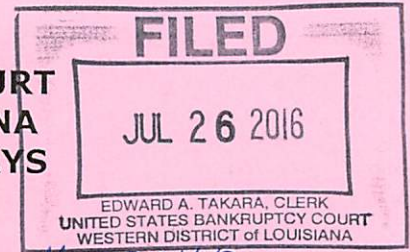


UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF LOUISIANA  
CHIEF JUDGE ROBERT SUMMERHAYS



IN RE: Progressive Acute Care, LLC

CASE NO.: 16-50740

**EXHIBIT RECORD**

Date: July 26, 2016  
Matter: Motion for Bidding Procedures

<u>Exhibit No.</u>	<u>Description</u>
<u>UCC # 1</u>	<u>Redline Version of Order Approving Bidding Procedures</u>
<u>UCC # 2</u>	<u>Redline Version of Bidding Procedures</u>

Notes:

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UNITED STATES BANKRUPTCY COURT  
 WESTERN DISTRICT OF LOUISIANA  
 Lafayette Division

IN RE: CASE NO. 16-50740

PROGRESSIVE ACUTE CARE, LLC, et al. CHAPTER 11

DEBTORS JOINTLY ADMINISTERED

**ORDER APPROVING MOTION UNDER 11 U.S.C. §§ 363(b) AND (f) AND 365 FOR: (I) PRELIMINARY ORDER (i) APPROVING BIDDING PROCEDURES AND STALKING HORSE BID AND FEE, (ii) PRESCRIBING NOTICE REQUIREMENTS, AND (iii) SETTING HEARING DATE, TIME AND PLACE FOR AUCTION SALE OF DEBTORS' PROPERTY; AND, FOR (II) ORDER APPROVING SALE OF ASSETS AND ASSUMPTION AND ASSIGNMENT OF CERTAIN CONTRACTS AND LEASES AND AMOUNTS OF CURE, IF ANY, RELATING THERETO**

On July \_\_, 2016, the Court conducted a hearing to consider the *Motion Under 11 U.S.C. §§ 363(b) and (f) and 365 for: (I) Preliminary Order (i) Approving Bidding Procedures and Stalking Horse Bid and Fee, (ii) Prescribing Notice Requirements, and (iii) Setting Hearing Date, Time and Place for Auction of Debtors' Property; and, for (II) Order Approving Sale of*

3058202.v2

16-50740 Progressive  
 Acute Care, LLC

EXHIBIT  
 UCC # 1  
 7-26-16

PRICED-BY-NAME, N. J.

*Assets and Assumption and Assignment of Certain Contracts and Leases and Amounts of Cure, if any, Related Thereto* (the "Motion") filed by Progressive Acute Care, LLC ("PAC"), Progressive Acute Care Avoyelles, LLC ("PAC Avoyelles"), Progressive Acute Care Oakdale, LLC ("PAC Oakdale") and Progressive Acute Care Winn, LLC ("PAC Winn") as debtors and debtors-in-possession (collectively, the "Debtors"). The Court finds that: (i) it has jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iii) the relief requested in the Motion is in the best interests of the Debtors, their estates, and their creditors; (iv) proper and adequate notice of the Motion has been given and no other or further notice is necessary; and (v) upon the record herein after due deliberation thereon, good and sufficient cause exists for the granting of the relief as set forth herein. Therefore,

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THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

A. This Court has jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334. This proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper in this district and in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

B. The statutory bases for the relief requested in the Motion are: (i) Bankruptcy Code §§ 105, 363, and 365 and (ii) Bankruptcy Rules 2002(a)(2), 6004, and 6006.

C. Notice of the Motion is sufficient in light of the circumstances and the nature of the relief requested in the Motion.

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

proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

E. The Debtors have articulated good and sufficient reasons for this Court to approve: (i) the Bidding Procedures; (ii) the Stalking Horse APA and Break Up Fee; (iii) the form of Asset Purchase Agreement attached hereto as Exhibit 1; (iv) the scheduling of an Auction; (v) setting of the Sale and Assignment Hearing and manner of notice of the Auction and Sale and Assignment Hearing; and (vi) the procedures (“Assumption and Assignment Procedures”) for the assumption and assignment of the Assumed Contracts, including notice of proposed Cure Amounts.

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F. Notice of Sale. This Order and the Auction and Sale and Assignment Notice substantially in the form attached as Exhibit 2 to this Order, are reasonably calculated and sufficient to provide interested parties with timely and proper notice of the proposed Sale, including, without limitation: (i) the date, time, and place of the Auction (if one is held); (ii) the Bidding Procedures; (iii) the deadline for filing objections to the Sale and entry of the Sale Order and the Order approving the assumption and assignment of the Assumed Contracts, and the date, time, and place of the Sale and Assignment Hearing; (iv) reasonably specific identification of the Purchased Assets to be sold; (v) a description of the Sale as being free and clear of liens, claims, encumbrances and other interests, with all such liens, claims, encumbrances and other interests attaching with the same validity and priority to the Sale proceeds; and (vi) notice of the proposed Assumption and Assignment Procedures, and, except as provided herein, no other or further notice of the Sale or the assumption and assignment of the Assumed Contracts shall be required.

G. Assumption and Assignment Procedures. This Order, the Auction and Sale and Assignment Notice substantially in the form attached as Exhibit 2 to this Order, the Assumption and Assignment Procedures set forth herein, and, if necessary, the supplemental Assumption and Assignment Notice substantially in the form attached as Exhibit 4 to this Order, are reasonably calculated to provide Contract Counterparties to any executory Contracts and/or Leases to be assumed by the Debtors and assigned to the Successful Bidder(s) with proper notice of the intended assumption and assignment of its Contracts and/or Leases, the procedures in connection therewith, and any Cure Amounts relating thereto.

H. Based upon the foregoing findings and conclusions, the Motion and the record before the Court with respect to the Motion, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as provided herein. All capitalized terms used herein but otherwise not defined shall have the meanings set forth in the Motion, the Stalking Horse APA, or the Bidding Procedures, as applicable.

2. All objections to the relief requested in the Motion that have not been withdrawn, waived, or settled as announced to the Court at the hearing on the Motion, are overruled.

**A. Important Dates and Deadlines**

3. Sale and Assignment Hearing. The Sale and Assignment Hearing shall commence on August 26, 2016, at 10:00 a.m. (Central Time) before the Honorable Robert Summerhays, United States Bankruptcy Judge, Western District of Louisiana, at the United States Bankruptcy Court, 214 Jefferson Street, Suite 100, Lafayette, LA 70501-7050.

4. Objection Deadline. Objections, if any, to the Sale of the Assets, the assumption and assignment of the Assumed Contracts, or the Cure Amount for each, or any

relief requested in the Motion other than the relief granted by this Court in this Order must be filed with the Court and served no later than 5:00 p.m. (Central Time) on \_\_\_\_\_, August 16, 2016. Objections solely with respect to the events at the Auction (if any) or the sale to a bidder other than the Stalking Horse Bidder (including with respect to any additional contracts to be assumed and assigned to such bidder) shall be filed on or before 5:00 p.m. (Central Time) on August 24, 2016. Each objection shall state the legal and factual basis of such objection and may be orally supplemented at the relevant hearing.

5. **Bid Deadline.** All bids by any third party that is interested in acquiring some or all of the Purchased Assets must be actually received by the parties specified in the Bidding Procedures on or prior to \_\_\_\_\_, August 19, 2016, at 5:00 p.m. (Central Time) (the "**Bid Deadline**").

6. **Auction.** If necessary, an Auction with respect to the Purchased Assets will be conducted by ~~SOLIC Capital Advisors, LLC~~ ("~~SOLIC~~") ~~the Debtors~~ at \_\_\_\_\_, on \_\_\_\_\_, August 22, 2016, at \_\_\_\_\_:00 \_\_\_\_\_:00 a.m. (Central Time). As set forth more fully in the Bidding Procedures, only ~~Qualified Bidders~~ ~~the Debtors, the Stalking Horse Bidder, the Committee, each Qualified Bidder who submitted a Qualified Bid, Business First Bank, and each of their legal representatives and financial advisors~~ ~~professionals~~ shall be entitled to attend the Auction, and ~~only the Stalking Horse Bidder and Qualified Bidders who submitted a Qualified Bid shall be entitled to bid at the Auction.~~

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**B. Auction, Bidding Procedures, and Related Relief**

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7. The Bidding Procedures, attached hereto as Exhibit 3, are hereby authorized, approved and made part of this Order as if fully set forth herein. The Bidding Procedures shall govern the submission, receipt, and analysis of all ~~Bids~~ bids relating to the proposed Sale of the

~~Purchased~~ Assets. Any party desiring to bid on ~~the Purchased Assets or the~~ Assets shall comply with the Bidding Procedures and this Order. The Debtors are authorized to take any and all actions necessary to implement the Bidding Procedures.

8. ~~As set forth in the Bidding Procedures.~~ a Qualified Bidder shall confirm that it has not engaged in any collusion with respect to the bidding or the Sale.

9. In the event ~~that~~ the Debtors timely receive one or more Qualified Bids, the Debtors ~~may determine, in the exercise of their sound business judgment, and in consultation with Business First Bank, SOLIC, and the official Unsecured Creditors' Committee, to hold will~~ conduct an Auction to request additional competitive ~~Bids~~bids from Qualified Bidders with respect to the ~~Purchased~~Debtors' Assets in accordance with the Bidding Procedures.

10. If the Debtors do not receive any Qualified Bids, the Debtors shall report the same to the Court by \_\_\_\_\_, 5:00 p.m. (Central Time) on August 19, 2016.

11. ~~Subject~~As set forth in the Bidding Procedures. ~~subject~~ to the final determination of this Court, the Debtors are authorized to determine, in their business judgment and pursuant to the Bidding Procedures, and in consultation with the Official Committee of Unsecured Creditors, SOLIC Capital Advisors, LLC, and Business First Bank, SOLIC, and the official Unsecured Creditors' Committee, which of the ~~Bids~~bids is the highest or otherwise best ~~Bid~~bid and the Successful Bidder and/or Backup-Successful Reserve Bidder.

**C. Assumption and Assignment Procedures**

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12. The following procedures regarding the assumption and assignment of the Contracts and Leases in connection with the Sale are hereby approved to the extent set forth herein, and shall govern the assumption and assignment of all Contracts and/or Leases proposed to be assumed by the ~~Debtor~~Debtors pursuant to Bankruptcy Code § 365(b) and assigned to the

Successful Bidder following a Sale pursuant to Bankruptcy Code § 365(f) (as defined in the Motion, the “Assumed and Assigned Contracts”).

13. After entry of this Order, the Debtors shall serve on all Contract Counterparties the Auction and Sale and Assignment Notice substantially in the form attached hereto as Exhibit 2, that identifies, to the extent applicable, (i) the Contract(s) and/or Lease(s) proposed to be assumed by the Debtors and assigned to the Successful Bidder; (ii) the name and address of the Contract Counterparty thereto; (iii) notice of the proposed effective date of the assignment (subject to the right of the Debtors and Purchaser to withdraw such request for assumption and assignment of the Assumed Contract(s) prior to the Closing); (iv) the amount, if any, determined by the Debtors to be necessary to be paid to cure any existing default in accordance with Bankruptcy Code §§ 365(b) and 365(f)(2) (the “Cure Amount”); and (vi) the deadlines by which any such Contract Counterparty must file an objection to the proposed assumption and assignment of any Assumed and Assigned Contract; provided, however, that the presence of any Contract or Lease on an Assumption and Assignment Notice does not constitute an admission that such Contract or Lease is an executory contract or unexpired lease.

14. If a Qualified Bidder adds any additional executory contracts or leases to those set forth in the Stalking Horse APA, then within 48 hours after the Final-Bid Deadline, the Debtors shall file with the Court and serve by facsimile, electronic transmission, or overnight mail on the Contract Counterparty (and its attorney, if known) to each additional Assumed Contract identified by a Qualified Bidder in its Qualified Bid a copy of this Order, the original Auction and Sale and Assignment Order, and the supplemental Assumption and Assignment Notice substantially in the form attached as Exhibit 4 to this Order (i) identifying the Qualified Bidder; (ii) stating which additional Contract(s) and/or Lease(s) will be assumed and assigned pursuant



to each Qualified Bid; (iii) the Cure Amount, if any, associated with each additional assumed Contract or Lease; (iv) giving notice that any objections to the proposed assumption and assignment, including the Cure Amount, for such additional Assumed Contracts must be filed by the Objection Deadline; and (v) containing a statement as to the Qualified Bidder's ability to perform the Debtors' obligations under the applicable Assumed Contracts.

15. As soon as practicable after the conclusion of the Auction, the Debtors shall file with the Court and serve by facsimile, electronic transmission, overnight, or first class mail on the Contract Counterparty (and its attorney, if known) to each Assumed and Assigned Contract an additional notice: (a) identifying the Successful Bidder and (b) stating which Contract(s) and/or Lease(s) will be assumed and assigned pursuant thereto.

16. All objections to the assumption and assignment of any Assumed Contract, including, without limitation, any objection to the Debtors' proposed Cure Amount or the provision of adequate assurance of future performance under any Assumed Contract pursuant to Bankruptcy Code § 365 ("Adequate Assurance") must: (a) ~~comply with the Objection Procedures, be filed and served no later than 5:00 p.m. (Central Time) on August 16, 2016;~~ (b) identify the Contract(s) or Lease(s) to which the objector is party; (c) describe with particularity any cure the objector contends is required under Bankruptcy Code § 365 (the "Cure Claim") and identify the basis of the alleged Cure Claim under the Contract or Lease; (d) attach all documents supporting or evidencing the Cure Claim; and (e) if the response contains an objection to Adequate Assurance, state with specificity what the objecting party believes is required to provide Adequate Assurance ~~(collectively, Objections with respect to additional Contracts and/or Leases to be assumed and assigned in conjunction with a sale to a bidder other than the Objection Procedures~~ Stalking Horse Bidder must meet the foregoing requirements except that

they must be filed and served no later than 5:00 p.m. (Central Time) on August 24, 2016.

(Collectively, the "Assigned Contract Objection Procedures".")

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17. If no objection is timely and properly filed and served in accordance with the Assigned Contract Objection Procedures, (a) the Cure Amount set forth in the original Auction and Sale and Assignment Order, and the supplemental Assumption and Assignment Notice, as the case may be, shall be controlling notwithstanding anything to the contrary in any Assumed Contract or other document and the Contract Counterparty thereto shall be forever barred from asserting any other claim against the Debtors, their estates, or Purchaser with respect to such Assumed- Contract arising prior to the assignment thereof and (b) the Purchaser's promise to perform under the Assumed Contract shall be deemed Adequate Assurance thereunder. To the extent the Debtors dispute any Cure Claim, such dispute shall be presented to the Court at the Sale and Assignment Hearing, or such later date and time as the Debtors and the objector may agree or the Court may order, but such dispute shall not affect in any way the effectiveness of any assumption and assignment of any Assumed Contract.

**D. Auction and Sale Notice**

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18. The Auction and Sale and Assignment Notice attached as Exhibit 2 is hereby approved. The Debtors shall cause the Auction and Sale and Assignment Notice to be served on or before \_\_\_\_\_, 2016 on: (i) the persons who have previously expressed an interest in purchasing the Assets, (ii) the persons whom the Debtors and/or ~~its~~their counsel or financial advisors believe may have an interest in purchasing the Assets, (iii) all Counterparties to the Assumed Contracts, and (iv) all of Debtors' creditors and other parties in interest who have requested Notice in this case.

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**E. Miscellaneous**

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19. The Debtors are authorized to take all actions necessary and appropriate to implement and effectuate the relief granted pursuant to this Order in accordance with the Motion and to expend such sums of money and do other things as may be necessary and appropriate to comply with the requirements established by the Bidding Procedures and this Order.

20. In the event of any conflict between this Order and any applicable asset purchase agreement pertaining to a Qualified APA(s); Bid, the terms of this Order shall control.

21. Any stay of this Order, whether arising from Bankruptcy Rules 6004 and/or 6006 or otherwise, is hereby expressly waived and the terms and conditions of this Order shall be effective and enforceable immediately upon its entry.

22. This Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of this Order.

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Sources	
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Modified Document	[#3058202] [v2] PAC Bidding Procedures Order

Comparison Statistics	
Insertions	5
Deletions	6
Changes	31
Moves	0
TOTAL CHANGES	42

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Show Track Changes Toolbar	Word	True
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**Bidding Procedures**

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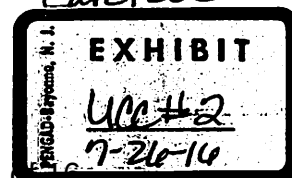
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16-50740  
Progressive Acute  
Care, LLC



UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF LOUISIANA  
Lafayette Division

IN RE: CASE NO. 16-50740  
PROGRESSIVE ACUTE CARE, LLC, et al. CHAPTER 11  
DEBTORS JOINTLY ADMINISTERED

BIDDING PROCEDURES<sup>1</sup>

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On \_\_\_\_\_, 2016, the United States Bankruptcy Court for the Western District of Louisiana (the "Court") entered the *Order Approving Motion Under 11 U.S.C. §§ 363(b) and (f) and 365 for: (I) Preliminary Order (i) Approving Bidding Procedures and Stalking Horse Bid and Fee, (ii) Prescribing Notice Requirements, and (iii) Setting Hearing Date, Time and Place for Auction of Debtors' Property; and, for (II) Order Approving Sale of Assets and Assumption and Assignment of Certain Contracts and Leases and Amounts of Cure, if any, Related Thereto* (Docket No. \_\_\_) (the "Bidding Procedures Order"), in which the Court approved the following procedures (the "Bidding Procedures") setting forth the process by which each of the Debtors in above-referenced administratively consolidated cases (the "Debtors") are authorized to conduct a sale (the "Sale") of certain substantially all of their assets (being the "Assets") and assume and assign executory contracts and leases of the Debtors in connection therewith (the "Assumed Contracts").

These Bidding Procedures describe, among other things, the Assets available for sale, the manner in which bidders and bids become Qualified Bidders and Qualified Bids (each as defined below), respectively, the conduct of any Auction (as defined below), the ultimate selection of the Successful Bidder (as defined below), and the Court's approval thereof. The Debtors will consult with, among others, the Official Committee of Unsecured Creditors (the "Committee") throughout the bidding process. In the event the Debtors and any party disagree as to the interpretation or application of these Bidding Procedures, the Court shall have jurisdiction to hear and resolve such dispute.

1. Assets to be Sold

As set forth in the approved Asset Purchase Agreement by and among the Debtors and Central Louisiana Hospital Group, LLC (the Stalking Horse Bidder") attached to the Bidding Procedures Order (the "Stalking Horse APA"), the assets proposed to be purchased by the Stalking Horse Bidder (the "Purchased Assets") consist of substantially all of the Debtors' property (except the Excluded Assets) and the Assumed Contracts. The Purchased Assets

<sup>1</sup> Capitalized terms otherwise undefined herein shall have the meanings ascribed to them in the Asset Purchase Agreement by and among the Debtors and Central Louisiana Hospital Group, LLC attached to the Bidding Procedures Order.

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~~include real estate, equipment, inventory, accounts receivable, tangible personal property and intangible personal property (collectively "the Purchased Assets"), and specifically excluding cash and certain other assets of the Debtors' estates (collectively "the Excluded Assets")<sup>2</sup>, being the hospitals owned by Progressive Acute Care Winn, LLC, Progressive Acute Care Oakdale, LLC, and Progressive Acute Care Avoyelles, LLC, located in Winnfield, Louisiana, Oakdale, Louisiana, and Marksfield, Louisiana, respectively and the assignment of certain executory contracts and leases of the Debtors in connection therewith ("the Assumed Contracts"). The Purchased Assets and Excluded Assets constitute the Assets, and are set forth with particularity in Section 2.1 of the Stalking Horse APA. The assets proposed to be excluded from the sale to the Stalking Horse Bidder are set forth with particularity in Section 2.2 of the Stalking Horse APA.~~

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### ~~1. Property to be Sold~~

~~As used in the approved Stalking Horse APA, the Purchased Assets consist of substantially all of the Debtors' property (except for the Excluded Assets) and the Assumed Contracts. Specifically, the Purchased Assets and Assumed Contracts include all those items described in Section 2.1 of the attached form Asset Purchase Agreement ("APA") and exclude those items described in Section 2.2 of the form APA. A proposed Qualified Bidder (as defined below) may submit a bid that (i) includes additional Assets of the Debtors that are not included (or excludes certain Assets of the Debtors assets that are included as) in the Purchased Assets<sup>3</sup> under the Stalking Horse APA<sup>4</sup> or (ii) includes additional executory contracts to be assumed and leases that are not included (or excludes certain of the executory contracts and leases that are included) in the Assumed Contracts as defined in under the Stalking Horse APA. However, the The inclusion or exclusion of same the foregoing shall be considered by the Debtors, in consultation with Business First Bank ("BFB"), the Unsecured Creditors' the Committee ("the Committee"), and SOLIC Capital Advisors, LLC ("SOLIC") (and any other applicable parties as set forth in these Bidding Procedures), in determining whether a bidder bid is a Qualified Bidder Bid (as defined below), in determining the Starting Bid (as defined below), and in determining which bid bed is the highest and best bid (and therefore which bidder is the Successful Bidder (as defined below)) at any Auction. All (as defined below).~~

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~~As set forth below, all Assets will be sold free and clear of all liens, claims, encumbrances and other interests (except as otherwise set forth in the applicable asset purchase and sale agreement).~~

### ~~2. "As is, Where is"~~

~~<sup>2</sup> The Purchased Assets and the Excluded Assets as those terms are more particularly described in Sections 2.1 and 2.2 of the Asset Purchase Agreement ("the Stalking Horse APA") attached to the Bid Procedures Order. All Capitalized terms used herein shall have the meanings defined in the Stalking Horse APA unless otherwise defined herein.~~

~~<sup>3</sup> Notwithstanding anything contained herein, in no event will any bid submitted for less than all three Hospitals owned and operated by the Debtors be considered a Qualifying Bid.~~

~~<sup>4</sup> Notwithstanding anything contained herein, in no event will any bid submitted for less than all three Hospitals owned and operated by the Debtors be considered a Qualifying Bid.~~

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Other than as specifically provided in the Stalking Horse APA or any other approved asset purchase agreement, any sale of Assets shall be without representation or warranties of any kind, nature or description by the Debtors, their agents, or their estates. All Assets shall be transferred "as is," "where is," and "with all faults." **THE DEBTORS EXPRESSLY DISCLAIM ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE NATURE, QUALITY, VALUE OR CONDITION OF ANY ASSET.** Except as otherwise provided in the Stalking Horse APA or any other approved asset purchase agreement, all of the Debtors' right, title, and interest in and to the respective Assets will be transferred free and clear of all liens, claims, encumbrances, and other interests in accordance with section 363(f) of the Bankruptcy Code.

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Each Potential Bidder (as defined below) for Assets will be deemed to acknowledge and represent that it: (a) has had an opportunity to conduct due diligence regarding the Assets prior to making its bid; (b) has relied solely upon its own independent review, investigation, and inspection of any document including, without limitation, executory contracts and unexpired leases, in making its bid; and (c) did not rely upon or receive any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, with respect to the Assets, or the completeness of any information provided in connection with the Sale or the Auction.

### 3. Stalking Horse Bidder

The Debtors have completed arm's length negotiations with Central Louisiana Hospital Group, LLC (the Stalking Horse Bidder) to serve as the stalking horse bidder. As a result of those negotiations, the Stalking Horse Bidder has submitted an initial bid of \$10,550,000 for the Purchased Assets plus the assumption of certain liabilities as set forth in the Stalking Horse APA (the "Stalking Horse Bid"). The Stalking Horse Bid, memorialized by the Stalking Horse APA by and among the Stalking Horse Bidder and the Debtors dated July 13, 2016, shall be subject to higher or better bids pursuant to the terms of these Bidding Procedures and applicable law. The Stalking Horse APA includes the terms and conditions upon which the Debtors expect the Purchased Assets to be sold.

#### 2.4. Due Diligence

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Subject to execution of a confidentiality agreement on terms reasonably acceptable to the Debtors (a "Confidentiality Agreement"), any party willing to submit any proposal, solicitation or offer ~~(each, a "Bid"), or other bid~~ for the Assets (each such party, a "Potential Bidder") may will be granted access to public and non-public information relating to the Assets to facilitate its consideration of ~~making its Bid~~ potential bid, including access to the Debtors' on-line data room maintained by SOLIC Capital Advisors, LLC ("SOLIC") (the "Due Diligence Data Room"). Any confidentiality agreement previously entered into between the Debtors and a Potential Bidder in effect on the date of the entry of the Bid Bidding Procedures Order shall be deemed to be a Confidentiality Agreement for the purposes of these Bidding Procedures.

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The Debtors shall provide to each Potential Bidder reasonable due diligence information as necessary to enable such Potential Bidder to evaluate the Assets, including any and all due diligence information provided to the Stalking Horse Bidder and any other Potential Bidders. Potential Bidders interested in conducting due diligence should contact Gregory F. Hagood of SOLIC at [ghagood@soliccapital.com](mailto:ghagood@soliccapital.com) or 1-404-307-8893. The Debtors shall have no obligation to furnish any due diligence information after the Final Bid Deadline and shall have no obligation to furnish due diligence information requested by one Potential Bidder to the other Potential Bidders. Bid Deadline (defined below).

In connection with the provision of due diligence information to Potential Bidders, the Debtors shall not furnish any confidential information relating to the Assets, liabilities of the Debtors, or the Sale to any person except a Potential Bidder or such Potential Bidder's duly-authorized representatives to the extent covered by the applicable Confidentiality Agreement and in compliance with the requirements of these Bidding Procedures.

The Debtors and their advisors shall coordinate all reasonable requests for additional information and due diligence access from Potential Bidders; provided, however, that the Debtors may decline to provide such information to any Potential Bidder who, in the Debtors' reasonable business judgment and in consultation with SOLIC, BFB, and the Committee, and SOLIC, has not established that such Potential Bidder intends in good faith to, or has the capacity to, consummate a transaction or whose proposed bid would not likely be sufficient to be the Successful Bidder in view of the value of the Stalking Horse APA to the Debtors' estates. No conditions relating to the completion of due diligence shall be permitted to exist after the Final Bid Deadline. The Debtors will simultaneously distribute via their Due Diligence Data Room in written form any additional diligence materials provided to any Potential Bidder that were not previously provided to the Stalking Horse Bidder and all other Potential Bidders.

### 3. "As is, Where is"

Other than as specifically provided in a Qualified APA(s) (as defined below), as applicable, any Sale of the Assets shall be without representation or warranties of any kind, nature or description by the Debtors, their agents or estates. All of the Assets shall be transferred "as is," "where is" and "with all faults." ~~THE DEBTORS EXPRESSLY DISCLAIM ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE NATURE, QUALITY, VALUE OR CONDITION OF ANY ASSET.~~ Except as otherwise provided in the Form APA or applicable Qualified APA, all of the Debtors' right, title, and interest in and to the respective Assets will be transferred free and clear of all liens, claims, encumbrances and other interests in accordance with Bankruptcy Code § 363(f).

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Each Potential Bidder for the Assets will be deemed to acknowledge and represent that it: (a) has had an opportunity to conduct due diligence regarding the Assets prior to making its Bid; (b) has relied solely upon its own independent review, investigation, and inspection of any document including, without limitation, executory contracts and unexpired leases, in making its Bid; and (c) did not rely upon or receive any written or oral statements, representations,

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~~promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, with respect to the Assets, or the completeness of any information provided in connection with the Sale or the Auction.~~

#### ~~4.5. The Auction~~

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~~If there are other Qualified Bidders other than the Stalking Horse Buyer, an auction sale of the Assets will be conducted by SOLIC on \_\_\_\_\_ at (the "Auction") at \_\_\_\_\_. **Only Qualified Bidders (as defined below) may bid at the Auction.** Debtors and/or SOLIC will notify all Qualified Bidders, which term includes the Stalking Horse Bidder, in writing that they have qualified and will notify all Qualified Bidders of any changes regarding the time or location of the Auction.~~

~~The Auction shall be subject to the following terms:~~

~~a. The Asset Purchase Agreement ("the Stalking Horse APA") from \_\_\_\_\_ ("the Stalking Horse Bidder") attached as Exhibit I to the Order approving these Bidding Procedures shall constitute the opening bid at the Auction. No conditions relating to the completion of due diligence shall be permitted to exist after the Bid Deadline.~~

#### ~~6. Qualified Bidders~~

~~Any Potential Bidder desiring to participate in the bidding process must be a "Qualified Bidder."~~

~~b. The initial bid by any of the Qualified Bidders (the "Initial Bid") must comply with the following:~~

~~i. An Initial Bid must be made on the form APA attached hereto marked to show any variations from same and specifically it must identify any of the Purchased Assets and Assume Contracts (as defined in the form APA) which are being excluded from the bid<sup>5</sup> and any Excluded Assets (as defined in the form APA) that are being included; being sold pursuant to the APA;~~

~~ii. In order to be considered to be a Qualified Bidder entitled to have its bid considered under these Bidding Procedures and attend and bid at any Auction, a Potential Bidder must deliver to the Debtors' investment banker (c/o \_\_\_\_\_, SOLIC Capital Advisors, LLC, \_\_\_\_\_, email: \_\_\_\_\_), with copies to counsel to the Debtors (c/o William E. Steffes, Esq., Steffes, Vingiello & McKenzie, LLC, 13702 Coursey Boulevard, Building 3, Baton Rouge, LA 70817, email: bsteffes@steffeslaw.com) and co-counsel to the Committee, (c/o Andrew H. Sherman, Esq., Sills Cummis & Gross P.C., One Riverfront Plaza, Newark, New Jersey 07102, email: asherman@sillscummis.com and c/o J. Eric Lockridge, Esq., P.O. Box 3513, Baton Rouge, LA 70821-3513, email: eric.lockridge@keanmiller.com), the following:~~

~~i. Initial Bids must be made on terms and conditions that are substantially similar to or better than those set forth in the attached form APA in the judgment of the~~

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<sup>5</sup> In no event will any bid submitted for less than all three Hospitals owned and operated by the Debtors be considered a Qualifying Bid

Debtors, in consultation with SOLIC, BFB, and the Committee;

~~iii. Initial Bids must be for an amount which have a value to the Debtors' estates of at least \$400,000.00 more than the bid set forth in the Stalking Horse APA; and~~

~~iv. Initial Bids shall not contain any contingencies not included in the form APA;~~

~~b. Any bids made after the Initial Bid(s) (the "Subsequent Bids") must be for cash and shall be in increments of at least \$50,000.00 (to be paid in cash on the closing date).~~

~~e. Except as provided in the form APA with respect to the assumption of certain liabilities of the Debtors, all bids shall be for cash only which shall be payable on the Closing Date. A written, executed, and unqualified agreement to be bound by these Bidding Procedures and the Bidding Procedures Order;~~

~~d. At the conclusion of the Auction, the Debtors, in consultation with BFB, SOLIC, and the Committee, shall determine which is the highest bid (the "Successful Bidder"), giving due consideration to all factors that may be relevant, including, but not limited to, the amount of the bid and the financial ability of the bidder.~~

~~e. The Debtors, in consultation with BFB, SOLIC, and the Committee, shall also identify the second highest bid (the "Alternative Bidder").~~

~~f. The Successful Bidder shall immediately execute an asset purchase agreement substantially in the same form as the APA for its high bid price.~~

~~g. In the event that a closing with the Successful Bidder is not timely concluded, Debtors shall be authorized to conclude a transaction with the Alternative Bidder in accordance with the terms of the next highest competing bid. The Alternative Bidder shall have seven (7) days to close.~~

~~h. Except as otherwise approved by the Court with respect to the Stalking Horse Bidder, no bidder in the Auction shall be entitled to any termination, breakup fee or any other fee.~~

~~i. Not less than five (5) nor more than seven (7) Business Days following the satisfaction or waiver of the conditions set forth in Article X of the Form APA (the "Closing Date"), absent a stay of the Sale Order, if the Successful Bidder fails to consummate the purchase of the Assets by the Closing Date, the Successful Bidder shall forfeit any and all deposits made, including, but not limited to, the Earnest Money Deposit. Additionally, Debtors may elect, in their sole discretion, to notify the Alternative Bidder that within seven (7) business days from the date of such notice, that the Alternative Bidder may enter into an asset purchase agreement acceptable to Debtors substantially in the form of the APA. Any party that submits a deposit and enters into such an asset purchase agreement and fails to consummate the transaction, absent the imposition of a stay, shall forfeit any deposits made.~~

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## 5. Qualified Bidders

In order to be considered to be a Qualified Bidder entitled to attend and bid at the Auction, the following criteria must be met:

a. In order to qualify, the person, entity or joint venture must submit to SOLIC on or before \_\_\_\_\_, 2016 at \_\_\_\_\_:00 \_\_\_\_\_m., the following:

i. ~~\_\_\_\_\_~~ ii. An executed confidentiality agreement on terms reasonably acceptable to the Debtors as required by Section 4 above, which shall inure to the benefit of the Successful Bidder; and

iii. Proof in a form satisfactory to SOLIC~~the Debtors~~, in consultation with the ~~Debtors, BFB, and the Committee~~ and SOLIC, of the person, entity, or joint venture's financial ability to consummate its offer for the Assets it is seeking to purchase, consisting, for example, of current financial statements, letters or loan commitments from financial institutions, bank statements reflecting current bank balances, evidence of existing lines of credit with financial institutions, and such other proof as ~~SOLIC that the Debtors~~, in consultation with the ~~Debtors, BFB, and the Committee~~ and SOLIC, might find to be satisfactory; and,

## 7. Bid Deadline

A Qualified Bidder that desires to make a bid shall deliver written and electronic copies of such bid to the Debtors' investment banker (c/o \_\_\_\_\_, SOLIC Capital Advisors, LLC, email: \_\_\_\_\_), with copies to counsel to the Debtors's counsel (c/o William E. Steffes, Esq., Steffes, Vingiello & McKenzie, LLC, 13702 Coursey Boulevard, Building 3, Baton Rouge, LA 70817, email: bsteffes@steffeslaw.com) and co-counsel to the Committee, (c/o Andrew H. Sherman, Esq., Sills Cummis & Gross P.C., One Riverfront Plaza, Newark, New Jersey 07102, email: asherman@sillscummis.com and c/o J. Eric Lockridge, Esq., P.O. Box 3513, Baton Rouge, LA 70821-3513, email: eric.lockridge@keanmiller.com) so as to be received by **no later than 12:00 p.m. (prevailing Central time) on August 19, 2016** (the "Bid Deadline").

## 8. Requirements of a "Qualified Bid"

To be deemed a Qualified Bidder, in addition to satisfying the requirements of Section 5 above, a Potential Bidder must submit a "Qualified Bid." To be a Qualified Bid that may be considered at the Auction, a bid must:

a. be in writing;

b. be made on terms and conditions that are not less favorable than those set forth in the Stalking Horse APA (including the same time parameters as the Stalking Horse Bid or better) in the judgment of the Debtors, in consultation with the Committee,

SOLIC, and Business First Bank (“BFB”). Specifically any bid seeking to acquire all of the Purchased Assets, must provide for cash consideration of at least \$10,550,000 plus the amounts of the break-up fee (\$300,000) plus the Stalking Horse Bidder’s expenses (up to \$50,000) provided for in the Stalking Horse APA plus an initial overbid of \$50,000;

d. \_\_\_\_\_ be accompanied by a deposit in the form of a cashier’s check in the amount of \$500,000 (an “Earnest Money Deposit”) payable to the order of Progressive Acute Care, LLC (such cash deposit will be applied to the ultimate purchase price or otherwise applied or returned in accordance with these Bidding Procedures);

e. \_\_\_\_\_ provide evidence satisfactory to the Debtors, based on their business judgment, in consultation with the Committee, SOLIC, and BFB, of having sufficient specifically-committed funds to complete the transaction or a non-contingent lending commitment for the full bid amount and such other documentation relevant to the Qualified Bidder’s ability to qualify as the purchaser of the Assets and ability to close the Sale and immediately and unconditionally pay the purchase price at closing;

f. \_\_\_\_\_ be irrevocable until the later of (A) the earlier of (i) the Qualified Bidder’s bid being determined by the Debtors, after consultation with the Committee, SOLIC, and BFB, not to be a Qualified Bid; or (ii) another Qualified Bidder’s bid for substantially all of the Assets being approved by the Court; or (B) if the Qualified Bidder is the Reserve Bidder (as defined below), the closing shall have occurred or the Debtors shall have determined not to proceed with a sale to the Reserve Bidder;

g. \_\_\_\_\_ be accompanied by (i) a fully executed asset purchase agreement (the “Modified APA”) that is substantially in the form attached hereto (the “Form APA”) and reasonably allocates the purchase price among the Debtors’ respective assets by Hospital broken down into amount attributed to real estate and improvements, personal property and contracts, and accounts receivable for each, and (ii) a version electronically marked to show reasonable changes against the Stalking Horse APA;

h. \_\_\_\_\_ identify all Purchased Assets and Assumed Contracts (as defined in the form APA) that are being excluded from the bid<sup>6</sup> and any Excluded Assets (as defined in the form APA) that are being included in the bid;

i. \_\_\_\_\_ identify all executory contracts or unexpired leases the Qualified Bidder seeks to have assumed by the Debtors and assigned to it;

j. \_\_\_\_\_ provide admissible evidence of the Qualified Bidder’s ability to provide adequate assurance of further performance under the Assumed Contracts;

k. \_\_\_\_\_ contain no contingencies of any kind other than those set forth in the Form

<sup>6</sup> In no event will any bid submitted for less than all three Hospitals owned and operated by the Debtors be considered a Qualifying Bid.

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l. provide that the Qualified Bidder is obligated to perform as the Reserve Bidder in the event the Qualified Bidder is not the Successful Bidder;

m. contain information sufficient to allow the Debtors to determine that the Potential Bidder is likely to receive all necessary regulatory approvals in a timely manner;

n. disclose the identity of each entity that will be bidding for the Assets or otherwise participating in connection with such bid, including the names and addresses of any members or individuals with an interest in the entity, and the complete terms of any such participation, as well as disclose the organization form and the business conducted by each entity. Any Qualified Bidder shall be required to provide such additional information as the Debtors, in consultation with the Committee, may reasonably require regarding the identity of the bidder and related persons and entities;

o. include an acknowledgement and representation that the Qualified Bidder is solvent and will not be rendered insolvent as a result of any of the transactions contemplated by the Modified APA;

p. include an acknowledgement and representation that the Qualified Bidder: (A) has had an opportunity to conduct any and all required due diligence regarding the Assets prior to making its offer; (B) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid; and (C) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Assets or the completeness of any information provided in connection therewith or with the Auction (defined below), except as expressly stated in the Modified APA;

q. be accompanied by an affirmative statement from the Qualified Bidder that: (i) it has and will continue to comply with these Bidding Procedures; (ii) that its bid does not entitle such Qualified Bidder to any break-up fee, termination fee, expense reimbursement, or similar type of payment or reimbursement; and (iii) it waives any substantial contribution administrative expense claims under section 503(b) of the Bankruptcy Code related to bidding for the Assets; and

r. contain such other information reasonably requested by the Debtors, in consultation with the Committee.

### 9. Evaluation of Qualified Bids

Bids will be evaluated based upon several factors including, without limitation, (1) the aggregate consideration of such bid, (2) the risks and timing associated with consummating such bid, (3) the terms and conditions of the Modified APA, (4) the ability of the Qualified Bidder to

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obtain appropriate regulatory approvals, and (5) any other factors deemed relevant by the Debtors in their reasonable business judgment in consultation with the Committee, SOLIC, and BFB.

The Debtors shall make a determination, in consultation with the Committee, SOLIC, and BFB, regarding whether a bid is a Qualified Bid and shall notify all Qualified Bidders who submitted bids whether their bids have been determined to be Qualified Bids by **no later than 5:00 p.m. (prevailing Central time) on August 19, 2016.** For purposes of these Bidding Procedures and bidding at the Auction, the Stalking Horse Bidder is a Qualified Bidder and the Stalking Horse Bid is a Qualified Bid. The Debtors reserve the right to reject any bid on any grounds in consultation with the Committee and BFB.

**6.10. The Auction**

ii. ~~A deposit in~~ If the Debtors receive at least one Qualified Bid other than the Stalking Horse Bid, an auction sale of Assets (the "Auction") will be conducted by the Debtors **at 10:00 a.m. (prevailing Central time) on August 22, 2016** at           . **Only Qualified Bidders who submit a Qualified Bid may bid at the Auction.** The Debtors will notify all such Qualified Bidders of any changes regarding the time or location of the Auction.

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The Auction shall be governed by the following procedures:

a. the Auction will be conducted openly and the actual identity of each Qualified Bidder will be disclosed on the record at the Auction;

b. each Qualified Bidder shall be required to confirm that it has not engaged in any collusion with respect to the bidding or the Sale;

c. at least one (1) calendar day prior to the Auction, each Qualified Bidder who has timely submitted a Qualified Bid must inform the Debtors and the Committee whether it intends to attend the Auction; provided, however, in the event a Qualified Bidder elects not to attend the Auction, such Qualified Bidder's Qualified Bid shall nevertheless remain fully enforceable against such Qualified Bidder until the date of the selection of the Successful Bidder at the conclusion of the Auction;

d. at least one (1) business day prior to the Auction, the Debtors will advise the Stalking Horse Bidder and all other Qualified Bidders of the Qualified Bid which the Debtors, in consultation with the Committee, believe, in their reasonable discretion, is the highest or otherwise best offer (the "Starting Bid");

e. bidding will commence at the Starting Bid;

f. each bid subsequent to the Starting Bid shall be at least \$50,000 above the Starting Bid, to be paid on the closing date, and the Debtors, in consultation with the Committee and BFB, will evaluate each such bid. After the first round of bidding and between each subsequent round of bidding, the Debtors shall announce the bid that they, in consultation with the Committee and BFB, believe to be the highest or otherwise better

offer (the "Leading Bid"). A round of bidding will conclude after each participating Qualified Bidder has had the opportunity to submit a subsequent bid with full knowledge of the Leading Bid. A Qualified Bidder who fails to bid in any round of bidding shall not be permitted to bid thereafter;

h. for the purpose of evaluating the value of the consideration provided by subsequent bids (including any subsequent bid by the Stalking Horse Bidder), the Debtors, in consultation with the Committee and BFB, will give effect to any additional liabilities to be assumed by a Qualified Bidder;

i. the Auction shall be conducted openly, and each bidder will be informed of the terms of the previous bid determined by the Debtors, in consultation with the Committee and BFB, to have been the highest and otherwise best bid;

j. each bidder will be permitted a fair, but limited, amount of \$500,000.00 (as an amount to respond to the previous bid at the Auction;

k. the Auction shall continue until there is only one highest and otherwise best bid in the Debtors' determination, in consultation with the Committee, SOLIC, and BFB (the "Successful Bid"). In selecting the Successful Bid, the Debtors, in consultation with the Committee, SOLIC, and BFB, will give due consideration to all factors that may be relevant, including, but not limited to, the amount of the bid and the financial ability of the bidder;

l. the Qualified Bidder who submits the Successful Bid shall be the "Successful Bidder;" and

m. the Debtors, in consultation with the Committee, SOLIC, and BFB, will also identify the second-highest and otherwise second-best bid (the "Reserve Bid"), and the Qualified Bidder who submits the Reserve Bid shall be the "Reserve Bidder;"

n. the determination of the Successful Bid, Successful Bidder, Reserve Bid, and Reserve Bidder by the Debtors, in consultation with the Committee, SOLIC, and BFB, shall be final, subject only to approval by the Court;

o. unless otherwise agreed to by the Debtors, in consultation with the Committee and the Successful Bidder, within one (1) business day after the conclusion of the Auction, the Successful Bidder shall complete and execute all agreements, contracts, instruments, and other documents evidencing and containing the terms and conditions upon which the Successful Bidder's Successful Bid was made;

p. within one (1) business day after the conclusion of the Auction (if any), the Debtors shall file a notice identifying the Successful Bid, Successful Bidder, Reserve Bid, and Reserve Bidder with the Court, and shall serve such notice by fax, email or overnight mail to all counterparties whose contracts are proposed to be assumed and assigned; and



q. the bidding at the Auction shall be transcribed stenographically and may be recorded or videotaped.

The Debtors, in consultation with the Committee, will have the right to adopt additional detailed procedures for the conduct of the Auction at any time prior to the start of the Auction. Any rules developed by the Debtors will provide that all bids in the Auction will be made and received in one room, on an open basis, and all other Qualified Bidders participating in the Auction will be entitled to be present for all bidding with the understanding that the true identity of each Qualified Bidder will be fully disclosed to all other Qualified Bidders participating in the Auction and that all material terms of each bid made at the Auction will be fully disclosed to all other Qualified Bidders throughout the entire Auction. The Debtor, after consultation with the Committee, may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances for conducting the Auction, provided that such rules are (i) not inconsistent with these Bidding Procedures, the Bankruptcy Code, the Bidding Procedures Order, or any other order of the Court entered in these cases, and (ii) disclosed to each Qualified Bidder at the Auction.

Parties entitled to attend the Auction shall include the Debtors, the Stalking Horse Bidder, the Committee, each Qualified Bidder who submitted a Qualified Bid, BFB, and each of their respective representatives and professionals. The Stalking Horse Bidder and each Qualified Bidder shall appear at the Auction in person, or through a representative who provides appropriate evidence of such person's authority.

#### **11. The Sale Hearing**

At the hearing to approve the Sale on August 26, 2016 at 10:00 a.m. (prevailing Central time) (the "Sale Hearing"), the Debtors will seek entry of an order authorizing and approving the Sale to the Successful Bidder. Any objections to any of the relief to be requested at the Sale Hearing must be in writing, state the basis of such objections with specificity and be filed with the Court on or before 5:00 p.m. (prevailing Central time) on August 16, 2016; and objections solely with respect to the events at the Auction and the sale to a bidder other than the Stalking Horse Bidder shall be filed on or before 5:00 p.m. (prevailing Central time) on August 24, 2016. Parties shall file and serve any objections to the Sale Motion in the manner prescribed in the notice of the motion to approve the sale of the Assets. The Sale Hearing may be adjourned or rescheduled from time to time. The Debtors shall provide notice of such adjournment or rescheduling to the following parties or their counsel: (i) the U.S. Trustee; (ii) the Stalking Horse Bidder; (iii) the Committee; (iv) any Qualified Bidders; (v) all parties that have filed a timely objection to the Sale; (vi) all persons or entities known or reasonably believed to have asserted a lien in any of the Assets; and (vii) all parties that have requested notice in the Debtors' bankruptcy case.

#### **12. Failure to Consummate Purchase**

Following the Sale Hearing, if the Successful Bidder fails to timely consummate the closing of the Sale because of a breach or failure to perform on the part of such Successful

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Bidder: (i) defaulting Successful Bidder's deposits, including the Earnest Money Deposit, shall be forfeited to the Debtors; and (ii) the Debtors will be authorized, but not required, to consummate the Sale with Reserve Bidder without further order of the Court. In that event, the Reserve Bidder shall have seven (7) days to close the Sale, and if the Sale is not timely closed because of a breach or failure to perform on the part of the Reserve Bidder, the Reserve Bidder's deposits, including the Earnest Money Deposit, shall be forfeited to the Debtors. Additionally, the Debtors shall be entitled to seek all damages under state or federal law, if any, from any defaulting Successful Bidder or Reserve Bidder.

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**13. Application and Return of Earnest Money Deposit**

The Earnest Money Deposit of the Successful Bidder shall be applied to the Successful Bidder's obligations under the Successful Bid upon closing of the transactions contemplated thereby. If a Successful Bidder fails to close the transactions contemplated by the Successful Bidder then such Successful Bidder shall forfeit its Earnest Money Deposit.

The Earnest Money Deposit of the Reserve Bidder shall be returned to the Reserve Bidder upon the later of (i) the closing of the Sale to the Successful Bidder and (ii) ninety days after the Sale Hearing; provided, however, that if a Successful Bidder fails to close the transaction when and as provided in the Successful Bid, then the Earnest Money Deposit of the Reserve Bidder shall be applied to the Reserve Bidder's obligations under the Reserve Bid upon closing of the transaction contemplated thereby. If a Reserve Bidder fails to close the transaction contemplated by a Reserve Bid, then such Reserve Bidder shall forfeit its Earnest Money Deposit.

All other Earnest Money Deposits shall promptly be refunded following the sale to any party who is not the Successful Bidder or the Alternative Bidder (of Qualified Bidders who are not the Successful Bidder or the Reserve Bidder shall be returned within three (3) business days after the conclusion of the Auction. The Debtors reserves all of its rights regarding any return of Earnest Money Deposits, and the failure by the Debtors to timely return any Earnest Money Deposits shall not serve as those terms are defined herein); a claim for breach of any Qualified Bids or create any default in favor of any Qualified Bidders.

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iii. A fully executed written Initial Bid complying with the requirements of Paragraph 4.b above.

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**7.14. Modification of Bidding Procedures**

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Except as otherwise provided herein, these Bidding Procedures may not be modified except with the Debtors', Committee, and BFB's consent.

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The Debtors, with the consent of the Committee, may amend any non-material terms of these Bidding Procedures, in their reasonable business judgment, at any time in any manner that will best promote the goals of the bidding process, including but not limited to extending or modifying any of the dates described herein.

**15. Summary of Schedule**

<u>July 26, 2016 at 10:00 a.m.</u>	<u>Hearing on Motion to Approve Bidding Procedures</u>
<u>August 16, 2016 at 5:00 p.m.</u>	<u>Sale Objection Deadline</u>
<u>August 19, 2016 at 12:00 p.m.</u>	<u>Bid Deadline</u>
<u>August 19, 2016 at 5:00 p.m.</u>	<u>Deadline to Notify Qualified Bidders</u>
<u>August 22, 2016 at 10:00 a.m.</u>	<u>Auction</u>
<u>August 24, 2016 at 5:00 p.m.</u>	<u>Sale Objection Deadline (with respect to Auction and non-Stalking Horse Bidder purchaser issues)</u>
<u>August 26, 2016 at 10:00 a.m.</u>	<u>Sale Hearing</u>

Comparison Details	
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Sources	
Original Document	[#3058036] [v4] PAC Bidding Procedures
Modified Document	[#3058036] [v5] PAC Bidding Procedures

Comparison Statistics	
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Deletions	7
Changes	9
Moves	0
TOTAL CHANGES	26

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Deleted cells	
Merged cells	
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Changed lines	Mark outside border
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Character Level	Word	False
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Include Footnotes / Endnotes	Word	True
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Include Tables	Word	True
Include Field Codes	Word	True
Include Moves	Word	False
Show Track Changes Toolbar	Word	True
Show Reviewing Pane	Word	True
Update Automatic Links at Open	Word	False
Summary Report	Word	End
Include Change Detail Report	Word	End
Document View	Word	Print
Remove Personal Information	Word	False
Flatten Field Codes	Word	True

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