filed with the Court no later than November 29, 2019 at 4:00 p.m. Central Time.

(e) Sale Hearing. The hearing to consider the approval of the sale of all or any portion of the Auction Assets to the Winning Bidder will be held before the Court on December 4, 2019, at 11:00 a.m., Central Time (the "Sale Hearing").

Approval of Break-Up Fee

18. The Stalking Horse Purchase Agreement is the result of Livingstone's efforts to market the Auction Assets for a period of over seven months.

19. The Stalking Horse Purchase Agreement provides for the operations of the Companies to continue and for the Stalking Horse Bidder to employ substantially all of the Companies employees after closing. Further, the Stalking Horse Purchase Agreement allows for the sale of assets "in place," relieving the Receiver of the time and expense associated with moving such assets.

20. The Stalking Horse Purchase Agreement also establishes a "floor" purchase price for the Stalking Horse Assets and will serve as a baseline bid which

the Debtor will use to solicit other Qualified Bids. By testing the purchase price in the market, the Auction Procedures and the Auction are designed to maximize the value of the Auction Assets for the benefit of Creditors.

21. The Break-Up Fee is the result of arms-length negotiations between the Companies and the Stalking Horse Bidder, is required by the Stalking Horse Bidder and is a condition to Stalking Horse Bidder entering into the Stalking Horse Purchase Agreement.

22. Upon information and belief, the Stalking Horse Bidder is not affiliated with any of the Companies or any direct or indirect owner of any of the Companies.

23. Accordingly, the Receiver believes that the approval of the Break-Up Fee is in the best interests of Creditors.

Approval of Sale of Auction Assets to the Winning Bidder

24. As stated previously, the Stalking Horse Purchase Agreement is the result of Livingstone's efforts over the course of more than seven months to market the Auction Assets for sale.

25. As provided in the Stalking Horse Purchase Agreement and the Auction Procedures, the Receiver's obligation to sell the Stalking Horse Assets pursuant to the Stalking Horse Purchase Agreement is subject to the Receiver's right to solicit higher and better bids in accordance with the Auction Procedures. Accordingly, the Stalking Horse Purchase Agreement will serve as a baseline bid which the Debtor will use to solicit other Qualified Bids.

26. In the event the Receiver receives one or more other Qualified Bids, the Receiver will conduct the Auction with the goal of maximizing the purchase price for the Auction Assets through competitive Bidding.

27. For these reasons, the Receiver believes that the sale of all or any portion of the Auction Assets to the Winning Bidder is in the best interests of the Companies' creditors.

Sale Deemed a Liquidators Sale Pursuant to Wis. Stats. §128.25(6)(c)

28. The Chapter 128 Proceedings constitute a "liquidation proceeding," as that term is defined in Wis. Stats. §128.25(1)(c) and the Receiver is "liquidator," as that term is defined in Wis. Stats. §128.25(1)(b).

29. Pursuant to Wis. Stats. §128.25(6)(c), in a liquidation proceeding, where the valuation of collateral through enforcement of a secured creditor's lien is impracticable or would cause undue delay, a liquidator may sell the collateral free and clear of all liens, with such liens attaching to the proceeds of the sale.

30. In the case at hand, given the efforts of Livingstone to date, the establishment of the Auction Procedures and the fact that the Receiver and the Stalking Horse Bidder have already executed the Stalking Horse Purchase Agreement, the most expedient and efficient manner in which to sell the Auction Assets is through the Receiver's proposed sale process described in the Auction Procedures. The valuation of the Auction Assets through the enforcement of a secured creditor's lien would be impracticable and would cause undue delay.

31. Moreover, BMO Harris Bank, N.A. and Associated Bank, N.A. (collectively, the "Lenders"), each of whom possess properly perfected, first priority liens on and security interests in all of the Auction Assets, are the only secured creditors that could conduct a creditor's sale of all of the Auction Collateral. BMO Harris Bank, N.A., in its capacity as agent ("Agent") for the Lenders, has consented to the Auction Procedures and would consent to the sale, subject to the consummation of the Stalking Horse Purchase Agreement according to its terms and the distribution of the proceeds as described herein.

32. Given the foregoing, the sale of all or any portion of the Auction Assets to the Winning Bidder should be deemed a "liquidator's sale of assets" pursuant to Wis. Stats. §128.25(6)(c).

Authorization for Distribution of Sale Proceeds

(a) As stated above, Agent, on behalf of the Lenders, possesses properly perfected, first priority liens on and security interests in all of the Auction Assets. In addition to the Lenders, Wells Fargo Bank, N.A., filed a U.C.C. Financing Statement with the Wisconsin Department of Financing Institutions asserting a secured claim and naming United Milwaukee Scrap, LLC, as debtor in one Genesis GXT 775/995R, serial number 7741044;

33. The Receiver requests authority to distribute the proceeds from the sale of any Auction Assets as follows:

(a) First, in payment of all outstanding personal property taxes;

(b) Second, in payment of reasonable and documented closing costs and prorations as set forth in the Stalking Horse Purchase Agreement;

(c) Third, to the holders of properly perfected purchase money security interests in specific equipment up to the amount of such holders' secured claims (to the extent such specific equipment is included as part of the Auction Assets);

(d) Fourth, to the Agent for the benefit of the Lenders, up to the aggregate amount of Lenders' secured claims; and

(e) Last, any proceeds remaining to be held by the Receiver pending further order of the Court.

CONCLUSION

WHEREFORE, the proposed Receiver respectfully requests the following:

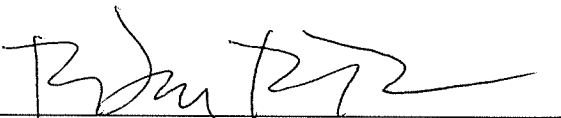
A. The entry of an order, in a form to be negotiated among the Receiver, the Stalking Horse Bidder and such other parties as the Receiver deems necessary, and subsequently filed with the Court, (1) approving the Auction Procedures and the Break-Up Fee, (2) setting an objection deadline for the approval of the Auction Procedures and the Break-Up Fee, (3) scheduling the Sale Hearing; and (4) setting an objection deadline for the sale of all or any portion of the Auction Assets to the Winning Bidder;

B. The entry of an order, in a form to be negotiated among the Receiver, the Winning Bidder, Agent and Lenders, and such other parties as the Receiver deems necessary, and subsequently filed with the Court, (1) authorizing the sale of the Auction Assets to the Winning Bidder in accordance with the Winning Bid, free and clear of all liens, claims and encumbrances; and (2) deeming such sale to be a liquidators' sale of assets pursuant to §128.25(6)(c); and

C. Such other and further relief as the Court deems just and proper.

Dated this 7th day of November, 2019.

DeMARB BROPHY LLC
Attorneys for the Proposed Receiver

By: 

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PURCHASE AGREEMENT

This Purchase Agreement ("Agreement") dated as of the 1st day of November, 2019, is by and between Rebecca DeMarb, Esq. as Wis. Stats. Chapter 128 Receiver (the "Seller" or the "Receiver") of United Milwaukee Scrap, LLC, a Wisconsin limited liability company ("UMS"), UMS Trucking, LLC, a Wisconsin limited liability company ("UMS Trucking"), United MFR, LLC, a Wisconsin limited liability company ("MFR"), and Schulz's Recycling, Inc. ("Schulz's") and together with UMS, UMS Trucking and MFR, each a "Company" and collectively, the "Companies") and collectively with UMS, referred to hereinafter sometimes as the "Companies" and sometimes as the "Company"), and Alter Trading Corporation, an Iowa corporation (the "Buyer").

RECITALS

A. UMS with other related entities is engaged in the business of purchasing and recycling scrap metal, including both ferrous and nonferrous metals, and offering shredding, sorting, sheering and logistics management services, and UMS Trucking is engaged in the trucking and transportation business (together the "Subject Business"), in each case under leases of real property from third parties (collectively, the "Leased Facilities").

B. The Seller is filing a petition to be appointed the court-appointed receiver for the Companies and their respective assets under the provisions of Chapter 128 of the Wisconsin Statutes in proceedings pending in the Circuit Court (the "Court") for Milwaukee County, Wisconsin, each of which cases are to be jointly administered by the Court (collectively, the "Receivership Proceedings").

C. The Seller desires to sell certain assets of the Subject Business, and the Buyer desires to purchase such assets from the Seller, on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants, and agreements set forth herein, the parties hereto agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Unless otherwise defined herein, the following terms shall have the following meanings:

(a) "Affiliate" means, as applied to any Person, any Person controlling, controlled by or under common control with such Person.

(b) "Claims" means, without limitation, all rights, chose in action, defenses, debts, demands and damages, offset rights, setoff rights and recoupment rights of the Company of any kind or nature, provided, however, that Claims shall not include any cash, accounts receivable, tax refunds, the Purchase Price, rights to enforce the terms of this Agreement and any claims, causes of action, demands, suits or other actions the Companies may have against (i) current and former employees, officers, directors, managers, members or owners of the Companies, (ii) auditors and other professional service providers of any of the Companies and (iii) any affiliates or insiders of the Companies.

EX. A

- (c) "Contract" means any written executory contract, agreement, lease or sublease, license or sublicense, commitment or undertaking of the Companies, if any, that Buyer designates as being acquired, upon written notice to Seller at any time prior to Closing (as defined in Section 3.1) or within 60 days after Closing.
- (d) "Employee Benefit Plan" means all employee benefit plans of which any Company or any ERISA Affiliate is or was a sponsor or with respect to which any Company or any ERISA Affiliate has any liability to contribute, including without limitation all compensation, pay or severance pay, salary continuation, bonus, incentive, stock option, retirement, pension, profit sharing or deferred compensation plans, contracts, programs of any kind and all employee or nonqualified, funded or unfunded, foreign or domestic, currently effective or terminated, and whether or not subject to ERISA, and any trust, escrow or similar agreement related thereto, whether or not funded.
- (e) "Environmental Law" means all laws, rules and regulations relating to pollution, contamination or the environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata), including without limitation those relating to actual or threatened emissions, spills or discharges, or release, of Hazardous Materials (as defined below), or otherwise relating to manufacture, processing, use, treatment, storage, disposal, recycling, reclamation, transport or handling of Hazardous Materials.
- (f) "Environmental Liability" means any responsibility or liability (including without limitation potential liability for investigatory costs, management costs, monitoring costs, cleanup costs, governmental response costs, natural resources damages, property damages, personal injuries or penalties) arising out of, based on or relating to the presence, emission, spill, discharge, deposit or release, into the environment of any Hazardous Materials at any current or former location, operated or used by the Seller, the Company or the Business or any violation or alleged violation by the Seller or the Company of any Environmental Law.
- (g) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.
- (h) "ERISA Affiliate" means, with respect to any Person, any trade or business (whether or not incorporated) under common control within the meaning of Section 4001(b)(1) of ERISA with such Person or which together with such Person is treated as a single employer under sections 414(b), (c), (m), (n), or (o) of the Code.
- (i) "Fixed Asset Appraisal" means the United Milwaukee Scrap LLC Valuation and Review, dated October 9, 2019 with an effective date of June 25, 2019, issued to Buyer by Gordon Brothers LLP.
- (j) "Governmental Agency" means any agency, division, subdivision, or governmental or regulatory authority or any adjudicatory body thereof, of the United States, or any state thereof, or any county, municipality or other political subdivision.
- (k) "Hazardous Material" means, collectively, any hazardous or toxic substance or waste or any contaminant or pollutant regulated or otherwise creating a liability under Environmental Law, including without limitation, (i) "hazardous substances" as defined by the Comprehensive Environmental Response and Liability Act, as amended, (ii) "hazardous wastes" as defined by the resource Conservation and Recovery Act, as amended, (iii) "hazardous materials" as

defined by the Hazardous Materials Transportation Act, as amended, and (iv) thermal discharges, radioactive substances, PCBs, asbestos, natural gas, petroleum products or byproducts and crude oil.

(l) "Holdback" means an amount equal to 70% of the gross orderly liquidation value of the Unverified Fixed Assets which, in any event, will not exceed \$1.825 million.

(m) "Leased Premises" means the real properties used in the Subject Business and further identified on attached Schedule 1.1(m).

(n) "Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization or Governmental Agency.

(o) "Senior Lenders" means BMO Harris Bank NA and Associated Bank, N.A.

(p) "Unverified Fixed Assets" means all Fixed Assets listed in the Fixed Asset Appraisal that are not Verified Fixed Assets as of the end of the Verification Period, that are not leased from a third party, and that are not appraised at zero in the Fixed Asset Appraisal.

(q) "Verification Period" has the meaning set forth in Section 2.4.

(r) "Verified Fixed Assets" means the Fixed Assets appraised at a positive value in the Fixed Asset Appraisal that, as of the end of the Verification Period, the Receiver and Buyer have jointly determined to be present at one of the Leased Facilities, and that are not leased from a third party.

ARTICLE 2 TRANSFER OF ASSETS AND PURCHASE PRICE

2.1 Purchased Assets. Pursuant to the terms and conditions of this Agreement, and subject to entry of a final and non-appealable order ("Sale Order") granting the Sale Motion (as defined in Section 3.5(c) below), the Seller agrees to sell, convey, transfer and deliver to the Buyer at the Closing all right, title and interest of the Seller and the Companies in and to the following (collectively, the "Purchased Assets"):

(a) All machinery and equipment, trailers, vehicles, rolling stock, containers, fixtures, scales, handling equipment, tools, furniture, furnishings, supplies, repair and spare parts and other items of tangible personal property of the Seller located at the Leased Premises, or held for use, lease or sale from the Leased Facilities, including items in the possession of third parties, to the extent such items are movable or can feasibly be removed and relocated by the Buyer to a location of its choice, and all warranty rights, operating manuals, maintenance records, title documents and other documents relating to the foregoing (collectively, "Fixed Assets");

(b) All inventory of scrap material that is held by the Seller and/or the Companies for use, sale, resale, further processing or delivery (collectively, "Inventory");

(c) All Claims of the Seller and/or the Companies that are described on Schedule 2.1(c) and arise solely from or relate solely to any of the other Purchased Assets; and

(d) All Contracts of the Companies that are listed on the attached Schedule 2.1(d);

in each case free and clear of all liens, claims, security interests, options, taxes, debts and encumbrances of any kind (collectively "Liens") pursuant to the Sale Order (as defined above). Notwithstanding the foregoing provisions of this Section 2.1, Buyer shall not purchase or acquire any items within the definition of Purchased Assets that (a) are being leased by one or more of the Companies from a third party (though Buyer may acquire the Companies' lease rights thereunder if the applicable lease is included in the list of Contracts), or (b) in Buyer's sole judgment, contain or could reasonably be expected to contain Hazardous Materials. Seller shall remove all items so excluded from the Leased Premises at Seller's expense promptly after notice from Buyer. Notwithstanding the foregoing provisions of this Section 2.1, all right, title and interest to any Unverified Fixed Asset shall not transfer to Buyer until payment for such Unverified Fixed Asset is made pursuant to Section 2.6.

2.2 Purchase Price. Subject to Sections 2.3 through 2.6, the consideration to be paid by the Buyer to the Seller for the Purchased Assets ("Purchase Price"), shall consist of the sum of:

- (a) 80% of the appraised gross orderly liquidation value, as set forth in the Fixed Asset Appraisal, of all Verified Fixed Assets; plus
- (b) 70% of the appraised gross orderly liquidation value, as set forth in the Fixed Asset Appraisal, of all Unverified Fixed Assets; plus
- (c) The fair market value of the Inventory as of the date of Closing, as determined by a physical count and valuation procedure customary in the scrap industry and mutually agreed by Seller and Buyer.

For the avoidance of doubt, (i) those Fixed Assets that are carried on the Fixed Asset Appraisal at zero value (due to damage, not being in service or any other reason) are included in the sale of the Purchased Assets, subject to being excluded if they contain Hazardous Materials, (ii) no additional Purchase Price is payable by Buyer with respect thereto, and (iii) the provisions of Section 2.6 relative to obtaining possession or control of Unverified Fixed Assets do not apply to Fixed Assets carried at zero value.

2.3 Buyer Deposit. The parties hereto acknowledge that the Buyer has made a good faith deposit in the amount of Five Hundred Thousand Dollars (\$500,000.00) (the "Deposit") with a financial institution ("Escrow Agent") (as defined below), which Deposit shall be refundable to the Buyer in the event the conditions to the Closing set forth in Section 3.2(b) haven't been satisfied or waived and Buyer terminates this Agreement by written notice to Seller pursuant to Section 7.1. The Deposit shall be non-refundable except as expressly set forth in Section 7.3 and/or the Auction Terms (as defined in Section 3.5(a) below).

2.4 Verification. Between the date the Sale Motion is approved (if the Auction is canceled or does not produce a successful purchaser other than the Buyer) and the Closing (such period, the "Verification Period"), Buyer shall have its representatives conduct an inspection and count of the Fixed Assets that are listed on the Fixed Asset Appraisal and appraised at a positive value. Such inspection and count shall occur with the participation of the Seller and/or her designated representative at the Leased Facilities during normal business hours. To the extent Buyer and Seller identify such listed Fixed Assets that are then at the Leased Facilities, such items shall be included in the Verified Fixed Assets for purposes of the Closing payment required under Section 2.6.

2.5 Delivery of Possession. At Closing, Seller shall sell and deliver possession to Buyer of all of the Purchased Assets, against payment by Buyer at Closing of the applicable portion of the Purchase Price as provided in Section 2.6.

2.6 Delivery of Purchase Price. At Closing, Buyer shall pay the amount necessary to pay the Purchase Price, with full credit for the Deposit, to Senior Lenders or to Seller on behalf of the Senior Lenders, and Buyer shall reserve from payment an amount equal to the Holdback. Payment of such amount shall be made in immediately available funds by wire transfer or certified or cashier's check, as specified by the Seller, (a) first to the Senior Lenders as the holders of the Liens on the Purchased Assets in the amount required to obtain an unconditional release of their Liens on the Purchased Assets (other than Unverified Fixed Assets), and (b) thereafter to the Seller as set forth in her written instruction delivered to Buyer. The Deposit shall be paid at Closing directly to Seller (or as directed by Seller) from the Escrow Agent. For a period of 120 days after Closing, the Buyer and Seller shall use all commercially reasonable efforts to cause Buyer to obtain effective control or possession of the Unverified Fixed Assets that are subject to the Holdback. If, within 120 days after Closing, Buyer comes into possession or control of any such Unverified Fixed Assets, and provided such Unverified Fixed Assets are in usable condition, then (x) Seller shall be deemed to have transferred the title to such Unverified Fixed Assets and (y) Buyer shall promptly pay to (or as directed by) Seller on a weekly basis that portion of the Holdback that is attributable to such Unverified Fixed Assets. Upon each such weekly payment, all Liens of the Senior Lenders with respect to the applicable Unverified Fixed Assets shall be terminated as provided in the Sale Order. If Buyer does not obtain physical possession of Unverified Fixed Assets, but continues to service the account in possession of such items beyond the 120th day after Closing, (i) Seller shall be deemed to have transferred the title to such Unverified Fixed Assets and (ii) Buyer shall be deemed to have acquired control of such Unverified Fixed Assets and shall be obligated to pay to Seller that portion of the Holdback that is attributable to such Unverified Fixed Assets. If all or a portion of the Unverified Assets remain "unverified" after the 120th day following the Closing, such Unverified Fixed Assets shall be excluded from the Purchased Assets. Any amounts payable hereunder to "Seller" shall be made to the Senior Lenders at Seller's direction unless and until written notice to Buyer is given otherwise.

2.7 Liabilities. Other than for obligations arising under assumed Contracts (if any) after Closing, the Buyer shall assume no debts, liabilities, or obligations of the Seller or the Companies, except only to the extent of obligations of the Companies, if any, that Buyer accepts in a written agreement that is separate from this Agreement and executed by a duly authorized officer of Buyer. The excluded obligations of the Seller and Companies that are not being assumed include, but are not limited to, (a) accrued expenses, accounts payable and contractual obligations, (b) liabilities and obligations of the Company or any ERISA Affiliate to all present and former employees of each Company (and their respective spouses and dependents), government entities and other third parties, liabilities and obligations of such Company under any applicable labor and employment laws or any contract with any labor union (including, but not limited to any pending grievances or any employment contract, severance contract, key employee retention plan or similar plan or agreement), and (c) all Environmental Liability arising out of any Company's operation of the Subject Business prior to the Closing and all Environmental Liability pertaining to the Leased Facilities or any other property on which the Subject Business was conducted at any time or at which any Hazardous Materials were stored, released or disposed of, and any other property with respect to which any Company may have liability under Environmental Law.

ARTICLE 3 CLOSING

3.1 Closing. Provided the Auction (as defined below) takes place and Buyer is the highest bidder for the Purchased Assets at the Auction (or if no Auction takes place due to there being no other qualified bidder), the transfers and deliveries referred to in Article 2 hereof (the "Closing") shall take place on the sixth business day following the entry of the Sale Order, or on such other date as Seller and Buyer shall mutually agree (the "Closing Date"). Notwithstanding anything in this Agreement to the contrary, if the Closing is consummated, the effective time of the Closing shall be 12:01 a.m. on the Closing Date. The Seller and Buyer shall cooperate to accomplish the Closing through the exchange of electronic, counterpart signatures to avoid the necessity of a physical Closing.

3.2 Conditions to Closing.

(a) The obligations of the Seller under this Agreement are subject to the satisfaction or waiver by the Seller, of the following condition precedent on or before the Closing:

(i) No court order shall have been entered in any action or proceeding instituted by any person that enjoins, restrains, or prohibits the consummation of the sale of the Purchased Assets contemplated hereby;

(ii) No bankruptcy or similar proceeding (other than the Receivership Proceedings) shall be pending against any of the Companies;

(iii) The Bank shall have delivered the consent referred to in Section 8.9 of this Agreement;

(iv) The representations and warranties of the Buyer contained herein shall be true in all material respects on and as of the Closing;

(v) Buyer shall have delivered to Seller, Buyer's deliverables set forth below;

(vi) The Buyer shall, in all material respects, have performed all of its obligations and agreements and complied with all of its covenants contained in this Agreement to be performed and complied with by it on or prior to the Closing; and

(vii) The Court shall have executed the Sale Order approving the sale of the Purchased Assets to the Buyer as the winning qualified bidder in the Auction.

(b) The obligations of Buyer under this Agreement are subject to the satisfaction or written waiver by Buyer, of the following further conditions precedent on or before Closing:

(i) The representations and warranties of the Seller contained herein shall be true in all material respects on and as of the Closing;

(ii) The Seller shall, in all material respects, have performed all obligations and agreements and complied with all covenants contained in this Agreement to be performed and complied with by Seller on or prior to the Closing;

(iii) Seller shall have delivered to Buyer Seller's deliverables set forth below, as well as copies of all titles to vehicles, trailers and other rolling stock not less than five business days before Closing;

(iv) There shall not have been any material loss or diminution in the quantity, condition and grades of the Fixed Assets following the date of the Buyer's inspection of items located at the Leased Facilities, which is anticipated to be three days before Closing; and

(v) Buyer shall have confirmed that the Purchased Assets are not subject to any Liens, whether or not of record, other than Liens held by creditors who provide written releases, or who provide written commitments satisfactory to Buyer to cause the release of, such Liens upon Buyer's payment of the Purchase Price.

3.3 The Seller's Deliverables. At the Closing, the Seller shall deliver to the Buyer the following:

(a) A Bill of Sale satisfactory to Buyer, transferring the Purchased Assets to Buyer, free and clear of any Liens;

(b) Releases (or written payoff letters satisfactory to Buyer) of all Liens held by the Senior Lenders or related to the credit agreement between the Companies and Senior Lenders, on the Purchased Assets in a form and substance reasonably satisfactory to the Buyer, including, without limitation, UCC partial release statements and terminations or release of Liens on or affecting vehicles, trailers and other rolling stock;

(c) Originals of, and assignments with respect to, all title documents relating to vehicles, trailers and other rolling stock, together with affidavits of value, true odometer readings and other customary items;

(d) A suitable transition services agreement in a form mutually agreed to among the parties¹ (the "Transition Services Agreement"), duly executed by Seller; and

(e) Other instruments of transfer reasonably required by the Buyer to evidence or accomplish the transfer of the Purchased Assets to the Buyer, in each case duly executed by the Seller or such other assurances as are acceptable to Buyer in its sole discretion.

3.4 The Buyer's Deliverables. At the Closing, the Buyer shall deliver:

(a) Executed counterparts of any instrument of transfer that is customarily or properly executed by a purchaser of such Purchased Assets; and

(b) The Transition Services Agreement, duly executed by Buyer.

¹ The Transition Services Agreement will address (a) Alter Trading assisting in the collection of outstanding accounts receivable of the Companies at no cost to the Seller and using new Alter Trading (former UMS) employees, and (b) continued access by Alter Trading to the operating permits of the business.

3.5 Bidding Procedures and Auction.

(a) This Agreement is hereby accepted by the Seller, as an acceptable bid, subject to higher and better bids at an auction conducted by Seller scheduled to be held no later than December 5, 2019 (the "Auction") and conducted pursuant to auction terms and procedures approved by the Court in substantially in the form set forth on attached Exhibit 3.5(a) (the "Auction Terms").

(b) Break-Up Fee. Upon the consummation of a sale of all or substantially all of the Purchased Assets to any third party (other than the Buyer) who submits a Winning Bid (as defined in the Auction Terms) for such Purchased Assets, the Seller shall pay to the Buyer cash or other immediately available funds in an amount equal to \$750,000 (the "Break-Up Fee"); provided, however, the Break-Up Fee shall not be due and payable if the Buyer has committed a material breach of this Agreement prior to the consummation of such sale to the third party or if Seller has terminated this Agreement pursuant to Section 7.1(b) or (d). The Break-Up Fee shall be shall be paid to Buyer from the proceeds of such sale within three (3) business days following the closing of such sale to the third party, and shall be paid to the Buyer prior to the payment of the proceeds of such sale to any third parties asserting Liens on the Purchased Assets.

(c) Sale Motion. Within three (3) business days of the later of the date of this Agreement or the appointment by the Court of the Receiver as receiver for the Companies, the Seller shall file a motion with the Court consistent with the terms of this Agreement and reasonably acceptable to Buyer (the "Sale Motion") seeking the following: (a) approval of the Auction Terms and this Agreement as the "Stalking Horse Purchase Agreement" thereunder, and (b) the entry of an order by the Court approving the sale of the Purchased Assets to the Winning Bidder(s) (as defined in the Auction Terms).

ARTICLE 4
SELLER'S REPRESENTATIONS AND WARRANTIES

4.1 The Seller represents and warrants to the Buyer as of the date hereof and as of the Closing as follows:

(a) Subject to the entry of the Sale Order, Seller has power and authority to affect the sale and transfer of the Purchased Assets and to consummate the transaction contemplated in the Agreement;

(b) Other than pursuant to this Agreement, Seller has not entered into any commitment to sell, license, assign, encumber or otherwise transfer any of the Purchased Assets;

(c) Other than the Receivership Proceedings, Seller is not aware of any voluntary or involuntary bankruptcy case or receivership against the Company or any of the Purchased Assets;

(d) To the Seller's knowledge after consultation with the senior on-site personnel of the Companies, no outstanding claims have been asserted against any of the Companies by counterparties to the Contracts listed on Schedule 2.1(d); and

(e) OTHER THAN THE REPRESENTATIONS AND WARRANTIES IN THIS SECTION 4, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND IN CONNECTION WITH THE SUBJECT MATTER OF THIS PURCHASE AGREEMENT, WHETHER EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, COURSE OF DEALING OR TRADE USAGE INCLUDING, WITHOUT LIMITATION, REPRESENTATIONS OR WARRANTIES AS TO THE CONDITION, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE (WHETHER THE SELLER KNEW OR HAD REASON TO KNOW OF SUCH PURPOSE) OF THE PURCHASED ASSETS, THE INCOME DERIVED OR POTENTIALLY TO BE DERIVED FROM THE PURCHASED ASSETS OR THE SUBJECT BUSINESS, OR THE EXPENSES INCURRED OR POTENTIALLY TO BE INCURRED IN CONNECTION WITH THE PURCHASED ASSETS OR THE SUBJECT BUSINESS, BUYER ACKNOWLEDGES AND AGREES THAT THE PURCHASED ASSETS ARE BEING CONVEYED BY THE SELLER "AS IS, WHERE IS WITH ALL FAULTS". SELLER IS SELLING THE PURCHASED ASSETS ON AN AS IS, WHERE IS, IN PLACE, IN USE BASIS AND WITHOUT REPRESENTATION OR WARRANTY AND WITH NO EXPRESS OR IMPLIED WARRANTIES, REPRESENTATIONS, STATEMENT OF CONDITION OF ANY KIND, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND THE PURCHASED ASSETS ARE TO BE SOLD IN ACCORDANCE WITH THE APPROVED AUCTION TERMS AND THE SALE ORDER.

ARTICLE 5 BUYER'S REPRESENTATIONS AND WARRANTIES

5.1 The Buyer represents and warrants to the Seller as follows:

(a) The Buyer has all requisite power and authority to enter into this Agreement and to perform its obligations hereunder. The execution, delivery and performance of this Agreement have been duly and validly authorized and ratified by all necessary corporate and other action on the part of the Buyer and no other proceedings on the part of the Buyer are necessary to authorize this Agreement and the transactions contemplated hereby; and

(b) There are no actions, suits, claims, investigations, hearings, or proceedings of any type pending (or, to the knowledge of Buyer, threatened) against Buyer, at law or in equity, that might affect Buyer's ability to close the purchase of the Purchased Assets contemplated hereby.

ARTICLE 6 ADDITIONAL COVENANTS

6.1 Conduct of Business in the Ordinary Course. Until the Closing, the Seller shall use commercially reasonable efforts to carry on the Subject Business substantially in the manner as heretofore conducted, subject in all respects to her obligations under, and the requirements of, Chapter 128 of the Wisconsin Statutes.

6.2 Retention of Employees. The Seller shall use commercially reasonable efforts to assist the Buyer in retaining the employees of the Subject Business in connection with its operation of the Subject Business subsequent to the Closing. Subject to passing any of Buyer's customary hiring criteria (e.g. drug tests, background searches and immigration status), the Buyer agrees (a) to make offers of

employment to substantially all persons who as of Closing are non-exempt employees of the Companies on terms not materially less favorable than their current terms of employment, and (b) to hire all such persons who accept the offer of employment from the Buyer.

6.3 Further Assurances. If, at any time after the Closing and prior to the closing of the Receivership Proceedings, Buyer advises Seller that any additional bills of sale, instruments of conveyance, assignments, assurances or any other actions or things are reasonably necessary to vest, perfect or confirm Buyer's ownership (of record or otherwise), right, title or interest in, to or under any or all of the Contracts or other Purchased Assets or otherwise to carry out the intent of this Agreement, at Buyer's sole expense, Seller shall use its reasonable best efforts to execute and deliver all bills of sale, instruments of conveyance, assignments and assurances and take and do all such other actions and things as may be reasonably requested by Buyer in order to vest, perfect or confirm any and all right, title and interest of Seller in, to and under such Purchased Assets in Buyer or otherwise to carry out this Agreement.

6.4 Preservation of Purchased Assets and No Material Changes in Assets. At all times prior to Closing, Seller shall preserve the Purchased Assets and all applicable insurance policies relating thereto in the ordinary and usual course of business, consistent with prior practices. No action shall be taken by Seller that shall affect the Purchased Assets in any material adverse respect or Buyer's use or operation of the Purchased Assets after the Closing.

6.5 Leases. Prior to Closing, the Seller shall cooperate with Buyer's efforts to enter into binding lease agreements with the owners of each of the Leased Premises for the continued occupancy and operation of the Subject Business and reasonable subordination, non-disturbance and attornment agreements ("SNDAs"). If Buyer is unable to obtain such leases and SNDAs prior to Closing, then for a period of 180 days following the Closing, the Seller shall take all necessary actions to cause the Buyer and its representatives to have exclusive access to the Leased Facilities for the purposes of removing all of such Purchased Assets, at Buyer's cost, to such locations as Buyer shall desire, and all rent and other financial obligations of the tenant to the landlords of the Leased Premises during such 180-day period shall be timely paid by Seller. During the 180-day period following the Closing, Seller shall permit the representatives of the Receiver and Senior Lenders to have access to the Leased Premises for any purpose properly related to the administration and performance of this Agreement or the winding up of the Receiver's and Companies' affairs, provided that commencing February 1, 2020, such access shall be scheduled in advance with a manager at the Leased Premises to be identified by Alter which access shall not be unreasonably denied or delayed. Buyer may, at its sole option, elect to leave any Inventory or Fixed Assets at the Premises to the extent that Buyer determines, in its sole discretion, that such items are contaminated or cannot otherwise be removed from the Premises without risk of coming into contact with or releasing Hazardous Materials.

ARTICLE 7 TERMINATION

7.1 Termination. This Agreement may be terminated at any time prior to the Closing Date:

- (a) By mutual written consent of the Buyer and the Seller;
- (b) By either the Buyer or the Seller if (i) the Sale Motion and Auction Terms are not approved by the Court, or (ii) if the Closing shall not have occurred within ten business days after the Auction, by reason of the failure of any condition precedent, unless the failure to

consummate the transactions is the result of a material breach of this Agreement by the party seeking to terminate this Agreement;

(c) By the Buyer if the Seller breaches any of Seller's representations and warranties in any material respect herein or fails to perform in any material respect any of Seller's covenants, agreements, or obligations under this Agreement, and any such breach or failure is not cured within 5 business days after written notice from the Buyer, or the conditions set forth in Section 3.2(b) are not met prior to the Closing Date; or

(d) By the Seller if the Buyer breaches any of its representations or warranties in any material respect herein or fails to perform in any material respect any of its covenants, agreements, or obligations under this Agreement, and any such breach or failure is not cured within 5 business days after written notice from the Seller.

7.2 Effect of Termination. In the event of termination of this Agreement by either the Seller or the Buyer as provided in Section 7.1, this Agreement shall forthwith become void and have no effect, without any liability or obligation on the part of the Seller or the Buyer, except to the extent Buyer is entitled to receive any Breakup-Fee or return of the Deposit pursuant to Section 2.5 or 7.3, respectively, of this Agreement and subject to any claims for breaches occurring prior to or in connection with such termination, or for a wrongful termination.

7.3 Return of Deposit. If Buyer terminates this Agreement pursuant to Section 7.1(b) or (c), or if Seller terminates this Agreement under Section 7.1(b)(i), the Deposit shall be returned to Buyer. If Seller terminates this Agreement pursuant to Section 7.1(b)(ii) (where Buyer is in default) or (d), the Deposit shall be nonrefundable and paid to Seller.

ARTICLE 8 GENERAL

8.1 Signatures. Signatures on this Agreement delivered by fax or electronic mail shall be considered original signatures for purposes of effectiveness of this Agreement.

8.2 Counterparts. This Agreement may be executed simultaneously in two or more counterparts which may be delivered by facsimile or electronic mail, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

8.3 Fees and Expenses. Whether or not the transactions herein contemplated shall be consummated, (a) the Seller will pay the fees, expenses and disbursements of the Seller, and its agents, representatives, accountants and counsel incurred in connection with the subject matter of this Agreement and any amendments thereto, and (b) the Buyer will pay the fees, expenses and disbursements of the Buyer and its agents, representatives, accountants and counsel incurred in connection with the subject matter of this Agreement and any amendments hereto.

8.4 Counsel. Each party hereto warrants and represents that such party has been afforded the opportunity to be represented by counsel of its choice in connection with the execution of this Agreement and has had ample opportunity to read, review and understand the provisions of this Agreement.

8.5 Notices. Any notice or communication required or permitted hereunder shall be sufficiently given if sent by overnight delivery service, or by electronic mail if a confirmation of receipt is sent by the recipient, as follows:

(a) If to the Seller, addressed to it at:

Rebecca R. DeMarb, Esq.
Wis. Stats. Chapter 128 Receiver
DeMarb Brophy, LLC
118 E. Washington Ave., Suite 300
Madison, WI 53703
E-mail: rdemarb@demarb-brophy.com

(b) If to the Buyer, addressed to it at:

Robert G. Ellis, Senior VP and General Counsel
Alter Trading Corporation
700 Office Parkway
St. Louis, MO 63141
Email: bob.ellis@altertrading.com

(c) With a copy to its counsel at:

Ronald E. Haglof
Thompson Coburn LLP
One US Bank Plaza, 27th floor
St. Louis, MO 63101
Email: rhaglof@thompsoncoburn.com

8.6 Governing Law and Jurisdiction. THIS AGREEMENT (AND ALL DOCUMENTS, INSTRUMENTS, AND AGREEMENTS EXECUTED AND DELIVERED PURSUANT TO THE TERMS AND PROVISIONS HEREOF) SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF WISCONSIN WITHOUT REGARD TO THE RULES OF CONFLICT OF LAWS OF THE STATE OF WISCONSIN OR ANY OTHER JURISDICTION. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY CONSENTS TO AND SUBMITS ITSELF TO THE EXCLUSIVE JURISDICTION OF THE STATE COURTS OF WISCONSIN AND THE U.S. DISTRICT COURT FOR THE EASTERN DISTRICT OF WISCONSIN (IF JURISDICTION IS AVAILABLE) FOR ANY LITIGATION ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY (AND AGREES NOT TO COMMENCE ANY LITIGATION RELATING THERETO EXCEPT IN SUCH COURTS), WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUCH LITIGATION THEREIN, AND AGREES NOT TO PLEAD OR CLAIM THAT SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH PARTY HEREBY WAIVES TRIAL BY JURY TO THE FULLEST EXTENT PERMITTED BY LAW.

8.7 Captions. The captions in this Agreement are for convenience only and shall not be considered a part hereof or effect the construction or interpretation of any provisions of this Agreement.

8.8 Entire Agreement. This Agreement and the documents delivered pursuant hereto constitute the entire agreement and understanding between the Seller and the Buyer and supersede any prior agreement and understanding relating to the subject matter of this Agreement. This Agreement may be modified or amended only by a written instrument executed by the Seller and the Buyer acting through its duly authorized officers.

8.9 Assignment. This Agreement and the rights hereunder shall not be assignable or transferable by the Seller or the Buyer without the prior written consent of the other parties. Notwithstanding the foregoing, the Buyer may assign its rights and interest in this Agreement before or after Closing to an affiliate or affiliates thereof. Furthermore, Seller's and the Companies' rights under this Agreement, including, without limitation, Seller's and the Companies' rights to enforce this Agreement, have been assigned for collateral security purposes to the Senior Lenders, and Buyer acknowledges such assignment and the rights of the Senior Lenders to enforce the rights of the Seller and the Companies under this Agreement as well as the right of Seller to designate the Senior Lenders to directly receive applicable amounts payable under Article 2 or otherwise.

8.10 Consent of Secured Creditors. The Senior Lenders have not consented to the terms of the sale of the Purchased Assets set forth in this Agreement, but after acceptance of this Agreement Seller shall promptly submit this Agreement to the Senior Lenders for consent to the terms of this Agreement and its timely release or written commitment to release all Liens held by them on the Purchased Assets, upon payment by the Buyer to the Senior Lenders of all or an agreed portion of the Purchase Price. If such consent has not been obtained by the day prior to the date of the Court's hearing on the Sale Motion, either party may terminate this Agreement, and the Earnest Money Deposit shall be refunded to Buyer.

8.11 Non-Recourse Against Lenders. Buyer acknowledges that it shall have no recourse against any of the Senior Lenders in connection with this Agreement or the transactions contemplated thereby (including on the basis of receiving any appraisals or reports commissioned on behalf of the Senior Lenders), and effective upon the Closing, Buyer hereby irrevocably waives, releases, and discharges each of the Senior Lenders from any and all liabilities or debts related to the business and/or the Buyer of any nature or kind whatsoever (including in respect of rights of contribution or indemnification).

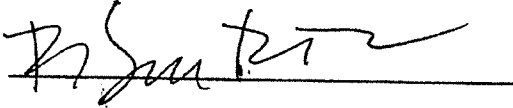
8.12 Effectiveness of this Agreement. This Agreement shall be effective without further action upon the entry of orders by the Court appointing the Seller as receiver for each of the Companies under the provisions of Chapter 128 of the Wisconsin Statutes. This Agreement shall constitute an irrevocable offer from Buyer for a period of 30 days from date of this Agreement. If the Seller is not appointed as receiver for each of the Companies under the provisions of Chapter 128 of the Wisconsin Statutes within such 30-day period, Buyer may revoke its offer and terminate this Agreement upon written notice to Seller.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Purchase Agreement as of the day and year first above written.

SELLER:

REBECCA DEMARB, ESQ., as Receiver



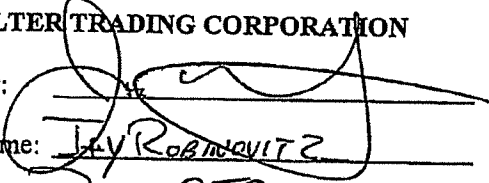
BUYER:

ALTER TRADING CORPORATION

By: _____

Name: _____

Title: _____


Name: JAY RABINOVITZ
Title: PRES & CEO

Schedule 1.1(m)

Leased Premises

<u>Street Address</u>	<u>City</u>	<u>ST</u>	<u>Zip</u>	<u>Tax Key Number</u>	<u>Yard Description</u>	<u>Landlord</u>
3330 W. Fond du Lac Ave.	Milwaukee	WI	53210	309-0001-110-1	Fond Du Lac - Auto Yard	All Scrap, LLC
3015 W Chambers St.	Milwaukee	WI	53210	309-0646-000	Burleigh - Trailer/Yard Lot	All Scrap, LLC
3205 W Burleigh St.	Milwaukee	WI	53210	309-0002-3	Fond Du Lac - Auto Yard Building	All Scrap, LLC
3033 W. Burleigh	Milwaukee	WI	53210	309-0606-111-9	Nonferrous Warehouse (Geiser)	M&R Land Company, LLC
3057 N. 30th Street	Milwaukee	WI	53210	309-0604-6	Burleigh - Lot next to Bldg	M&R Land Company, LLC
3218-20 W. Fond du Lac	Milwaukee	WI	53210	309-0009-100-8	Fond Du Lac - Compo Building	Start Acquisitions, LLC
3232 W. Fond du Lac	Milwaukee	WI	53210	309-0008-6	Fond Du Lac -Retail Yard / Offices	Start Recycling, LLC
3100 W. Concordia Ave.	Milwaukee	WI	53216	286-0812-131-7	Concordia - Miltex Building	United Realty, LLC
3296 N. 31st Street	Milwaukee	WI	53216	286-0812-130-9	Concordia - Door 1 & 2	M&R Land Company, LLC
3299 N. 31st Street	Milwaukee	WI	53216	286-0812-128-7	Concordia - Door 3	M&R Land Company, LLC
3315 N. 30th Street	Milwaukee	WI	53216	286-0812-123-6	Concordia - Trailer Parking Lot	M&R Land Company, LLC
3305 N 30th Street	Milwaukee	WI	53216	286-0812-124-4	Concordia - School Parking	M&R Land Company, LLC
3329 N. 30th Street	Milwaukee	WI	53216	286-0812-125-2	Concordia - Trailer Parking Lot	M&R Land Company, LLC
3351 N. 30th Street	Milwaukee	WI	53216	286-0812-129-5	Concordia - Trailer Parking Lot	M&R Land Company, LLC
3295 R N. 30th Street	Milwaukee	WI	53216	286-0812-132-5	Concordia - Trailer Lot Hill (Old Garages)	M&R Land Company, LLC
3295 W. Townsend	Milwaukee	WI	53216	286-9997-100-8	Townsend - Ferrous Yard	United Realty, LLC
3282 N 35th Street	Milwaukee	WI	53216	286-9996-113-4	35th street Maintenance & Trucking	United Realty, LLC
8520 W. Kaul Ave.	Milwaukee	WI	53225	152-9970-124-4	Kaul - Retail Yard	United Realty, LLC
W6059 Heldt Street	Merrill	WI	54452	024-3106-153-9996	Merrill, Wisconsin	Danst Enterprises, LLC
1166 Cliff Road	Burnsville	MN	55337		Burnsville, Minnesota	BREIT Dakota Industrial Owner, LLC

Schedule 2.1(c)

Claims

All rights, warranty claims and other claims, causes of action, privileges and defenses of the Companies against any manufacturer, distributor, prior owner or current or former lessor of any of the Fixed Assets, to the extent relating to the Buyer's operation and ownership of the Fixed Assets from and after the Closing.

Schedule 2.1(d)

Contracts Being Acquired

Type of Contract	Contract
Customer Contracts	None
IT	AT&T Pricing Broadvox Agreement Tyco Agreement
Equipment Leases	ATM Machines

Exhibit 3.5

AUCTION TERMS AND PROCEDURES

In re UMS Holdings, LLC, et al.

Case No. _____

1. **Purchased Assets to be Sold.** Rebecca DeMarb, Esq., as Wis. Stats. Chapter 128 Receiver (the "Receiver") of UMS Holdings, LLC, a Delaware limited liability company ("Holdings"), United Milwaukee Scrap, LLC, a Wisconsin limited liability company ("UMS"), UMS Trucking, LLC, a Wisconsin limited liability company ("Trucking"), [United MFR, LLC, a Wisconsin limited liability company ("MFR")], Schulz's Recycling, Inc., a Wisconsin corporation ("Schulz's," together with Holdings, UMS, Trucking and MFR, each a "Company" and collectively, the "Companies"), and her advisors intend to conduct an auction (the "Auction") of the "Purchased Assets," as defined in that certain Asset Purchase Agreement (the "Stalking Horse Purchase Agreement") between the Receiver and Alter Trading Corporation (the "Stalking Horse Bidder") dated November 1, 2019 (the term "Purchased Assets" as used herein shall have the meaning assigned thereto in the Stalking Horse Purchase Agreement), in accordance with the terms and procedures set forth herein.

2. **Excluded Assets.** The assets of the Receiver described on Schedule 1 attached hereto shall not be offered for sale at the Auction.

3. **"As Is, Where Is" Sale.** Except to the extent set forth in the Stalking Horse Purchase Agreement, the Purchased Assets will be sold on an "AS IS, WHERE IS" basis with all defects and faults, without any representations or warranties of any kind or nature by the Receiver, Livingstone Partners LLC ("Livingstone"), Silverman Consulting, Inc., BMO Harris Bank N.A. ("BMO"), Associated Bank, National Association, or any other person or entity.

4. **Free and Clear of Liens.** The Purchased Assets will be sold free and clear of all liens, claims and encumbrances as provided in the order entered by the Wisconsin Circuit Court for Milwaukee County (the "Court") approving the sale, with such liens, claims and encumbrances attaching to the proceeds of each sale in the order of their priority.

5. **Due Diligence.** Parties interested in conducting due diligence regarding the Purchased Assets should contact Livingstone, the Receiver's investment banker. Contact information for Livingstone is set forth on page 6 of these Auction Terms and Procedures. Prospective bidders that have executed and delivered to the Receiver or Livingstone a confidentiality agreement acceptable to the Receiver (each, a "Potential Bidder") will be afforded access to a virtual proprietary data room maintained by Livingstone that contains information relating to the Purchased Assets (the "Data Room"). The Receiver and Livingstone maintain the right, in their sole discretion, to deny access to the Data Room to any party, including, without limitation, on the basis that such party might use such proprietary information in a competitive manner to the detriment of the Purchased Assets, the Receiver, Companies, the Stalking Horse Bidder, or the Winning Bidder (as defined below). Neither the Receiver nor Livingstone shall be obligated to furnish to any interested party any due diligence information other than the information contained in the Data Room.

6. **Stalking Horse Purchase Agreement.** The Receiver's obligation to consummate the transactions contemplated by the Stalking Horse Purchase Agreement is subject to higher and better bids at the Auction and Court approval. For purposes of these Auction Terms and Procedures and the

Auction, the Stalking Horse Bidder automatically shall be deemed a Qualified Bidder (as defined below) and the Stalking Horse Purchase Agreement automatically shall be deemed a Qualified Bid (as defined below), without the need for the Stalking Horse Bidder to meet the requirements set forth in section 7 below.

7. Qualified Bid Requirements. Only Qualified Bidders may bid at the Auction. A Potential Bidder may become a "Qualified Bidder" only by submitting a bid that is deemed by the Receiver to be a Qualified Bid. A bid submitted by a Potential Bidder shall be deemed a "Qualified Bid" only if its meets all of the following requirements to the satisfaction of the Receiver:

(a) The bid must be submitted to Livingstone via e-mail at greenwood@livingstonepartners.com no later than 4:00 p.m. (Central Time) on _____, 2019 (the "Bid Deadline");

(b) The bid must be in writing, substantially in the form of the Stalking Horse Purchase Agreement and duly executed by an authorized representative of the Potential Bidder (a "Modified Purchase Agreement"). The Potential Bidder shall also submit a copy of the Stalking Horse Purchase Agreement clearly marked against the Modified Purchase Agreement (a Word version of the Stalking Horse Purchase Agreement will be made available for this purpose);

(c) The bid must offer to purchase all of the Purchased Assets (*provided that* Receiver reserves the right to accept, after consultation with Agent, Bids offering to purchase assets in addition to the Purchased Assets);

(d) The bid must fully disclose the identity of the Potential Bidder;

(e) The bid must be on terms and conditions no less favorable to the Receiver as those set forth in the Stalking Horse Purchase Agreement, as determined by the Receiver after consulting with BMO Harris Bank, NA, in its capacity as agent for Companies' secured lenders (in such capacity, "Agent");

(f) The bid shall not include a break-up fee, bid protection, or any other similar provision;

(g) The bid must clearly set forth the purchase price to be paid and the payment terms, which purchase price and payment terms the Receiver (after consulting with Agent) believes to be higher or better than those of the bid set forth in the Stalking Horse Purchase Agreement, and the value of such bid, as determined by the Receiver, must be greater than the sum of: (i) the purchase price set forth in the Stalking Horse Purchase Agreement; plus (ii) the amount of the break-up fee set forth in the Stalking Horse Purchase Agreement (the "Break-Up Fee"); plus (iii) \$250,000.00;

(h) The bid must be binding and irrevocable and shall not contain any conditions to the Potential Purchaser's obligation to close the transactions contemplated by such bid, other than those conditions to closing set forth in the Stalking Horse Purchase Agreement. Without limiting the generality of the foregoing, a bid shall not contain conditions related to (i) financing, (ii) shareholder, member, board of directors, manager, or other internal approval, or (iii) the completion or outcome of any due diligence review;

(i) The bid must be accompanied by an earnest money deposit in an amount not less than \$500,000 (a "Bid Deposit"), in the form of a wire transfer to an account designated by the

Receiver, which Bid Deposit shall be held and disbursed by the Receiver pursuant to these Auction Terms and Procedures; and

(j) The bid must be accompanied by information that demonstrates, to the satisfaction of the Receiver (after consultation with Agent), that the Potential Bidder has the financial ability to timely consummate the transactions contemplated by the Modified Purchase Agreement. If requested by the Receiver, the Potential Bidder shall supplement such information to the satisfaction of the Receiver.

8. Effect of Submitting a Bid. By submitting a bid for the Purchased Assets pursuant to section 7 above, each Potential Bidder submitting such bid shall be deemed to have agreed to and acknowledged the following:

(a) Such Potential Bidder shall abide by and honor the terms of these Auction Terms and Procedures and any Auction Rules (as defined below);

(b) If the bid becomes a Qualified Bid, such Qualified Bid shall be irrevocable through the conclusion of the Auction and the designation of the Winning Bid and the Back-Up Bid (if a Back-Up Bid is designated) by the Receiver as provided herein;

(c) Such Potential Bidder (i) has had an opportunity to conduct due diligence regarding the Purchased Assets prior to making its bid and does not require further due diligence, (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the Purchased Assets in making its bid, and (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied, by operation of law, or otherwise, regarding the Purchased Assets, or the completeness of any information provided in connection therewith; and

(d) Such Potential Bidder shall comply with all reasonable requests for additional information by the Receiver or her advisors, and the failure by a Potential Bidder to comply with such reasonable requests for additional information may be a basis for the Receiver to determine that such Potential Bidder is not a Qualified Bidder.

9. Designation of Qualified Bidders. The Receiver shall not consider any bids received after the Bid Deadline. The Receiver shall notify each Potential Bidder whether such Potential Bidder is a Qualified Bidder on or by 4:00 p.m. (Central Time) on the first business day following Bid Deadline (the "Notification Deadline") and shall contemporaneously notify the Stalking Horse Bidder and Agent of such determination(s). The Receiver and her advisors may communicate with any Potential Bidder in advance of the Notification Deadline to cure any deficiencies in any bid that is submitted by the Bid Deadline. The Receiver shall return the earnest money deposits of Potential Bidders that are not deemed Qualified Bidders, within three (3) business days following the Notification Deadline.

10. Modification of Qualified Bids. A Qualified Bidder may not, without the written consent of the Receiver and Agent, modify, amend, or withdraw its Qualified Bid; provided that any Qualified Bid may be improved through bidding at the Auction as set forth below.

11. Sale to Stalking Horse Bidder. If no Qualified Bids are submitted (other than that submitted by the Stalking Horse Bidder), the Stalking Horse Bidder will be deemed the Winning Bidder and the Stalking Horse Purchase Agreement will be deemed the Winning Bid, and the Receiver

shall report the same to the Court, cancel the Auction and proceed to seek Court approval of the Stalking Horse Purchase Agreement and the transaction contemplated thereby.

12. Auction.

(a) Where and When. The Auction will take place at _____, _____, Wisconsin, on _____, 2019 at _____ (Central Time).

(b) Auction Rules. The Receiver and her advisors shall direct and preside over the Auction and may, in the Receiver's discretion, after consulting with Agent, adopt rules for the Auction that are not inconsistent with terms and procedures set forth in these Auction Terms and Procedures (the "Auction Rules"), including, without limitation, rules setting minimum bid increments of at least \$100,000. The Auction Rules shall be binding on all Qualified Bidders.

(c) Conditions to Bidding. Only Qualified Bidders may bid at the Auction. In order to bid at the Auction, a Qualified Bidder must:

- (i) Be present at the Auction in person or by a duly authorized agent;
- (ii) Acknowledge in writing its interest in participating in the Auction and its agreement to be bound by these Auction Terms and Procedures and any Auction Rules; and
- (iii) If any owner or principal of a Qualified Bidder or any entity formed by a Qualified Bidder to purchase the Purchased Assets includes or will include, directly or indirectly, a current or former shareholder, officer, director, member, manager, or employee of any of the Companies, such Qualified Bidder shall advise the Receiver and Agent of same in writing prior to the date of the Auction.

(d) Opening Bids. The Receiver shall announce at the beginning of the Auction for the Purchased Assets the opening bid, which opening bid shall be the highest or otherwise best Qualified Bid, as determined by the Receiver in her sole discretion after consultation with the Agent.

(e) Bids at Auction. The Auction shall proceed in rounds or otherwise in accordance with the Auction Rules. All bids at the Auction shall be unconditional and irrevocable and, unless otherwise agreed to in writing by the Receiver and the Qualified Bidder, shall be on the same terms and conditions (other than purchase price) as the Qualified Bid submitted by such Qualified Bidder. Bids for a portion of the Purchased Assets will not be allowed (but Receiver reserves the right to accept, after consultation with Agent, Bids offering to purchase assets in addition to the Purchased Assets). For the avoidance of doubt, for the purposes of comparison to any other bid in connection with each round of bidding at the Auction, the Receiver shall be permitted to include in each bid at the Auction by the Stalking Horse Bidder the amount of the Break-Up Fee. Any bids submitted after the conclusion of the Auction shall not be considered by the Receiver.

(f) Competitive Bidding. All bidding at the Auction must be competitive. Any collusive bidding or other conduct that otherwise operates to limit competition among Qualified Bidders is prohibited. The Receiver reserves the right to expel from the Auction any Qualified Bidder the Receiver believes to be engaging in any such conduct.

(g) Designation of Highest or Otherwise Best Bids. Upon the Receiver determining that the bidding at the Auction has concluded, the Receiver, in her sole discretion, after

consultation with the Agent, shall designate the highest or otherwise best bid for the Purchased Assets and the second-highest or otherwise second-best bid for the Purchased Assets. Among the factors the Receiver may take into account in determining the highest or otherwise best bid for the Purchased Assets or the second-highest or otherwise second-best bid for the Purchased Assets are: (i) the terms and conditions of the applicable bid; (ii) the amount and nature of the total consideration; (iii) the likelihood of closing; (iv) the Break-Up Fee payable to the Stalking Horse Bidder; (v) any changes to or deviations from the Stalking Horse Purchase Agreement; and (vi) the net economic effect of such bid on the total value to be recovered by the Receiver for the benefit of creditors of any of the Companies.

(h) Acceptance or Rejection of Highest or Otherwise Best Bid. Subject to the consent of Agent, upon the conclusion of the bidding at Auction, the Receiver shall accept or reject the highest or otherwise best bid for the Purchased Assets. If the Receiver accepts the highest or otherwise best bid for the Purchased Assets, that bid shall be deemed the "Winning Bid" and the Qualified Bidder submitting such Winning Bid shall be the "Winning Bidder." The Winning Bid shall be binding on the Winning Bidder and may be withdrawn only in the event it is not approved by the Court. The Winning Bid shall not be binding on the Receiver until the Court enters an order approving the transactions contemplated by such Winning Bid. If the Receiver rejects the highest or otherwise best bid for the Purchased Assets, such bid shall be deemed terminated and neither the Receiver nor the Qualified Bidder submitting such bid shall have any obligations with respect thereto. The Receiver shall have the right to accept or reject any bid, and Agent shall have the right to consent or not consent to the Receiver's acceptance or rejection of any bid, in both cases without any liability to any Qualified Bidder, provided that Agent's consent shall not be required in the event the Winning Bid is the amount offered by the Stalking Horse Bidder pursuant to the Stalking Horse Purchase Agreement.

(i) Back-Up Bid. Subject to the consent of Agent, upon the conclusion of the bidding at Auction, the Receiver may designate the second-highest or otherwise second-best bid for the Purchased Assets as the "Back-Up Bid," in which case the Qualified Bidder submitting such Back-Up Bid shall be the "Back-Up Bidder." The Back-Up Bid submitted by the Back-Up Bidder shall remain open and irrevocable until the closing of the sale of the Purchased Assets to the Winning Bidder. In the event that, for any reason, the Winning Bidder fails to close the transaction contemplated by its Winning Bid, the Receiver, in her discretion, may elect to regard the Back-Up Bid as the highest or best bid for the Purchased Assets, and if authorized by the Sale Order to do so, the Receiver may proceed to consummate the transaction contemplated by the Back-Up Bid.

(j) Conclusion of the Auction. The Auction shall conclude immediately following the Receiver's acceptance or rejection of the highest or otherwise best bid for the Purchased Assets and the designation of a Back-Up Bid by the Receiver (if a Back-Up Bid is designated). Subject to the terms of the Stalking Horse Purchase Agreement, the Receiver may (after consultation with Agent) adjourn, continue, or suspend the Auction for any reason without further order of the Court, by filing a notice thereof with the Court and serving such notice on all Potential Bidders.

13. Court Approval; Sale Hearing. The Receiver's obligation to sell the Purchased Assets is subject to Court approval. The hearing to consider the approval of the sale of the Purchased Assets (the "Sale Hearing") shall be held by the Court at the Milwaukee County Courthouse, _____, Milwaukee, Wisconsin _____, on _____, 2019 at _____ (Central Time). The Receiver shall use her best efforts to have the Court enter an order authorizing the Receiver to consummate the transactions contemplated by the Winning Bid (the "Sale Order"), which Sale Order shall be in form and substance reasonably satisfactory to the Receiver, the Agent and the Winning Bidder. If the Receiver designates a Back-Up Bid, the Receiver shall use her

best efforts to have the Sale Order authorize the Receiver to consummate the sale of the Purchased Assets to the Back-Up Bidder pursuant to the terms of the Back-Up Bid in the event the Winning Bidder fails to timely consummate the transactions contemplated by the Winning Bid. The Winning Bidder shall appear at the Sale Hearing and state on the record that it is ready, willing and able to consummate the transactions contemplated by the Winning Bid with no contingencies whatsoever, other than Court approval of such transactions.

14. Closing. The closing of the transactions contemplated by a Winning Bid approved by the Court shall take place remotely by mail, facsimile, and/or e-mail (with all funds transferred by wire transfer) on the sixth business day after the Court's entry of the Sale Order or on such other date as agreed to by the Receiver and the Winning Bidder in writing. In the event the Winning Bidder fails to timely consummate the transactions contemplated by its Court-approved Winning Bid, upon written notice from the Receiver to the Back-Up Bidder, the closing of the transactions contemplated by the Court-approved Back-Up Bid shall take place remotely by mail, facsimile, and/or e-mail (with all funds transferred by wire transfer) no later than _____ () business days following the Back-Up Bidder's receipt of such notice or on such other date as agreed to by the Receiver and the Back-Up Bidder in writing. An appeal of the Sale Order shall not, absent a stay pending appeal or injunction enjoining the closing, relieve the Receiver, the Winning Bidder, or the Back-Up Bidder of the obligation to close a Court-approved sale of the Purchased Assets.

15. Return/Application of Bid Deposits from Qualified Bidders. All Bid Deposits shall be held by the Receiver in her law firm's trust account. Except for the Bid Deposits of the Winning Bidder and the Back-Up Bidder, the Receiver shall return all earnest money deposits to Qualified Bidders within three (3) business days following the conclusion of the Auction. The Receiver shall hold the Back-Up Bidder's Bid Deposit in escrow pending the closing of the transactions contemplated by the Winning Bid. The Back-Up Bidder's Bid Deposit shall be returned to the Back-Up Bidder within three (3) business days following the closing of the transactions contemplated by the Winning Bid. The Bid Deposit of the Winning Bidder shall be held by the Receiver, credited against the purchase price of the Winning Bid at closing and distributed by the Receiver in accordance with the Sale Order and any financing orders entered by the Court. In the event the Winning Bidder fails to consummate the transactions contemplated by its Court-approved Winning Bid, such defaulting Winning Bidder's Bid Deposit shall be forfeited to the Receiver (and distributed by the Receiver in accordance with the Sale Order and any financing orders entered by the Court) and the Receiver shall have the right to seek all other available remedies and damages against such defaulting Winning Bidder. In such case, provided the Sale Order authorizes the sale of the Purchased Assets to the Back-Up Bidder, the Bid Deposit of the Back-Up Bidder, shall be credited against the purchase price of the Back-Up Bid at closing and distributed by the Receiver in accordance with the Sale Order and any financing orders entered by the Court. In the event the Back-Up Bidder fails to consummate the transactions contemplated by its Back-Up Bid, such defaulting Back-Up Bidder's Bid Deposit shall be forfeited to the Receiver (and distributed by the Receiver in accordance with the Sale Order and any financing orders entered by the Court) and the Receiver shall have the right to seek all other available remedies and damages against such defaulting Back-Up Bidder.

16. Contacts. If you have any questions or would like to request additional information, please contact the following:

Investment Banker for the Receiver

Joe Greenwood
Livingstone Partners LLC
443 North Clark Street, Suite 200
Chicago, IL 60654
Tel: (312) 670-5913
E-mail: greenwood@livingstonepartners.com

Receiver

Rebecca R. DeMarb
DeMarb Brophy, LLC
118 East Washington Avenue, Suite 300
Madison, WI 53701
Tel: (608) 310-5502
E-mail: rdemarb@demarb-brophy.com

Schedule 1

Excluded Assets

1. Cash and cash equivalents;
2. Causes of action in favor of any of the Companies or the Receiver (including, without limitation, causes of action under Chapter 128 or 242 of the Wisconsin Statutes and causes of action against any current or former owners, equity holders, landlords, managers, members, officers, directors, or employees), other than causes of action that are identified on Schedule 2.1(c) to the Stalking Horse Asset Purchase Agreement and arise solely from or relate solely to any of the other Purchased Assets;
3. Refund claims, including insurance and tax refunds;
4. The Companies' rights to the following leased equipment [to be itemized];
5. Licensed software not included in the contracts assumed by the Buyer [NTD: Buyer will require access to Sellers' computers to perform the Transition Services Agreement];
6. Equity interests in any of the Companies;
7. The Companies' charter or organizational documents, minute books, stock ledgers or record books, company seals, tax returns, tax records and files and records relating to any other excluded assets or employees that are not hired by the Buyer as of the Closing Date;
8. The Receiver's and the Companies' rights under this Agreement and any documents executed in connection herewith;
9. All rights with respect to contracts not assumed by the Buyer;
10. Employee benefit plans, programs and arrangements and any trusts, insurance arrangements or other assets held or set aside to fund obligations under such employee benefit plans, programs and arrangements;
11. Insurance policies, including, without limitation, key man life insurance policies, and the claims, cash value, rights and benefits thereunder;
12. The personal computers and other personal effects of the Companies' directors, shareholders and officers, generally described as follows:

AUCTION TERMS AND PROCEDURES

In re UMS Holdings, LLC, et al. Milwaukee County Case No. 19 CV 8498

1. Purchased Assets to be Sold. Rebecca DeMarb, Esq., as Wis. Stats. Chapter 128 Receiver (the "Receiver") of UMS Holdings, LLC, a Delaware limited liability company ("Holdings"), United Milwaukee Scrap, LLC, a Wisconsin limited liability company ("UMS"), UMS Trucking, LLC, a Wisconsin limited liability company ("Trucking"), [United MFR, LLC, a Wisconsin limited liability company ("MFR")], Schulz's Recycling, Inc., a Wisconsin corporation ("Schulz's," together with Holdings, UMS, Trucking and MFR, each a "Company" and collectively, the "Companies"), and her advisors intend to conduct an auction (the "Auction") of the "Purchased Assets," as defined in that certain Asset Purchase Agreement (the "Stalking Horse Purchase Agreement") between the Receiver and Alter Trading Corporation (the "Stalking Horse Bidder") dated November 1, 2019 (the term "Purchased Assets" as used herein shall have the meaning assigned thereto in the Stalking Horse Purchase Agreement), in accordance with the terms and procedures set forth herein.

2. Excluded Assets. The assets of the Receiver described on Schedule 1 attached hereto shall not be offered for sale at the Auction.

3. "As Is, Where Is" Sale. Except to the extent set forth in the Stalking Horse Purchase Agreement, the Purchased Assets will be sold on an "AS IS, WHERE IS" basis with all defects and faults, without any representations or warranties of any kind or nature by the Receiver, Livingstone Partners LLC ("Livingstone"), Silverman Consulting, Inc., BMO Harris Bank N.A. ("BMO"), Associated Bank, National Association, or any other person or entity.

4. Free and Clear of Liens. The Purchased Assets will be sold free and clear of all liens, claims and encumbrances as provided in the order entered by the Wisconsin Circuit Court for Milwaukee County (the "Court") approving the sale, with such liens, claims and encumbrances attaching to the proceeds of each sale in the order of their priority.

5. Due Diligence. Parties interested in conducting due diligence regarding the Purchased Assets should contact Livingstone, the Receiver's investment banker. Contact information for Livingstone is set forth on page 6 of these Auction Terms and Procedures. Prospective bidders that have executed and delivered to the Receiver or Livingstone a confidentiality agreement acceptable to the Receiver (each, a "Potential Bidder") will be afforded access to a virtual proprietary data room maintained by Livingstone that contains information relating to the Purchased Assets (the "Data Room"). The Receiver and Livingstone maintain the right, in their sole discretion, to deny access to the Data Room to any party, including, without limitation, on the basis that such party might use such proprietary information in a competitive manner to the detriment of the Purchased Assets, the Receiver, Companies, the Stalking Horse Bidder, or the Winning Bidder (as defined below). Neither the Receiver nor Livingstone shall be obligated to furnish to any interested party any due diligence information other than the information contained in the Data Room.

6. Stalking Horse Purchase Agreement. The Receiver's obligation to consummate the transactions contemplated by the Stalking Horse Purchase Agreement is subject to higher and better bids at the Auction and Court approval. For purposes of these Auction Terms and Procedures and the Auction, the Stalking Horse Bidder automatically shall be deemed a Qualified Bidder (as defined below) and the Stalking Horse Purchase Agreement automatically shall be deemed a Qualified Bid (as defined below), without the need for the Stalking Horse Bidder to meet the requirements set forth in section 7 below.

7. Qualified Bid Requirements. Only Qualified Bidders may bid at the Auction. A Potential Bidder may become a "Qualified Bidder" only by submitting a bid that is deemed by the Receiver to be a Qualified Bid. A bid submitted by a Potential Bidder shall be deemed a "Qualified Bid" only if it meets all of the following requirements to the satisfaction of the Receiver:

(a) The bid must be submitted to Livingstone via e-mail at greenwood@livingstonepartners.com no later than 4:00 p.m. (Central Time) on November 29, 2019 (the "Bid Deadline");

(b) The bid must be in writing, substantially in the form of the Stalking Horse Purchase Agreement and duly executed by an authorized representative of the Potential Bidder (a "Modified Purchase Agreement"). The Potential Bidder shall also submit a copy of the Stalking Horse Purchase Agreement clearly marked against the Modified Purchase Agreement (a Word version of the Stalking Horse Purchase Agreement will be made available for this purpose);

(c) The bid must offer to purchase all of the Purchased Assets (*provided that* Receiver reserves the right to accept, after consultation with Agent, Bids offering to purchase assets in addition to the Purchased Assets);

(d) The bid must fully disclose the identity of the Potential Bidder;

(e) The bid must be on terms and conditions no less favorable to the Receiver as those set forth in the Stalking Horse Purchase Agreement, as determined by the Receiver after consulting with BMO Harris Bank, NA, in its capacity as agent for Companies' secured lenders (in such capacity, "Agent");

(f) The bid shall not include a break-up fee, bid protection, or any other similar provision;

(g) The bid must clearly set forth the purchase price to be paid and the payment terms, which purchase price and payment terms the Receiver (after consulting with Agent) believes to be higher or better than those of the bid set forth in the Stalking Horse Purchase Agreement, and the value of such bid, as determined by the Receiver, must be greater than the sum of: (i) the purchase price set forth in the Stalking Horse Purchase Agreement; plus (ii) the amount of the break-up fee set forth in the Stalking Horse Purchase Agreement (the "Break-Up Fee"); plus (iii) \$250,000.00;

(h) The bid must be binding and irrevocable and shall not contain any conditions to the Potential Purchaser's obligation to close the transactions contemplated by such bid, other than those conditions to closing set forth in the Stalking Horse Purchase Agreement. Without limiting the generality of the foregoing, a bid shall not contain conditions related to (i)

financing, (ii) shareholder, member, board of directors, manager, or other internal approval, or (iii) the completion or outcome of any due diligence review;

(i) The bid must be accompanied by an earnest money deposit in an amount not less than \$500,000 (a "Bid Deposit"), in the form of a wire transfer to an account designated by the Receiver, which Bid Deposit shall be held and disbursed by the Receiver pursuant to these Auction Terms and Procedures; and

(j) The bid must be accompanied by information that demonstrates, to the satisfaction of the Receiver (after consultation with Agent), that the Potential Bidder has the financial ability to timely consummate the transactions contemplated by the Modified Purchase Agreement. If requested by the Receiver, the Potential Bidder shall supplement such information to the satisfaction of the Receiver.

8. Effect of Submitting a Bid. By submitting a bid for the Purchased Assets pursuant to section 7 above, each Potential Bidder submitting such bid shall be deemed to have agreed to and acknowledged the following:

(a) Such Potential Bidder shall abide by and honor the terms of these Auction Terms and Procedures and any Auction Rules (as defined below);

(b) If the bid becomes a Qualified Bid, such Qualified Bid shall be irrevocable through the conclusion of the Auction and the designation of the Winning Bid and the Back-Up Bid (if a Back-Up Bid is designated) by the Receiver as provided herein;

(c) Such Potential Bidder (i) has had an opportunity to conduct due diligence regarding the Purchased Assets prior to making its bid and does not require further due diligence, (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the Purchased Assets in making its bid, and (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied, by operation of law, or otherwise, regarding the Purchased Assets, or the completeness of any information provided in connection therewith; and

(d) Such Potential Bidder shall comply with all reasonable requests for additional information by the Receiver or her advisors, and the failure by a Potential Bidder to comply with such reasonable requests for additional information may be a basis for the Receiver to determine that such Potential Bidder is not a Qualified Bidder.

9. Designation of Qualified Bidders. The Receiver shall not consider any bids received after the Bid Deadline. The Receiver shall notify each Potential Bidder whether such Potential Bidder is a Qualified Bidder on or by 4:00 p.m. (Central Time) on the first business day following Bid Deadline (the "Notification Deadline") and shall contemporaneously notify the Stalking Horse Bidder and Agent of such determination(s). The Receiver and her advisors may communicate with any Potential Bidder in advance of the Notification Deadline to cure any deficiencies in any bid that is submitted by the Bid Deadline. The Receiver shall return the earnest money deposits of Potential Bidders that are not deemed Qualified Bidders, within three (3) business days following the Notification Deadline.

10. Modification of Qualified Bids. A Qualified Bidder may not, without the written consent of the Receiver and Agent, modify, amend, or withdraw its Qualified Bid; provided that any Qualified Bid may be improved through bidding at the Auction as set forth below.

11. Sale to Stalking Horse Bidder. If no Qualified Bids are submitted (other than that submitted by the Stalking Horse Bidder), the Stalking Horse Bidder will be deemed the Winning Bidder and the Stalking Horse Purchase Agreement will be deemed the Winning Bid, and the Receiver shall report the same to the Court, cancel the Auction and proceed to seek Court approval of the Stalking Horse Purchase Agreement and the transaction contemplated thereby.

12. Auction.

(a) Where and When. The Auction will take place at the offices of Reinhart Boerner Van Deuren S.C. 1000 North Water Street, Suite 1700, Milwaukee, WI 53202 on December 3, 2019 at 10:30 a.m. (Central Time).

(b) Auction Rules. The Receiver and her advisors shall direct and preside over the Auction and may, in the Receiver's discretion, after consulting with Agent, adopt rules for the Auction that are not inconsistent with terms and procedures set forth in these Auction Terms and Procedures (the "Auction Rules"), including, without limitation, rules setting minimum bid increments of at least \$100,000. The Auction Rules shall be binding on all Qualified Bidders.

(c) Conditions to Bidding. Only Qualified Bidders may bid at the Auction. In order to bid at the Auction, a Qualified Bidder must:

(i) Be present at the Auction in person or by a duly authorized agent;

(ii) Acknowledge in writing its interest in participating in the Auction and its agreement to be bound by these Auction Terms and Procedures and any Auction Rules; and

(iii) If any owner or principal of a Qualified Bidder or any entity formed by a Qualified Bidder to purchase the Purchased Assets includes or will include, directly or indirectly, a current or former shareholder, officer, director, member, manager, or employee of any of the Companies, such Qualified Bidder shall advise the Receiver and Agent of same in writing prior to the date of the Auction.

(d) Opening Bids. The Receiver shall announce at the beginning of the Auction for the Purchased Assets the opening bid, which opening bid shall be the highest or otherwise best Qualified Bid, as determined by the Receiver in her sole discretion after consultation with the Agent.

(e) Bids at Auction. The Auction shall proceed in rounds or otherwise in accordance with the Auction Rules. All bids at the Auction shall be unconditional and irrevocable and, unless otherwise agreed to in writing by the Receiver and the Qualified Bidder, shall be on the same terms and conditions (other than purchase price) as the Qualified Bid submitted by such Qualified Bidder. Bids for a portion of the Purchased Assets will not be allowed (but Receiver reserves the right to accept, after consultation with Agent, Bids offering to purchase assets in addition to the Purchased Assets). For the avoidance of doubt, for the purposes of comparison to

any other bid in connection with each round of bidding at the Auction, the Receiver shall be permitted to include in each bid at the Auction by the Stalking Horse Bidder the amount of the Break-Up Fee. Any bids submitted after the conclusion of the Auction shall not be considered by the Receiver.

(f) Competitive Bidding. All bidding at the Auction must be competitive. Any collusive bidding or other conduct that otherwise operates to limit competition among Qualified Bidders is prohibited. The Receiver reserves the right to expel from the Auction any Qualified Bidder the Receiver believes to be engaging in any such conduct.

(g) Designation of Highest or Otherwise Best Bids. Upon the Receiver determining that the bidding at the Auction has concluded, the Receiver, in her sole discretion, after consultation with the Agent, shall designate the highest or otherwise best bid for the Purchased Assets and the second-highest or otherwise second-best bid for the Purchased Assets. Among the factors the Receiver may take into account in determining the highest or otherwise best bid for the Purchased Assets or the second-highest or otherwise second-best bid for the Purchased Assets are: (i) the terms and conditions of the applicable bid; (ii) the amount and nature of the total consideration; (iii) the likelihood of closing; (iv) the Break-Up Fee payable to the Stalking Horse Bidder; (v) any changes to or deviations from the Stalking Horse Purchase Agreement; and (vi) the net economic effect of such bid on the total value to be recovered by the Receiver for the benefit of creditors of any of the Companies.

(h) Acceptance or Rejection of Highest or Otherwise Best Bid. Subject to the consent of Agent, upon the conclusion of the bidding at Auction, the Receiver shall accept or reject the highest or otherwise best bid for the Purchased Assets. If the Receiver accepts the highest or otherwise best bid for the Purchased Assets, that bid shall be deemed the "Winning Bid" and the Qualified Bidder submitting such Winning Bid shall be the "Winning Bidder." The Winning Bid shall be binding on the Winning Bidder and may be withdrawn only in the event it is not approved by the Court. The Winning Bid shall not be binding on the Receiver until the Court enters an order approving the transactions contemplated by such Winning Bid. If the Receiver rejects the highest or otherwise best bid for the Purchased Assets, such bid shall be deemed terminated and neither the Receiver nor the Qualified Bidder submitting such bid shall have any obligations with respect thereto. The Receiver shall have the right to accept or reject any bid, and Agent shall have the right to consent or not consent to the Receiver's acceptance or rejection of any bid, in both cases without any liability to any Qualified Bidder, provided that Agent's consent shall not be required in the event the Winning Bid is the amount offered by the Stalking Horse Bidder pursuant to the Stalking Horse Purchase Agreement.

(i) Back-Up Bid. Subject to the consent of Agent, upon the conclusion of the bidding at Auction, the Receiver may designate the second-highest or otherwise second-best bid for the Purchased Assets as the "Back-Up Bid," in which case the Qualified Bidder submitting such Back-Up Bid shall be the "Back-Up Bidder." The Back-Up Bid submitted by the Back-Up Bidder shall remain open and irrevocable until the closing of the sale of the Purchased Assets to the Winning Bidder. In the event that, for any reason, the Winning Bidder fails to close the transaction contemplated by its Winning Bid, the Receiver, in her discretion, may elect to regard the Back-Up Bid as the highest or best bid for the Purchased Assets, and if authorized by the Sale Order to do so, the Receiver may proceed to consummate the transaction contemplated by the Back-Up Bid.

(j) Conclusion of the Auction. The Auction shall conclude immediately following the Receiver's acceptance or rejection of the highest or otherwise best bid for the Purchased Assets and the designation of a Back-Up Bid by the Receiver (if a Back-Up Bid is designated). Subject to the terms of the Stalking Horse Purchase Agreement, the Receiver may (after consultation with Agent) adjourn, continue, or suspend the Auction for any reason without further order of the Court, by filing a notice thereof with the Court and serving such notice on all Potential Bidders.

(k) Court Approval; Sale Hearing. The Receiver's obligation to sell the Purchased Assets is subject to Court approval. The hearing to consider the approval of the sale of the Purchased Assets (the "Sale Hearing") shall be held by the Court at the Milwaukee County Courthouse, Room 413, 901 N. 9th St., Milwaukee, WI 53233, Milwaukee, Wisconsin, on December 4, 2019 at 11:00 a.m. (Central Time). The Receiver shall use her best efforts to have the Court enter an order authorizing the Receiver to consummate the transactions contemplated by the Winning Bid (the "Sale Order"), which Sale Order shall be in form and substance reasonably satisfactory to the Receiver, the Agent and the Winning Bidder. If the Receiver designates a Back-Up Bid, the Receiver shall use her best efforts to have the Sale Order authorize the Receiver to consummate the sale of the Purchased Assets to the Back-Up Bidder pursuant to the terms of the Back-Up Bid in the event the Winning Bidder fails to timely consummate the transactions contemplated by the Winning Bid. The Winning Bidder shall appear at the Sale Hearing and state on the record that it is ready, willing and able to consummate the transactions contemplated by the Winning Bid with no contingencies whatsoever, other than Court approval of such transactions.

13. Closing. The closing of the transactions contemplated by a Winning Bid approved by the Court shall take place remotely by mail, facsimile, and/or e-mail (with all funds transferred by wire transfer) on the sixth business day after the Court's entry of the Sale Order or on such other date as agreed to by the Receiver and the Winning Bidder in writing. In the event the Winning Bidder fails to timely consummate the transactions contemplated by its Court-approved Winning Bid, upon written notice from the Receiver to the Back-Up Bidder, the closing of the transactions contemplated by the Court-approved Back-Up Bid shall take place remotely by mail, facsimile, and/or e-mail (with all funds transferred by wire transfer) no later than six (6) business days following the Back-Up Bidder's receipt of such notice or on such other date as agreed to by the Receiver and the Back-Up Bidder in writing. An appeal of the Sale Order shall not, absent a stay pending appeal or injunction enjoining the closing, relieve the Receiver, the Winning Bidder, or the Back-Up Bidder of the obligation to close a Court-approved sale of the Purchased Assets.

14. Return/Application of Bid Deposits from Qualified Bidders. All Bid Deposits shall be held by the Receiver in her law firm's trust account. Except for the Bid Deposits of the Winning Bidder and the Back-Up Bidder, the Receiver shall return all earnest money deposits to Qualified Bidders within three (3) business days following the conclusion of the Auction. The Receiver shall hold the Back-Up Bidder's Bid Deposit in escrow pending the closing of the transactions contemplated by the Winning Bid. The Back-Up Bidder's Bid Deposit shall be returned to the Back-Up Bidder within three (3) business days following the closing of the transactions contemplated by the Winning Bid. The Bid Deposit of the Winning Bidder shall be held by the Receiver, credited against the purchase price of the Winning Bid at closing and distributed by the Receiver in accordance with the Sale Order and any financing orders entered by the Court. In the event the Winning Bidder fails to consummate the transactions contemplated by its Court-

approved Winning Bid, such defaulting Winning Bidder's Bid Deposit shall be forfeited to the Receiver (and distributed by the Receiver in accordance with the Sale Order and any financing orders entered by the Court) and the Receiver shall have the right to seek all other available remedies and damages against such defaulting Winning Bidder. In such case, provided the Sale Order authorizes the sale of the Purchased Assets to the Back-Up Bidder, the Bid Deposit of the Back-Up Bidder, shall be credited against the purchase price of the Back-Up Bid at closing and distributed by the Receiver in accordance with the Sale Order and any financing orders entered by the Court. In the event the Back-Up Bidder fails to consummate the transactions contemplated by its Back-Up Bid, such defaulting Back-Up Bidder's Bid Deposit shall be forfeited to the Receiver (and distributed by the Receiver in accordance with the Sale Order and any financing orders entered by the Court) and the Receiver shall have the right to seek all other available remedies and damages against such defaulting Back-Up Bidder.

15. Contacts. If you have any questions or would like to request additional information, please contact the following:

Investment Banker for the Receiver

Joe Greenwood
Livingstone Partners LLC
443 North Clark Street, Suite 200
Chicago, IL 60654
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E-mail: greenwood@livingstonepartners.com

Receiver

Rebecca R. DeMarb
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118 East Washington Avenue, Suite 300
Madison, WI 53701
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Schedule 1

Excluded Assets

1. Cash and cash equivalents;
2. Causes of action in favor of any of the Companies or the Receiver (including, without limitation, causes of action under Chapter 128 or 242 of the Wisconsin Statutes and causes of action against any current or former owners, equity holders, landlords, managers, members, officers, directors, or employees), other than causes of action that are identified on Schedule 2.1(c) to the Stalking Horse Asset Purchase Agreement and arise solely from or relate solely to any of the other Purchased Assets;
3. Refund claims, including insurance and tax refunds;
4. The Companies' rights to the following leased equipment [to be itemized];
5. Licensed software not included in the contracts assumed by the Buyer [NTD: Buyer will require access to Sellers' computers to perform the Transition Services Agreement];
6. Equity interests in any of the Companies;
7. The Companies' charter or organizational documents, minute books, stock ledgers or record books, company seals, tax returns, tax records and files and records relating to any other excluded assets or employees that are not hired by the Buyer as of the Closing Date;
8. The Receiver's and the Companies' rights under this Agreement and any documents executed in connection herewith;
9. All rights with respect to contracts not assumed by the Buyer;
10. Employee benefit plans, programs and arrangements and any trusts, insurance arrangements or other assets held or set aside to fund obligations under such employee benefit plans, programs and arrangements;
11. Insurance policies, including, without limitation, key man life insurance policies, and the claims, cash value, rights and benefits thereunder;
12. The personal computers and other personal effects of the Companies' directors, shareholders and officers, generally described as follows: