



IT IS ORDERED as set forth below:

Date: May 10, 2022

Paul W. Bonapfel
U.S. Bankruptcy Court Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ROME DIVISION

IN RE:)	CHAPTER 11
)	
REGIONAL HOUSING & COMMUNITY SERVICES CORP., et al.,)	Jointly Administered Under
)	CASE NO. 21-41034-pwb
Debtors.)	
)	

ORDER (A) ESTABLISHING BIDDING AND OTHER PROCEDURES IN CONNECTION WITH THE SALE OF ASSETS OF THE DEBTORS, (B) AUTHORIZING THE DEBTORS TO AWARD STALKING HORSE PROTECTIONS TO POTENTIAL BUYERS AND (C) PROVIDING NOTICE OF HEARING ON MOTION TO (1) APPROVE SALE OF CERTAIN ASSETS OF THE DEBTORS FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS; (2) AUTHORIZE ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES; (3) ESTABLISH CURE AMOUNTS THEREFOR; AND (4) APPROVE OTHER RELATED RELIEF

THIS MATTER came before the Court to consider the *Debtors' First Motion (A) For Authority To Sell Assets Free And Clear Of Liens, Claims, And Encumbrances; (B) To Assume And Assign Certain Executory Contracts, Leases And Licenses And Establish Cure Costs in Connection Therewith; (C) To Establish Procedures With Respect To Such Sale and the*



Assumption and Assignment of Executory Contracts and Leases; (D) To Consider Approval of Breakup Fee; and (E) To Shorten and Limit Notice (the “**Sale Motion**”) filed by the above-captioned debtors and debtors and debtors-in-possession (collectively, the “**Debtors**”) ¹ on April 28, 2022. Pursuant to the Sale Motion, the Debtors seek entry of two orders. The first order, which relates to certain procedures that will govern a sale process for the Debtors’ assets, is granted as set forth more fully in this order (the “**Procedures Order**”). The second order will address the sale of the Debtors’ facilities, and will be heard at a sale hearing to be held on June 29, 2022 as set forth more fully below.

Following due and sufficient notice, a hearing was held at 11:00 a.m. on May 10, 2022 (the “**Procedures Hearing**”) with respect to the Debtors’ requests for (i) approval of the proposed bid procedures attached to the Sale Motion as Exhibit B (the “**Proposed Bid Procedures**”), which include, among other things, requirements and deadlines for submitting initial bids and overbids, selection of one or more “stalking horses,” scheduling an auction, and identifying potential successful bidders and back-up bidders; (ii) authorization for the Debtors to award certain “stalking horse” protections to one or more “stalking horse” bidders (each, a “**Stalking Horse Bidder**”) which protections include a break-up fee not to exceed 3% of a proposed purchase price; and (iii) scheduling a hearing (the “**Sale Hearing**”) for the approval of one or more sales of the Debtors’ assets to one or more successful bidders.

¹ The Debtors in these Chapter 11 cases include: Regional Housing & Community Services Corporation, RHCSC Columbus AL Holdings LLC, RHCSC Columbus Health Holdings LLC, RHCSC Douglas AL Holdings LLC, RHCSC Douglas Health Holdings LLC, RHCSC Gainesville AL Holdings LLC, RHCSC Gainesville Health Holdings LLC, RHCSC Montgomery I AL Holdings LLC, RHCSC Montgomery I Health Holdings LLC, RHCSC Montgomery II AL Holdings LLC, RHCSC Montgomery II Health Holdings LLC, RHCSC Rome AL Holdings LLC, RHCSC Rome Health Holdings LLC, RHCSC Savannah AL Holdings LLC, RHCSC Savannah Health Holdings LLC, RHCSC Social Circle AL Holdings LLC, and RHCSC Social Circle Health Holdings LLC.

The Court having considered the Sale Motion, statements of counsel at the Procedures Hearing, the record, and for cause shown, the Court finds that it is in the best interest of each Debtor's estate and creditors to grant the relief set forth herein.

THE COURT HEREBY FINDS THAT:²

A. This Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334. This proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (N) and (O). Venue is proper in this District and in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

B. The statutory predicates for the relief requested herein are sections 105(a), 363(b) and (f), 365, 503 and 507 of title 11 of the United States Code (the "**Bankruptcy Code**"); Rules 2002(a)(2), 6003, 6004(a), (b), (c), (e) and (f), 6006(a) and (c), 9007, 9014 and 9019 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") and the Amended and Restated General Order 26-2019, Procedures for Complex Chapter 11 Cases, dated November 4, 2019 ("**Complex Case Procedures**").

C. Notice of the Motion has been given to (i) all parties on the Limited Service List as provided in Paragraph D of the Complex Case Procedures, and (ii) all individuals or entities who have expressed in writing to Senior Living Investment Brokerage, Inc. an interest in acquisition of all or part of the Debtors' assets. Such notice is sufficient in light of the circumstances and the nature of the relief requested in the Sale Motion.

D. Cause exists to allow the Debtors to pursue a sale of their assets and assumption and assignment of their executory leases, contracts, licenses and other agreements, pursuant to the bid procedures set forth as Exhibit A to this Procedures Order (the "**Bid Procedures**").

² The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To

E. The relief requested in the Sale Motion complies with applicable Bankruptcy Rules, including Bankruptcy Rules 2002, 6004, 6006, 9006 and 9007.

F. The Debtors have articulated good and sufficient reasons for this Court to grant the relief requested in the Sale Motion regarding the sale process and procedures, including without limitation: (i) approval of the Bid Procedures, which include, among other things, requirements and deadlines for submitting initial bids and overbids, selection of one or more “stalking horses,” scheduling an auction, and identifying potential successful bidders and back-up bidders; (ii) authorization for the Debtors to award certain “stalking horse” protections to one or more “stalking horses,” which protections include a break-up fee not to exceed 3% of a proposed purchase price (each, a “**Breakup Fee**”); and (iii) scheduling Sale Hearing for the approval of a proposed sale of the Debtors’ assets to one or more successful bidders.

G. Any Breakup Fee to be paid to a Stalking Horse Bidder, solely to the extent agreed to by the Debtor and documented in an asset purchase agreement with the consent of the Bond Trustee, is (i) an actual and necessary cost and expense of preserving the Debtors’ estates; (ii) commensurate to the real and substantial benefit conferred upon the Debtors’ estates by such Stalking Horse Bidder, and (iii) reasonable and appropriate, in light of the size and nature of the proposed sale transaction and comparable transactions. Notwithstanding the foregoing, a Breakup Fee shall be payable only as set forth in an asset purchase agreement agreed to between the Debtors and such Stalking Horse Bidder, consented to by the Bond Trustee, and shall be payable solely from the proceeds of a sale for the same assets as those set forth in the applicable asset purchase agreement in the event a bidder other than the applicable Stalking Horse Bidder is the successful bidder for such assets.

the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the

H. The Sale Notice is reasonably calculated to provide all interested parties with timely and proper notice of the proposed sale of the Debtors' assets, the Sale Hearing and the Auction to be conducted for the purpose of determining the entity or entities submitting the highest and best bid (or bids) for the purchase of the Debtors' assets.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Bid Procedures are hereby approved and fully incorporated into this Procedures Order. The Debtors are authorized to undertake any and all actions necessary or appropriate to implement the Bid Procedures.

2. All objections, if any, to the Sale Motion that have not been withdrawn, waived, or settled as announced to the Court at the Procedures Hearing, are overruled.

3. The Breakup Fee, as set forth in the Bid Procedures, is hereby approved. The Debtors are authorized in their discretion, subject to the terms of the Bid Procedures, to award a Stalking Horse Bidder (or Stalking Horse Bidders) a Breakup Fee and other customary bid protections as set forth in the Bid Procedures without further order of this Court.

4. The Notice of Auction and Sale Hearing, substantially in the form attached hereto as **Exhibit B** (the "**Sale Notice**") (a) is hereby approved and (b) shall be served by no later than June 1, 2022, upon (i) all parties on the Limited Service List as provided in Paragraph D of the Complex Case Procedures, and (ii) all individuals or entities who have expressed in writing to SLIB an interest in acquisition of all or part of the Debtors' assets which service is sufficient in light of the circumstances and the nature of the relief requested in the Sale Motion.

5. As further described in the Bid Procedures, in the event that the Debtors timely receive one or more Qualifying Bids, the Debtors shall conduct the Auction on **June 28, 2022** or

extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

such later date as may be determined by the Debtors in consultation with the Bond Trustee (the “**Auction Date**”). The Debtors shall conduct the Auction at the offices of Scroggins & Williamson, P.C., 4401 Northside Parkway, Suite 450, Atlanta, Georgia 30327, or such other location in Atlanta, Georgia, as shall be selected by the Debtors and communicated to all Qualified Bidders at least one day prior to the Auction.

6. Each bidder participating at the Auction shall be required to confirm that it has not engaged in any collusion with respect to the bidding or the proposed sale of the Debtors’ assets; (b) the Auction shall not be open to the public and only Qualified Bidders, the Debtors, the U.S. Trustee, the Bond Trustee, representatives of the holders of the Bonds, and their respective advisors shall be permitted to attend the Auction; and (c) the Auction will be transcribed or videotaped.

7. The notice to counterparties to the Assigned Contracts, substantially in the form attached hereto as **Exhibit C** (the “**Cure Notice**”) (a) is hereby approved and (b) shall be served upon the counterparties (the “**Counterparties**”) to the Assigned Contracts by no later than June 1, 2022.

8. Objections, if any, to the proposed assumption and assignment of the Assigned Contracts, including, but not limited to, objections relating to the Cure Amount and/or potential objections related to adequate assurances of future performance, must (a) be in writing; (b) state with specificity the nature of such objection and the alleged Cure Amount (with appropriate documentation in support thereof); (c) if the objecting party (a “**Requesting Counterparty**”) wishes to receive information regarding the successful bidder following the Auction in order to potentially raise an objection to adequate assurance of future performance before the Sale Hearing, the Requesting Counterparty shall provide an email address which can be used to

provide such information following the Auction; (d) comply with the Federal Rules of Bankruptcy Procedure the Local Bankruptcy Rules of this Court and the Complex Case Procedures; and (e) be filed with this Court and served upon counsel for the Debtors, Ashley R. Ray, Scroggins & Williamson, P.C., 4401 Northside Parkway, Suite 450, Atlanta, GA 30327 **no later than June 22, 2022** (the “**Objection Deadline**”). Any party failing to timely file an objection to the Cure Amounts set forth in the Sale Motion or the proposed assumption and assignment of the Assigned Contracts by the Objection Deadline shall be forever barred from objecting to the Cure Amounts and from asserting any additional cure or other amounts against the Debtors, their estates, or any Successful Bidder with respect to its executory contract(s) or unexpired lease(s).

9. Following the determination of a Successful Bidder at the Auction, the Debtors shall notify any applicable Requesting Counterparty of the identity of such Successful Bidder at the email address provided by the Requesting Counterparty.

10. Except as may otherwise be agreed to by the parties to an Assigned Contract (with the consent of a successful bidder), on the applicable closing date of an applicable asset purchase agreement, the purchaser under such asset purchase agreement shall cure those defaults under the Assigned Contracts that need to be cured in accordance with section 365(b) of the Bankruptcy Code by (a) payment of the undisputed Cure Amounts, and/or (b) reserving amounts with respect to the disputed Cure Amounts. If no objection is timely received, the Cure Amount set forth in the Cure Notice shall be controlling notwithstanding anything to the contrary in any Assigned Contract or other documents as of the date of the Cure Notice.

11. Other than objections related to adequate assurance of future performance by a Successful Bidder, objection to the relief requested in the Sale Motion as it relates to the sale of

the Debtors' assets must: (a) be in writing and filed with this Court; (b) comply with the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules and the Complex Case Procedures; and (c) be served upon counsel for the Debtors, Ashley R. Ray, Scroggins & Williamson, P.C., 4401 Northside Parkway, Suite 450, Atlanta, GA 30327 on or before June 24, 2022.

12. Objections to the proposed assumption and assignment of the Assigned Contracts that relate to adequate assurance may be filed at any time prior the commencement of the Sale Hearing.

13. Where a party to an Assigned Contract files a timely objection asserting a higher cure amount than the Cure Amount, and the parties are unable to consensually resolve the dispute prior to the Sale Hearing, the amount to be paid under section 365 of the Bankruptcy Code with respect to such objection will be determined at the Sale Hearing or such other date and time as may be fixed by this Court. All other objections to the proposed assumption and assignment of the Assigned Contracts will be heard at the Sale Hearing.

14. The Sale Hearing will be conducted on **June 29, 2022 at 11:00 .m.** The Sale Hearing will be conducted via Zoom using Judge Bonapfel's Virtual Hearing Room. A link to connect to Judge Bonapfel's Virtual Hearing Room is available on his webpage at <https://www.ganb.uscourts.gov/content/honorable-paul-w-bonapfel>. Please join the virtual room 10 minutes prior to the hearing. If you experience difficulty in connection, please contact the law clerk via email at Beth.Harrill@ganb.uscourts.gov or by telephone at (404) 215-1020 The Debtors will seek the entry of one or more orders from this Court at the Sale Hearing approving and authorizing the sale of the Debtors' assets on terms and conditions consistent with asset purchase agreements entered into with the parties that submitted Successful Bids at the Auction.

At the Sale Hearing, the Debtors may also seek approval of one or more Backup Bids which were not designated as Successful Bids.

15. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise or any Local Rules of this Court, the terms and conditions of this Procedures Order shall be immediately effective and enforceable upon its entry.

16. All time periods set forth in this Procedures Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

17. To the extent that this Procedures Order is inconsistent with any prior order or pleading with respect to the Sale Motion in this case, the terms of this Procedures Order shall govern.

18. This Court shall retain jurisdiction to resolve any dispute relating to the interpretation of the terms and conditions of the Sale Motion and this Procedures Order. To the extent any provisions of this Procedures Order shall be inconsistent with the Sale Motion, the terms of this Procedures Order shall control.

[END OF DOCUMENT]

Prepared and presented by:

SCROGGINS & WILLIAMSON, P.C.

/s/ Ashley R. Ray

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Counsel for the Debtors

Exhibit A

Sale Procedures

REGIONAL HOUSING & COMMUNITY SERVICES CORPORATION
BID PROCEDURES

Set forth below are the bid procedures (the “Bid Procedures”)¹ to be employed with respect to the sale (as applicable, the “Sale” or “Sales”) of substantially all of the Debtors’ assets in these chapter 11 cases (the “Chapter 11 Cases”) pending in the United States Bankruptcy Court for the Northern District of Georgia (the “Bankruptcy Court”), Case No. 21-41034-pwb (jointly administered). The Debtors’ assets consist of eight (8) senior housing communities located throughout Georgia and Alabama, and the personal property associated therewith (each a “Facility” and together the “Facilities”). The Sale or Sales are to be based upon a competitive bidding process, as set forth herein, and subject to approval by the Bankruptcy Court pursuant to section 363 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

Summary of Important Dates

Milestone	Proposed Date
Stalking Horse Submission Deadline	May 17, 2022
Cure Objection Deadline	June 22, 2022
Qualified Bid Deadline	June 22, 2022
Auction (if necessary)	June 28, 2022
Sale Objection Deadline and Contract Assignment Deadline	June 22 2022
Sale Hearing	June 29, 2022

Assets to be Sold

Each of the Debtors seek to sell substantially all of their assets in one or more sale transactions. Each of the Debtors’ businesses is comprised of a senior housing community and related assets. Interested bidders may submit bids for the purchase of any or all of the following in accordance with the terms and conditions set forth herein:

Facility	Address	Number of Units
The Gardens of Savannah	249 Holland Drive Savannah, GA 31419	35
The Gardens of Rome	1168 Chulio Road SE Rome, GA 30161	60

¹ All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Debtors’ First Motion (A) For Authority To Sell Assets Free And Clear Of Liens, Claims, And Encumbrances; (B) To Assume And Assign Certain Executory Contracts, Leases And Licenses And Establish Cure Costs in Connection Therewith; (C) To Establish Procedures With Respect To Such Sale and the Assumption and Assignment of Executory Contracts and Leases; (D) To Consider Approval of Breakup Fee; and (E) To Shorten and Limit Notice.

The Gardens of Social Circle	621 North Cherokee Road Social Circle, GA 30025	94
The Gardens of Waterville	3920 Antoinette Drive Montgomery, AL 36111	50
The Landings of Columbus	6830 River Road Columbus, GA 31904	60
The Landings of Douglas	1360 West Gordon Street Douglas, GA 31533	58
The Landings of Gainesville	2030 Windward Lane Gainesville, GA 30501	42
The Landings of Montgomery	3300 Lynchburg Drive Montgomery, AL 36116	60

Except as explicitly set forth in the applicable transaction documents, any sale of assets will be on an “as-is, where-is” basis, with all faults, and without representations or warranties of any kind, nature, or description by the Debtors, their agents or estates, whether written, verbal, express, implied, or by operation of law.

Due Diligence Participation Requirements

Parties interested in conducting due diligence should contact the Debtors’ advisors, GGG Partners, LLC (“GGG”) and Senior Living Investment Brokerage (“SLIB”) as follows:

- GGG: Katie Goodman at (404) 293-0137 or kgoodman@gggmgt.com.
- SLIB: Daniel Geraghty at (847) 525-3025 or geraghty@slibinc.com.

Any person desiring to submit a bid for one or more of the Facilities will be required to deliver to the Debtors an executed confidentiality agreement in form and substance satisfactory to the Debtors. The Debtors and their professionals will afford any person who executes a confidentiality agreement (a “Potential Bidder”) such due diligence access or additional information with respect to the Facilities as the Debtors, in their business judgment, determine to be reasonable and appropriate; *provided, however*, that the same access and information for a particular Facility must also be made available to all Potential Bidders for the same Facility. Notwithstanding the foregoing, the Debtors shall have the right, in their sole discretion or at the request of UMB Bank, N.A. (the “Bond Trustee”), to require satisfactory evidence of any Potential Bidder’s available funds for or firm commitment for financing sufficient to consummate a Sale or Sales, prior to granting said Potential Bidder access to conduct due diligence. Additional due diligence will not be provided after the Bid Deadline (as defined below).

Selection of Stalking Horse Bidder(s)

Pursuant to the order approving these Bid Procedures (the “Bid Procedures Order”), and as set forth below, the Debtors are authorized, but not obligated, to enter into an asset purchase

agreement or asset purchase agreements for the Facilities with any Potential Bidder that desires to serve as a stalking horse bidder for any or all of the Facilities.

On or before May 17, 2022 at 4:00 p.m. (prevailing Eastern Time), any Potential Bidder that desires to serve as a stalking horse shall submit a written letter of intent setting forth the terms and conditions of its offer which shall include, but not be limited to:

1. The Facility or Facilities that are the subject of the Bid;
2. Cash purchase price;
3. A commitment to make a good-faith deposit in the amount of ten percent (10%) of the cash purchase price, which deposit shall be non-refundable upon execution of a Stalking Horse APA unless the Debtors are in breach of the Stalking Horse APA or another party is selected as the Successful Bidder (as defined below) and the Stalking Horse (as defined below) is not in breach of the Stalking Horse APA (the "Stalking Horse Deposit");
4. Provide information on the financial capabilities of the Potential Bidder to consummate the proposed transaction;
5. The Potential Bidder's affiliations; and
6. Statement on the Potential Bidder's intent to continue to operate the Facility or Facilities as they are currently licensed.

The Stalking Horse must also comply with all other applicable Participation Requirements (as defined below).

The Debtors shall provide the Bond Trustee with copies of all letters of intent no later than twenty-four (24) hours after receipt thereof.

At any time prior to completion of the Auction, the Debtors, following consultation with the Bond Trustee, may enter into one or more definitive asset purchase agreements for each of the Facilities (each a "Stalking Horse APA") with a Potential Bidder (or Potential Bidders) (each a "Stalking Horse"), which Stalking Horse APA shall be subject to the consent of the Bond Trustee.

As a component of each Stalking Horse APA, the Debtors may provide a break-up fee of up to 3% of the cash purchase price set forth in such Stalking Horse APA, plus a minimum bid increment for other bidders to submit competing bids, or other buyer protections (collectively, the "Bid Protections") requested by the Stalking Horse and agreed-to by the Debtors following consultation with the Bond Trustee.

In the event that the Debtors enter into one or more Stalking Horse APAs, the Debtors shall (i) file a copy of such APA(s) with the Bankruptcy Court, (ii) serve a copy by the Court's ECF system and (iii) post a copy to the data room maintained for purpose of facilitating due diligence.

Bid Deadline

The deadline for any Potential Bidders to submit bids intending to compete with the Stalking Horse APA, if any, shall be **June 22, 2022 at 4:00 p.m. (prevailing Eastern Time)** (the "Bid Deadline"). Such bids must be received on or before the Bid Deadline by the following parties (collectively, the "Notice Parties"):

(a) *The Debtors:*

Regional Housing & Community Services Corp.
Katie S. Goodman
GGG Partners, LLC
3155 Roswell Rd NE, Suite 120
Atlanta, GA 30305
kgoodman@gggmgt.com

(b) *counsel to the Debtors:*

Ashley R. Ray
Scroggins & Williamson, P.C.
4401 Northside Parkway
Suite 450
Atlanta, GA 30327
aray@swlawfirm.com

(c) *Senior Living Investment Brokerage*

Daniel Geraghty
Senior Living Investment Brokerage
490 Pennsylvania Avenue
Glen Ellyn, IL 60137
geraghty@slibinc.com

(d) *counsel to the Bond Trustee:*

Kevin J. Walsh
Charles W. Azano
Greenberg Traurig, LLP
One International Place
Suite 2000
Boston, MA 02110
walshke@gtlaw.com
azano@gtlaw.com

Bid Requirements

To be eligible to participate in the Auction (as such term is defined below), each bid and each Potential Bidder submitting such a bid must conform to the following requirements (collectively, the "Participation Requirements"):

1. Indicate the Facility or Facilities that are the subject of the Bid;
2. offer to consummate the sale on terms no less favorable to the Debtors than those set forth in the applicable Stalking Horse APA, if any (taking into account Bid Protections that must be paid);
3. include a marked copy of the applicable Stalking Horse APA (if any), or if there is no applicable Stalking Horse APA, the form asset purchase agreement contained in the data room, to show any proposed amendments thereto (the "Modified APA") and a clean and executed Modified APA;
4. include a statement that there are no conditions precedent to the Potential Bidder's ability to enter into a definitive agreement, including that there are no financing contingencies to the bid, and that all necessary internal and shareholder approvals have been obtained prior to the bid;
5. state that such offer is binding and irrevocable until the approval of the Successful Bid by the Court unless designated as the Back-Up Bid (as defined below) in which case a designated Back-Up Bid shall be binding;
6. disclose the identity of each entity that will be bidding or otherwise participating in connection with such bid, and the complete terms of any such participation;
7. disclose the Potential Bidder's affiliations;
8. state whether the Potential Bidder intends to continue operating the Facility (or Facilities) as they are currently licensed;
9. include the names and contact information of members of the Potential Bidder who will be available to answer questions regarding the offer, including advisors and related parties;
10. include a good-faith deposit in immediately available funds in at least the amount of the deposit provided by the Stalking Horse in the Stalking Horse APA ("Earnest Money Deposit") or if no Stalking Horse APA has been entered into, 10% of the

proposed purchase price;

11. provide satisfactory written evidence of available funds or a firm commitment for financing sufficient to consummate the Sale;
12. represent and warrant that the Potential Bidder has had an opportunity to conduct any and all due diligence regarding the Debtors' business and the Facilities prior to submitting its bid and a statement that the Potential Bidder has relied solely upon its own independent review, investigation, and/or inspection of any relevant documents and the Facilities in making its bid and did not rely on any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express or implied, by operation of law or otherwise, regarding the Debtors' business or the Facilities or the completeness of any information provided in connection therewith, except as expressly stated in the representations and warranties contained in the Potential Bidder's Modified APA, ultimately accepted and executed by the Debtors; and
13. acknowledge that the Potential Bidder is not entitled to any of the Bid Protections.

The Debtors, following consultation with the Bond Trustee, shall determine whether bids submitted by Potential Bidders meet the Participation Requirements, including but not limited to any subjective determinations of whether the Participation Requirements have been met (for example, whether written evidence of available funds or a firm commitment for financing sufficient to consummate the Sale is satisfactory), and otherwise whether a Potential Bidder is a Qualified Bidder.

The Debtors reserve the right to request additional information from a Potential Bidder in connection with its bid. The Debtors shall inform the Bond Trustee of any such request within twenty-four (24) hours of the request.

Qualified Bidders and Bids

Potential Bidders who have satisfied the Participation Requirements will be deemed "Qualified Bidders." Bids that contain all bid requirements, as determined by the Debtors, in consultation with the Bond Trustee, will be deemed "Qualified Bids." The Stalking Horse, if any, shall be entitled to credit bid the amount of its break-up fee at the Auction.

The Debtors will advise each Potential Bidder whether they are deemed to be a Qualified Bidder and whether their bid is a Qualified Bid before the Auction. The Stalking Horse is deemed a Qualified Bidder and the Stalking Horse Bid is a Qualified Bid in all respects. The Debtors will provide copies of the Qualified Bids to the Bond Trustee. The Stalking Horse will be notified, no later than 24 hours prior to the Auction, if any Qualified Bids have been received.

The Debtors, in consultation with the Bond Trustee, reserve the right to waive noncompliance with any one or more of the Participation Requirements to be a Qualified Bid and deem an otherwise not Qualified Bid to be a Qualified Bid if the Debtors reasonably determine, in their business judgment, after consultation with the Bond Trustee, that such waiver is consistent with their fiduciary duties.

The Bond Trustee reserves its right to submit a credit bid for any or all of the Debtors' Assets. The Bond Trustee shall be deemed a Qualified Bidder.

A Potential Bidder submitting a bid for consideration as a Qualified Bid shall be deemed to have waived the right to pursue a substantial contribution claim under section 503 of the Bankruptcy Code related in any way to the Chapter 11 Cases, including but not limited to due diligence, the submission of its bid, the Bid Procedures, the Auction, and any Sale.

Auction Participation

Unless otherwise agreed to by the Debtors, only Qualified Bidders, the Bond Trustee, representatives of holders of the Bonds, and their respective legal or financial professionals are eligible to attend or participate at the Auction. Subject to the other provisions of these Bid Procedures, if the Debtors do not receive any Qualified Bids other than Stalking Horse Bid (or Stalking Horse Bids) for a particular Facility or if no Qualified Bidder other than a Stalking Horse has indicated its intent to participate in the Auction for a particular Facility, the Debtors may elect (following consultation with the Bond Trustee) not to hold an Auction for such Facility and the Stalking Horse will be named the Successful Bidder (as defined below) with respect to such Facility.

Auction

If any Qualified Bid has been received and any Qualified Bidder has indicated its intent to participate in the Auction for a particular Facility, the Debtors will conduct an auction (the "Auction") for the sale of such Facility. Each Qualified Bidder participating at the Auction will be required to confirm that it has not engaged in any collusion with respect to the bidding as to any Facility being sold pursuant to the Auction.

The Auction shall take place at 10:00 a.m. (prevailing Eastern Time) on June 28, 2022 at the offices of Scroggins & Williamson, P.C., 4401 Northside Parkway, Suite 450, Atlanta, GA 30327. At the Auction, only the Stalking Horse, if any, and other Qualified Bidders will be permitted to increase their bids or make any subsequent bids. The Debtors may conduct the Auction in the manner they reasonably determine (including but not limited to structuring the Auction to include a certain Facility or Facilities in lots, with the ability of a particular Facility to be in more than one lot, and having bidders bid on such lots separately or against each other so as to determine the highest value of the Debtors' assets), in their business judgment, after consultation with the Bond Trustee, will achieve the maximum value for the Facilities. For the avoidance of doubt, the Debtors, with the consent of the Bond Trustee, may move to sealed bid Auction for any or all of the Facilities at any time. The Debtors may withdraw a particular Facility from Auction at any time, provided the Debtors have not entered into a Stalking Horse APA with respect to such Facility.

Closing the Auction

The Auction shall continue until, with respect to a particular Facility or Facilities, there is only one offer that the Debtors determine, with the consent of the Bond Trustee, subject to Bankruptcy Court approval, is the highest and best offer from among the Qualified Bidders (including any Stalking Horse) submitted at the Auction for each Facility or Facilities (each, a “Successful Bid”). The Qualified Bidder submitting such Successful Bid shall become the “Successful Bidder” for such Facility or Facilities and shall have such rights and responsibilities of a purchaser, as set forth in the Stalking Horse APA or Modified APA, as applicable. Immediately prior to the conclusion of the Auction, after consultation with the Bond Trustee, the Debtors shall (1) review each bid made at the Auction on the basis of financial and contractual terms; (2) identify the Successful Bid or Successful Bids; and (3) notify all Qualified Bidders at the Auction, prior to its conclusion, of the name or names of the Successful Bidder or Successful Bidders and the amount and other material terms of the Successful Bid or Successful Bids.

The Debtors may also, following consultation with the Bond Trustee, select a back-up bid (the “Back-Up Bid”) for each Facility, which shall remain open and irrevocable until one (1) business day after the closing of the Sale for such Facility with the applicable Successful Bidder. In the event that, for any reason, the Successful Bidder fails to close the transaction contemplated by the Successful Bidder, the Debtors may, with the consent of the Bond Trustee, elect to regard the Back-Up Bid as the highest and best bid for the applicable Facility, and the Debtors will be authorized to consummate the transaction contemplated by the Back-Up Bid without further order of the Bankruptcy Court.

The Successful Bidder and the Back-Up Bidder shall be deemed to have waived the right to pursue a substantial contribution claim under section 503 of the Bankruptcy Code related in any way to the Chapter 11 Case, including but not limited to due diligence, the submission of its bid, the Bid Procedures, the Auction, and any Sale.

Return of Deposits

Within three (3) business days after the close of a Sale, the Debtors shall return by check or wire the full amount of each deposit submitted by a party that is not the party with whom the Sale closes. A defaulting bidder’s deposit shall be forfeited to the Debtors, subject to the terms set forth in the Stalking Horse APA or Modified APA, as applicable.

Sale Hearing

A hearing to approve a Sale based on the Successful Bid shall take place at 11:00 a.m. on June 29, 2022. The hearing will be conducted via Zoom using Judge Bonapfel’s Virtual Hearing Room. A link to connect to Judge Bonapfel’s Virtual Hearing Room is available on his webpage at <https://www.ganb.uscourts.gov/content/honorable-paul-w-bonapfel>. Please join the virtual room 10 minutes prior to the hearing. If you experience difficulty in connection, please contact the law clerk via email at Beth_Harrill@ganb.uscourts.gov or by telephone at (404) 215-1020.

**Deadline to Object to the Sale and to Proposed Assumption and Assignment
(Including Cure Amounts) of Executory Contracts and Unexpired Leases**

All objections to the Sale(s) and to the proposed assumption and assignment of executory contracts and unexpired leases (other than adequate assurance of future performance) must be filed by June 22, 2022.

Deadline to Object to Adequate Assurance of Future Performance

All objections to adequate assurance of future performance of a purchaser with respect to the proposed assumption and assignment of executory contracts and unexpired leases must be filed by no later than the date and time set for the Sale Hearing.

Assumption of Executory Contracts and Unexpired Leases

Each Stalking Horse APA and Modified APA must designate which executory contracts and unexpired leases with respect to a particular Facility are to be assumed and assigned (the “Assigned Contracts”). In all circumstances, the Successful Bidder shall be responsible for all cure amounts relating to the Assigned Contracts under section 365 of the Bankruptcy Code. Purchasers may amend the list of Assigned Contracts through the date of closing of any Sale; provided, however, to the extent there are any changes after the Sale Hearing, counter-parties shall receive notice and no fewer than ten (10) days to object to such changes.

Free and Clear of Any and All Claims and Interests

Except as otherwise provided in the Stalking Horse APA or Modified APA, as applicable, all of the Debtors’ right, title, and interest in and to the purchased assets shall be sold free and clear of all liens, claims, and interests (collectively, the “Encumbrances”) to the maximum extent permitted by section 363 of the Bankruptcy Code (other than permitted liens and assumed liabilities), with such Encumbrances to attach to the proceeds of the Sale of the purchased assets with the same validity and priority as such Encumbrances applied against the purchased assets.

Exhibit B

Sale Notice

Suite 450, Atlanta, Georgia 30327 or such other location as is provided to all Qualified Bidders, counsel for the Bond Trustee and the United States Trustee at least one day prior to the Auction. Only parties that have submitted a Qualifying Bid (as defined in the Sale Procedures Order) as set forth in the Bid Procedures (the “**Bid Deadline**”), or are otherwise permitted to attend the Auction pursuant to the Bid Procedures, will be permitted to participate in and/or make any statements on the record at the Auction.

PLEASE TAKE FURTHER NOTICE that on **June 29, 2022**, at 11:00 a.m. (the “**Sale Hearing**”), the Debtors shall appear before the Bankruptcy Court and seek entry of an order:

- approving one or more asset purchase agreements submitted by the Successful Bidder(s);
- authorizing the sale of the Debtors’ assets to Successful Bidders free and clear of lien, claims and interest, with such liens attaching to the proceeds of the applicable sale in the same order of priority as existed prior to such sale;
- authorizing the assumption and assignment of certain executory contracts and unexpired leases; and
- granting certain related relief.

PLEASE TAKE FURTHER NOTICE that objections to the Sale Motion, if any, must comply with the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court for the Northern District of Georgia, must be set forth in writing describing the basis therefor, and must be filed with the Bankruptcy Court electronically and, be served upon counsel for the Debtors as follows: Ashley R. Ray, Scroggins & Williamson, P.C., 4401 Northside Parkway, Suite 450, Atlanta, Georgia 30327 no later than **June 22, 2022** (the “**Objection Deadline**”).

PLEASE TAKE FURTHER NOTICE that the failure of any person or entity to file an objection before the Objection Deadline shall be deemed a consent to the sale Debtors’ assets as requested in the Sale Motion and the other relief requested therein, and be a bar to the assertion, at the Sale Hearing or thereafter, of any objection to the Sale Motion, the Auction, the sale of the Debtors’ assets, the Debtors’ consummation and performance pursuant to the asset purchase agreement(s) approved at the Sale Hearing (including, without limitation, the sale of the Debtors’ assets free and clear of all liens, claims and interests), and the assumption and assignment of the Assigned Contracts, if authorized by the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE that this Sale Notice is subject to the full terms and conditions of the Sale Motion and the Procedures Order, which shall control in the event of any conflict, and the Debtors encourage the parties in interest to review such documents in their entirety.

This _____ day of April, 2022.

SCROGGINS & WILLIAMSON, P.C.

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ASHLEY R. RAY
Georgia Bar No. 601559

Counsel for the Debtors

Exhibit C

Cure Notice

a counterparty and the corresponding proposed cure amount (the “**Cure Amount**”) are set forth on Schedule 1 annexed hereto.

PLEASE TAKE FURTHER NOTICE that the Debtors believe that any and all defaults (other than the filing of this chapter 11 case) and actual pecuniary losses under the Assigned Contracts can be cured by the payment of the Cure Amount.

PLEASE TAKE FURTHER NOTICE that the assumption and assignment of any Assigned Contract shall result in the full release and satisfaction of any claims or defaults, whether monetary or non-monetary, which exist as of the time of assumption and assignment.

PLEASE TAKE FURTHER NOTICE that, on May [___], 2022, the Bankruptcy Court entered an order [Docket No ____] (the “**Procedures Order**”), which, among other things, establishes procedures relating to the assumption and assignment of Assigned Contracts (as defined in the Motion) of the Debtors.

PLEASE TAKE FURTHER NOTICE that, there will be a hearing (the “**Sale Hearing**”) at **11:00 a.m. on June 29, 2022**, at which the Debtors will seek approval and authorization for the sale of the Debtors’ assets.

PLEASE TAKE FURTHER NOTICE that any objection to the proposed assumption and assignment of any Assigned Contract must (a) be in writing; (b) state with specificity the nature of such objection and the alleged Cure Amount (with appropriate documentation in support thereof); (c) if the objecting party (a “**Requesting Counterparty**”) wishes to receive information regarding adequate assurance of future performance from Successful Bidder that designates the objecting party’s contract or lease for assignment, contain an email address which can be used to contact such Requesting Counterparty after the Auction and before the Sale Hearing; (d) comply with the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules of the Bankruptcy Court; and (e) be filed with the Bankruptcy Court and served upon counsel for the Debtors as follows: Ashley R. Ray, Scroggins & Williamson, P.C., 4401 Northside Parkway, Suite 450, Atlanta, Georgia 30327, on or before **June 22, 2022** (the “**Objection Deadline**”). Requesting Counterparties will be provided the identities of Successful Bidders by email following the Auction on June 28, 2022 and before the Sale Hearing on June 29, 2022. Objections, if any, to adequate assurance of a Successful Bidder may be filed at any time prior to the commencement of the Sale Hearing.

PLEASE TAKE FURTHER NOTICE that any counterparty failing to timely file an objection to a Cure Amount or the proposed assumption and assignment of an Assigned Contract shall be forever barred from objecting to the Cure Amount and from asserting any additional cure or other amounts against the Debtors, their estates, or the proposed Purchaser(s) with respect to its Contract.

PLEASE TAKE FURTHER NOTICE that where a counterparty to an Assigned Contract files a timely objection asserting a higher cure amount than the Cure Amount, and the parties are unable to consensually resolve the dispute prior to the Sale Hearing, the amount to be paid under section 365 of the Bankruptcy Code with respect to such objection will be determined at the Sale

Hearing or such other date and time as may be fixed by the Bankruptcy Court. All other objections to the proposed assumption and assignment of the Assigned Contracts will be heard at the Sale Hearing.

PLEASE TAKE FURTHER NOTICE that if no Cure Amount is due under the Assigned Contract, and the counterparty to such agreement does not otherwise object to the assumption and assignment of such agreement, no further action needs to be taken on the part of that counterparty.

PLEASE TAKE FURTHER NOTICE that the Debtors' decision to assume and assign the Assigned Contracts is subject to Bankruptcy Court approval and consummation of the sale of the Debtors' assets. Absent consummation of the sale of the applicable assets related to a particular Debtor, each Assigned Contract shall not be deemed assumed and assigned and shall in all respects be subject to further administration under the Bankruptcy Code. The designation of any agreement as an Assigned Contract shall not constitute or be deemed to be a determination or admission by the Debtors or the proposed purchaser that such document is, in fact, an executory contract or unexpired lease within the meaning of the Bankruptcy Code (all rights with respect thereto being expressly reserved).

This ____ day of [____], 2022.

SCROGGINS & WILLIAMSON, P.C.

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ASHLEY R. RAY
Georgia Bar No. 601559

Counsel for the Debtors

Schedule 1

Potential Assigned Contracts and Proposed Cure Costs

Counterparty	Description	Cure Amount

Distribution List

Ashley R. Ray
Scroggins & Williamson, P.C.
4401 Northside Parkway
Suite 450
Atlanta, GA 30327

Vanessa A. Leo
Office of the United States Trustee
362 Richard Russell Federal Building
75 Ted Turner Drive, SW
Atlanta, GA 30303