

# 1. Key Details

Case Information	Details
Document Title	Debtor's Motion for Order Approving Sale of All or Substantially All of Its Assets Pursuant to Bankruptcy Code Section 363
Case Name	In re: Paragon Industries, Inc.
Case Number	25-80433-PRT
Court	United States Bankruptcy Court for the Eastern District of Oklahoma
Docket Number	Doc 1000
Filing Date	February 26, 2026

# 2. Executive Summary

This motion seeks court approval for the sale of substantially all assets of Paragon Industries, Inc. to Integrated Utility Services LLC for \$40 million following a competitive auction process. The debtor conducted a robust marketing effort through its investment banker, Three Keys Capital Advisors, which contacted 287 potential bidders resulting in 65 confidentiality agreements and ultimately 9 bids. The proposed sale is the result of an auction that lasted nearly 17 hours and represents the highest and best offer for the debtor's assets. The motion requests the sale be approved free and clear of liens under Section 363 of the Bankruptcy Code, with a waiver of the 14-day stay to prevent administrative insolvency. The transaction includes a \$2.5 million deposit and is contingent on the purchaser obtaining financing with a closing date of April 20, 2026.

# 3. Detailed Summary

## A. Key Factual Assertions

- **Case Background** (Pages 1-4)
  - Debtor filed Chapter 11 petition on May 21, 2025 (Page 1)
  - Debtor has continued to operate its business as debtor-in-possession (Page 1)
  - Court approved employment of Three Keys Capital Advisors II LLC as investment banker on October 22, 2025 (Page 2)
  - Court approved bidding procedures on November 25, 2025 (Page 2)
- **Marketing Process** (Pages 2-3, 14)
  - Three Keys contacted 287 prospective bidders (Page 3)
  - Executed confidentiality agreements with 65 prospective bidders (Page 3)
  - 17 potential bidders completed site visits for the Debtor's facilities (Page 3)
  - Marketing efforts resulted in 2 stalking horse proposals and 9 bids (Page 3)

- **Auction Details** (Pages 4-6)
  - Auction held on February 19, 2026 at offices of McDermott Will & Schulte LLP in Dallas (Page 5)
  - Auction lasted from approximately 10:00 am to 2:38 am the following day (Page 5)
  - Seven entities participated as bidders (Page 5)
  - Triforged Industries, LLC was excluded from participation for failing to provide a good faith deposit (Pages 5-6)
    - Triforged is controlled by Whitney Hudgins, an insider of the Debtor due to her close familial relationship with Debtor's former CEO (Page 5)
  - Integrated Utility Services LLC was selected as Successful Bidder with bid of \$40,000,000 (Page 6)
  - Second highest bid was from PI Acquisition for \$33.5 million (Page 6)
- **Purchase Terms** (Pages 6-9)
  - Purchase price: \$40,000,000.00 (Page 7)
  - Deposit: \$2,500,000.00 to be released to Debtor in equal monthly installments (Page 8)
  - Closing Date: Later of April 20, 2026 and second Business Day after conditions met (Page 8)
  - Sale contingent upon purchaser obtaining financing (Pages 8-9)
  - If purchaser fails to close, Debtor entitled to retain \$2.5 million deposit (Page 8)
- **Contract Assignment** (Page 9)
  - Debtor seeking to assume and assign certain executory contracts and unexpired leases (Page 9)
  - Notice to contract parties was provided on December 22, 2025 (Page 9)
  - No timely objections were filed (Page 9)

## B. Key Legal Arguments

- **Section 363 Sale Approval Standard** (Pages 10-11)
  - Sale of debtor's assets outside ordinary course should be authorized with sound business purpose (Page 10)
  - Courts have broad discretion to authorize sales outside ordinary course (Page 10)
  - Paramount goal is to maximize proceeds received by bankruptcy estate (Page 10)
  - Competitive bidding process is consistent with maximizing benefit to estate (Pages 10-11)
  - Court-approved auction process creates presumption of fair price (Page 11)
- **Free and Clear Sale Under 363(f)** (Pages 11-12)
  - Bankruptcy Code section 363(f) permits sale free and clear if one of five conditions met (Page 11)
  - No lienholders objected to approval, constituting consent (Page 12)
  - Liens will attach to proceeds of sale (Page 12)
  - Purchase price equals or exceeds lien values (Page 12)
- **Good Faith Purchase Under 363(m)** (Page 13)
  - Debtor requests finding that Purchaser acted in good faith (Page 13)
  - APA was arm's-length transaction (Page 13)
  - Competitive auction process supports good faith finding (Page 13)
- **Assumption and Assignment of Contracts** (Pages 14-16)
  - Section 365(a) permits assumption of executory contracts with court approval (Page 14)
  - Business judgment standard governs approval (Pages 14-15)
  - Assumption and assignment is integral part of APA (Page 16)

- Maximizes value of estate (Page 16)
- **Waiver of Stay** (Page 16)
  - Debtor seeks waiver of 14-day stay under Bankruptcy Rule 6004(h) (Page 16)
  - Any delay would push case closer to administrative insolvency (Page 16)

## C. Defined Terms

- **Bankruptcy Code:** Title 11 of the United States Code (Page 3)
- **Bankruptcy Rules:** Federal Rules of Bankruptcy Procedure (Page 3)
- **Bidding Procedures:** Certain procedures for the sale of the Debtor's assets (Page 3)
- **Bidding Procedures Order:** Order approving certain procedures for the sale of the Debtor's assets (Page 2)
- **APA:** Asset Purchase Agreement (Page 6)
- **Successful Bidder:** Integrated Utility Services LLC (Page 6)
- **Three Keys:** Three Keys Capital Advisors II LLC (Page 2)
- **Assigned Contracts and Leases:** Certain executory contracts and unexpired leases to be assumed and assigned (Page 9)

## 4. Key Dates and Timeline

- **May 21, 2025:** Petition Date - Debtor filed Chapter 11 petition (Page 1)
- **October 22, 2025:** Court approved employment of Three Keys Capital Advisors (Page 2)
- **October 23, 2025:** Debtor filed Bidding Procedures Motion (Page 2)
- **November 25, 2025:** Court entered Bidding Procedures Order (Page 2)
- **December 22, 2025:** Notice to Contract Parties regarding potential assumption filed (Page 3)
- **January 26, 2026:** Debtor filed application to continue hearings (Pages 4-5)
- **February 5, 2026:** Sale Objection Deadline (Page 4)
- **February 10, 2026:** Bid Deadline (Page 4)
- **February 18, 2026:** Deadline to notify potential bidders of qualified bid status (Page 4)
- **February 19, 2026:** Auction held (Page 5)
- **February 23, 2026:** Sale Motion Objection Deadline (Page 5)
- **February 26, 2026:** Hearing on Sale Motion (Page 5)
- **April 20, 2026:** Anticipated Closing Date (Page 8)

## 5. Important Tables

Purchase Terms	Details
Purchase Price	\$40,000,000.00
Deposit	\$2,500,000.00 (to be released in monthly installments)
Closing Date	Later of April 20, 2026 and second Business Day after conditions met
Contingencies	Purchaser obtaining financing

## Purchase Terms

Backup Bidder

## Details

None designated (PI Acquisition bid of \$33.5M deemed insufficient)

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF OKLAHOMA**

In re:

PARAGON INDUSTRIES, INC.,

Debtor.

Case No. 25-80433-PRT  
Chapter 11

**DEBTOR’S MOTION FOR ORDER APPROVING  
SALE OF ALL OR SUBSTANTIALLY ALL OF ITS ASSETS  
PURSUANT TO BANKRUPTCY CODE SECTION 363**

Debtor, Paragon Industries, Inc. (the “Debtor”), by and through its undersigned counsel, respectfully files this *Debtor’s Motion for Order Approving Sale of All of Substantially All of Its Assets Pursuant to Bankruptcy Code Section 363* (the “Motion”). In support thereof, the Debtor would show the Court as follows:

**JURISDICTION AND STATUTORY AUTHORITY**

1. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334.
2. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b).
3. The statutory and legal predicates for the relief requested are section 363 of title 11 of the United States Code (the “Bankruptcy Code”) and Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and the Court’s Bidding Procedures Order (as defined herein).

**BACKGROUND**

4. On May 21, 2025 (the “Petition Date”), the Debtor filed a voluntary petition with this Court pursuant to Chapter 11 of the Bankruptcy Code.
5. Pursuant to Bankruptcy Code sections 1107 and 1108, the Debtor has retained possession of its assets as a debtor in possession and is continuing to operate its business.

5360370.2

6. No trustee or examiner has been appointed in this Chapter 11 case.
7. The factual background regarding the Debtor, including its business operations and the events leading to this Chapter 11 case, is set forth in detail in the Affidavit in Support of First Day Motions and fully incorporated herein by reference.
8. On October 22, 2025, the Court entered its *Order Granting Debtor's Application to Employ Three Keys Capital Advisors II LLC as Investment Banker* [Doc. 592], which authorized the Debtor's employment of Three Keys Capital Advisors II LLC ("Three Keys") as the Debtor's investment banker for a prospective sale of the Debtor's assets.
9. Since being retained, Three Keys has engaged in a robust marketing process for the Debtor's assets.
10. On October 23, 2025, the Debtor filed the *Debtor's Motion to (A) Approve Bidding Procedures for the Sale of Certain of the Debtor's Assets, (B) Schedule Certain Dates With Respect Thereto, (C) Approve the Form and Manner of Notice Thereof, (D) Approve Bid Protections, (E) Approve Contract Assumption and Assignment Procedures, and (F) Authorize the Debtor to Enter Into Definitive Purchase Agreements* [Doc. 596] (the "Bidding Procedures Motion").
11. On November 25, 2025, the Court entered its *Order (A) Approving Bidding Procedures for the Sale of All of Substantially All of the Debtor's Assets, (B) Scheduling Certain Dates With Respect Thereto, (C) Approving the Form and Manner of Notice Thereof, (D) Approving Bid Protections, (E) Approving Contract Assumption and Assignment Procedures, and (F) Authorize the Debtor to Enter Into Definitive Purchase Agreements* [Doc. 730] (the "Bidding").

Procedures Order)<sup>1</sup>, which approved certain procedures for the sale of the Debtor’s assets (the “Bid Procedures”).

12. As further detailed in the *Declaration of Philip Konnikov* [Doc. XX] (the “Konnikov Dec.”), Three Keys’ marketing process included contacting 287 prospective bidders. Of those contacted, Three Keys executed confidentiality agreements with 65 prospective bidders, who received access to the Debtor’s virtual data room. Three Keys also prepared a confidential information memorandum and a teaser. *See Konnikov Dec.* Seventeen potential bidders completed site visits for the Debtor’s facilities. These marketing efforts resulted in the Debtor receiving 2 stalking horse proposals and 9 bids. *See id.*

13. The Bidding Procedures Order set out a timeline for conducting a sale process for all or substantially all of the assets of the Debtor.

14. On November 25, 2025, as required under the Bidding Procedures Order, the Debtor filed the *Notice of Auction for the Sale of Debtor’s Assets Free and Clear of Any and All Claims, Interests, and Encumbrances* [Doc. 731] (the “Original Sale Notice”) which was served on the entirety of the Debtor’s creditor matrix and all notice parties in the Chapter 11 Case. *See* [Doc. 735].

15. On December 22, 2025, a *Notice to Contract Parties to Potentially Assumed Executory Contracts and Unexpired Leases* [Doc. 808] was filed with the Court and served on counterparties pursuant to the Bidding Procedures Order. No timely objections were filed thereto.

---

<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Bidding Procedures Order or the APA, as applicable.

16. On December 22, 2025, a *Notice of Modified Sale Process Timeline* [Doc. 811] (the “First Amended Sale Notice”) was filed with the Court, which modified the deadlines concerning the Sale Motion.

17. On January 7, 2026, a *Second Notice of Modified Sale Process Timeline* [Doc. 840] (the “Second Sale Notice”) was filed with the Court, which modified the deadlines concerning the Sale Motion.

18. On January 21, 2026, a *Third Notice of Modified Sale Process Timeline* [Doc. 902] (the “Third Sale Notice”) was filed with the Court, which modified the deadlines concerning the Sale Motion.

19. On February 17, 2026, a *Fourth Notice of Modified Sale Process Timeline* [Doc. 966] (the “Fourth Sale Notice”, together with the Third Sale Notice, Second Sale Notice, the First Amended Sale Notice and the Original Sale Notice, the “Sale Notice”) was filed with the Court, which modified the deadlines concerning the Sale Motion. Together, and as relevant to the Auction (defined below), the Sale Notice and Bid Procedures created the following timeline:

Sale Objection Deadline	February 5, 2026, at 4:00 p.m. prevailing Central Time
Bid Deadline	February 10, 2026, at 5:00 p.m. prevailing Central Time
Deadline to Notify Potential Bidders of Qualified Bid Status	February 18, 2026, at 10:00 a.m. prevailing Central Time
Auction	February 19, 2026, at 10:00 a.m. prevailing Central Time
Deadline to File Notice of Successful Bidder	12:00 p.m. prevailing Central Time on the day following the conclusion of the Auction

20. On January 26, 2026, the Debtor filed its *Debtor’s Agreed Application to Continue Hearing on (1) Approval of Disclosure Statement and (2) U.S. Trustee’s Motion to Appoint*

*Trustee, and (3) Setting Hearing to Approve Sale of Assets* [Doc. 916], which was granted on January 27, 2026 [Doc. 928], setting the following applicable dates:

- Sale Motion Objection Deadline: February 23, 2026 at 4:00 p.m. prevailing Central Time; and
- Hearing on Sale Motion: February 26, 2026, at 10:00 a.m. prevailing Central Time.

21. On February 19, 2026, an auction was held for the sale of all or substantially all of the Debtor's assets (the "Auction") at the offices of McDermott Will & Schulte LLP, 2801 North Harwood Street, Suite 2600, Dallas, TX 75201. The Auction continued from approximately 10:00 am (CT) through the early morning hours of February 20, 2026 at approximately 2:38am (CT).

22. The following entities participated in the Auction as bidders: Integrated Utility Services LLC; Gordon Brothers Commercial & Industrial, LLC; Maynards Industries USA, LLC; McIntosh Corporation; PI Acquisition, LLC; Byline Bank; and Hydroline Distribution, LLC.

23. Triforged Industries, LLC ("Triforged"), an entity controlled by Whitney Hudgins, an insider of the Debtor by virtue of her close familiar relation with the Debtor's former CEO, Derek Wachob, was originally qualified as a bidder due to it submitting a bid for \$35 million in cash with no contingencies. However, Triforged was excluded from participation in the Auction due to the failure to provide the Debtor with *any* good faith deposit prior to the commencement of the Auction.

24. Notwithstanding the fact that Triforged is controlled by insiders of the Debtor and closely tied to Derek Wachob with whom numerous interested parties expressed concern about Triforged's involvement in the auction process, had Triforged provided a good faith deposit and satisfactory proof of ability to close a transaction, the Debtor would have welcomed Triforged to

participate in the Auction. Given the lack of any contingencies in the Triforged bid and the stated intent of Triforged to fund a transaction with cash, had the Debtor determined to permit Triforged's attendance, its bid could have served as the starting bid at the Auction. However, because Triforged did not comply with the Bid Procedures, the Debtor was forced to exclude Triforged for failing to provide a good faith deposit prior to the start of the Auction.

25. Integrated Utility Services LLC (the "Successful Bidder") was selected as the Successful Bidder in accordance with the Bidding Procedures at the conclusion of the Auction, having submitted a bid for substantially all of the Debtor's assets in the amount of \$40,000,000.00.

26. The second highest bid was submitted by PI Acquisition for \$33.5 million. However, the Debtor in its business judgment, in consultation with the consultation parties, has determined that the PI Acquisition bid is not of sufficient value to serve as a Backup Bid and that in the event the Successful Bidder is unable to close a transaction, the Debtor has elected to conduct re-marketing process with the funds available to the Debtor from the \$2.5 million deposit that IUS will forfeit should it fail to close the transaction as Successful Bidder.

27. Apart from an objection lodged by counsel to Triforged regarding its exclusion from the Auction, no other objections were raised by bidders or interested parties at the Auction.

28. The Debtor and the Successful Bidder have entered into a proposed Asset Purchase Agreement (the "APA") setting out the terms of the proposed sale of the Debtor's assets to the Successful Bidder, which APA is contingent on Court approval. A copy of the APA is attached hereto as **Exhibit 1**.

**BRIEF IN SUPPORT**

**A. Terms of the Proposed Sale**

The Debtor believes that it is in the best interests of the Debtor’s estate, creditors, and interest holders to complete the sale to the Successful bidder pursuant to the terms of the APA. The APA is the result of a robust marketing and competitive Auction process that has ensured the value to be received from the Debtor’s assets are maximized. The Debtor’s investment banker, Three Keys, has spent months engaging with potential purchasers, coordinating the Auction, and arriving at the selection of the Successful bidder.

Key terms of the proposed sale include the following:<sup>2</sup>

Purchase Price (2.04)	\$40,000,000.00
Purchased Assets (2.01)	All of Debtor’s rights, title and interest in and to those assets used by Debtor in connection with the Business, but excluding the Excluded Assets.
Excluded Assets (2.02)	a. Debtor’s benefit plans (if any), including all rights and obligations thereunder; b. stock ledgers and company minute books of Debtor and Debtor’s income tax records; c. any Contract that is not an Assumed Contract (the " <u>Excluded Contracts</u> "); d. subject to Section 7.08, all insurance policies and rights thereunder, including, but not limited to pre-paid insurance premiums; e. copies of all personnel records and other records that Debtor is required by Law to retain in its possession; f. any of the rights of Debtor under the APA or any documents executed in connection herewith; g. all rights of Debtor relating to posted bonds, letters of credit, prepaid expenses, claims for refunds and rights to offset in respect thereof, to the extent such rights accrued prior to Closing; h. all Permits other than the Assumed Permits;

---

<sup>2</sup> The following is a summary of the terms of the APA. To the extent of any discrepancies between this Motion and the APA, the APA shall govern. Capitalized terms not otherwise defined herein shall have the meaning given in the APA.

	<ul style="list-style-type: none"> <li>i. the items described on attached <u>Schedule 2.02(i)</u> together with those assets never used by Debtor in connection with the Business and not located on the Real Property;</li> <li>j. all cash and cash balances of Debtor;</li> <li>k. all accounts or notes receivable held by Debtor prior to the Closing Date, and any security, claim, remedy or other right related to any of the foregoing ("<u>Accounts Receivable</u>");</li> <li>l. all Intellectual Property other than Intellectual Property Assets;</li> <li>m. all rights of Debtor to any Actions to the extent related to the Business and to the period of time before the Closing Date, whether arising by way of counterclaim or otherwise;</li> <li>n. all prepaid expenses, credits, advance payments, claims, security, refunds, rights of recovery, rights of set-off, rights of recoupment, deposits, charges, sums and fees (including any such item relating to the payment of Taxes);</li> <li>o. subject to Section 7.08, all insurance benefits, including rights and proceeds, arising from or relating to the Business, the Purchased Assets or the Assumed Liabilities;</li> <li>p. all claims, causes of action, and counterclaims, of Debtor whether arising under law or equity, against any and all persons and entities, including but not limited to any and all causes of action arising under Chapter 5 of the Bankruptcy Code or otherwise belonging to the bankruptcy estate of Debtor, and any and all claims and causes of action that are contemplated to be Retained Causes of Action under the current proposed Chapter 11 Plan; and</li> <li>q. the rights which accrue or will accrue to Debtor under the Transaction Documents.</li> </ul>
Deposit (2.05)	\$2,500,000.00. The Deposit shall be released to Debtor in equal monthly installments upon the Bankruptcy Court's approval of this Motion, which the Debtor may use for ongoing expenses per an agreed budget.
Closing Date (2.06)	Later of April 20, 2026 and the second Business Day after all of the conditions to Closing are satisfied or waived., or such other place and time as Debtor and Successful bidder may mutually agree.

The closing of the sale to the Successful bidder is contingent upon the Successful bidder obtaining financing sufficient to close the transaction. To the extent the Successful bidder is unable to close the transaction due to the inability to obtain financing, the Debtor is entitled to retain the

\$2.5 million deposit, which the Debtor may use to recommence a sales process. In the event the deposit is required to be returned to the Successful bidder, the Debtor consents that the Successful bidder shall have a superpriority administrative claim for any portion of the deposit not returned to the Successful bidder.

Pursuant to the APA, the Debtor is also seeking to assume and assign certain executory contracts and unexpired leases in connection with the sale pursuant to the terms of the APA and identified as such therein (the “Assigned Contracts and Leases”). In accordance with the Bidding Procedures, the Cure Notice was provided to the counterparties thereto. Such counterparties were given the opportunity to object to the assumption, assignment, and cure amounts. No such objections were timely received.

The proposed sale to the Successful bidder is not contingent on the assumption and assignment of the Sublease Agreement and Operating Agreement between the Debtor and Johnston’s Port 33, Inc. d/b/a Oakley’s Port 33. Further, the sale is not contingent on the Debtor’s ownership of the slitter equipment located at the Port of Muskogee. While the Debtor is transferring whatever interest it may have in the equipment located at the Port of Muskogee, the Debtor is not seeking a determination of any dispute as to ownership of such equipment as part of this Motion.

For the avoidance of doubt, the Debtor maintains that it owns the steel slitter and any associated equipment located on the Port of Muskogee premises. Further the Debtor reserves all rights to adjudicate its ownership interest in the steel slitter and pursue any associated claims and causes of action associated with the Port of Muskogee’s interference and control exercised over such estate property.

**B. The Sale Should Be Approved Free and Clear Under Bankruptcy Code Section 363.**

Bankruptcy Code section 363 provides that a trustee “after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1); *see also In re Donohue*, 410 B.R. 311, 315 (Bankr. D. Kan. 2009) (noting that the sale of property other than in the ordinary course of business requires a sound business reason benefitting the estate). Although Bankruptcy Code section 363 does not specify a standard for determining when it is appropriate for a court to authorize the use, sale, or lease of property of the estate, a sale of a debtor’s assets should be authorized if a sound business purpose exists for doing so. *See In re VCRI, L.L.C.*, 922 F.3d 323, 326 (5th Cir. 2019) (A sale under section 363 “requires notice and a hearing and is subject to court approval and must be supported by an articulated business justification, good business judgment, or sound business reasons.”); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063 (2d Cir. 1983); *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (stating that debtor must articulate some justification for use, sale or lease of property outside the ordinary course of business). Further, courts are given a great deal of discretion in deciding whether to authorize a sale of the debtor’s assets outside of the ordinary course of business. *See In re Chateaugay Corp.*, 973 F.2d 141, 144 (2d Cir. 1992).

The paramount goal in any proposed sale of estate property is to maximize the proceeds received by the bankruptcy estate. *See, e.g., In re Food Barn Stores, Inc.*, 107 F.3d 558, 564-65 (8th Cir. 1997); *In re Integrated Res., Inc.*, 147 B.R. 650, 659 (Bankr. S.D.N.Y. 1992) (“It is a well-established principle of bankruptcy law that the [trustee’s] duty with respect to such sales is to obtain the highest price or greatest overall benefit possible for the estate.”). Courts recognize that procedures establishing a competitive bidding process are consistent with the goal of

maximizing the benefit received by the bankruptcy estate. *See, e.g., In re Financial News Network, Inc.*, 126 B.R. 152, 156 (Bankr. S.D.N.Y. 1991) (“Court-imposed rules for the disposition of assets . . . [should] provide an adequate basis for comparison of offers, and [should] provide for a fair and efficient resolution of bankrupt estates”).

In this case, a sound business purpose exists for approving the proposed sale because this transaction maximizes the value of the Debtor’s Assets. The transaction does so because it exposed the Assets to the market in a court-approved Auction and sale process. It is well-settled that where there is a court-approved Auction process, a full and fair price is presumed to have been obtained for the assets sold - as the best way to determine value is exposure to the market. *See Bank of Am. Nat’l Trust & Sav. Ass’n. v. 203 N. LaSalle St. P’ship*, 526 U.S. 434, 457 (1999); *see also In re Trans World Airlines, Inc.*, No. 01-00056, 2001 WL 1820326, \*4 (Bankr. D. Del. 2001) (“[I]t is worth noting that a [section] 363(b) sale transaction does not require an auction procedure. The auction procedure has developed over the years as an effective means for producing an arm’s length fair value transaction.”).

Consequently, the ultimately successful bid, was subject to a “market check” in the form of the Auction, and constituted in the Debtor’s business judgment, the highest or otherwise best offer for the Assets and will provide a greater recovery for its estate than any known or practicably available alternative.

Bankruptcy Code section 363(f) permits a debtor to sell property free and clear of another party’s interest in the property if at least one of the following conditions are met: (1) applicable non-bankruptcy law permits such a free and clear sale; (2) the holder of the interest consents; (3) the interest is a lien and the sale price of the property exceeds the value of all liens on the

property; (4) the interest is subject of a bona fide dispute; or (5) the holder of the interest could be compelled in a legal or equitable proceeding to accept a monetary satisfaction of its interest. 11 U.S.C. § 363(f); *see also In re Borders Grp., Inc.*, 453 B.R. 477, 484 (Bankr. S.D.N.Y. 2011) (noting that because section 363(f) is written in the disjunctive, it is satisfied if any one of the five conditions are met).

Here, the sale satisfies Bankruptcy Code section 363(f) because none of the lienholders objected to the approval of the Bid Procedures Motion nor did they timely object by the Sale Objection Deadline contemplated under the Bidding Procedures of February 3, 2025. Such failure to object constitutes consent to the sale pursuant to the terms thereof. *See Hargave v. Twp. of Pemberton*, 175 B.R. 855, 858 (Bankr. D.N.J. 1994) (by not objecting to sale motion, creditor deemed to consent); *Pelican Homestead v. Wooten*, 61 B.R. 661, 667 (Bankr. W.D. La. 1985) (same). Further, liens will attach to the proceeds of the sale, with the claims and asserted interests thereof to be resolved at a later time either through the confirmation process or post-confirmation. Thus, Bankruptcy Code section 363(f)(5) is satisfied. *In re EaglesPan Steel Structures, LLC*, No. 10-23491MER, 2010 WL 4519598, at \*4 (Bankr. D. Colo. July 13, 2010). Moreover, the purchase price for the Debtor's assets equals or exceeds the lien values encumbering the same. *See, e.g., In re Beker Indus., Inc.*, 63 B.R. 474, 477 (Bankr. S.D.N.Y. 1986) (holding that the "aggregate value of all liens" referenced in Bankruptcy Code section 363(f)(3) means the actual economic value of the liens, not the face amount). Thus, where the purchase price for a debtor's assets is the best available under the circumstances, a court may authorize the sale free and clear of existing liens, claims, and encumbrances even if the purchase price is less than the face amount of liens, claims, and encumbrances. *See id.* at 477-78.

**C. The Sale is Proposed in Good Faith.**

The Debtor requests that the Court find that the Purchaser is entitled to the benefits and protections provided by Bankruptcy Code section 363(m) in connection with the sale. Bankruptcy Code section 363(m) provides, in pertinent part:

The reversal or modification on appeal of an authorization under subsection (b) . . . of this section of a sale . . . of property does not affect the validity of a sale . . . under such authorization to an entity that purchased . . . such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale . . . were stayed pending appeal.

11 U.S.C. § 363(m).

Bankruptcy Code section 363(m) fosters the “policy of not only affording finality to the judgment of the bankruptcy court, but particularly to give finality to those orders and judgments upon which third parties rely.” *In re Abbotts Dairies of Pa., Inc.*, 788 F.2d 143, 147 (3d Cir. 1986); *see also Allstate Ins. Co. v. Hughes*, 174 B.R. 884, 888 (S.D.N.Y. 1994) (finding that section 363(m) “provides that good faith transfers of property will not be affected by the reversal or modification on appeal of an unstayed order, whether or not the transferee knew of the pendency of the appeal”).

The Debtor submits that the APA was an arm’s-length transaction, in which the Purchaser acted in good faith. Specifically, as set forth above, the propose sale is the result of a robust marketing process and competitive Auction. The Purchaser submitted the highest or otherwise best bid for the Debtor’s assets and is giving a fair price for the assets. Accordingly, the Debtor requests that the Court make the finding that the Purchaser has purchased the assets in good faith within the meaning of Bankruptcy Code section 363(m).

**D. The Marketing Sale Process Resulted in a Fair Auction Process that Provided Parties Adequate Notice.**

Pursuant to Bankruptcy Rule 2002(a), the Debtor is required to provide creditors with twenty-one (21) days' notice of the Auction. Pursuant to Bankruptcy Rule 2002(c), such notice must include the time and place of the Auction and the deadline for filing any objections to such a sale. *See Fed. R. Bankr. P. 2002(c)*. The Sale Notice constituted good and adequate notice of the Auction and the proceedings with respect thereto in compliance with, and satisfaction of, the applicable requirements of Bankruptcy Rule 2002. Accordingly, no further notice was necessary and the notice provided was a reasonable exercise of business judgment and otherwise sufficient.

Likewise, Three Keys undertook a robust marketing and sale process in which they contacted 287 prospective bidders and executed 65 confidentiality agreements. This resulted in 2 stalking horse proposals and 9 bids. This process was reasonably calculated to achieve the highest and best bid, and constituted a sound exercise of the Debtor's business judgment.

**E. The Assumption and Assignment of the Contracts and Leases Should Be Approved.**

Bankruptcy Code section 365(a) provides, in pertinent part, that a debtor in possession "subject to the court's approval, may assume or reject any executory contract or [unexpired] lease of the debtor." 11 U.S.C. § 365(a). The standard governing bankruptcy court approval of a debtor's decision to assume or reject an executory contract or unexpired lease is whether the debtor's reasonable business judgment supports assumption or rejection. *In re J.H. Land & Cattle Co.*, 8 B.R. 237, 238 (Bankr. W.D. Okla. 1981); *Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1309 (5th Cir. 1985). Under the business judgment test, a court should approve a debtor's proposed assumption

or rejection if such assumption or rejection will benefit the estate. *In re Pinnacle Brands, Inc.*, 259 B.R. 46, 53-54 (Bankr. D. Del. 2001); *Westbury Real Estate Ventures, Inc. v. Bradlees, Inc. (In re Bradlees, Inc.)*, 194 B.R. 555, 558 n.1 (Bankr. S.D.N.Y. 1996). Moreover, a debtor's decision to assume or reject an executory contract or unexpired lease should be accepted "except upon a finding of bad faith or gross abuse of [the debtor's] business discretion." *Lubrizol Enters., Inc. v. Richmond Metal Finishers, Inc. (In re Richmond Metal Finishers, Inc.)*, 756 F.2d 1043, 1047 (4th Cir. 1985). "More exacting scrutiny would slow the administration of the debtor's estate and increase its cost, interfere with the Bankruptcy Code's provision for private control of administration of the estate, and threaten the court's ability to control a case impartially." *Richmond Leasing*, 762 F.2d at 1311.

Once an executory contract or unexpired lease is assumed, the trustee or debtor in possession may elect to assign such contract to a third party. *See In re Rickel Home Ctrs., Inc.*, 209 F.3d 291, 299 (3d Cir. 2000) ("[t]he Code general favors free assignability as a means to maximize the value of the debtor's estate"). Bankruptcy Code section 365(f) provides that prior to assignment, a trustee or debtor in possession must first assume the contract or lease and ensure that "adequate assurance of future performance is provided." 11 U.S.C. § 365(f)(2).

The phrase "adequate assurance of future performance" is to be given "practical, pragmatic construction." *See In re U.L. Radio Corp.*, 19 B.R. 537, 542 (Bankr. S.D.N.Y. 1982); *see also In re Natco Indus., Inc.*, 54 B.R. 436, 440 (Bankr. S.D.N.Y. 1985) (adequate

assurance of future performance does not mean absolute assurance that debtor will thrive and pay rent). Adequate assurance of future performance may be demonstrated by, among other things, the assignee's financial health and experience in managing the type of enterprise or property assigned. *See In re Bygaph, Inc.*, 56 B.R. 596, 605-606 (Bankr. S.D.N.Y. 1986).

Assuming and assigning the Assigned Contracts and Leases is a sound exercise of the Debtor's business judgment. The assumption and assignment of such agreements is an integral part of the APA and allows the Debtor to maximize value of its estate. As such, the assumption and assignment is a proper exercise of the Debtors' business judgment.

**F. Any Applicable Stay Should be Waived.**

The Debtor seeks a waiver of any stay of the effectiveness of the order granting this Motion. Pursuant to Bankruptcy Rule 6004(h), any "order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise." Any delay in close will push this case closer to administrative insolvency and substantially lessen the chances that the transaction closes. Accordingly, the Debtor submits that ample cause exists to justify a waiver of the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent applicable.

**G. Reservation of Rights**

Nothing in the Motion should be construed as (a) an admission as to the validity, priority, or character of any claim or other asserted right or obligation, or a waiver or other limitation on the Debtor's ability to contest the same on any ground permitted by bankruptcy or applicable non-bankruptcy law; (b) a promise or requirement to pay any claim or other obligation; or (c) granting

third-party-beneficiary status, bestowing any additional rights on any third party, or being otherwise enforceable by any third party.

**CONCLUSION**

WHEREFORE, for the reasons stated herein, the Debtor respectfully requests that this Court enter an order (1) approving the sale of the Debtor's assets pursuant to the APA; and (2) granting such other and further relief as the Court deems appropriate.

Respectfully submitted,

*/s/ Clayton D. Ketter*

Clayton D. Ketter, OBA No. 30611

Jason A. Sansone, OBA No. 30913

PHILLIPS MURRAH P.C.

424 N.W. 10th St., Suite 300

Oklahoma City, OK 73103

(405) 235-4100 - telephone

(405) 235-4133 - facsimile

cdketter@phillipsmurrah.com

jasansone@phillipsmurrah.com

**Attorneys for Debtor**

# 1. Key Details

Case Information	Details
Document Title	Asset Purchase Agreement
Case Name	In re Paragon Industries, Inc.
Case Number	25-80433
Court	United States Bankruptcy Court for the Eastern District of Oklahoma
Docket Number	Doc 1000-1
Filing Date	February 26, 2026

# 2. Executive Summary

This document is an Asset Purchase Agreement dated February 23, 2026, between Integrated Utility Services LLC (Purchaser) and Paragon Industries, Inc. (Seller) for the purchase of substantially all assets of the Seller's steel pipe manufacturing facilities for \$40,000,000. The agreement is structured as a sale under Sections 105, 363, and 365 of the Bankruptcy Code, as the Seller filed for Chapter 11 bankruptcy on May 21, 2025. The agreement outlines the terms of the asset purchase, including purchased and excluded assets, assumed and excluded liabilities, deposit requirements, closing conditions, and the process for the bankruptcy court's approval of the sale.

# 3. Detailed Summary

## A. Key Factual Assertions

- **Bankruptcy Background** (Page 3)
  - Seller (Paragon Industries, Inc.) commenced a voluntary Chapter 11 case on May 21, 2025
  - Case is styled In re Paragon Industries, Inc., Case No. 25-80433-PRT
  - Filed in the United States Bankruptcy Court for the Eastern District of Oklahoma
- **Transaction Structure** (Pages 3-4)
  - Sale of Purchased Assets pursuant to Sections 105, 363, and 365 of the Bankruptcy Code
  - Purchase price is \$40,000,000 (Page 12)
  - Deposit of \$2,500,000 required from Purchaser (Page 12)
    - Purchaser already deposited \$480,000 on February 13, 2026, as "Auction Deposit"
    - Remaining \$2,020,000 to be wired to complete the deposit requirement
- **Purchased Assets** (Pages 8-9)
  - Equipment, machinery, and tangible personal property
  - Leasehold interests and real property owned by Seller

- Assumed permits
  - Intellectual Property Assets
  - Assumed Contracts
  - Inventories, books, records, goodwill, and information technology assets
- **Excluded Assets** (Pages 10-11)
    - Seller's benefit plans
    - Stock ledgers and company minute books
    - Excluded Contracts
    - Insurance policies
    - Cash and accounts receivable
    - Claims, causes of action, and counterclaims
  - **Port Property Issue** (Pages 5, 39, 52-53)
    - Port Property consists of 2.21 acres at Port of Muskogee
    - Subject to Port Legacy Master Lease and Port Legacy Sublease
    - Assets at Port Property are excluded if subject to bona fide dispute
    - Muskogee City-County Port Authority has asserted ownership of assets at Port Property
    - Challenge to validity of Port Legacy Sublease exists

## B. Key Legal Arguments

- **Asset Acquisition Process** (Pages 17-19)
  - Agreement is subject to approval by Bankruptcy Court
  - Subject to higher or better competing bids per Bid Procedures
  - Sale Order to approve transaction under Sections 105, 363, 365 of Bankruptcy Code
  - Assets to be sold free and clear of liens except Permitted Liens
- **Sale Order Requirements** (Page 18)
  - Must find Purchaser is "good faith" purchaser under Section 363(m)
  - Must grant Purchaser protections of Section 363(m)
  - Must find Purchaser shall have no liability for excluded liabilities
  - Must find Purchaser provided adequate assurance of future performance
  - Must approve Purchaser's superpriority administrative expense claim regarding deposit
- **Expense Reimbursement** (Page 24)
  - Up to \$125,000 for Purchaser's reasonable expenses
  - Payable if agreement is terminated per Section 8.04(d) (competing transaction)
  - Treated as superpriority administrative expense claim
  - Payable from proceeds of any Competing Transaction
- **Disclaimers and Limitations** (Pages 25-27)
  - "As-is, where-is" sale with limited representations and warranties
  - Specific disclaimers regarding environmental matters

- Extensive disclaimers regarding conditions of the Purchased Assets

## C. Defined Terms

- **"Action"**: "any claim, action, suit, arbitration, litigation, proceeding (public or private), investigation, inquiry, governmental proceeding or audit, hearing, notice of violation, citation, summons, charge, complaint, or demand of any nature, judicial, administrative, regulatory, arbitral or otherwise, whether at Law or in equity." (Page 3)
- **"Competing Transaction"**: "any transaction involving the direct or indirect sale, transfer, or other disposition of the Purchased Assets to a purchaser other than the Purchaser." (Page 4)
- **"Facilities"**: "steel pipe manufacturing facilities and certain assets related thereto" (Page 3)
- **"Purchased Assets"**: All of Seller's rights, title and interests in assets used by Seller in connection with the Business, including equipment, leasehold interests, permits, intellectual property, contracts, inventory, and records (Pages 8-9)
- **"Excluded Liabilities"**: "any Action against, or Liabilities, Contracts or obligations whatsoever of Seller, whether known or unknown, absolute or contingent, matured or unmatured, accrued or unaccrued, liquidated or unliquidated, whenever arising, asserted or assessed, or however arising" (Page 11)

## 4. Key Dates and Timeline

- **May 21, 2025**: Seller commenced Chapter 11 bankruptcy case (Page 3)
- **September 5, 2025**: Binding Plan Support Agreement Term Sheet dated (Page 5)
- **September 10, 2025**: Plan Support Agreement approved by Bankruptcy Court (Page 5)
- **February 13, 2026**: Purchaser deposited initial Auction Deposit of \$480,000 (Page 13)
- **February 23, 2026**: Asset Purchase Agreement dated (Page 1)
- **February 26, 2026**: Document filed with Bankruptcy Court (Page 1)
- **Initial Closing Deadline**: 60 days from entry of Sale Order (Page 13)
- **Extended Closing Deadline**: Option to extend by 30 days (90 days total from Sale Order) (Page 13)

## 5. Important Tables

The most significant table in the document is the Purchase Price Allocation Schedule (Page 49) which breaks down the \$40,000,000 purchase price as follows:

Category	Amount	Percentage
Land	\$1,643,636	4%
Buildings	\$2,486,484	6%
Equipment	\$35,869,880	90%
<b>Total</b>	<b>\$40,000,000</b>	<b>100%</b>

The allocation schedule further designates certain assets for Byline Resolution purposes:

- Tract 1: \$433,046
- Tract 2: \$1,963,090

- Byline Equipment: \$3,476,164
- Other: \$34,127,699

**ASSET PURCHASE AGREEMENT**

by and between

**INTEGRATED UTILITY SERVICES LLC**

as "Purchaser,"

and

**PARAGON INDUSTRIES, INC.**

as "Seller"

**Dated as of February 23, 2026**

Schedules

1.01(a)	Intellectual Property Assets
1.01(b)	Certain Permitted Liens
2.01(a)	Descriptions of Equipment
2.01(b)	Acquired Leases and Other Real Property
2.01(c)	Assumed Permits
2.01(d)	Miscellaneous Assets
2.02(i)	Certain Excluded Assets
2.07(a)	Form of Bill of Sale
2.07(b)	Form of Assignment and Assumption Agreement
2.07(c)	Form of Deed
2.10	Allocation Schedule
3.01	Seller Consents and Approvals
3.03	Litigation
3.06	Permits
4.01	Purchaser Consents and Approvals
7.03(b)	Assumed Contracts

## ASSET PURCHASE AGREEMENT

**THIS ASSET PURCHASE AGREEMENT** (this "Agreement"), dated effective as of February 23, 2026, by and among **INTEGRATED UTILITY SERVICES LLC**, a Texas limited liability company ("Purchaser"), and **PARAGON INDUSTRIES, INC.**, an Oklahoma corporation ("Seller"). Each signatory hereto may be individually referred to herein as a "Party," and collectively as the "Parties."

### RECITALS

**WHEREAS**, Seller owns, leases and operates steel pipe manufacturing facilities and certain assets related thereto (the "Facilities");

**WHEREAS**, on May 21, 2025, Seller commenced a voluntary case under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Eastern District of Oklahoma (the "Bankruptcy Court"), styled *In re Paragon Industries, Inc.*, Case No. 25-80433-PRT (the "Bankruptcy Case").

**WHEREAS**, Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller, certain assets of seller related to the Facilities on the terms and conditions contained herein;

**WHEREAS**, the Parties intend to effectuate the transactions contemplated by this Agreement through a sale of the Purchased Assets (hereinafter defined) pursuant to sections 105, 363 and 365 of the Bankruptcy Code; and

**WHEREAS**, Seller's authority to consummate the transactions set forth in this Agreement is subject to, among other things, the entry of the Sale Order (hereinafter defined) by the Bankruptcy Court.

### AGREEMENT

**NOW, THEREFORE**, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the Parties hereto agree as follows:

#### ARTICLE 1 DEFINITIONS

##### 1.01 Certain Defined Terms. For purposes of this Agreement:

"Action" means any claim, action, suit, arbitration, litigation, proceeding (public or private), investigation, inquiry, governmental proceeding or audit, hearing, notice of violation, citation, summons, charge, complaint, or demand of any nature, judicial, administrative, regulatory, arbitral or otherwise, whether at Law or in equity.

"Affiliate" means, with respect to any specified Person, (i) any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person, and (ii) any individual who is a sibling, spouse, or relative to the second degree of such Person or any Person described in clause (i). As used in this definition, "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee, personal representative or executor, by Contract or otherwise.

"Agreement Date" means the effective date of this Agreement.

"Ancillary Agreements" means the Bill of Sale and Assignment and Assumption Agreement.

"Appurtenances" means all appurtenances, including all the rights, ways, waters, privileges and alleys serving any Real Property subject to the leases and the Improvements located on the Real Property or in any wise appertaining; and all right, title and interest of Seller in any land lying in the bed of any street, alley, road, avenue, creek, river or stream, existing or proposed, in front of or adjoining the Real Property.

"Auction" means the auction for the sale of the Purchased Assets, if any, to be conducted in accordance with the Bid Procedures.

"Back-Up Bidder" means the bidder for the Purchased Assets, determined by Seller, to have made the next-highest or otherwise second-best bid for the Purchased Assets in accordance with the Bid Procedures, if any is designated by the Debtor.

"Back-Up Termination Date" means the first to occur of (a) consummation of the transaction with the winning bidder at the Auction, (b) Purchaser's receipt of notice from Seller of the release by Seller of Purchaser's obligations under Section 7.04.

"Bid Procedures" means the Bidding Procedures attached to the Bid Procedures Order as Exhibit 1.

"Bid Procedures Order" means the Order entered by the Bankruptcy Court in connection with the Bankruptcy Case and sale process at Docket No. 730.

"Business" means the Facilities and related operations, as conducted on the date of this Agreement.

"Business Day" means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in Oklahoma City, Oklahoma.

"Byline" means Byline Bank.

"Byline Equipment" means the equipment listed on the Exhibit A to that certain security agreement between Byline and the Seller dated December 2, 2020 and which was filed as an exhibit to Byline's proof of claim, Claim No. 84, in the Bankruptcy Case.

"Byline Resolution" has the meaning set forth in Section I.D. of the Plan Support Agreement.

"Calendar Quarter" means each successive period of three (3) consecutive calendar months ending on March 31, June 30, September 30, or December 31.

"Cash" means all cash and cash equivalents on hand and in banks, certificates of deposit, commercial paper and similar securities.

"Code" means the Internal Revenue Code of 1986, as amended.

"Competing Transaction" means any transaction involving the direct or indirect sale, transfer, or other disposition of the Purchased Assets to a purchaser other than the Purchaser.

"Contract" means any written, oral or other agreement, contract, subcontract, lease, instrument, note, option, warranty, sublicense or legally binding commitment or undertaking of any nature related to the Business to which Seller is a party or by which Seller, or any of its assets or properties, is bound.

"Damages" means any and all obligations, damages, losses, liabilities, fines, penalties, awards, judgments and/or amounts paid in settlement, including all costs and expenses (including court costs and reasonable legal and other professional fees and expenses) incurred in investigating, defending and preparing for or in connection with any Action.

"Expense Reimbursement" means the aggregate amount, which shall not exceed \$125,000, of all reasonable and documented expenses (including internal and external professional fees and all fees and expenses of counsel, accountants, investment banks, advisors, and consultants to Purchaser or its Affiliates ) incurred by Purchaser or its Affiliates prior to any termination of this Agreement in accordance with Article 8 of this Agreement relating to or in connection with (a) the purchase of the Purchased Assets, including the transactions contemplated by this Agreement and any other Transaction Documents; (b) the negotiation, preparation, execution or performance of agreements relating to the purchase of the Purchased Assets, including this Agreement and any other Transaction Documents; and (c) business, financial, legal, accounting, tax, and other due diligence relating to the Purchased Assets, and for the avoidance of doubt, shall only be due and payable by Seller pursuant to Section 8.05 of this Agreement.

"Government Consents" means any consents required to be obtained from any Governmental Authority in order to consummate the transactions contemplated by this Agreement.

"Governmental Authority" means any federal, state, local or other government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body.

"Governmental Order" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"Improvements" means all improvements and fixtures located on the Real Property subject to any Contract thereon.

"Intellectual Property" means any and all of the following arising pursuant to the Laws of any jurisdiction throughout the world: (a) trademarks, service marks, trade names, and similar indicia of source of origin, all registrations and applications for registration thereof, and the goodwill connected with the use of and symbolized by the foregoing; (b) copyrights and all registrations and applications for registration thereof; (c) trade secrets and know-how; (d) patents and patent applications; (e) internet domain name registrations; and (f) other intellectual property and related proprietary rights.

"Intellectual Property Assets" means all Intellectual Property that is owned by Seller and used in connection with the Business, including the Intellectual Property as set forth on Schedule 1.01(a).

"Interim Period" means the period between the Agreement Date and the earlier of (x) Closing or (y) the termination of this Agreement.

"IRS" means the Internal Revenue Service of the United States.

"Knowledge" means with respect to the Seller, the knowledge, after diligent inquiry, of (i) any officer, member, manager or director of Seller, or (ii) any employee of Seller with direct supervisory authority over the Purchased Assets or the Business.

"Law" means any federal, state, local or similar statute, law, ordinance, regulation, rule, code, order, published guidance, permit, license, authorization, or other directive or requirement including fee requirements (whether or not having the force of law), consent decree, injunction, judgment or rule of law (including common law).

"Liability" means any and all debts, liabilities and obligations of any kind or nature, whether accrued or fixed, absolute or contingent, matured or unmatured, known or unknown or determined or determinable.

"Liens" means any and all liens, mortgages, easements, charges, restrictions, covenants, easements, preemptive rights, claims, security interests, pledges, options or other encumbrances.

"Loss" means any Damage actually suffered or incurred.

"Ordinary Course of Business" means any action taken by Seller if such action is taken in the ordinary course of operations consistent with past custom and practice.

"Permit" means any license, franchise or permit with any Governmental Authority required by applicable Law for the operation of the Business as currently conducted.

"Permitted Liens" means (i) the liens set forth on Schedule 1.01(b), (ii) statutory Liens for current Taxes that (A) are not yet due or delinquent and (B) constitute Assumed Liabilities, (iii) mechanics', carriers', workmen's, repairmen's or other like liens arising or incurred in the Ordinary Course of Business (A) that are not delinquent and (B) constitute Assumed Liabilities; (iv) zoning, entitlement, conservation restriction and other land use and environmental regulations by Governmental Authorities that do not individually, or in the aggregate, materially interfere with the designed use or current use of the Purchased Assets; and (v) easements and rights of way to

the extent that they are of record in the county land records of the county in which the Real Property is located and that do not individually, or in the aggregate, materially interfere with the designed use or current use of the Purchased Assets.

"Person" means any individual, partnership, firm, corporation, limited liability company, association, trust, unincorporated organization, or other entity of any kind.

"Plan Support Agreement" means the Binding Plan Support Agreement Term Sheet dated September 5, 2025 and approved by order of the Bankruptcy Court on September 10, 2025.

"Port Legacy Master Lease" means that certain amended and restated lease agreement dated November 20, 2018, between Muskogee City-County Port Authority, as lessor, and Johnston's Port 33, Inc., as lessee, whereby Johnston's Port 33, Inc. leased the Port Property from Muskogee City-County Port Authority.

"Port Legacy Sublease" means that certain sublease agreement dated November 16, 1999, between Johnston's Port 33, Inc., as sublessor, and Seller, as sublessee, with the consent of Muskogee City-County Port Authority, whereby Seller subleased the Port Property from Johnston's Port 33, Inc.

"Port Property" means that certain parcel of land comprising approximately 2.21 acres at the Port of Muskogee that is the subject of the Port Legacy Master Lease and Port Legacy Sublease with all Improvements thereon and Appurtenances thereto (including, for the avoidance of doubt, all coil slitting equipment).

"Sale Order" means the order of the Bankruptcy Court, in form and substance approved by Purchaser (such approval not to be unreasonably withheld, conditioned, or delayed), pursuant to, *inter alia*, Bankruptcy Code sections 363 and 105 authorizing and approving, *inter alia*, this Agreement and the transactions contemplated thereby, including the sale of the Purchased Assets to Purchaser on the terms and conditions set forth herein, free and clear of all then existing or thereafter arising liens (other than Assumed Liabilities) of, against, or created by Seller or its bankruptcy estate to the extent permissible under Bankruptcy Code section 363(f), and the assumption and assignment of the Acquired Leases and Assumed Contracts to Purchaser.

"Tax" or "Taxes" means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, margin, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated or other tax of any kind whatsoever, including any interest, penalty, assessment, or addition thereto.

"Tax Authority" means any Governmental Authority having or purporting to exercise jurisdiction with respect to any Tax.

"Tax Returns" means any and all returns, reports and forms (including declarations, amendments, schedules, information returns or attachments thereto) required to be filed with a Governmental Authority with respect to Taxes.

“Tract 1” has the meaning set forth in the Plan Support Agreement.

“Tract 2” has the meaning set forth in the Plan Support Agreement.

"Transaction Documents" means this Agreement and all other documents to be executed by any Party to this Agreement in connection with the consummation of the transactions contemplated by this Agreement, including the Ancillary Agreements.

"Transfer Taxes" means any and all transfer, sales, use, value added, excise, filing, recording, registration, documentary, stamp or other similar Taxes applicable to, imposed upon or arising out of the transactions contemplated by this Agreement.

**1.02 Other Definitions.** Defined terms not set forth in Section 1.01, above, have the meanings set forth in this Agreement, including without limitation, the following terms:

<b>Defined Term</b>	<b>Definition Section</b>
" <u>Accounts Receivable</u> "	2.02(k) [ <i>Excluded Assets</i> ]
" <u>Acquired Leases</u> "	2.01(b) [ <i>Purchase and Sale of the Purchased Assets</i> ]
" <u>Allocation Schedule</u> "	2.10 [ <i>Purchase Price Allocation</i> ]
" <u>Agreement</u> "	Preamble
" <u>Assignment and Assumption Agreement</u> "	2.07(a) [ <i>Closing Deliveries by Seller</i> ]
" <u>Assumed Contracts</u> "	7.03(b) [ <i>Executory Contracts and Cure Costs</i> ]
" <u>Assumed Liabilities</u> "	2.03(a) [ <i>Assumed Liabilities and Excluded Liabilities</i> ]
" <u>Assumed Permits</u> "	2.01(c) [ <i>Purchase and Sale of Purchased Assets</i> ]
“ <u>Auction Deposit</u> ”	2.05 [ <i>Deposit</i> ]
" <u>Bankruptcy Case</u> "	Recitals
" <u>Bankruptcy Code</u> "	Recitals
" <u>Bankruptcy Court</u> "	Recitals
" <u>Bill of Sale</u> "	2.07(a) [ <i>Closing Deliveries by Seller</i> ]
" <u>Closing</u> "	2.06 [ <i>Closing</i> ]
" <u>Closing Date</u> "	2.06 [ <i>Closing</i> ]

" <u>Deed</u> "	2.07(c) [ <i>Closing Deliveries by Seller</i> ]
" <u>Excluded Assets</u> "	2.02 [ <i>Excluded Assets</i> ]
" <u>Excluded Contracts</u> "	2.02(c) [ <i>Excluded Assets</i> ]
" <u>Excluded Liabilities</u> "	2.03(b) [ <i>Assumed Liabilities and Excluded Liabilities</i> ]
" <u>Facility</u> "	Recitals
" <u>Initial Closing Deadline</u> "	2.06 [ <i>Closing</i> ]
" <u>Miscellaneous Assets</u> "	2.01(d) [ <i>Purchase and Sale of the Purchased Assets</i> ]
" <u>Non-Recourse Party</u> "	9.14 [ <i>Non-Recourse Parties</i> ]
" <u>Party</u> " or " <u>Parties</u> "	Preamble
" <u>Permitted Assignee</u> "	9.05 [ <i>Assignment</i> ]
" <u>Pre-Tax Closing Period</u> "	5.2 [ <i>Property Taxes</i> ]
" <u>Property Taxes</u> "	5.2 [ <i>Property Taxes</i> ]
" <u>Purchase Price</u> "	2.04 [ <i>Purchase Price</i> ]
" <u>Purchased Assets</u> "	2.01 [ <i>Purchase and Sale of the Purchased Assets</i> ]
" <u>Purchaser</u> "	Preamble
" <u>Real Property</u> "	2.01(b) [ <i>Purchase and Sale of the Purchased Assets</i> ]
" <u>Seller</u> "	Preamble
" <u>Straddle Period</u> "	5.2 [ <i>Property Taxes</i> ]

**1.03 Interpretation and Rules of Construction.** In this Agreement, except to the extent otherwise provided or that the context otherwise requires:

(a) when a reference is made in this Agreement to an Article, Section, Exhibit or Schedule, such reference is to an Article or Section of, or an Exhibit or Schedule to this Agreement unless otherwise indicated, and all Schedules and Exhibits referenced in and attached to this Agreement are a part of this Agreement;

(b) the table of contents, titles and headings for this Agreement are for reference purposes only and do not affect in any way the meaning or interpretation of this Agreement;

(c) whenever the words "include," "includes" or "including" are used in this Agreement, they are deemed to be followed by the words "without limitation";

(d) the words "hereof," "herein" and "hereunder" and words of similar import, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement, unless otherwise specified;

(e) all terms defined in this Agreement have the defined meanings when used in any certificate or other document made or delivered pursuant hereto, unless otherwise defined therein;

(f) the definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms;

(g) references to a Person also refer to its successors and permitted assigns;

(h) references to "dollars" or "\$" shall, unless otherwise stated herein, be to the legal currency of the United States;

(i) whenever the words "day" or "days" are used in this Agreement, they are deemed to refer to calendar days unless expressly stated to be Business Days; and

(j) as used herein the date of an entity's "inception" shall be the date of its formation as shown on the records of the Secretary of State in the state of such entity's formation.

## ARTICLE 2 PURCHASE AND SALE

**2.01 Purchase and Sale of the Purchased Assets.** Upon the terms and subject to the conditions of this Agreement, Seller hereby agrees to sell, transfer, convey, assign and deliver to Purchaser, and Purchaser hereby agrees to purchase, acquire and accept from Seller, all of Seller's rights, title and interest in and to those assets used by Seller in connection with the Business, including those assets as described below (but excluding the Excluded Assets) (collectively, the "Purchased Assets"):

(a) all equipment, machinery, motor vehicles, apparatus, tools, implements, furniture and other items of tangible personal property, owned or leased by Seller, and all other assets that are described on Schedule 2.01(a) attached hereto;

(b) the leasehold interests (the "Acquired Leases") and the real property owned by Seller, including leasehold interests and the real property described on Schedule 2.01(b) hereto, including, in each case, the Improvements and the Appurtenances (collectively, the "Real Property") and including, for the avoidance of doubt, any and all easements, rights of access, rights arising under any covenant, equitable servitude, or similar property right whether arising in law or equity;

(c) to the extent transferable and assignable, all right, title and interest in Seller's Permits (including all pending applications thereof or renewals therefor), including those listed on Schedule 2.01(c) (collectively, the "Assumed Permits"), and documents (including electronic documents) relating thereto;

(d) all of the additional assets owned or leased by Seller, including those that are described on Schedule 2.01(d) attached hereto (collectively, the "Miscellaneous Assets");

(e) all Intellectual Property Assets;

(f) to the extent transferable and assignable, all right, title and interest in, to and under the Assumed Contracts, but excluding the Excluded Contracts;

(g) all inventories of raw materials, work in process, finished products, goods, spare parts, maintenance, supplies, replacement and component parts, and office and other supplies of Seller used in connection with the operation of the Business;

(h) all current books, records, documents and instruments and all historical files and archives owned by and currently in the possession or under the control of Seller, which are related to or used or intended to be used for or in connection with the operation of the Business;

(i) Seller's data and records relating to the Business, including customer records, including principal contacts, addresses and telephone numbers, purchasing history, payment information and any other information with respect to the customers, sales data, catalogs, brochures, suppliers' names, mailing lists and advertising materials;

(j) all goodwill and going concern value associated with the Business;

(k) all rights under express or implied warranties from the suppliers of Seller, to the extent they are assignable and related to the Business; and

(l) all information technology assets used in connection with the Business, including all computer hardware, servers, networking equipment, telecommunications equipment, manufacturing control systems, and other electronic data processing and communications equipment, and all computer software (including operating system software, application software, enterprise resource planning systems, manufacturing execution systems, and other business software), together with all related licenses, subscription agreements, and maintenance agreements.

**2.02 Excluded Assets.** Notwithstanding anything to the contrary contained in Section 2.01 or elsewhere in this Agreement, the following assets of Seller (collectively, the "Excluded Assets") are not part of the sale and purchase contemplated hereunder, are excluded from the Purchased Assets and shall remain the property of Seller after the Closing:

(a) Seller's benefit plans (if any), including all rights and obligations thereunder;

- (b) stock ledgers and company minute books of Seller and Seller's income tax records;
- (c) any Contract that is not an Assumed Contract (the "Excluded Contracts");
- (d) subject to Section 7.08, all insurance policies and rights thereunder, including, but not limited to pre-paid insurance premiums;
- (e) copies of all personnel records and other records that Seller is required by Law to retain in its possession;
- (f) any of the rights of Seller under this Agreement or any documents executed in connection herewith;
- (g) all rights of Seller relating to posted bonds, letters of credit, prepaid expenses, claims for refunds and rights to offset in respect thereof, to the extent such rights accrued prior to Closing;
- (h) all Permits other than the Assumed Permits;
- (i) the items described on attached Schedule 2.02(i) together with those assets never used by Seller in connection with the Business and not located on the Real Property;
- (j) all cash and cash balances of Seller;
- (k) all accounts or notes receivable held by Seller prior to the Closing Date, and any security, claim, remedy or other right related to any of the foregoing ("Accounts Receivable");
- (l) all Intellectual Property other than Intellectual Property Assets;
- (m) all rights of Seller to any Actions to the extent related to the Business and to the period of time before the Closing Date, whether arising by way of counterclaim or otherwise;
- (n) all prepaid expenses, credits, advance payments, claims, security, refunds, rights of recovery, rights of set-off, rights of recoupment, deposits, charges, sums and fees (including any such item relating to the payment of Taxes);
- (o) subject to Section 7.08, all insurance benefits, including rights and proceeds, arising from or relating to the Business, the Purchased Assets or the Assumed Liabilities;
- (p) all claims, causes of action, and counterclaims, of Seller whether arising under law or equity, against any and all persons and entities, including but not limited to any and all causes of action arising under Chapter 5 of the Bankruptcy Code or otherwise belonging to the bankruptcy estate of Seller, and any and all claims and causes of action

that are contemplated to be Retained Causes of Action under the current proposed Chapter 11 Plan; and

(q) the rights which accrue or will accrue to Seller under the Transaction Documents.

**2.03 Assumed Liabilities and Excluded Liabilities.**

(a) Purchaser shall assume, effective as of the Closing Date, and shall timely perform and discharge in accordance with their respective terms, only the following Liabilities of Seller (collectively, the "Assumed Liabilities," which term, for the avoidance of doubt, shall not include any Excluded Liabilities):

(i) any Liability (including any performance obligations) arising under any Assumed Contract on or after the Closing Date (but excluding any Liability arising out of or relating to a breach or nonperformance by Seller under such Assumed Contract that occurred prior to the Closing Date), it being acknowledged and agreed that Liabilities under the Assumed Contracts are limited to obligations relating solely to the performance thereunder from and after the Closing Date; and

(ii) any Liability arising out of the ownership or operation of the Purchased Assets and the Business on and after the Closing Date other than Property Taxes specifically allocated to Seller under Section 5.2 (but, for the avoidance of doubt, excluding any Liability arising out of the ownership or operation of the Purchased Assets and the Business prior to the Closing Date).

(b) Except for the Assumed Liabilities, Purchaser shall not assume or be responsible for any Action against, or Liabilities, Contracts or obligations whatsoever of Seller, whether known or unknown, absolute or contingent, matured or unmatured, accrued or unaccrued, liquidated or unliquidated, whenever arising, asserted or assessed, or however arising (collectively, the "Excluded Liabilities"). The Excluded Liabilities shall remain the sole responsibility of and shall be retained, paid, performed or discharged by the Seller or the Seller's bankruptcy estate. Notwithstanding anything to the contrary set forth in this Agreement, the Excluded Liabilities shall include, without limitation, all of the following:

(i) Any and all Liabilities for Taxes of Seller or relating to the Business or the Purchased Assets for any taxable period or portion thereof ending on or before the Closing Date, including all Property Taxes specifically allocated to Seller under Section 5.2, all payroll Taxes and withholding Taxes, any Tax deficiencies or assessments for pre-Closing periods, and any Liability for Taxes of any other Person as a transferee or successor;

(ii) Any and all Liabilities arising under, relating to, or in connection with (a) any Excluded Contract, (b) any executory contract or unexpired lease that is rejected in the Bankruptcy Case or that is not designated as an Assumed Contract, (c) any breach, default, or nonperformance under any contract occurring prior to

the Closing Date, and (d) any damage claims arising from Seller's rejection of any contract or lease;

(iii) All costs, expenses, and fees incurred by Seller in connection with negotiating, entering into, and carrying out its obligations pursuant to this Agreement and the other Transaction Documents, the Bankruptcy Case (including professional fees, U.S. Trustee fees, and administrative expenses), and the bankruptcy sale process including any Liability for broker's, finder's or other fees or commissions to a broker, finder or investment bank in connection with the bankruptcy sale process;

(iv) Any and all Liabilities arising out of, relating to, or in connection with any Excluded Assets;

(v) any other Liability of Seller related to the Business arising out of, or relating to, acts, omissions or events occurring prior to the Closing Date;

(vi) any Liability of Seller related to the Business arising out of any Action arising out of or relating to any occurrence or event prior to the Closing Date; and

(vii) any Liability of Seller under any Transaction Documents.

**2.04 Purchase Price.** The consideration and aggregate purchase price (the "Purchase Price") for the sale of the Purchased Assets to Purchaser by Seller and the Purchaser's assumption of the Assumed Liabilities shall be forty million dollars (USD \$40,000,000.00). The Purchase Price, less (a) the amount of the Deposit (as defined below) and (b) the amount of any Property Taxes allocated to Seller under Section 5.2, shall be payable by the Purchaser to Seller at Closing by wire transfer of immediately available funds to such accounts as may be designated by Seller.

**2.05 Deposit.** Upon the execution of this Agreement, Purchaser shall deposit an aggregate amount equal to two million five hundred thousand dollars (\$2,500,000.00), submitted by wire transfer of immediately available funds to the Seller's account held at Axos Bank (the "Deposit"). The Deposit shall be released and delivered to either Purchaser or Seller, as applicable, as follows:

(a) upon the entry of the Sale Order by the Bankruptcy Court and every thirty (30) days thereafter until the earlier of the Closing Date or the termination of this Agreement, the Deposit shall be released to the Seller in installments of \$500,000.00;

(b) if this Agreement is terminated by Seller pursuant to Section 8.04(b), Seller shall be entitled to retain the entire Deposit, including any installments previously released to Seller pursuant to clause (a), and any portion of the Deposit amount not then held by Seller shall be released to the Seller; or

(c) if this Agreement is terminated for any reason other than a termination pursuant to Section 8.04(b), (i) Seller shall return to Purchaser any remaining portion of the Deposit not previously released to Seller pursuant to clause (a) within five (5) Business

Days after such termination; and (ii) Purchaser shall be entitled to a superpriority administrative expense claim against the Seller's bankruptcy estate pursuant to Section 364(c)(1) of the Bankruptcy Code for all amounts of the Deposit not returned to Purchaser within five (5) Business Days after such termination, which superpriority status shall be expressly granted and approved by the Bankruptcy Court in the Sale Order.

For the avoidance of doubt, Purchaser deposited on February 13, 2026 an amount equal to four hundred eighty thousand dollars (\$480,000), representing 19.2% of the aggregate Deposit obligation hereunder, to a non-interest bearing account maintained by Seller (the "Auction Deposit"). Seller acknowledges and agrees that (x) the Auction Deposit satisfies Purchaser's Deposit obligation hereunder to the extent of four hundred eighty thousand dollars (\$480,000), and (y) Purchaser shall satisfy its remaining Deposit obligation in full upon its submission by wire transfer of two million twenty thousand dollars (\$2,020,000) to the same account into which the Auction Deposit was submitted. Seller further agrees to provide Purchaser or its representative with access as an authorized person on such non-interest bearing account sufficient to enable Purchaser or its representative to monitor all balances and transactions of the account.

Upon Purchaser's satisfaction of its Deposit obligations in full pursuant to this Section 2.05, Seller and Purchaser shall cooperate in good faith to promptly establish an interest-bearing escrow account with an independent escrow agent mutually acceptable to both parties, pursuant to a customary escrow agreement, and upon the establishment of such escrow account shall promptly transfer thereto all Deposit funds. Costs associated with establishing and maintaining such escrow account, to the extent exceeding the interest earned on the Deposit principal, shall be borne solely by Purchaser.

**2.06 Closing.** Subject to the terms and conditions of this Agreement, the consummation of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Phillips Murrah, P.C., 424 NW 10<sup>th</sup> Street, Suite 300, Oklahoma City, OK 73103, or remotely by exchange of documents and signatures (or their electronic counterparts), on the later of (i) sixty (60) days from the date of the entry of the Sale Order by the Bankruptcy Court (the "Initial Closing Deadline"), (ii) the second Business Day after all of the conditions to Closing set forth in Article 8 are either satisfied or waived (other than (x) conditions which, by their nature, are to be satisfied on the Closing Date, and (y) the condition set forth in Section 8.02(f) (the satisfaction or waiver of which shall be governed solely by the Initial Closing Deadline and, if applicable, an extension to the Initial Closing Deadline, as set forth in this Section 2.06)), or (iii) at such other time, date or place as Seller and Purchaser may mutually agree upon in writing; *provided*, that Purchaser shall have the right, in its sole discretion for purposes of satisfying the closing condition set forth in Section 8.02(f), to extend the Initial Closing Deadline by thirty (30) days (for a total of ninety (90) days from the date of entry of the Sale Order by the Bankruptcy Court) upon delivery of written notice to Seller no later than five (5) days prior to the expiration of the Initial Closing Deadline. The date on which the Closing is to occur is herein referred to as the "Closing Date".

**2.07 Closing Deliveries by Seller.** At Closing, Seller shall deliver or cause to be delivered to Purchaser:

(a) a bill of sale in recordable form transferring the tangible personal property included in the Purchased Assets (the "Bill of Sale"), duly executed by Seller, substantially

in the form of Schedule 2.07(a) hereto, and, in connection therewith, physical delivery of such tangible personal property;

(b) an assignment and assumption agreement effecting the assignment to and assumption by Purchaser of the remaining Purchased Assets and the Assumed Liabilities (the "Assignment and Assumption Agreement"), duly executed by Seller, substantially in the form of Schedule 2.07(b) hereto;

(c) with respect to each parcel of Real Property, a special warranty deed (each a "Deed"), duly executed by Seller, substantially in the form of Schedule 2.07(c) hereto;

(d) a non-foreign affidavit, sworn under penalty of perjury substantially in the form provided by Treasury Regulation Section 1.1445-2(b)(2), indicating that Seller is a U.S. Person for U.S. federal income tax purposes;

(e) to the extent required by this Agreement, evidence reasonably satisfactory to Purchaser of all consents, approvals, releases from and filings with, any Governmental Authority or third party necessary for Seller to consummate the transactions contemplated by this Agreement; and

(f) all other documents, instruments and writings required to be delivered by Seller under this Agreement or as may be reasonably required by Purchaser or the Bankruptcy Court to carry out any transactions contemplated by this Agreement.

**2.08 Closing Deliveries by Purchaser.** At a Closing, the Purchaser shall deliver to Seller:

(a) the Purchase Price, less the amount of any Property Taxes allocated to Seller under Section 5.2;

(b) the Bill of Sale duly executed by Purchaser;

(c) the Assignment and Assumption Agreement duly executed by Purchaser; and

(d) all other documents, instruments and writings required to be delivered by Purchaser at or prior to the Closing Date under this Agreement or as may be reasonably required by Seller or the Bankruptcy Court to carry out any transactions contemplated by this Agreement.

**2.09 Accounts Receivable.** From and after the Closing, if Purchaser receives or collects any funds relating to any Accounts Receivable or other Excluded Assets, Purchaser shall remit any such funds to Seller within five (5) Business Days after its receipt thereof. Purchaser will be entitled to any revenues derived from the Purchased Assets and/or the Business which are attributable to periods on or after the Closing Date.

**2.10 Purchase Price Allocation.** The Parties agree that the Purchase Price shall be allocated among the Purchased Assets in accordance with Section 1060 of the Code and the

Treasury Regulations thereunder and in accordance with the Allocation Schedule (the "Allocation Schedule") attached hereto as Schedule 2.10. The Parties shall file all income Tax Returns (including, without limitation, IRS Form 8594) consistent with the Allocation Schedule unless otherwise required by applicable Law. The Purchaser shall further denote in the Allocation Schedule the allocation of the Purchase Price between (a) Tract 1 and the Byline Equipment and (b) Tract 2 for purposes of the Byline Resolution.

### **ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF SELLER**

Except as disclosed in a Schedule to this Agreement, which Schedule shall correspond numerically to the Section of these representations and warranties as to which it is setting forth exceptions, Seller hereby represents and warrants (with respect to itself) to Purchaser as of the date of this Agreement (except as to such representations and warranties that address matters as of a particular date, which are given only as of such date), as follows:

**3.01 Governmental and Other Consents and Approvals.** The execution, delivery and performance of this Agreement by Seller does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority or other Person, except as described in Schedule 3.01 and Section 7.04.

**3.02 Brokers.** Seller has not incurred any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement for which Purchaser will have any responsibility whatsoever.

**3.03 Litigation.** There are no Actions by or against Seller relating to the Business or the Purchased Assets that are pending or, to the Seller's Knowledge, threatened against Seller relating to the Business or the Purchased Assets, except as described in Schedule 3.03.

**3.04 Permits.** Seller has all Permits required to permit Seller to conduct the Business as currently conducted by Seller, and a description of each such Permit, as well as any pending application(s) for any Permit, is set forth on Schedule 3.06.

**3.05 Real Property.** There are no pending or, to Seller's Knowledge, threatened condemnation proceedings against or relating to the Real Property. Seller has not received any written notice of any pending or threatened condemnations, planned public improvements, annexation, special assessments, zoning or subdivision changes affecting the Real Property.

**3.06 Title to Assets.** Seller has good and valid title to, or a valid leasehold interest in, the Purchased Assets, which shall be transferred to Purchaser free and clear of all Liens and interests other than Permitted Liens pursuant to the Sale Order. There are no outstanding agreements or options to sell that grant to any Person, other than Purchaser, the right to the use, benefit and/or enjoyment of, or to purchase or otherwise acquire any of the Purchased Assets.

**ARTICLE 4**  
**REPRESENTATIONS AND WARRANTIES OF PURCHASER**

Purchaser hereby represents and warrants to Seller as of the date hereof (except as to such representations and warranties that address matters as of a particular date, which are given only as of such date) as follows:

**4.01 Governmental and Other Consents and Approvals.** The execution, delivery and performance of this Agreement by Purchaser does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority or any other Person, except as described in Schedule 4.01.

**4.02 Brokers.** No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Purchaser for which Seller shall bear any liability.

**ARTICLE 5**  
**TAX MATTERS**

**5.01 Tax Returns.** Purchaser shall at its own expense file, or cause to be filed, all necessary Tax Returns and other documentation with respect to any Transfer Taxes. Purchaser shall be solely responsible for the payment of all Transfer Taxes. Seller shall cooperate with Purchaser in the preparation of any necessary Tax Returns and other related documentation with respect to Transfer Taxes. Each Party agrees to use its commercially reasonable efforts to mitigate, reduce or eliminate any Transfer Taxes.

**5.02 Property Taxes.** Any and all real property, personal property, ad valorem or other similar Taxes or charges (the "Property Taxes") attributable to any taxable period that begins before, and ends after, the Closing Date (a "Straddle Period"), shall be allocated as follows: Property Taxes allocable to the portion of such Straddle Period ending with the end of the day on the Closing Date (the "Pre-Closing Tax Period") shall be equal to the amount of Property Taxes for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of days in the Pre-Closing Tax Period and the denominator of which is the number of days in the entire Straddle Period, which amount shall be an Excluded Liability. The remainder of any Property Taxes attributable to any Straddle Period will be an Assumed Liability.

**5.03 Conflict.** In the event of conflict between any of the provisions of this ARTICLE 5 and any other provisions of this Agreement, the provisions of this ARTICLE 5 shall control.

**ARTICLE 6**  
**SURVIVAL**

**6.01 Survival Periods.**

(a) The representations and warranties of the Parties hereto contained in this Agreement shall automatically expire and terminate at Closing.

(b) The covenants and agreements of the Seller contained in this Agreement shall (i) with respect to each such covenant and agreement required to be complied with or performed at or prior to the Closing, expire and terminate at the Closing, and (ii) with respect to each such covenant and agreement required to be complied with or performed after the Closing, survive the Closing and remain in full force and effect until fully performed. The covenants and agreements of the Purchaser contained in this Agreement shall survive the Closing and remain in full force and effect until fully performed. Notwithstanding anything to the contrary, nothing in this ARTICLE 6 or elsewhere in this Agreement shall prohibit or prevent Seller from ceasing operations or winding up its affairs following Closing.

## ARTICLE 7 COVENANTS

**7.01 Consents.** Seller and Purchaser shall use commercially reasonable efforts to give all notices to, and obtain all consents from, all third parties that are necessary to transfer the Purchased Assets to Purchaser; *provided, however*, that the Parties shall not be obligated to pay any consideration therefor to any third party from whom consent or approval is requested.

**7.02 Bulk Sales Laws.** The Parties hereby waive compliance with the provisions of any bulk sales, bulk transfer or similar Laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Purchased Assets to Purchaser.

**7.03 Executory Contracts and Cure Costs.**

(a) Subject to the terms and conditions of this Section 7.03, at the Closing, Purchaser shall pay in cash, pursuant to section 365 of the Bankruptcy Code and the Sale Order, any and all cure and reinstatement costs or expenses that are required to be paid under sections 365(b)(1)(A) and (B) of the Bankruptcy Code in connection with the assumption and assignment of the Assumed Contracts (the "Cure Costs"). For the avoidance of doubt, the payment of any Cure Costs called for by this Agreement shall be made by Purchaser in cash and shall be in addition to the Purchase Price, but in no event shall Purchaser be required to make any payment of Cure Costs for, and shall not assume any Liabilities with respect to, any contract or agreement that is not an Assumed Contract.

(b) Schedule 7.03(b) sets forth the executory Contracts to be assumed by Seller and assigned to Purchaser at the Closing (collectively, the "Assumed Contracts"). Seller shall provide sufficient notice under the Bankruptcy Code to all non-Seller counterparties to the Assumed Contracts of their intention to assume and assign and Purchaser's intention to assume the applicable Assumed Contracts, which notice will include a schedule of Cure Costs. Notwithstanding anything to the contrary herein, the Parties may modify the list of Assumed Contracts set forth on Schedule 7.03(b) and the list of Acquired Leases set forth on Schedule 2.01(b) at any time prior to Closing to add or delete any Contract, in which case any added Contract shall be deemed an Assumed Contract and/or Acquired Lease (if applicable) and any deleted Contract shall be deemed an Excluded Contract and, if applicable, not an Acquired Lease.

(c) If the Cure Costs fixed by the Bankruptcy Court for any Assumed Contract are greater than the amount set forth on the notice to non-Seller counterparties and not consented to by Purchaser, then Purchaser shall be permitted, no later than 5:00 p.m., Oklahoma City, Oklahoma time, on the date that is the earlier of (i) two (2) Business Days after entry of the order by the Bankruptcy Court setting such Cure Costs, or (ii) two (2) Business Days prior to the Closing, to provide Seller a notice of election to revoke its designation of such Assumed Contract and thereupon such Contract shall be an Excluded Contract.

#### **7.04 Bankruptcy Provisions.**

(a) This Agreement is subject to approval by the Bankruptcy Court and, in accordance with the Bid Procedures, the consideration by Seller of higher or better competing bids in respect of all or any part of the Purchased Assets at the Auction (each, a "Competing Bid"), as determined in Seller's sole and exclusive discretion. In addition, Seller shall have the responsibility and obligation to respond to any inquiries or offers for a Competing Bid and perform any and all other acts related thereto which are required under the Bankruptcy Code, the Bid Procedures Order or other applicable Law, including supplying information relating to the Business and the Purchased Assets, to prospective purchasers.

(b) From the Agreement Date until the earlier of (i) the valid termination of this Agreement in accordance with Section 8.04 and (ii) the Closing Date, Seller shall use reasonable best efforts to pursue the entry of the Sale Order, by the Bankruptcy Court. The Sale Order shall, among other things, (a) approve, pursuant to Sections 105, 363, and 365 of the Bankruptcy Code, (i) the execution, delivery and performance by Seller of this Agreement, (ii) the sale of the Purchased Assets to Purchaser on the terms set forth herein and free and clear of all Liens (other than Liens included in the Assumed Liabilities and Permitted Liens), (iii) the performance by Seller of its obligations under this Agreement, and (iv) the Expense Reimbursement; (b) authorize and empower Seller to assume and assign to Purchaser the Assumed Contracts; (c) find that Purchaser is a "good faith" purchaser within the meaning of Section 363(m) of the Bankruptcy Code, find that Purchaser is not a successor to Seller, and grant Purchaser the protections of Section 363(m) of the Bankruptcy Code; (d) find that Purchaser shall have no Liability or responsibility for any Liability or other obligation of Seller arising under or related to the Purchased Assets other than as expressly set forth in this Agreement; (e) find that Purchaser has provided adequate assurance (as that term is used in Section 365 of the Bankruptcy Code) of future performance in connection with the assumption of the Assumed Contracts; (f) find that Purchaser shall have no Liability for any Excluded Liability; and (g) expressly grant and approve Purchaser's superpriority administrative expense claim with respect to the return of the Deposit pursuant to Section 2.05 senior to all other administrative expense claims against the Seller's bankruptcy estate, pursuant to Section 364(c)(1) of the Bankruptcy Code.

(c) Seller shall promptly seek entry of the Sale Order, which shall be in form and substance reasonably acceptable to Purchaser, by the Bankruptcy Court. Purchaser agrees that it will promptly take such actions as are reasonably requested by Seller to assist

in obtaining entry of the Sale Order, and providing adequate assurance of future performance by Purchaser as required under Section 365 of the Bankruptcy Code, including furnishing affidavits or other documents or information for filing with the Bankruptcy Court for the purposes, among others, of providing necessary assurances of performance by Purchaser under this Agreement and demonstrating that Purchaser is a "good faith" purchaser under Section 363(m) of the Bankruptcy Code. Purchaser shall not, without the prior written consent of Seller, file, join in, or otherwise support in any manner whatsoever any motion or other pleading relating to the sale of the Purchased Assets hereunder.

(d) Seller may modify the Bid Procedures Order or the Sale Order pursuant to discussions with the Office of the United States Trustee assigned to the Bankruptcy Case, the Bankruptcy Court, any creditor, or committee representing a group of creditors in the Bankruptcy Case, or any other party in interest; *provided* that all such modifications to the Bid Procedures Order or the Sale Order shall be approved by Purchaser in writing.

(e) Seller and Purchaser shall appear formally or informally in the Bankruptcy Court if reasonably requested by the other Party or required by the Bankruptcy Court in connection with the transaction contemplated herein and keep the other reasonably apprised of the status of material matters related to this Agreement, including, upon reasonable request promptly furnishing the other with copies of notices or other communications received by Seller from the Bankruptcy Court or any third party and/or any Government Authority with respect to the transaction contemplated herein.

(f) Seller and Purchaser agree that, in the event that Purchaser is not the winning bidder at the Auction, if and only if (a) Purchaser submits the second highest or second best bid at the Auction and is named the Back-Up Bidder at the Auction, in each case, as determined by Seller, and (b) Seller gives notice to Purchaser on or before the Back-up Termination Date, stating that the Seller (i) failed to consummate the sale with the winning bidder, and (ii) has terminated the purchase agreement with the winning bidder, Purchaser shall promptly consummate the transaction contemplated herein upon the terms and conditions as set forth herein (provided that, for the avoidance of doubt, at or prior to the date that Seller gives notice to Purchaser in accordance with this Section 7.04(f), Seller shall update and revise as necessary, the Schedules to this Agreement such that they are true and correct as of the Agreement Date and so long as any such update or revision is not material, such updated disclosure shall be deemed to cure any breach for purposes of Section 8.02(a), including the Purchase Price, as the same may be increased by Purchaser at the Auction).

(g) This Agreement is subject to the terms and conditions of the terms and conditions of the Bid Procedures Order and Bid Procedures, the terms of which are incorporated herein by reference.

**7.05 Conduct of Business Prior to the Closing.** Except as required by applicable Law, an order of the Bankruptcy Court, or otherwise expressly provided in this Agreement, without the prior written consent of Purchaser, during the Interim Period, Seller shall not, directly or indirectly:

- (a) grant, impose or suffer to be imposed any Liens upon any of the Purchased Assets (whether tangible or intangible) other than Permitted Liens or Liens that will be cured prior to the Closing;
- (b) materially modify, materially breach, repudiate, extend, renew, reject or terminate any Assumed Contract, or waive, release or assign any material rights or claims under any Assumed Contract, in each case other than in the Ordinary Course of Business;
- (c) sell, transfer, lease, sublease or otherwise dispose of any Purchased Assets other than in the Ordinary Course of Business;
- (d) grant any material waiver under or materially amend or modify, or surrender, revoke, permit to lapse or otherwise terminate, any Assumed Permit; or
- (e) authorize or enter into any agreement or commitment, whether or not in writing, to take any of the foregoing actions.

Without limitation of the foregoing, except as may be required by the Bankruptcy Court, during the Interim Period, Seller shall use commercially reasonable efforts to: (i) maintain insurance policies covering the Purchased Assets substantially consistent with the coverage in effect as of the Agreement Date; (ii) maintain the Purchased Assets in their current condition, ordinary wear and tear excepted; (iii) comply in all material respects with all Laws applicable to the Purchased Assets and the Business; (iv) operate the Business in substantially the same manner as conducted by Seller subsequent to the filing of that certain voluntary petition for relief under Chapter 11 of the Bankruptcy Code, dated May 21, 2025, in connection with the Bankruptcy Case, taking into account business exigencies arising as a result of Seller's financial condition and status as a filer under Chapter 11 of the Bankruptcy Code; and (v) promptly notify Purchaser in writing of any material damage to or loss of any Purchased Asset.

**7.06 Notice of Developments.** During the Interim Period, Seller shall promptly provide Purchaser with written notice of: (a) any event or circumstance related to the transactions contemplated by this Agreement that could reasonably be expected to have a material adverse effect on the Purchased Assets, considered as a whole, promptly upon having Knowledge of such event or circumstance; (b) any breach of any of Seller's representations and warranties set forth in Article 3 that Seller becomes aware of during the Interim Period; and (c) any Action commenced or, to the Knowledge of Seller, threatened against Seller that relates to the Purchased Assets or the Business or that challenges or seeks to restrain or prohibit the consummation of the transactions contemplated by this Agreement.

**7.07 Post-Closing Cooperation.** Following the Closing, Seller shall provide reasonable transition assistance to Purchaser in connection with the Purchased Assets and the Business, including making available on a reasonable basis key personnel of Seller with knowledge of the Purchased Assets and Business operations. From and after the Closing, Seller agrees to make available to Purchaser such records and other documents and information that remain in Seller's possession as may be reasonably required by Purchaser in connection with the operation of the Purchased Assets and the Business.

**7.08 Condemnation or Casualty Loss.** Notwithstanding any provision of this Agreement to the contrary, if, before the Closing, all or any portion of the Purchased Assets is (a) condemned or taken by eminent domain, or (b) damaged or destroyed by fire, flood or other casualty, Seller shall promptly notify Purchaser in writing of such fact, and (x) in the case of condemnation or taking, Seller shall assign or pay, as the case may be, any proceeds thereof to Purchaser at the Closing, and (y) in the case of fire, flood or other casualty, Seller shall assign the insurance proceeds therefrom to Purchaser at Closing; *provided*, that if such condemnation, taking, damage or destruction affects a material portion of the Purchased Assets, Purchaser shall have the right to terminate this Agreement without any liability to Seller.

**7.09 Access and Information.** During the Interim Period, Seller shall: (a) afford Purchaser reasonable access to the Business and the Purchased Assets, and information pertaining to any Assumed Liabilities, and (b) use reasonable best efforts to cause Seller and its employees to cooperate with and aid Purchaser in its investigation of the Business; *provided*, that any request or investigation under this Section 7.06 shall be made or conducted on a reasonable basis by Purchaser providing reasonable advanced written notice to Seller and shall be conducted during normal business hours in such a manner as not to interfere unreasonably with the conduct of the Business. Purchaser acknowledges and agrees that Seller shall be entitled to restrict any such access to or restrict information (x) as determined, in its reasonable discretion, to be appropriate to ensure compliance with any Law, (y) that in the reasonable judgment of Seller would violate of any of its obligations with respect to confidentiality to any third party and/or (z) to preserve any applicable attorney client privilege, attorney work product or other legal privilege; *provided*, that in the event any information is withheld pursuant to this sentence, Seller shall promptly notify Purchaser and at Purchaser's request, Seller shall use commercially reasonable efforts to the extent feasible to develop an arrangement to communicate or provide the applicable information (or a portion thereof) in a manner that would not conflict with the foregoing clauses (x), (y), or (z), as applicable. During the Interim Period, Purchaser hereby agrees it shall not contact, and it shall cause its Affiliates to not contact, any employee, licensor, licensee, competitor, supplier, distributor or customer of Seller with respect to the Purchased Assets, the Business, this Agreement or the transactions contemplated hereby, without the prior written consent of Seller.

**7.10 Access to Employees.** Purchaser shall have no obligation to offer employment to any employee. During the Interim Period, Seller shall allow Purchaser reasonable access to employees for the purpose of interviewing such employees to aid in determining which employees Purchaser may wish to hire. Purchaser shall be free, without obligation, to interview, seek employment applications from, and employ, on terms determined solely by Purchaser, any employee.

**7.11 Contingent Financing.** During the Interim Period Purchaser shall use its commercially reasonable efforts to obtain financing on commercially reasonable terms sufficient to fund the Purchase Price and consummate the transactions contemplated by this Agreement.

**7.12 Port Lease Negotiation.** During the Interim Period (a) Seller shall use its commercially reasonable efforts to renegotiate, in good faith, and in consultation with Purchaser, the Port Legacy Master Lease and Port Legacy Sublease, each to the Purchaser's reasonable satisfaction, and (b) Purchaser shall use its commercially reasonable efforts to negotiate, in good faith, a new Port Property master lease and sublease agreement reasonably satisfactory to

Purchaser, effective as of the Closing Date, between sublessor and Purchaser, as sublessee, with the consent of Muskogee City-County Port Authority. For the avoidance of doubt, a renegotiated Port Legacy Master Lease and Port Legacy Sublease contemplated by this Section 7.12 shall reasonably satisfy the Purchaser only if Purchaser acquires, in connection therewith, the coil slitting equipment located on the Port Property.

## **ARTICLE 8 CLOSING**

**8.01 Conditions to Obligations of All Parties.** The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to Closing, of the following conditions:

(a) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Governmental Order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof.

(b) The Sale Order shall have been entered by the Bankruptcy Court no later than thirty (30) days from the date of this Agreement, shall be in full force and effect, and shall not be stayed, reversed, or vacated. The Sale Order shall expressly grant and approve Purchaser's superpriority administrative expense claim with respect to the return of the Deposit pursuant to Section 2.05 senior to all other administrative expense claims against the Seller's bankruptcy estate, pursuant to Section 364(c)(1) of the Bankruptcy Code, and such Sale Order shall not have been stayed, reversed, modified, or amended in any respect that would adversely affect such superpriority status.

**8.02 Conditions to Obligations of Purchaser.** The obligations of Purchaser to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Purchaser's waiver, at or prior to Closing, of each of the following conditions:

(a) The representations and warranties of Seller contained in ARTICLE 3 shall be true and correct in all respects as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all respects as of that specified date), except where the failure of such representations and warranties to be true and correct would not have a material adverse effect on the Purchased Assets being conveyed to Purchaser.

(b) Seller shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(c) Seller shall have made the deliveries to Purchaser required under Section 2.07 of this Agreement.

(d) No event, fact, condition, occurrence, change or development shall have occurred that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to the operations, condition (financial or otherwise), or the value of the Purchased Assets.

(e) The Bankruptcy Court shall have made a finding that Purchaser is a “purchaser” in “good faith” within the meaning, and for the purpose, of Section 363(m) of the Bankruptcy Code.

(f) Purchaser shall have obtained financing on commercially reasonable terms sufficient to fund the Purchase Price and consummate the transactions contemplated by this Agreement.

(g) The Sale Order shall have been entered by the Bankruptcy Court providing for the transfer of the Purchased Assets to the Purchaser free and clear of all Liens and interests other than the Permitted Liens.

**8.03 Conditions to Obligations of Seller.** The obligations of Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Seller's waiver, at or prior to Closing, of each of the following conditions:

(a) The representations and warranties of Purchaser contained in ARTICLE 4 shall be true and correct in all respects as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all respects as of that specified date), except where the failure of such representations and warranties to be true and correct would not have a material adverse effect on Purchaser's ability to consummate the transactions contemplated hereby.

(b) Purchaser shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(c) Purchaser shall have made the deliveries to Seller required under Section 2.07 of this Agreement.

**8.04 Termination.** This Agreement and the transactions contemplated herein may be terminated at any time prior to Closing:

(a) by the mutual written agreement of the Parties;

(b) by Seller, if Purchaser has materially breached this Agreement and such breach causes any of the conditions to Closing not to be satisfied (or, if prior to Closing, is of such a magnitude or effect that it will not be possible for such condition to be satisfied), including, but not limited to, Purchaser’s failure to satisfy the condition to Closing found in Section 8.02(f);

(c) by Purchaser, if Seller has materially breached this Agreement and such breach causes any of the conditions to Closing not to be satisfied (or, if prior to Closing, is of such a magnitude or effect that it will not be possible for such condition to be satisfied);

(d) by either Seller or Purchaser, if (i) the Bankruptcy Court shall enter an order approving a Competing Transaction and Purchaser is not designated as the Back-Up Bidder or (ii) Purchaser is designated as the Back-Up Bidder and such Competing Transaction is consummated;

(e) by Purchaser, if the Sale Order shall not have been entered by the Bankruptcy Court within thirty (30) days from the date of this Agreement; or

(f) by either Seller or Purchaser, if the Bankruptcy Court entered an order dismissing, or converting to a case under Chapter 7 of the Bankruptcy Code, the Bankruptcy Case, where such order was not requested, encouraged or supported by such Party seeking to terminate this Agreement.

**8.05 Effect of Termination.** In the event of termination, written notice thereof will be given to the other Party specifying the provision pursuant to which such termination is made. If this Agreement is terminated, Seller shall thereafter be free to market, negotiate with, and sell the Purchased Assets to any third party. Notwithstanding the foregoing, in the event this Agreement is terminated pursuant to Section 8.04(d), then Seller shall pay or cause to be paid to Purchaser the Expense Reimbursement (such Expense Reimbursement being, for the avoidance of doubt, in addition to amounts owed as reimbursement of the Deposit), by wire transfer of immediately available funds to an account specified by Purchaser, and Seller and Purchaser agree that (i) the Expense Reimbursement is not a penalty, but rather is liquidated damages in a reasonable amount that will compensate Purchaser for the time and effort associated with initial due diligence and negotiation of this Agreement and the opportunities forgone while negotiating this Agreement and in reliance on this Agreement and on the expectation of the consummation of the transaction contemplated herein and (ii) the Expense Reimbursement shall be paid on the date the Competing Transaction is consummated. The obligations of Seller to pay the Expense Reimbursement as provided in this Section 8.05 shall be (i) entitled to superpriority administrative expense status with priority over any and all administrative expenses of the kind specified in Sections 503(b)(1) and 507(a) of the Bankruptcy Code in the Bankruptcy Case, and (ii) shall be payable from the proceeds of any Competing Transaction for the Purchased Assets, at the closing of such Competing Transaction, and (iii) free and clear of all Liens. For the avoidance of doubt, Seller shall seek approval of the Expense Reimbursement from the Bankruptcy Court in the Sale Order. The Parties acknowledge and agree that the terms and conditions set forth in this Section 8.05 with respect to the payment of the Expense Reimbursement is subject to the Bankruptcy Court entering the Sale Order. The Parties acknowledge that the agreements contained in this Section 8.05 are commercially reasonable and an integral part of the transactions, and that without these agreements, the Parties would not enter into this Agreement or consummate the transactions contemplated hereby. For the avoidance of doubt, the covenants set forth in this Section 8.05 are continuing obligations, separate and independent from the other obligations of the Parties expressly set forth in this Agreement (and shall not limit the Parties' other rights expressly set forth in this Agreement) and shall survive termination of this Agreement.

## **8.06 Limitations and Disclaimers.**

(a) Except for the express and specific representations set forth herein, **(I) PURCHASER ACKNOWLEDGES THAT SELLER HAS NOT MADE, AND SELLER HEREBY EXPRESSLY DISCLAIMS AND NEGATES, AND PURCHASER HEREBY EXPRESSLY WAIVES AND DISCLAIMS ANY RELIANCE ON, ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE, OR OTHERWISE, INCLUDING THE ACCURACY, COMPLETENESS, OR MATERIALITY OF ANY BACKGROUND MATERIALS, ACQUIRED RECORDS, OR OTHER RECORDS, INFORMATION, DATA, OR MATERIALS (WRITTEN OR ORAL) NOW, HERETOFORE OR HEREAFTER FURNISHED TO PURCHASER BY OR ON BEHALF OF SELLER, OR THE ENVIRONMENTAL OR OTHER CONDITION OF THE PURCHASED ASSETS, AND (II) SELLER EXPRESSLY DISCLAIMS AND NEGATES, AND PURCHASER HEREBY EXPRESSLY WAIVES, ANY AND ALL LIABILITY AND RESPONSIBILITY OF SELLER OR ANY OF ITS REPRESENTATIVES OR AGENTS FOR ANY REPRESENTATION, WARRANTY, STATEMENT, OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO PURCHASER (INCLUDING ANY OPINION, INFORMATION, PROJECTION, OR ADVICE THAT MAY HAVE BEEN PROVIDED TO ANY SUCH PERSON BY OR ON BEHALF OF SELLER).**

(b) **EXCEPT FOR THE EXPRESS AND SPECIFIC REPRESENTATIONS SET FORTH HEREIN, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER EXPRESSLY DISCLAIMS AND NEGATES, AND PURCHASER HEREBY WAIVES AND DISCLAIMS ANY RELIANCE ON, ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE, OR OTHERWISE, AS TO ANY OF THE FOLLOWING: (I) THE CONTENTS, CHARACTER, ACCURACY, COMPLETENESS, OR MATERIALITY OF RECORDS, INFORMATION, DATA, OR OTHER MATERIALS (WRITTEN OR ORAL) NOW, HERETOFORE, OR HEREAFTER FURNISHED TO PURCHASER BY OR ON BEHALF OF SELLER, INCLUDING ANY INFORMATION MEMORANDUM, REPORTS, BROCHURES, CHARTS, OR STATEMENTS PREPARED BY SELLER OR THIRD PARTY WITH RESPECT TO THE PURCHASED ASSETS; (II) ANY ESTIMATES OF THE VALUE OF, OR FUTURE REVENUES GENERATED BY, OR COST ESTIMATES CONCERNING, THE PURCHASED ASSETS; (IV) TITLE TO ANY OF THE PURCHASED ASSETS; (V) MAINTENANCE, REPAIR, CONDITION, QUALITY, SUITABILITY, MARKETABILITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OF THE PURCHASED ASSETS; (VI) ANY RIGHTS OF PURCHASERS UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION OR RETURN OF THE PURCHASE PRICE; (VII) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM DEFECTS, WHETHER KNOWN OR UNKNOWN; (VIII) ANY IMPLIED WARRANTIES EXISTING UNDER APPLICABLE LAW; (IX) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM PATENT OR TRADEMARK**

**INFRINGEMENT; AND (X) THE ENVIRONMENTAL OR OTHER CONDITION OF THE PURCHASED ASSETS, INCLUDING ANY IMPLIED OR EXPRESS WARRANTY REGARDING ENVIRONMENTAL LAWS, THE RELEASE OF SUBSTANCES, WASTES, OR MATERIALS INTO THE ENVIRONMENT, THE PROTECTION OF THE ENVIRONMENT OR OF HUMAN HEALTH, SAFETY, OR NATURAL RESOURCES, OR THE AMOUNT OF ANY FUTURE COSTS ASSOCIATED WITH THE ASSUMED ENVIRONMENTAL LIABILITIES. IT IS THE EXPRESS INTENTION OF PURCHASER AND SELLER THAT, EXCEPT FOR THE EXPRESS AND SPECIFIC REPRESENTATIONS SET FORTH HEREIN, THE PURCHASED ASSETS ARE BEING ACCEPTED BY PURCHASER, "AS IS" AND "WHERE IS" AND WITH ALL FAULTS AND DEFECTS (KNOWN OR UNKNOWN, PATENT OR LATENT, DISCOVERABLE, OR UNDISCOVERABLE) AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR, AND PURCHASER HAS MADE ANY AND ALL SUCH INSPECTIONS AS PURCHASER DEEMS APPROPRIATE.**

**(c) PURCHASER ACKNOWLEDGES THAT (I) THE EQUIPMENT AND REAL PROPERTY INCLUDED IN THE PURCHASED ASSETS MAY CONTAIN OR MAY HAVE BEEN EXPOSED TO HAZARDOUS MATERIALS, INCLUDING ASBESTOS-CONTAINING MATERIALS, LEAD-BASED PAINT, POLYCHLORINATED BIPHENYLS (PCBS), PETROLEUM PRODUCTS, VOLATILE ORGANIC COMPOUNDS, AND OTHER INDUSTRIAL CHEMICALS OR WASTES, (II) PHYSICAL CHANGES TO SOILS, GROUNDWATER, SURFACE WATER, BUILDING MATERIALS, OR SUBSURFACE CONDITIONS MAY HAVE OCCURRED AS A RESULT OF HISTORICAL OPERATIONS CONDUCTED AS PART OF SELLER'S BUSINESS, INCLUDING STEEL MANUFACTURING, FABRICATION, FINISHING, STORAGE, AND WASTE MANAGEMENT ACTIVITIES, AND (III) ADVERSE PHYSICAL OR ENVIRONMENTAL CONDITIONS MAY EXIST IN, ON, OR UNDER THE PURCHASED ASSETS, INCLUDING DETERIORATED STRUCTURES, OUTDATED OR ABANDONED EQUIPMENT, UNDERGROUND OR ABOVEGROUND STORAGE TANKS, FORMER WASTE DISPOSAL AREAS, BURIED DEBRIS, SUMPS, FLOOR DRAINS, INDUSTRIAL WASTEWATER SYSTEMS, STORMWATER SYSTEMS, AND SIMILAR CONDITIONS, WHETHER OR NOT REVEALED BY PURCHASER'S INVESTIGATION.**

**(d) PURCHASER ACKNOWLEDGES THAT CERTAIN OF THE PURCHASED ASSETS HAVE BEEN USED FOR INDUSTRIAL AND STEEL-MANUFACTURING OPERATIONS, INCLUDING METAL FABRICATION, HEAT-TREATING, FINISHING, MACHINING, COATING, AND RELATED COMMERCIAL ACTIVITIES. PURCHASER UNDERSTANDS THAT (I) RELEASES OF OILS, SOLVENTS, INDUSTRIAL CHEMICALS, WASTEWATER, BY-PRODUCTS, RESIDUES, OR OTHER MATERIALS, INCLUDING HAZARDOUS MATERIALS, MAY HAVE OCCURRED AT, ON, UNDER, OR MIGRATING FROM THE REAL PROPERTY, AND (II) OTHER ENVIRONMENTAL CONDITIONS MAY EXIST THAT COULD GIVE RISE TO**

**LIABILITIES, OBLIGATIONS, OR REMEDIATION UNDER ENVIRONMENTAL LAWS.**

(e) **NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT OR IN ANY OTHER TRANSACTION DOCUMENT, THE RIGHTS OF PURCHASER WITH RESPECT TO A BREACH OF SELLER'S REPRESENTATIONS AND WARRANTIES UNDER THIS AGREEMENT (TO THE EXTENT APPLICABLE) CONSTITUTES THE ENTIRE AND EXCLUSIVE RIGHT AND REMEDY OF PURCHASER AGAINST SELLER WITH RESPECT TO ANY ENVIRONMENTAL DEFECTS, ENVIRONMENTAL CONDITIONS OR OTHER CONDITIONS, EVENTS, CIRCUMSTANCES, ACTS, OR OMISSIONS OF, OR RELATING TO, THE ENVIRONMENT, ANY ENVIRONMENTAL LAWS, ANY HAZARDOUS MATERIALS, ANY RELEASES, THE PROTECTION OF THE ENVIRONMENT OR HEALTH, OR ANY ASSUMED ENVIRONMENTAL LIABILITIES (COLLECTIVELY, "ENVIRONMENTAL MATTERS"). OTHER THAN ANY RIGHTS OF PURCHASER UNDER SECTION 8.04 (TO THE EXTENT APPLICABLE), PURCHASER HEREBY RELEASES, DISCHARGES, AND WAIVES ANY AND ALL CLAIMS AND LOSSES, AND ALL RIGHTS AND REMEDIES WHETHER ARISING AT LAW (WHETHER IN CONTRACT, TORT, EQUITY, OR OTHERWISE) OR PURSUANT TO ANY OTHER LEGAL THEORY, KNOWN OR UNKNOWN, AND WHETHER NOW EXISTING OR ARISING IN THE FUTURE, CONTINGENT, OR OTHERWISE, AGAINST SELLER RELATING TO ANY ENVIRONMENTAL MATTERS, IN EACH CASE, EVEN IF SUCH CLAIMS OR LOSSES ARE CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE (WHETHER SOLE, JOINT OR CONCURRENT), STRICT LIABILITY, OR OTHER LEGAL FAULT OF SELLER.**

(f) **SELLER AND PURCHASER AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE EFFECTIVE, THE DISCLAIMERS OF CERTAIN REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS SECTION 8.06 ARE "CONSPICUOUS" DISCLAIMERS FOR THE PURPOSES OF ANY APPLICABLE LAW, RULE, OR ORDER. FOR THE AVOIDANCE OF DOUBT, NOTHING IN THIS SECTION 8.06 SHALL LIMIT, MODIFY OR OTHERWISE AFFECT THE EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN ARTICLE 3 OF THIS AGREEMENT, AND PURCHASER'S ACKNOWLEDGMENT OF THE "AS IS" NATURE OF THE SALE IS SUBJECT TO AND DOES NOT WAIVE PURCHASER'S RIGHTS UNDER SUCH EXPRESS REPRESENTATIONS AND WARRANTIES OR PURCHASER'S RIGHTS UNDER SECTION 8.04.**

**ARTICLE 9  
GENERAL PROVISIONS**

**9.01 Expenses.** Except as otherwise specified in this Agreement, including with respect to the Expense Reimbursement, each Party hereto shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement. All governmental fees and charges applicable to any

requests for Government Consents, including, but not limited to, any Transfer Taxes, fees and charges (not including any Taxes on or measured by income, including the Texas franchise tax) applicable to the transfer of the Purchased Assets under this Agreement shall be borne by Purchaser.

**9.02 Notices.** All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given or made as follows: (a) if sent by registered or certified mail in the United States return receipt requested, upon receipt, (b) if sent by nationally recognized overnight air courier, one (1) Business Day after mailing, (c) if sent by facsimile transmission, when transmitted and receipt is confirmed by telephone, (d) if sent by electronic mail, when transmitted and receipt is confirmed by return electronic message and (e) if otherwise actually personally delivered, when delivered, provided that such notices, requests, claims, demands and other communications are delivered to the respective Parties hereto at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 9.02):

If to Seller: Paragon Industries, Inc.  
3378 W Highway 117  
Sapulpa, OK 74066

with a copy to:

Phillips Murrah P.C.  
424 NW 10<sup>th</sup> Street, Suite 300  
Oklahoma City, OK 73103  
Attn: Clayton D. Ketter

If to Purchaser: Integrated Utility Services LLC  
801 Louisiana St Suite 301  
Houston, TX 77002

with a copy to:

GableGotwals  
110 N Elgin Ave Ste. 200  
Tulsa, OK 74120  
Attn: Stephen W. Lake; Nathan H. Atkins

**9.03 Severability.** If any term or other provision of this Agreement is deemed by any court to be in violation of Law or public policy and therefore invalid, illegal or incapable of being enforced, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect for so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to either Party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions

contemplated by this Agreement are consummated as originally contemplated to the greatest extent possible.

**9.04 Entire Agreement.** This Agreement, the Ancillary Agreements, and the other Transaction Documents constitute the entire agreement of the Parties hereto with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, between Seller and Purchaser with respect to the subject matter hereof and thereof. The provisions of this Agreement, the Ancillary Agreements, and the other Transaction Documents may not be explained, supplemented, or qualified through evidence of trade usage or a prior course of dealings. No Party shall be liable or bound to any other Party in any manner by any representations, warranties, covenants, or agreements relating to such subject matter except as specifically set forth in this Agreement, the Ancillary Agreements, and the other Transaction Documents. In the event of a conflict between the terms and provisions of this Agreement and the terms and provisions of any exhibit hereto, any Ancillary Agreements, and any Transaction Documents, the terms and provisions of this Agreement shall govern and control; *provided, however,* the inclusion in any of the exhibits hereto, any Ancillary Agreements, or any Transaction Document of terms and provisions not addressed in this Agreement shall not be deemed a conflict, and all such additional provisions shall be given full force and effect, subject to the provisions of this Section 9.04.

**9.05 Assignment.** This Agreement shall be binding upon and inure to the benefit of the Parties to this Agreement and their respective successors, assigns, heirs, executors and administrators. Purchaser may, at any time prior to or at Closing and without the consent of Seller, assign all of its rights and obligations under this Agreement to (a) any Affiliate of Purchaser or (b) any entity that is directly or indirectly wholly-owned by Purchaser or its Affiliates (a "Permitted Assignee"); *provided,* that no such assignment shall release Purchaser from any of its obligations or liabilities under this Agreement (and Purchaser shall remain jointly and severally liable with the Permitted Assignee for all such obligations and liabilities). In the event that Purchaser sells, transfers, conveys, assigns, grants, or otherwise disposes of all or any part of the Purchased Assets, then (i) each such sale, transfer, conveyance, assignment, or other disposition shall be made expressly subject to this Agreement and each instrument of conveyance delivered in connection therewith shall explicitly state such and (ii) the assignee shall expressly assume all obligations of such Purchaser arising hereunder to the extent related to the Purchased Assets so assigned.

**9.06 Amendment.** This Agreement may not be amended or modified except (a) by an instrument in writing signed by, or on behalf of, each Party hereto, or (b) by a waiver in accordance with Section 9.07.

**9.07 Waiver.** The Parties to this Agreement may (a) extend the time for the performance of any of the obligations or other acts of the other Parties, (b) waive any inaccuracies in the representations and warranties of the other Parties contained herein or in any document delivered by the other Parties pursuant hereto, or (c) waive compliance with any of the agreements of the other Parties or conditions to such Parties' obligations contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the Party to be bound thereby. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or

condition of this Agreement. The failure of any Party hereto to assert any of its rights hereunder shall not constitute a waiver of any of such rights.

**9.08 No Third Party Beneficiaries.** This Agreement shall be binding upon and inure solely to the benefit of the Parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

**9.09 Neutral Construction.** Seller and Purchaser agree that this Agreement was negotiated at arms-length and that the final terms hereof are the product of the Parties' negotiations. This Agreement shall be deemed to have been jointly and equally drafted by Seller and Purchaser, and the provisions hereof should not be construed against a Party on the grounds that the Party drafted or was more responsible for drafting the provision.

**9.10 Governing Law.** This Agreement shall be construed (both as to validity and performance) and enforced in accordance with, and governed by, the Laws of the State of Oklahoma applicable to agreements made and to be performed wholly within such jurisdiction.

**9.11 Choice of Forum.** Any dispute, controversy, claim, or Action arising out of or relating to this Agreement and any documents contemplated hereby, each as amended from time to time, including regarding the validity or effect of this Agreement or the performance, breach, validity, interpretation, application, or termination hereof, and any of the transactions contemplated hereunder shall be brought in the United States Bankruptcy Court for the Eastern District of Oklahoma. Each of the Parties hereto (a) irrevocably submits to the exclusive jurisdiction of each such court in any such dispute, controversy, claim, or Action, (b) waives any objection it may now or hereafter have to venue or to an inconvenient forum, (c) agrees that all such disputes, controversies, claims, and actions shall be heard and determined only in such court, and (d) agrees not to bring any dispute, controversy, claim, or Action arising out of or relating to this Agreement or any documents contemplated hereby or any of the transactions contemplated hereunder in any other court.

**9.12 Counterparts.** This Agreement may be executed and delivered (including by facsimile transmission or electronic mail in portable document format) in one or more counterparts, and by the different Parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

**9.13 Time is of the Essence.** Time is of the essence with respect to the performance of this Agreement.

**9.14 Non-Recourse Parties.** Notwithstanding anything to the contrary that may be expressed or implied in this Agreement or any other Transaction Documents, Purchaser, on behalf of its Affiliates, and Seller, on behalf of its Affiliates, covenants, agrees, and acknowledges that no Person other than Seller (and its successors or assignees, as applicable) and Purchaser (and its successors or assignees, as applicable) has any obligation hereunder and that, neither Purchaser or its Affiliates, nor any Seller or its Affiliates, as applicable, have any right of recovery under this


Agreement or any other Transaction Documents against, and no personal liability under this Agreement or any Transaction Documents shall attach to, any of Seller's or Purchaser's former, current, or future equity holders, controlling persons, directors, officers, employees, general or limited partners, members, managers, Affiliates, or agents, any Persons who have provided or do provide debt financing or equity financing, investments, contributions, issuances, or placements in connection with any debt or equity financing, including any Persons named in any debt commitment letters, joinder agreements, indentures or credit agreements, contribution agreements, equity purchase agreements, or similar agreements entered into in connection therewith or relating thereto, or any former, current, or future equity holder, controlling Person, director, officer, employee, general or limited partner, member, manager, Affiliate, or agent of any of the foregoing (collectively, each of the foregoing, but not including Seller or Purchaser, a "Non-Recourse Party"), through Purchaser or Seller, as applicable, or otherwise, whether by or through attempted piercing of the corporate, limited partnership, or limited liability company veil, by or through a claim by or on behalf of Purchaser or Seller, as applicable, against any Non-Recourse Party, by the enforcement of any assessment, or by any legal or equitable proceeding, by virtue of any applicable Law, whether in contract, tort or otherwise.

***[Signature Page Follows]***

**IN WITNESS WHEREOF**, this Agreement has been signed by or on behalf of Purchaser and Seller as of the day first above written.

**PURCHASER:**

**INTEGRATED UTILITY SERVICES LLC**, a Texas limited liability company

Signed by:   
By: \_\_\_\_\_  
Name: Trinity Dawson  
Title: President and Chief Executive Officer

**SELLER:**

**PARAGON INDUSTRIES, INC.**,  
an Oklahoma corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**IN WITNESS WHEREOF**, this Agreement has been signed by or on behalf of Purchaser and Seller as of the day first above written.


**PURCHASER:**

**INTEGRATED UTILITY SERVICES  
LLC**, a Texas limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SELLER:**

**PARAGON INDUSTRIES, INC.**,  
an Oklahoma corporation

By:   
Name: Kevin Clancy  
Title: Partner

**SCHEDULE 1.01(a)**

**INTELLECTUAL PROPERTY ASSETS**

Substantially all Intellectual Property assets.

**SCHEDULE 1.01(b)**

**CERTAIN PERMITTED LIENS**

None

**SCHEDULE 2.01(a)**

**DESCRIPTIONS OF EQUIPMENT**

Substantially all assets owned by the Seller, whether real or personal property as well as tangible or intangible property, necessary for the use or operation of the Business and the Purchased Assets.

**SCHEDULE 2.01(b)**

**ACQUIRED LEASES AND OTHER REAL PROPERTY**

Substantially all leases and other real property held or owned by the Seller.

**SCHEDULE 2.01(c)**

**ASSUMED PERMITS**

1. Oklahoma Department of Environmental Quality Air Quality Division Permit. Permit Number 2016-1146-O.
2. Oklahoma Department of Environmental Quality Authorization to Discharge Under the OPDES Stormwater Industrial General Permit OKR05. Authorization Number OKR050913.
3. Oklahoma Department of Environmental Quality Industrial Wastewater Treatment/Disposal Permit. Permit Number WD01-020; ID Number I-19001180.

**SCHEDULE 2.01(d)**

**MISCELLANEOUS ASSETS**

Substantially all miscellaneous assets owned by the Seller.

**SCHEDULE 2.02(i)**

**CERTAIN EXCLUDED ASSETS**

All assets located at the Port Property to which the Seller asserts ownership, and in respect of which a *bona fide* dispute exists as of the Closing Date, between Seller, on the one hand, and any of Muskogee City-County Port Authority, Johnston's Port 33, Inc. d/b/a Oakley's Port 33, or Webco Industries, on the other hand, and of which Seller and Purchaser has each received notice as of the Closing Date.

**SCHEDULE 2.07(a)**

**FORM OF BILL OF SALE**

(See Attached)

**BILL OF SALE**

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, **PARAGON INDUSTRIES, INC.**, an Oklahoma corporation ("**Seller**"), does hereby grant, bargain, transfer, sell, assign, convey and deliver to **INTEGRATED UTILITY SERVICES LLC**, a Texas limited liability company ("**Purchaser**"), all of its right, title, and interest in and to the tangible personal property included in the Purchased Assets, as such term is defined in the Asset Purchase Agreement, dated as of [●] (the "**Purchase Agreement**"), by and between Seller and Purchaser, to have and to hold the same unto Purchaser, its successors and assigns, forever.

Purchaser acknowledges that Seller makes no representation or warranty with respect to the assets being conveyed hereby except as specifically set forth in the Purchase Agreement.

The parties may execute and deliver this Bill of Sale electronically and in multiple counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, Seller has duly executed this Bill of Sale as of [●].

**PARAGON INDUSTRIES, INC.**,  
an Oklahoma corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SCHEDULE 2.07(b)**

**FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT**

(See Attached)

## ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (the "**Agreement**"), effective as of [●] (the "**Effective Date**"), is by and between **PARAGON INDUSTRIES, INC.**, an Oklahoma corporation ("**Seller**"), and **INTEGRATED UTILITY SERVICES LLC**, a Texas limited liability company ("**Purchaser**").

**WHEREAS**, Seller and Purchaser have entered into a certain Asset Purchase Agreement, dated as of [●] (the "**Purchase Agreement**"), pursuant to which, among other things, Seller has agreed to assign all of its rights, title and interests in, and Purchaser has agreed to assume all of Seller's duties and obligations under, the Assumed Contracts (as defined in the Purchase Agreement).

**NOW, THEREFORE**, in consideration of the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions. All capitalized terms used in this Agreement but not otherwise defined herein are given the meanings set forth in the Purchase Agreement.

2. Assignment and Assumption. Seller hereby sells, assigns, grants, conveys and transfers to Purchaser all of Seller's right, title and interest in and to the Assumed Contracts. Purchaser hereby accepts such assignment and assumes all of Seller's performance obligations arising under the Assumed Contracts on or after the Effective Date and agrees to perform, as and when due, all of the performance obligations of Seller under the Assumed Contracts accruing on and after the Effective Date.

3. Terms of the Purchase Agreement. The terms of the Purchase Agreement, including, but not limited to, the representations, warranties, covenants, agreements and indemnities relating to the Assumed Contracts are incorporated herein by this reference. The parties hereto acknowledge and agree that the representations, warranties, covenants, agreements and indemnities contained in the Purchase Agreement shall not be superseded hereby but shall remain in full force and effect to the full extent provided therein. In the event of any conflict or inconsistency between the terms of the Purchase Agreement and the terms hereof, the terms of the Purchase Agreement shall govern.

4. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Oklahoma without giving effect to any choice or conflict of law provision or rule (whether of the State of Oklahoma or any other jurisdiction).

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

6. Further Assurances. Each of the parties hereto shall execute and deliver, at the reasonable request of the other party hereto, such additional documents, instruments, conveyances and assurances and take such further actions as such other party may reasonably request to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the Effective Date.

**PURCHASER:**

**INTEGRATED UTILITY SERVICES LLC**, a Texas limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SELLER:**

**PARAGON INDUSTRIES, INC.**, an Oklahoma corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE 2.07(c)**

**FORM OF DEED**

(See Attached)

Mail Tax Statements To:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SPECIAL WARRANTY DEED**

KNOW ALL MEN BY THESE PRESENTS:

THAT **PARAGON INDUSTRIES, INC.**, an Oklahoma corporation (the "**Grantor**"), for and in consideration of the sum of Ten Dollars (\$10.00) and other fair and valuable considerations, the receipt and adequacy of which are hereby acknowledged, does hereby grant, bargain, sell and convey unto **INTEGRATED UTILITY SERVICES, LLC**, a Texas limited liability company (the "**Grantee**"), that certain real property located in [●], more particularly described on Exhibit A attached hereto, together with all improvements thereon and appurtenances thereto belonging (the "**Property**"), less and except all oil, gas and other minerals therein or that may be produced therefrom previously reserved or conveyed, and warrants title to the same to be free, clear and discharged of and from all former grants, charges, taxes, judgments and encumbrances created by, through or under Grantor other than those exceptions shown on attached Exhibit B, but not otherwise (the "**Permitted Exceptions**").

TO HAVE AND TO HOLD the premises unto the Grantee, its successors and assigns, forever.

Grantor hereby warrants title to the Property against any and all acts, conveyances, liens, and encumbrances affecting the Property made or suffered to be made or done by, through, or under Grantor, but not otherwise, and in any event excluding from this warranty the Permitted Exceptions.

Grantee by its acceptance of this Special Warranty Deed shall be deemed to consent to all of the terms and provisions hereof.

[SIGNATURE PAGE FOLLOWS]

EXECUTED and delivered this [●] day of [●], 2026.

**PARAGON INDUSTRIES, INC.,**  
an Oklahoma corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

Before me on this day personally appeared [●], the [●] of Paragon Industries, Inc., an Oklahoma corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that such person executed the same for the purposes and consideration therein expressed, on behalf of said limited liability company.

(SEAL)

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_  
My Notary Commission Number:  
\_\_\_\_\_

**Exhibit B**  
Permitted Exceptions

[TO BE COMPLETED UPON COMPLETION OF TITLE WORK AND SURVEY]

**SCHEDULE 2.10**

**PURCHASE PRICE ALLOCATION SCHEDULE**

	Assumed Value per CIM	Relative %	Purchase Allocation	Class	Byline Resolution
<b>Land:</b>					
Parcel A	\$ 4,789	0%	\$ 875	Class V	
Parcel B	12,182	0%	2,225	Class V	
Parcel C	8,122	0%	1,483	Class V	
Parcel D	95,083	0%	17,367	Class V	
Parcel E	112,958	0%	20,632	Class V	
Parcel H	799,026	0%	145,941	Class V	
Parcel I	9,154	0%	1,672	Class V	
Parcel K	3,988	0%	728	Class V	
Parcel L	4,847,495	2%	885,387	Class V	Tract 2
Parcel M	1,533,631	1%	280,115	Class V	
Parcel N	1,573,573	1%	287,411	Class V	Tract 1
<b>Total</b>	<b>9,000,000</b>	<b>4%</b>	<b>1,643,836</b>		

<b>Buildings:</b>					
Pipe Mill #1	2,354,189	1%	429,989	Class V	
Pipe Mill #2	3,923,649	2%	716,648	Class V	
Heat Treating - Existing	1,594,709	1%	291,271	Class V	Tract 2
Heat Treating - New	1,594,709	1%	291,271	Class V	Tract 2
Threading (3 Lines)	2,711,005	1%	495,161	Class V	Tract 2
Coating	797,355	0%	145,636	Class V	Tract 1
Scrap Processing	106,314	0%	19,418	Class V	
Other	531,570	0%	97,090	Class V	
<b>Total</b>	<b>13,613,500</b>	<b>6%</b>	<b>2,486,484</b>		

<b>Equipment:</b>					
Pipe Mill #1	43,449,938	20%	7,936,062	Class V	
Pipe Mill #2	72,416,563	33%	13,226,769	Class V	

	Assumed Value per CIM	Relative %	Purchase Allocation	Class	Byline Resolution
<b>Heat Treating - Existing:</b>					
Per handout at auction	8,405,000	4%	1,535,160	Class V	Byline Equipment
Other	5,545,000	3%	1,012,785	Class V	
Heat Treating - New	21,950,000	10%	4,009,132	Class V	
Threading (3 Lines)	10,215,000	5%	1,865,753	Class V	
<b>Coating:</b>					
Lab - per handout at auction	75,000	0%	13,699	Class V	Byline Equipment
Facility - per handout at auction	10,552,000	5%	1,927,306	Class V	Byline Equipment
Other	13,848,000	6%	2,529,315	Class V	
Scrap Processing	2,930,000	1%	535,160	Class V	
Mobile Equipment	7,000,000	3%	1,278,539	Class V	
<b>Total</b>	<b>196,386,500</b>	<b>90%</b>	<b>35,869,680</b>		
<b>Total</b>	<b>\$ 219,000,000</b>	<b>100%</b>	<b>\$ 40,000,000</b>		

<b>Summary by Category:</b>					
Tract 1	\$ 2,370,928	1%	\$ 433,046		
Tract 2	10,747,918	5%	1,963,090		
Byline Equipment	19,032,000	9%	3,476,164		
Other	186,849,154	85%	34,127,699		
<b>Total</b>	<b>\$ 219,000,000</b>	<b>100%</b>	<b>\$ 40,000,000</b>		

**SCHEDULE 3.01**

**SELLER CONSENTS AND APPROVALS**

1. Approval by the United States Bankruptcy Court for the Eastern District of Oklahoma.
2. Approval by the Official Committee of Unsecured Creditors.

**SCHEDULE 3.03****LITIGATION**

The following actions were pending against the Seller prior to the Petition Date:

1. *A-1 Sheet Metal, LLC v. Paragon Industries, Inc.*, CJ-2024-4589 (Dist. Ct. for Tulsa County, Okla.)
2. *Agriland FS, Inc. v. Paragon Industries, Inc.*, CJ-2024-398 (Dist. Ct. for Creek County, Okla.)
3. *Amarillo National Bank v. Paragon Industries, et al.*, CV-24-222 (Dist. Ct. for Creek County, Okla.)
4. *Amarillo National Bank v. Paragon Industries, et al.*, Cause No. 112417-E-CV (108th Dist. Ct. for Potter County, Tex.)
5. *AM/NS Calvert LLC v. Paragon Industries, Inc.*, 1:24-cv-09108 (N.D. Ill.)
6. *Byline Bank v. Paragon Industries Inc., et al.*, CJ-25-7 (Dist. Ct. for Creek (Bristow) County, Okla.)
7. *CTAP v. Paragon Industries*, CJ-24-377 (Dist. Ct. for Creek County, Okla.)
8. *Edgen Murray Corp. v. Paragon Industries, Inc., et al.*, 24-cv-04943 (U.S.D.C. Southern Dist. of Texas Houston Division)
9. *Edgen Murray Corp. v. Paragon Industries, Inc., et al.*, 25-MC-00010-SHE-CDL (U.S.D.C. Northern Dist. of Oklahoma)
10. *Hectom Industries, Inc. v. Paragon Industries, Inc.*, Cause No. 2024-82258 (127<sup>th</sup> Judicial District, Harris County, Texas)
11. *Interstate Electric Corporation v. Paragon Industries*, CJ-24-360 (Dist. Ct. for Creek County, Okla.)
12. *Muskogee City-County Port Authority, et al. v. Paragon Industries, Inc.*, CJ-2025-00038 (Dist. Ct. for Muskogee County, Okla.)
13. *Naumann Machining Solutions, Inc. v. Paragon Industries, Inc.*, CJ-2024-4401 (Dist. Ct. for Tulsa County, Okla.)
14. *Nucor Corporation v. Paragon Industries, Inc.*, 24-cv-00182-BSM (U.S.D.C. Eastern Dist. of Arkansas)
15. *Sim-Tex, L.P. v. Paragon Industries, Inc., et al.*, Cause No. 2024-76751 (165<sup>th</sup> Judicial District, Harris County, Texas)
16. *Skip Braver and Chad Braver v. Derek Wachob, et al.*, 1:24-cv-24048 (S.D. Fla.)

On May 21, 2025, the Seller filed a voluntary petition with the United States Bankruptcy Court for the Eastern District of Oklahoma pursuant to Chapter 11 of the Bankruptcy Code.

On January 29, 2026, the Seller received a letter from Scott Hudgins, Trustee of the Scott Hudgins Trust, an adjoining landowner of Purchased Assets, alleging issues with boundary fencing and soil erosion that may lead to a claim for a boundary dispute or surface damage action.

The Muskogee City-County Port Authority has asserted ownership of the assets located at the Port Property. The Muskogee City-County Port Authority and Johnston's Port 33, Inc. d/b/a Oakley's Port 33 have challenged the validity and enforceability of the Port Legacy Sublease and

that certain operating agreement between the Seller and Johnston's Port 33, Inc. d/b/a Oakley's Port 33.

**SCHEDULE 3.06**

**PERMITS**

1. Oklahoma Department of Environmental Quality Air Quality Division Permit. Permit Number 2016-1146-O.
2. Oklahoma Department of Environmental Quality Authorization to Discharge Under the OPDES Stormwater Industrial General Permit OKR05. Authorization Number OKR050913.
3. Oklahoma Department of Environmental Quality Industrial Wastewater Treatment/Disposal Permit. Permit Number WD01-020; ID Number I-19001180

**SCHEDULE 4.01**

**PURCHASER CONSENTS AND APPROVALS**

**SCHEDULE 7.03(b)**

**ASSUMED OR REJECTED CONTRACTS**

<b>No.</b>	<b>Counterparty</b>	<b>Original Contracting Party</b>	<b>Title</b>	<b>Description</b>	<b>Date</b>	<b>Cure Amount</b>
------------	---------------------	-----------------------------------	--------------	--------------------	-------------	--------------------

1

CERTAIN DOCUMENTS IDENTIFIED HEREIN ARE BEING LISTED OUT OF AN ABUNDANCE OF CAUTION, AS SUCH DOCUMENTS MAY CONSTITUTE REAL PROPERTY INTERESTS. THE PARTIES RESERVE THE RIGHT TO CONTEST WHETHER THE CONTRACTS LISTED HEREIN ARE SUBJECT TO BANKRUPTCY CODE § 365.