

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

ALACHUA GOVERNMENT SERVICES,
INC.,

Debtor.¹

) **Chapter 11**

) **Case No. 25-11289 (JKS)**

) **Proposed Obj. Deadline: Sep. 19, 2025 at 4:00 p.m. (ET)**
) **Hearing Date: TBD**

**MOTION OF THE DEBTOR FOR ENTRY OF ORDERS (I)(A) APPROVING
BIDDING PROCEDURES FOR THE SALE OF THE DEBTOR’S REAL AND
PERSONAL PROPERTY ASSETS IN ALACHUA, FLORIDA, (B) AUTHORIZING
THE DEBTOR TO DESIGNATE A STALKING HORSE BIDDER AND TO PROVIDE
BIDDING PROTECTIONS, (C) SCHEDULING AN AUCTION AND APPROVING THE
FORM AND MANNER OF NOTICE THEREOF, (D) APPROVING ASSUMPTION
AND ASSIGNMENT PROCEDURES, (E) SCHEDULING A SALE HEARING AND
APPROVING THE FORM AND MANNER OF NOTICE THEREOF AND (F)
GRANTING RELATED RELIEF; AND (II)(A) APPROVING THE SALE OF THE
DEBTOR’S REAL AND PERSONAL PROPERTY ASSETS IN ALACHUA, FLORIDA
FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES,
(B) APPROVING THE ASSUMPTION AND ASSIGNMENT OF EXECUTORY
CONTRACTS AND UNEXPIRED LEASES AND (C) GRANTING RELATED RELIEF**

The debtor in possession in the above-captioned case (the “**Debtor**”) hereby moves (this “**Motion**”) and respectfully states as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2) and, pursuant to rule 9013-1(f) of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), the Debtor consents to the entry of a final

¹ The Debtor in this chapter 11 case, along with the last four digits of its federal tax identification number is: Alachua Government Services, Inc. (5370). The Debtor’s mailing address is 13200 NW Nano Court, Alachua, Florida 32615.

order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter a final order or judgment consistent with Article III of the United States Constitution.

2. Venue of this Chapter 11 Case (as defined below) and the Motion are proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

RELIEF REQUESTED

3. By this Motion, the Debtor seeks entry of (a) an order, substantially in the form attached hereto as **Exhibit A** (the “**Bidding Procedures Order**”), (i) approving bidding procedures, substantially in the form attached to the Bidding Procedures Order as **Exhibit 1** (the “**Bidding Procedures**”), to be used in connection with the sale (the “**Sale Transaction**”) of the Debtor’s real and personal property assets in Alachua, Florida, including the Alachua Site (as defined below; collectively, the “**Assets**”), (ii) authorizing the Debtor to designate a Stalking Horse Bidder (as defined below) and provide Bid Protections (as defined below) in accordance with the Stalking Horse Designation Procedures (as defined below), (iii) scheduling an auction of the Assets (the “**Auction**”), if any, and scheduling the hearing to approve a sale of the Assets (the “**Sale Hearing**”), (iv) approving the form and manner of notice of the proposed Bidding Procedures, the Auction, and the Sale Hearing, substantially in the form attached to the Bidding Procedures Order as **Exhibit 2** (the “**Sale Notice**”), (v) authorizing procedures governing the assumption and assignment of certain executory contracts and unexpired leases (the “**Contracts**”) in connection with any Sale Transaction (the “**Assumption and Assignment Procedures**”), (vi) approving the form and manner of notice to each relevant non-debtor counterparty to a Contract (each, a “**Counterparty**”) of (A) the Debtor’s calculation of the amount necessary to cure any defaults under an applicable Contract (the “**Cure Costs**”) and (B) certain other information regarding the potential assumption and assignment of Contracts in connection with the Sale

Transaction, substantially in the form attached to the Bidding Procedures Order as **Exhibit 3** (the “**Assumption and Assignment Notice**”), and (vii) granting related relief; and (b) an order (the “**Sale Order**”)² (i) authorizing the sale of the Assets free and clear of all liens, claims, interests, and encumbrances, except certain assumed liabilities and permitted encumbrances as determined by the Debtor and the bidder providing the highest or otherwise best bid for the Assets (the “**Successful Bidder**” and such bid, the “**Successful Bid**”), with liens to attach to the proceeds of the Sale Transaction, (ii) authorizing the assumption and assignment of certain Contracts in connection with the Sale Transaction, and (iii) granting related relief. In support of this Motion, the Debtor relies on and incorporates (i) the *Declaration of Janet R. Naifeh of FTI Consulting, Inc. in Support of the Debtor’s Bidding Procedures and Sale Motion* (the “**Naifeh Declaration**”) and (ii) the *Declaration of Michael O’Hara of Jefferies LLC in Support of the Debtor’s Bidding Procedures and Sale Motion* (together with the Naifeh Declaration, the “**Supporting Declarations**”), each filed contemporaneously herewith, and respectfully represents as follows:

BACKGROUND

I. General

4. On July 6, 2025 (the “**Petition Date**”), the Debtor filed a voluntary petition in this Court commencing a case (the “**Chapter 11 Case**”) for relief under chapter 11 of the Bankruptcy Code. The Debtor continues to manage its property and operate its business as a debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been requested in the Chapter 11 Case.

² A copy of the Sale Order will be filed in advance of the Sale Hearing.

5. On July 23, 2025, the Office of the United States Trustee for the District of Delaware appointed an official committee of unsecured creditors (the “**Committee**”). *See* Docket No. 64.

6. The factual background regarding the Debtor, including its business operations, its capital and debt structure, and the events leading to the filing of the Chapter 11 Case, is set forth in detail in the *Declaration of Janet R. Naifeh, Chief Restructuring Officer of the Debtor, in Support of Chapter 11 Petition and First Day and Other Pleadings* [Docket No. 16] (the “**First Day Declaration**”), which is fully incorporated herein by reference.

II. Prepetition and Postpetition Marketing Process

7. The Debtor is a former biologics contract development and manufacturing company that specialized in the manufacturing of vaccines, monoclonal antibodies, recombinant proteins, and nucleic acids, which operated primarily out of a 183,000-square foot Advanced Development Manufacturing Facility (the “**ADM Facility**”) and “Building G”, a 92,000-square foot facility designed to expand the manufacturing capabilities of the ADM Facility, in Alachua, Florida (together, the “**Alachua Site**”).

8. As a result of the economic pressures facing the Debtor, in February 2025, Jefferies LLC and Jefferies International Limited (collectively, “**Jefferies**”) were engaged to, among other things, pursue a potential sale or other strategic transactions involving the Debtor’s business and assets, including sales of the Debtor’s operating business and the Assets. Despite targeted outreach to no fewer than seventy-five (75) parties, including biopharmaceutical and biotechnology companies and real estate-focused investors, the Debtor was unable to consummate a going concern sale prior to the Petition Date.

9. As a result of the prepetition marketing process failing to result in any going concern bids, in June 2025, the Debtor, with the assistance of Jefferies, began seeking alternative sale proposals from interested parties for the Debtor's assets, including the Assets and the Debtor's non-operating royalty asset (the "**Royalty Assets**").³ Of the seventy-five (75) parties contacted, sixteen (16) introductory calls were conducted and twenty-four (24) parties executed non-disclosure agreements (each an "**NDA**"). Jefferies also opened a virtual data room containing diligence materials related to the Assets for all potential bidders under an NDA.

10. Following the Petition Date, Jefferies resolicited all parties under an NDA from the prepetition marketing process and also contacted certain newly identified potential bidders, including firms focused on real estate investments, special situations opportunities, and equipment asset dispositions, regarding the Assets. In connection with Jefferies' outreach to interested parties, Jefferies asked potential bidders to provide indications of interest for any stalking horse bid by July 29, 2025 (the "**Stalking Horse Bid Deadline**"). Prior to the Stalking Horse Bid Deadline, the Debtor received four (4) indications of interest⁴ for all or a portion of the Assets.

11. Following the Stalking Horse Bid Deadline, the Debtor, in consultation with its advisors, began negotiating a proposed stalking horse bid with a potential purchaser (the "**Potential Purchaser**"). Throughout August 2025 the negotiations with the Potential Purchaser progressed to near final documentation for a stalking horse bid; however, those negotiations stalled when uncertainty and complications arose with respect to certain governmental equipment located at the Debtor's Alachua Site.

³ The Debtor, with the assistance of Jefferies, is continuing to market its Royalty Assets and such sale and related bidding procedures will be subject to a separate motion.

⁴ Including one verbal indication of interest.

12. Specifically, as set forth in the motion to compel (the “**Motion to Compel**”) filed contemporaneously herewith, approximately 800 pieces of equipment (collectively, the “**Government Equipment**”) owned by the United States Department of Defense or other governmental agencies (collectively, the “**Government**”) is currently located at the Alachua Site.⁵ Since the Petition Date, the Debtor has engaged with the Government regarding the removal of the Government Equipment. Notwithstanding such efforts, the Debtor still has not received assurances from the Government that all equipment will be retrieved in a timely matter or that it will even have access to the funding necessary to effectuate the removal. The uncertainty with removal of the Government Equipment from the Alachua Site has delayed the sale process and precluded the Debtor from finalizing a stalking horse agreement with the Potential Purchaser for the sale of the Assets. As a result, the Debtor is forced to file the Motion to Compel (i) compelling the Government and other third-parties to remove any remaining third-party equipment from the Alachua Site no later than October 15, 2025; or alternatively, (ii) authorizing the Debtor or successful bidder for the Assets to dispose of such equipment without liability to such parties.

13. The Debtor understands that the Government and the Potential Purchaser are in discussions regarding a proposed solution and are hopeful those discussions continue and result in an acceptable agreement for all parties but the Debtor cannot afford any additional delay to its sale timeline due to its liquidity constraints and need to exit its Alachua Site. As a result, the Debtor is filing this Motion without the designation of a Stalking Horse Bid so that it can maintain its current sale timeline for the benefit of all stakeholders.

⁵ The Debtor understands a few pieces of the Government Equipment are extremely large and require specialized procedures for removal.

THE NEED FOR A TIMELY PROCESS

14. The Debtor commenced this case to wind down its operations and sell its assets for the benefit of its stakeholders. Since the Petition Date, the Court entered the *Final Order (A) Authorizing Debtor to (I) Obtain Postpetition Financing and (II) Use Cash Collateral, (B) Granting Liens and Providing Claims with Superpriority Administrative Expense Status, (C) Granting Adequate Protection, (D) Modifying Automatic Stay, and (E) Granting Related Relief* [Docket No. 141] (the “**Final Order**” and together with the interim DIP order, the “**DIP Orders**”), authorizing the Debtor on a final basis to obtain postpetition financing (the “**DIP Financing**”) to fund the Chapter 11 Case. However, even with the funding under the DIP Facility, the Debtor’s current financial condition will not allow for administration of this Chapter 11 Case and the sale process (the “**Sale Process**”) to continue for an extended period of time. There are significant fixed costs in maintaining the Alachua Site, including costs for utilities, insurance, and to maintain the necessary staffing. As it was the Debtor’s expectation that it would exit the Alachua Site prior to October, the Debtor does not have the liquidity to support maintenance, insurance, utilities, or staffing for an extended period following October 15, 2025. Further, as set forth above, the Debtor has already delayed its Sale Process as a result of the issues related to the removal to the Government Equipment. For all these reasons, the Debtor believes it is important to maintain its sale timeline as set forth herein and it cannot afford any additional delay.

15. Given these time and budget constraints, the Debtor, in consultation with its advisors, believes that pursuing the sale of the Assets in the manner described herein, including with the ability to select a Stalking Horse Bidder, is the course of action most likely to maximize value and encourage robust bidder participation. The Debtor remains hopeful that it will be able to finalize an asset purchase agreement with the Potential Purchaser and ultimately designate such party as the Stalking Horse Bidder.

16. The Debtor and its advisors have proposed a timeline that balances the need to provide adequate notice to parties in interest, and to sufficiently market the Assets in the context of a pre- and postpetition Sale Process with the need to quickly and efficiently consummate a Sale Transaction. The Bidding Procedures and the Debtor's proposed timeline for the Sale Process reflect the best option for maximizing the value of the Assets under the circumstances of this Chapter 11 Case. As detailed above, the Debtor's business has been thoroughly marketed to a wide range of potential strategic and financial investors and buyers, and a substantial amount of information regarding the Debtor's business and the Assets has been made available to these prospective purchasers during the Sale Process. In addition, as set forth in the Bidding Procedures, bidders will have access to additional, updated information about the Assets that will aid parties in developing thoughtful and competitive bids. As such, the Debtor believes that prospective bidders already know the Assets well and will have sufficient time and information to conduct the necessary due diligence to submit binding bids in accordance with the timeline proposed herein.

17. Finally, the Debtor believes that the Bidding Procedures will provide a uniform process by which interested bidders can participate in a competitive auction for the Assets. The Debtor believes that the Bidding Procedures will market test the Assets and will lead to a value-maximizing transaction.

18. Accordingly, the Debtor has determined that pursuing the sale in the manner and within the time periods prescribed in the Bidding Procedures is in the best interests of the Debtor's estate, will provide interested parties with sufficient opportunity to participate, and will maximize the value of the Assets for the benefit of its stakeholders.

IV. The Bidding Procedures

A. Overview

1. Stalking Horse Designation Procedures

19. As part of its Bidding Procedures, the Debtor seeks authority, subject to the terms of the Bidding Procedures Order, to designate one or more stalking horse bid(s) (the “**Stalking Horse Bids**”), pursuant to the procedures set forth in the Bidding Procedures (the “**Stalking Horse Designation Procedures**”) for the Assets and to enter into one or more purchase agreements (the “**Stalking Horse Agreements**”) with one or more potential bidder (the “**Stalking Horse Bidders**”), upon consultation with the (i) legal and financial advisors for DIP Lender, and (ii) the Committee, through its legal and financial advisors (together, the “**Consultation Parties**”).

20. The Debtor believes it is important to have the ability to enter into a Stalking Horse Agreement with a potential buyer and foresees that it may be necessary to afford a Stalking Horse Bidder certain protections (the “**Bid Protections**”). Accordingly, the Debtor requests authority, subject to the terms of the Bidding Procedures Order, to seek entry of an order approving the designation of a Stalking Horse Bidder and, to the extent applicable, any proposed Bid Protections (a “**Stalking Horse Order**”) by (i) filing a notice (the “**Stalking Horse Hearing Notice**”) setting an expedited hearing on not less than five calendar days’ notice and (ii) requiring parties wishing to object to entry of the Stalking Horse Order to file any such objections within three calendar days after service of the Stalking Horse Notice (the “**Stalking Horse Objection Deadline**”). The Debtor proposes that the Stalking Horse Hearing Notice will (i) set forth the identity of the Stalking Horse Bidder (and if the Stalking Horse Bidder is a newly-formed entity, then the Stalking Horse Bidder’s parent company or sponsor); (ii) set forth the amount of the Stalking Horse Bid and what portion (if any) is cash; (iii) identifies any connections the Stalking Horse Bidder has to the Debtor other than those connections that arise from the Stalking Horse Bid; (iv) specifies any proposed

Bid Protections; (v) attaches the Stalking Horse Agreement; (vi) attaches the proposed form of Stalking Horse Order; and (vii) and sets forth the Stalking Horse Order Objection Deadline.

21. The Debtor also proposes that to the extent the Debtor seeks to provide Bid Protections to a Stalking Horse Bidder that is either (A) an “insider” as that term is defined in section 101(31) of the Bankruptcy Code or (B) a credit bid by the DIP Lender or the Prepetition Secured Lender, then the Debtor will file a separate motion seeking approval of such Bid Protections and may request that the Court hold a hearing on the approval of such motion on an expedited basis.

22. The Debtor intends to provide copies of any Stalking Horse Agreements, if applicable, and, in its discretion, may provide form purchase agreements if no Stalking Horse Agreement has been entered into with respect to the Debtor’s Assets, to all parties who designate their interest in submitting a bid.

2. Bidding Procedures Summary

23. The Debtor, in consultation with its advisors, designed the Bidding Procedures to promote a competitive and expedient Sale Process. If approved, the Bidding Procedures will allow the Debtor to solicit and identify bids from potential buyers that constitute the highest or otherwise best offer for the Assets on a schedule consistent with the Debtor’s chapter 11 strategy and liquidity position.

24. As the Bidding Procedures are attached to the Bidding Procedures Order, they are not herein restated in their entirety. Pursuant to Local Rule 6004, certain of the key terms of the Bidding Procedures are highlighted in the chart below:⁶

⁶ This summary is qualified in its entirety by the provisions of the Bidding Procedures. To the extent that there is any inconsistency between the terms of the Bidding Procedures and this summary, the terms of the Bidding Procedures shall control. Capitalized terms used but not defined prior to or in this summary shall have the respective meanings ascribed to such terms later in the Motion or in the Bidding Procedures, as applicable.

MATERIAL TERMS OF THE BIDDING PROCEDURES AND BIDDING PROCEDURES ORDER	
Provisions Governing Qualification of Bidders and Qualified Bids Local Rule 6004-1(c)(i)(A)-(B)	Qualified Bid and Qualified Bidder Requirements are set forth in the Bidding Procedures. A. Due Diligence – Execute confidentiality agreement with the Debtor. B. Bid Deadline – Submit Qualified Bid by October 6, 2025, at 4:00 p.m. (ET). C. Qualified Bid Requirements • Irrevocability of Bid. The Bid must include a letter stating that the Prospective Bidder’s offer is irrevocable and binding until the closing of the Sale if such Prospective Bidder is the Successful Bidder, and that the Prospective Bidder agrees to serve as a Backup Bidder (as defined below) if such bidder’s Bid is selected as the next highest or otherwise next best bid after the Successful Bid (as defined below). • Assets and Liabilities. The Bid must clearly identify the following: (a) the Assets to be purchased and (b) the liabilities and obligations to be assumed, including any indebtedness to be assumed, if any. • Designation of Assigned Contracts and Leases. The Bid must identify any and all executory contracts and unexpired leases of the Debtor that the bidder wishes to be assumed and assigned to the bidder at closing. The Bid must confirm that the bidder will be responsible for any Cure Costs associated with such assumption and include a good faith estimate of such Cure Costs (which estimate may be provided by the Debtor). • Purchase Price. The Bid must clearly set forth the cash purchase price, and any other non-cash consideration (with the form of such consideration specified), to be paid. • Minimum Bid. Each Bid must either (a) (i) provide for the payment of aggregate consideration, in the Debtor’s good-faith business judgment, the value of which is in excess of at least the sum of (x) the purchase price under any Stalking Horse Agreement plus (y) any Bid Protections approved by the Court and clear the minimum Overbid (as defined below) amount which shall be made in increments of at least \$250,000 in cash, cash equivalents, or such other consideration that the Debtor deems equivalent (in consultation with the Consultation Parties); or (b) propose an alternative transaction that, after consultation with the Consultation Parties, in the Debtor’s good faith business judgment, provides higher value or better terms than a Stalking Horse Bid. The Debtor and its advisors may determine appropriate minimum Bid increments for each round of bidding. Notwithstanding anything to the contrary herein, this requirement cannot be amended or modified without the consent of the DIP Lender. • Deposit. Each Bid (except a DIP Credit Bid) must be accompanied by a good faith deposit in the form of cash in an amount equal to not less than ten percent (10%) of the aggregate purchase price of the Bid to be held in an escrow account to be identified and established by the Debtor (the “Deposit”). For the avoidance of doubt, to the extent the Purchase Price of a Bid is increased, at any time or from time to time, whether prior to commencement of the Auction (if any) or

	during the Auction (if any), the amount of the Deposit shall automatically increase accordingly (i.e., to become equal to ten percent (10%) of any increased Purchased Price) and the corresponding bidder will promptly pay into escrow the amount of such increase, within one (1) business day, following such increase. Without limiting the foregoing, if a Purchase Price is increased in order to make a bid into a Qualified Bid, the Debtor may condition participation of the applicable bidder at the Auction (if any) on such bidder paying the then full amount of the Deposit into escrow prior to the commencement of such Auction or such participation. • Asset Purchase Agreement. Each Bid must include duly executed, non-contingent transaction documents necessary to effectuate the transactions contemplated in the Bid (the “Bid Documents”). The Bid Documents shall include a copy of the asset purchase agreement, including a complete set of all disclosure schedules and exhibits thereto, and marked against either the form asset purchase agreement to be provided by the Debtor to prospective bidders (the “Form APA”) or, if applicable, the Stalking Horse Agreement, to reflect the proposed sale transaction and to show any other proposed modifications to the Form APA or Stalking Horse Agreement, as applicable, as well as all other material documents integral to such Bid. • Adequate Assurance Information. The Bid must include sufficient financial or other information (the “Adequate Assurance Information”) to establish adequate assurance of future performance with respect to any lease or contract to be assigned to the Qualified Bidder (as defined below) in connection with the proposed Sale which shall include (i) audited and unaudited financial statements, (ii) tax returns, (iii) bank account statements, (iv) a description of the manner in which the Bidder plans to capitalize and manage the business going forward, and (v) any such other documentation or information as the Debtor may request (the foregoing clauses (i)-(v) and/or such other documentation and information satisfactory to the Debtor to demonstrate an Prospective Bidder’s adequate assurance of future performance, collectively, the “Adequate Assurance Package”). The Bid shall also identify a contact person (with relevant contact information) that counterparties to any lease or contract can contact to obtain additional Adequate Assurance Information. The Adequate Assurance Package must be submitted to the Debtor and its advisors at the time of the Bid’s submission in its own compiled pdf document. Any requests made by the Debtor or its advisors thereafter for further or supplemental information or documentation must be promptly provided to the Debtor and its advisors. • Proof of Financial Ability to Perform. Each Bid must include written evidence that the Debtor reasonably concludes that the bidder has the necessary financial ability to timely close the proposed Sale Transaction in accordance with the Bidding Procedures. Such information must include (i) contact names, telephone numbers, and email addresses for verification of financing sources; (ii) evidence of the bidder’s internal financing resources and, if applicable, proof of fully executed and effective financing commitments with limited conditionality customary for transactions of the proposed Sale Transaction’s type from one or more reputable financing sources in an aggregate amount equal to the Cash portion of such Bid [(including, if applicable, the payment of Cure Costs),] in each case, as are required to timely close the Sale Transaction; and (iii) any other financial disclosure or credit-quality support information or enhancement requested by the Debtor demonstrating that such bidder has the ability to timely close the proposed Sale Transaction in accordance with the Bidding Procedures.
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	• Contingencies; No Financing or Diligence Outs. A Bid shall not be conditioned on the obtaining or the sufficiency of financing or any internal approval, or on the outcome or review of due diligence. • Identity. The Bid must fully disclose the identity of the party submitting the Bid (and any equity holders, limited partners, or other financial backer), its full legal name, jurisdiction of incorporation or formation, and location in the Prospective Bidder's corporate structure and the representatives thereof who are authorized to appear and act on its behalf for all purposes regarding the contemplated Sale. • As-Is, Where-Is. The Bid must include the following representations and warranties: (a) a statement expressly confirming that the Prospective Bidder has had an opportunity to conduct any and all due diligence regarding the Assets prior to submitting its Bid, (b) a statement that the Prospective Bidder has relied solely upon its own independent review, investigation, and/or inspection of any relevant documents and the Assets 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, by the Debtor, Jeffries, or the Debtor's advisors regarding the Debtor's business or the Assets or the completeness of any information provided in connection therewith, except, solely with respect to the Debtor, as expressly stated in the representations and warranties contained in the Prospective Bidder's proposed asset purchase agreement ultimately accepted and executed by the Debtor; and (c) the Prospective Bidder's agreement to not use information obtained from the Data Room or the diligence process in connection with, or related to, any litigation or other legal actions between such Prospective Bidder (including its affiliates and any related persons) and the Debtor, any current or former directors and officers of the Debtor, the Debtor's affiliates, and/or the Debtor's primary creditors as identified by the Debtor. • Authorization. The Bid must include evidence that the Prospective Bidder has obtained authorization or approval from its board of directors (or comparable governing body) acceptable to the Debtor with respect to the submission, execution, and delivery of its Bid and Bid Documents, participation in the Auction, and closing of the proposed transaction(s) contemplated in such Bid. The Bid shall further state that any necessary filings under applicable regulatory, antitrust, and other laws will be made in a timely manner and that payment of the fees associated therewith shall be made by the Prospective Bidder. • Disclaimer of Fees. Each Bid (other than a Stalking Horse Bid) must disclaim any right to receive a fee analogous to a break-up fee, expense reimbursement, "topping" or termination fee, or any other similar form of compensation. For the avoidance of doubt, no Qualified Bidder (other than a Stalking Horse Bidder) will be permitted to request, nor be granted by the Debtor, at any time, whether as part of the Auction or otherwise, a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation, and by submitting its Bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis, including under §503(b) of the Bankruptcy Code. • Time Frame for Closing. A Bid by a Prospective Bidder must be reasonably likely (based on antitrust or other regulatory issues, experience, and other considerations in the Debtor's business judgment) to be consummated, if selected as the Successful Bid, within a time frame reasonably acceptable to the Debtor (in consultation with the Consultation Parties) and, in any event, by the
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	Sale Consummation Deadline. The Prospective Bidder must commit to closing the proposed Sale(s) contemplated by the Bid as soon as practicable and provide perspective on any potential regulatory issues that may arise in connection with such Prospective Bidder's acquisition of the Assets including timing for resolution thereof. • Adherence to Bidding Procedures. Each Bid must include (a) a statement that the Prospective Bidder has acted in good faith consistent with §363(m) of the Bankruptcy Code and (b) a statement that the Prospective Bidder agrees to be bound by, and has complied with, the Bidding Procedures. • Joint Bids. The Debtor is authorized to approve joint bids, in the exercise of its business judgment and in consultation with the Consultation Parties, on a case-by-case basis; provided that the foregoing is subject to the restrictions on communications among bidders set forth herein, and that the Debtor authorizes any joint bids in writing (email being sufficient). • No Collusion. The Prospective Bidder must acknowledge in writing that (a) in connection with submitting its Bid, it has not engaged in any collusion that would be subject to §363(n) of the Bankruptcy Code with respect to any Bids or the Sale, specifying that it did not agree with any Prospective Bidders or Qualified Bidders to control price and (b) it agrees not to engage in any collusion that would be subject to §363(n) of the Bankruptcy Code with respect to any Bids, the Auction, or the Sale. • Other Information. The Bid contains such other information as may be reasonably requested by the Debtor.
Relief from Bankruptcy Rule 6004(h) Local Rule 6004-1(b)(iv)(O)	This Motion seeks, and the proposed Bidding Procedures Order approves, relief from the fourteen-day stay imposed by Bankruptcy Rule 6004(h). <i>See</i> Bidding Procedures Order ¶ 36.
Provisions Providing Bid Protections to Stalking Horse or Initial Bidder Local Rule 6004-1(c)(i)(C)	Other than any Bid Protection approved by the Court pursuant to paragraph 6 of the Bidding Procedures Order in connection with a Stalking Horse Bid , if any, no bidder or any other party shall be entitled to any termination or "break-up" fee, expense reimbursement, or any other bidding protection in connection with the submission of a bid for the Assets or otherwise participating in the Auction or the Sale Process.
Modification of Bidding Procedures Local Rule 6004-1(c)(i)(D)	The Debtor reserves the right to, in its reasonable business judgment (in consultation with the Consultation Parties), modify the Bidding Procedures in good faith, including, without limitation, the Sale Consummation Deadline and any other milestones thereunder, to further the goal of attaining the highest or otherwise best offer for the Assets, or impose, at or prior to selection of the Successful Bidder, additional customary terms and conditions on the Sale of the Assets, including, without limitation (a) extending the deadlines set forth in the Bidding Procedures, (b) adjourning the Auction (if held) without further notice, (c) adding or modifying procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction and/or adjourning the Sale Hearing in open court (if held), (d) canceling the Auction or electing not to hold an Auction, (e) rejecting any or all Bids or Qualified Bids, (f) adjusting the applicable Minimum Overbid increment, including by requesting that Qualified Bidders submit last or final bids on a "blind basis," and (g) other than with respect to a Stalking Horse Agreement, selecting a draft purchase agreement agreed to by a Qualified Bidder in connection with a Qualified Bid to serve as the purchase agreement that will be executed by the Successful Bidder or Successful

	Bidders, as applicable, and with any necessary adjustments for the assets and liabilities being purchased and assumed, upon conclusion of the Auction, if held. The Debtor shall provide reasonable notice of any such modification to any Qualified Bidder, including any Stalking Horse Bidder.
Closing with Alternative Backup Bidders Local Rule 6004-1(c)(i)(E)	Notwithstanding anything in the Bidding Procedures to the contrary, if an Auction is conducted, the Qualified Bidder with the next-highest or otherwise second-best Qualified Bid as compared to the Successful Bid at the Auction for the Assets, as determined by the Debtor in the exercise of its reasonable business judgment (in consultation with the Consultation Parties) (the “Backup Bid”), shall be required to serve as a backup bidder (the “Backup Bidder”), and such Qualified Bidder shall agree and be deemed to agree to be the Backup Bidder if so designated. The Backup Bid shall remain binding on the Backup Bidder until the closing of a Sale Transaction for the applicable Assets pursuant to the Successful Bid. If a Successful Bidder fails to consummate the approved transactions contemplated by its Successful Bid, the Debtor may select the Backup Bidder as the Successful Bidder, and such Backup Bidder shall be deemed a Successful Bidder for all purposes.
Provisions Governing the Auction Local Rule 6004-1(c)(ii)	If one or more Qualified Bids is received by the Bid Deadline, the Debtor will conduct the Auction with respect to the Assets. If the Debtor does not receive any Qualified Bids (other than a Stalking Horse Bid), the Debtor will not conduct the Auction and will designate such Stalking Horse Agreement as the Successful Bid. Prior to the commencement of the Auction, the Debtor will notify all Qualified Bidders of the highest or otherwise best Qualified Bid, as determined in the Debtor’s reasonable business judgment (in consultation with the Consultation Parties) (the “Baseline Bid”), and provide copies of the Bid Documents supporting the Baseline Bid to all Qualified Bidders. The determination of which Qualified Bid constitutes the Baseline Bid and which Qualified Bid constitutes the Successful Bid shall take into account any factors the Debtor (in consultation with the Consultation Parties) reasonably deems relevant to the value of the Qualified Bid to the Debtor’s estate, including, among other things, the following: (i) the amount and nature of the consideration, including any obligations to be assumed; (ii) the executory contracts and unexpired leases of the Debtor, if any, for which assumption and assignment or rejection is required, and the costs and delay associated with any litigation concerning executory contracts and unexpired leases necessitated by such bid; (iii) the number, type, and nature of any changes to any Stalking Horse Agreement, if any and as applicable, requested by each Qualified Bidder; (iv) the extent to which such modifications are likely to delay closing of the sale of the Assets and the cost to the Debtor of such modifications or delay; (v) the likelihood of the Qualified Bidder being able to close the proposed transaction (including obtaining any required regulatory approvals) and the timing thereof; (vi) the net benefit to the Debtor’s estate; and (vii) the tax consequences of such Qualified Bid. The Auction shall take place on <u>October 8, 2025 at 10:00 a.m. (prevailing Eastern time)</u>, at the offices of Richards, Layton & Finger, P.A., One Rodney Square, 920 N. King Street, Wilmington, Delaware 19801, or such later date, time and location as designated by the Debtor (in consultation with the Consultation Parties), after providing notice to the following parties: (i) the DIP Lender, JMB Capital Partners Lending, LLC, and its counsel, (ii) the United States Trustee for the District of Delaware, (iii) the Prepetition Secured Lender, and (iv) counsel to the Committee. In the event that the Auction cannot be held at a physical location, the Auction will be conducted via a virtual meeting (either telephonic or via videoconference) the information to join which virtual meeting shall be provided by the Debtor to each Qualified Bidder prior to the Auction.

	The Auction shall be governed by the following procedures, subject to the Debtor's right to modify such procedures in its reasonable business judgment (in consultation with the Consultation Parties): • Baseline Bids. Bidding shall commence at the amount of the Baseline Bid. • Minimum Overbid. Qualified Bidders may submit successive bids higher than the previous bid, based on and increased from the Baseline Bid for the relevant Assets (each such Bid, an "<u>Overbid</u>"). Any Qualified Bidder's initial Overbid shall be made in increments of at least \$250,000 in cash, cash equivalents, or such other consideration that the Debtor deems equivalent (in consultation with the Consultation Parties). The Debtor may, in its reasonable business judgment (in consultation with the Consultation Parties), announce increases or reductions to initial or subsequent Overbids at any time during the Auction. • Highest or Best Offer. After the first round of bidding and between each subsequent round of bidding, the Debtor (in consultation with the Consultation Parties) shall announce the Bid that they believe in its reasonable business judgment to be the highest or otherwise best offer for the relevant Assets (the "<u>Leading Bid</u>") and describe the material terms thereof, after taking into effect payment of the Break-Up Fee. Each 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. To the extent not previously provided (which is determined by the Debtor), a Qualified Bidder submitting a subsequent Bid must submit, as part of its subsequent Bid, written evidence (in the form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Debtor, in consultation with the Consultation Parties, which availability is not otherwise conditioned on obtaining financing or any internal approval other than customary conditions in financing commitments) demonstrating such Qualified Bidder's ability to close the transaction at the purchase price contemplated by such subsequent Bid. • Rejection of Bids. The Debtor may, in its reasonable business judgment (in consultation with the Consultation Parties), reject, at any time before entry of an order of the Court approving a Qualified Bid, any Bid that the Debtor determines is (a) inadequate or insufficient, (b) not in conformity with the requirements of the Bankruptcy Code, the Bidding Procedures, or the terms and conditions of the Sale, or (c) contrary to the best interests of the Debtor, its estate, its creditors, and other stakeholders. • No Round-Skipping. Round-skipping, as described in the Bidding Procedures, is explicitly prohibited. To remain eligible to participate in the Auction, in each round of bidding, (i) each Qualified Bidder must submit a Bid in such round of bidding that is a higher or otherwise better offer than the immediately preceding Bid submitted by a Qualified Bidder in such round of bidding and (ii) to the extent a Qualified Bidder fails to bid in such round of bidding or to submit a Bid in such round of bidding that is a higher or otherwise better offer than the immediately preceding Bid submitted by a Qualified Bidder in such round of bidding, as determined by the Debtor in its reasonable business judgment (in consultation with the Consultation Parties), such Qualified Bidder shall be disqualified from continuing to participate in the Auction for such Purchased Assets; provided that, with the consent of the Consultation Parties, the Debtor
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	may adopt and utilize the Auction procedures other than the foregoing procedure for any round of bidding. • Additional Information. The Debtor (in consultation with the Consultation Parties) shall have the right to request any additional financial information that will allow the Debtor to make a reasonable determination as to a Qualified Bidder's financial and other capabilities to consummate the transactions contemplated by its proposal and any further information that the Debtor believes is reasonably necessary to clarify and evaluate any Bid made by a Qualified Bidder during the Auction. • Modification of Procedures. The Debtor may announce at the Auction modified or additional procedures for conducting the Auction, or otherwise modify the Bidding Procedures, in each case in consultation with the Consultation Parties; provided that at no point may the form of currency be in a form other than cash. All such modifications and additional rules will be communicated in advance to each of the Consultation Parties and Qualified Bidders; provided that, to the extent such modifications occur at the Auction, disclosure of such modifications shall be limited to those in attendance at the Auction. The Auction shall include open bidding in the presence of all other Qualified Bidders. All Qualified Bidders shall have the right to submit additional Bids and make modifications to any prior Qualified Bid or Overbid at the Auction to improve their Bids; provided that any Overbid made by a Qualified Bidder (including with respect to any Backup Bid) must remain open and binding on the Qualified Bidder until the close of the Auction, and, if selected as either a Successful Bid or a Backup Bid, until the closing of the Sale Transaction contemplated by such Successful Bid or Backup Bid. The Debtor may, in its reasonable business judgment (in consultation with the Consultation Parties), negotiate with any and all Qualified Bidders participating in the Auction.
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B. Key Dates and Deadlines

25. The Debtor proposes the following key dates and deadlines for the Sale Process, certain of which dates and deadlines may be subject to extension in accordance with the Bidding Procedures.⁷

PROPOSED DATE	EVENT
September 22, 2025	Deadline for Debtor to file and serve Sale Notice

⁷ The Debtor reserves the right to change the proposed sale-related deadlines in accordance with the Bidding Procedures at any time prior to the Bidding Procedures Hearing; *provided, however*, that any modified dates shall not provide parties with any lesser notice or time than the dates set forth in the entered Bidding Procedures Order.

Three (3) business days after the entry of the Bidding Procedures Order	Deadline for Debtor to file and serve Assumption and Assignment Notice
October 6, 2025, at 4:00 p.m. (ET)	Sale Objection Deadline and Cure Objection Deadline
October 6, 2025, at 4:00 p.m. (ET)	Bid Deadline
October 8, 2025, at 10:00 a.m. (ET), at the Offices of Richards, Layton & Finger, P.A., Wilmington, Delaware	Auction
October 9, 2025	Deadline for Debtor to file and serve Notice of Successful Bidder
One (1) Day After Filing of the Notice of Successful Bidder	Post-Auction Objection Deadline and Adequate Assurance Objection Deadline
October 10, 2025 at 4:00 p.m. (ET)	Debtor's Deadline to Reply to Objections
October 13, 2025, subject to the availability of the Court	Sale Hearing
October 15, 2025	Deadline to consummate approved sale transaction

C. Sale Noticing and Objection Procedures

26. The below chart sets forth the noticing and objection procedures and requirements in connection with the Bidding Procedures and approval of a Sale Transaction (collectively, the **“Sale Noticing and Objection Procedures”**):

SALE NOTICING AND OBJECTION PROCEDURES	
Sale Notice	No later than September 22, 2025, the Debtor will file with the Court, serve on the Sale Notice Parties and cause to be published on the Debtor’s case website (the “<u>Case Website</u>”) hosted by Epiq Corporate Restructuring, LLC, the Sale Notice, which will set forth (A) a description of the Assets available for sale in accordance with the Bidding Procedures; (B) the date, time and location of the Auction and Sale Hearing; (C) the Sale Objection Deadline and Post-Auction Sale Objection Deadline (each as defined below) and the procedures for filing such objections and, if applicable, (D) a summary of the material terms of any Stalking Horse Agreement, including the terms and conditions of the Bid Protections to be provided thereunder. For purposes of service of the Sale Notice, the following parties shall collectively be referred to as the “<u>Sale Notice Parties</u>”: • The Consultation Parties (the DIP Lender and the Committee); • Counsel to any Stalking Horse Bidder; • all persons and entities known by the Debtor to have asserted any lien, claim, interest, or encumbrance in the Assets (for whom identifying information and addresses are available to the Debtor); • all relevant non-debtor parties (each, a “<u>Counterparty</u>”) to any Contract that may be assumed or rejected in connection with the sale transaction; • all of the Debtor’s known creditors (for whom identifying information and addresses are available to the Debtor); • any governmental authority known to have a claim against the Debtor in this Chapter 11 Case; • the office of the U.S. Trustee; • all applicable federal, state, and local taxing authorities, including the Internal Revenue Service; • the United States Attorney’s Office for the District of Delaware; • the United States Attorney General’s Office for the District of Delaware; the Office of the Attorney General and the Secretary of State in each state in which the Debtor operates; • the Antitrust Division of the United States Department of Justice; • the Federal Trade Commission; • all of the parties entitled to notice pursuant to Bankruptcy Rule 2002; and • all other parties as directed by the Court.

Sale Objections	Objections to the sale of the Assets, including (i) any objection to a sale of the Assets free and clear of all liens, claims, interests and encumbrances pursuant to section 363(f) of the Bankruptcy Code and (ii) the entry of any Sale Order must (A) be in writing and state, with specificity, the legal and factual bases thereof and include any appropriate documentation in support thereof; (B) be filed with the Court by no later than October 6, 2025, at 4:00 p.m. (ET) (the “ Sale Objection Deadline ”); and (C) served on the following parties (collectively, the “ Objection Notice Parties ”): (i) the Debtor, 200 State Street, 9th Floor, Boston, MA 02109, Attn: Harrison West (email: ags@fticonsulting.com); (ii) counsel to the Debtor: Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Michael J. Merchant (merchant@rlf.com) and Amanda R. Steele (steele@rlf.com)); and (iii) the U.S. Trustee, 844 King Street, Suite 2207, Wilmington, DE 19801 (Attn: Timothy J. Fox (email: timothy.fox@usdoj.gov) and Jon Lipshie (email: jon.lipshie@usdoj.gov)); and (iv) counsel to the official committee of unsecured creditors appointed in the Chapter 11 Case: (a) Goodwin Procter LLP, 620 Eighth Avenue, New York, NY 10018 (Attn: James Lathrop (email: jlathrop@goodwinlaw.com) and Artem Skorostensky (email: askorostensky@goodwinlaw.com)) and (b) Robinson & Cole LLP, 666 Third Avenue, 20th Floor, New York, NY 10017 (Attn: Evan Lazerowitz (email: elazerowitz@rc.com)).
Publication Notice	Within three (3) business days after the entry of the Bidding Procedures Order, the Debtor will cause the information contained in the Sale Notice to be published once in the national edition of the <i>USA Today</i> (the “ Publication Notice ”).
Qualified Bid Selections	The Debtor will evaluate timely bids and will (i) after consultation with the Consultation Parties make a determination regarding which bids qualify as Qualified Bids and (ii) notify bidders whether they qualify as Qualified Bidders as soon as commercially reasonable following the Bid Deadline.
Auction Results	By October 9, 2025, the Debtor will file with the Court, serve on the Sale Notice Parties and cause to be published on the Case Website, a notice of the results of the Auction (the “ Notice of Successful Bidder ”), ⁸ which will (A) identify the Successful Bidder and the Backup Bidder; (B) either include a copy of each Successful Bid and the Backup Bid or a summary of the material terms of such bids, including any proposed assumption and assignment of Contracts contemplated thereby, or provide instructions for accessing each Successful Bid and the Backup Bid free of charge from the Case Website; and (C) set forth the Post-Auction Sale Objection Deadline and the date, time and location of the Sale Hearing and any other relevant dates or other information necessary to reasonably apprise the Sale Notice Parties of the outcome of the Auction.
Post-Auction Objections	Following service of the Notice of Successful Bidder, Sale Notice Parties will have an opportunity to object to the conduct of the Auction and/or the particular terms of any proposed Sale Transaction in the Successful Bid (each such objection, a “ Post-Auction Objection ”). Any Post-Auction Sale Objection must (i) be in writing and state, with specificity, the legal and factual bases thereof and include any appropriate documentation in support thereof; (ii) be filed with the Court by no later than two (2) days after the filing of the Notice of Successful Bidder (the “ Post-Auction Objection Deadline ”); and (iii) served on the Objection Notice Parties.

⁸ In the event the Auction is cancelled, including, without limitation, because no Qualified Bids, other than a Stalking Horse Agreement, have been received as of the Bid Deadline, the Debtor shall file a Notice of Successful Bidder promptly identifying such Stalking Horse Bidder as the Successful Bidder.

27. The Debtor submits that the Sale Noticing and Objection Procedures, coupled with the Assumption and Assignment Procedures set forth below, constitute adequate and reasonable notice of the key dates and deadlines and other important information regarding the Sale Process, including the Objection Deadlines (as defined below), the Bid Deadline and the time and location of the Auction and Sale Hearing. Accordingly, the Debtor requests that the Court approve the form of Sale Notice, substantially in the form attached to the Bidding Procedures Order as **Exhibit 2**, and find that the Sale Noticing and Objection Procedures comply with the requirements of Bankruptcy Rule 2002 and Local Rule 2002-1.

C. Assumption and Assignment Procedures

28. In connection with the Sale Transaction, the Debtor potentially will seek to assume and assign to the Successful Bidder one or more Contracts. The Assumption and Assignment Procedures are designed to, among other things, govern the Debtor's provision of Adequate Assurance Information and notice of Cure Costs to applicable Counterparties. The chart below sets forth the Assumption and Assignment Procedures:

ASSUMPTION AND ASSIGNMENT PROCEDURES	
Assumption and Assignment Notice	Three (3) business days after the entry of the Bidding Procedures Order, the Debtor will file with the Court and serve on each Counterparty to a Contract that may be assumed in connection with any Sale Transaction an Assumption and Assignment Notice, which will (i) identify the applicable Contracts; (ii) list the Debtor's good-faith calculation of Cure Costs with respect to each Contract; (iii) expressly state that assumption or assignment of a Contract is not guaranteed and is subject to Court approval and (iv) prominently display the deadlines to file Cure Objections and Adequate Assurance Objections (each as defined below).
Cure Objections	<u>Cure Objection Deadline.</u> Any Counterparty to a Contract that wishes to object to the Debtor's proposed Cure Costs (each such objection, a "<u>Cure Objection</u>") shall file with the Court and serve on the Objection Notice Parties its Cure Objection, which must state, with specificity, the legal and factual bases thereof and include any appropriate documentation in support thereof, by no later than October 6, 2025, at 4:00 p.m. (ET) (the "<u>Cure Objection Deadline</u>"). <u>Resolution of Cure Objections.</u> The Debtor, any Stalking Horse Bidder or Successful Bidder, as applicable, and the objecting Counterparty shall first confer in good faith to

	attempt to resolve the Cure Objection without Court intervention. If the parties are unable to consensually resolve the Cure Objection prior to the commencement of the Sale Hearing, the Court shall make all necessary determinations relating to the applicable Cure Costs and Cure Objection at a hearing scheduled pursuant to the following paragraph. If a Cure Objection is resolved in a manner that is not in the best interests of the Debtor and its estate, whether or not such resolution occurs prior to or after the closing of the applicable Sale Transaction, the Debtor, any Stalking Horse Bidder or, as applicable, the Successful Bidder may determine that any Contract subject to such resolved Cure Objection will no longer be assumed and assigned pursuant to the applicable Sale Transaction (subject to the terms of the applicable Sale Transaction). All other objections to the proposed assumption and assignment of the Debtor's right, title and interest in, to and under a Contract will be heard at the Sale Hearing. <u>Adjournment.</u> If a timely filed Cure Objection cannot otherwise be resolved by the parties, the Cure Objection may be heard at the Sale Hearing, or, at the Debtor's option, be adjourned to a subsequent hearing (each such Cure Objection, an "<u>Adjourned Cure Objection</u>"). An Adjourned Cure Objection may be resolved after the closing date of the Sale Transaction. Upon resolution of an Adjourned Cure Objection and the payment of the applicable cure amount, if any, the applicable Contract that was the subject of such Adjourned Cure Objection shall, as applicable, be deemed assumed and assigned to the Successful Bidder as of the closing date of the Sale Transaction. <u>Failure to Timely Object.</u> If a Counterparty fails to file with the Court and serve on the Objection Notice Parties a timely Cure Objection, the Counterparty forever shall be barred from asserting any objection with regard to the cost to cure any defaults under the applicable Contract. The Cure Costs set forth in the applicable Assumption and Assignment Notice shall be controlling and will be the only amount necessary to cure outstanding defaults under the Contract and satisfy the requirements of section 365(b) of the Bankruptcy Code, and the Counterparty to the Contract shall be bound by and deemed to have consented to the Cure Costs.
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Adequate Assurance Objections	<u>Adequate Assurance Objection Deadline.</u> Any Counterparty to a Contract that wishes to object to the proposed assumption and assignment of the Contract, the subject of which objection is a Successful Bidder's (or any other relevant assignee's) proposed form of adequate assurance of future performance (each such objection, an "<u>Adequate Assurance Objection</u>"), shall file with the Court and serve on the Objection Notice Parties an Adequate Assurance Objection, which must state, with specificity, the legal and factual bases thereof and include any appropriate documentation in support thereof, by the date that is one (1) day after the filing of the Notice of Successful Bidder (the "<u>Adequate Assurance Objection Deadline</u>" and, together with the Cure Objection Deadline, the Sale Objection Deadline and the Supplemental Sale Objection Deadline, the "<u>Objection Deadlines</u>"). <u>Resolution of Adequate Assurance Objections.</u> The Debtor and the objecting Counterparty shall first confer in good faith to attempt to resolve the Adequate Assurance Objection without Court intervention. If the parties are unable to consensually resolve the Adequate Assurance Objection prior to the commencement of the Sale Hearing, the Adequate Assurance Objection and all issues of adequate assurance of future performance of the applicable Successful Bidder (or any other relevant assignee) shall be determined by the Court at the Sale Hearing. <u>Failure to Timely Object.</u> If a Counterparty fails to file with the Court and serve on the Objection Notice Parties a timely Adequate Assurance Objection, the Counterparty shall be forever barred from asserting any objection to the assumption and/or assignment of the applicable Contract with regard to adequate assurance of future performance. The Successful Bidder (or any other relevant assignee) shall be deemed to have provided adequate assurance of future performance with respect to the Contract in accordance with Bankruptcy Code section 365(f)(2)(B) and, if applicable, Bankruptcy Code section 365(b)(3), notwithstanding anything to the contrary in the Contract or any other document.
Notice of Assumed Contracts	As soon as reasonably practicable after the closing of the Sale Transaction, the Debtor will file with the Court, serve on the applicable Counterparties and cause to be published on the Case Website, a notice containing the list of Contracts that the Debtor assumed and assigned pursuant to the asset purchase agreement with the Successful Bidder.
Reservation of Rights	The inclusion of a Contract or Cure Costs with respect to any Contract on any Assumption and Assignment Notice or any Notice of Successful Bidder, shall not constitute or be deemed a determination or admission by the Debtor, the Successful Bidder or any other party that such Contract is an executory contract or an unexpired lease within the meaning of the Bankruptcy Code, and shall not be a guarantee that such Contract ultimately will be assumed or assigned. The Debtor reserves all of its rights, claims and causes of action with respect to each Contract listed on the aforementioned notices.

BASIS FOR RELIEF

I. The Bidding Procedures Are Fair, Appropriate and in the Best Interests of the Debtor and Its Stakeholders

29. The Bidding Procedures are specifically designed to promote what courts have deemed to be the paramount goal of any proposed sale of a debtor's property: maximizing the value of sale proceeds received by the estate. *See Burtch v. Ganz (In re Mushroom Co.)*, 382 F.3d

325, 339 (3d Cir. 2004) (finding that debtor “had a fiduciary duty to protect and maximize the estate’s assets”); *Official Comm. of Unsecured Creditors of Cybergenics Corp. v. Chinery*, 330 F.3d 548, 573 (3d Cir. 2003) (debtor has “fiduciary duty to maximize the value of the bankruptcy estate”); *In re Food Barn Stores, Inc.*, 107 F.3d 558, 564- 65 (8th Cir. 1997) (“a primary objective of the Code [in asset sales is] to enhance the value of the estate at hand.”) (citing *Metro. Airports Comm’n v. Northwest Airlines, Inc. (In re Midway Airlines, Inc.)*, 6 F.3d 492, 494 (7th Cir. 1993) (“Section 365 . . . advances one of the Code’s central purposes, the maximization of the value of the bankruptcy estate for the benefit of creditors.”)). Courts uniformly recognize that procedures established for the purpose of enhancing competitive bidding are consistent with the fundamental goal of maximizing the value of a debtor’s estate. *See Calpine Corp. v. O’Brien Envtl. Energy, Inc. (In re O’Brien Envtl. Energy, Inc.)*, 181 F.3d 527, 537 (3d Cir. 1999) (noting that bidding procedures that promote competitive bidding provide a benefit to a debtor’s estate); *In re Fin’l News Network, Inc.*, 126 B.R. 152, 156 (Bankr. S.D.N.Y. 1992) (“[C]ourt-imposed rules for the disposition of assets . . . [should] provide an adequate basis for comparison of offers, and [should] provide for fair and efficient resolution of bankrupt estates.”).

30. The Bidding Procedures provide for an orderly and uniform process through which interested parties may submit offers to purchase the Assets. Importantly, the Debtor believes that the timeline for the Sale Process is reasonable and will in no way hinder the Debtor’s ability to sufficiently market the Assets, especially given the process Jefferies conducted prior to the filing of this Chapter 11 Case and has continued to conduct during this Chapter 11 Case. Stated simply, the Debtor, with the assistance of its advisors, has structured the Bidding Procedures to attract competitive and active bidding from parties with the financial capability to close on a Sale Transaction quickly and efficiently.

31. Courts in this District routinely approve procedures substantially similar to the proposed Bidding Procedures. *See, e.g., In re New Rue21 Holdco, Inc.*, No. 24-10939 (BLS) [Docket No. 194] (Bankr. D. Del. May 23, 2024) (approving bidding procedures, with designated stalking horse bid protections, including bid deadline five days after entry of bidding procedures order and sale hearing 28 days after the petition date); *In re Casa Sys., Inc.*, No. 24-10695 (KBO) [Docket No. 261] (Bankr. D. Del. May 2, 2024) (approving bidding procedures, with designated stalking horse bid protections, including bid deadline 22 days after entry of bidding procedures order and sale hearing 62 days after the petition date); *In re SC Healthcare Holding, LLC*, No. 24-10443 (TMH) [Docket No. 341] (Bankr. D. Del. May 21, 2024) (approving bidding procedures, with designated stalking horse bid protections, including bid deadline 33 days after entry of bidding procedures order and sale hearing 112 days after the petition date); *In re Sientra, Inc.*, No. 24-10245 (JTD) [Docket No. 123] (Bankr. D. Del. Mar. 25, 2024) (approving bidding procedures, with designated stalking horse bid protections, including bid deadline 20 days after entry of bidding procedures order and sale hearing 42 days after the petition date); *In re Nanostring Techs., Inc.*, No. 24-10160 (CTG) [Docket No. 384] (Bankr. D. Del. Mar. 28, 2024) (approving bidding procedures, with designated stalking horse bid protections, including bid deadline 15 days after entry of bidding procedures order and sale hearing 75 days after the petition date).⁹

A. The Stalking Horse Designation Procedures Have Sound Business Purposes and Should Be Approved

32. As noted above, the Bidding Procedures, through the application of the Stalking Horse Designation Procedures, provide the Debtor with authority to seek entry of a Stalking Horse Order that approves certain Bid Protections, if they prove necessary for the entry into any Stalking

⁹ The unreported orders cited herein are voluminous and not attached to this Motion. Copies of these orders will be made available upon request to counsel for the Debtor.

Horse Agreement. The Debtor believes that the Bid Protections may be necessary for any Stalking Horse Bidder to enter into a Stalking Horse Agreement. In addition, the Debtor believes that the presence of a Stalking Horse Bidder will set a floor for the value of the Assets and attract other potential buyers to bid for the Assets, thereby maximizing the realizable value of the Assets for the benefit of the Debtor's estate, its creditors and all other parties in interest.

33. Approval of the Bid Protections is governed by standards for determining the appropriateness of bid protections in the bankruptcy context. Courts have identified at least two instances in which bid protections may benefit the estate. First, a break-up fee may be necessary to preserve the value of a debtor's estate if assurance of the fee "promote[s] more competitive bidding, such as by inducing a bid that otherwise would not have been made and without which bidding would have been limited." *In re O'Brien Env'tl. Energy, Inc.*, 181 F.3d at 537. Second, "if the availability of a break-up fee [was] to induce a bidder to research the value of the debtor and convert [the] value to a dollar figure on which other bidders can rely, the bidder may have provided a benefit to the estate by increasing the likelihood that the price at which the debtor is sold will reflect its true worth." *Id.*; see also *In re Reliant Energy Channelview LP*, 594 F.3d 200, 206–08 (3d Cir. 2010) (reasoning that a break-up fee should be approved if it is necessary to entice a party to make the first bid or if it would induce a stalking horse bidder to remain committed to a purchase).

34. In *O'Brien*, the Third Circuit reviewed the following nine factors set forth by the lower court as relevant in deciding whether to award a break-up fee:

- a. the presence of self-dealing or manipulation in negotiating the break-up fee;
- b. whether the fee hampers, rather than encourages, bidding;
- c. the reasonableness of the break-up fee relative to the purchase price;

- d. whether the unsuccessful bidder placed the estate property in a “sale configuration mode” to attract other bidders to the auction;
- e. the ability of the request for a break-up fee to serve to attract or retain a potentially successful bid, establish a bid standard or minimum for other bidders or attract additional bidders;
- f. the correlation of the fee to a maximum value of the debtor’s estate;
- g. the support of the principal secured creditors and creditors’ committees of the break-up fee;
- h. the benefits of the safeguards to the debtor’s estate; and
- i. the substantial adverse impact of the break-up fee on unsecured creditors, where such creditors are in opposition to the break-up fee.

See O’Brien, 181 F.3d at 536.

35. While none of the factors are dispositive, an application of the facts to several of such factors supports the approval of the Bid Protections. In particular, the Bid Protections are necessary to preserve the value of the Debtor’s estate because they may enable the Debtor to secure an adequate floor for the Assets and to therefore insist that competing bids be materially higher or otherwise better than any Stalking Horse Agreement—a clear benefit to the Debtor’s estate. Further, a Stalking Horse Bidder may not agree to act as a “stalking horse” without the Bid Protections, given the substantial time and expense that would be incurred in connection with entering into definitive documentation and the risk that it will be outbid at the Auction. Without the Bid Protections, the Debtor might lose the opportunity to obtain the highest or otherwise best offer for the Assets and would certainly lose any downside protection that would be afforded by the existence of a Stalking Horse Bidder. The bid of any Stalking Horse Bidder would send a message to all potential bidders that the Assets are at least worth as much as any Stalking Horse Bidder is willing to offer. Therefore, without the benefit of the bid of a Stalking Horse Bidder

(i.e., a bid providing the floor), the bids received for the Assets could be substantially lower than any bid offered by a Stalking Horse Bidder.

36. “The usual rule is that if break-up fees encourage bidding, they are enforceable; if they stifle bidding, they are not enforceable.” *In re Integrated Res., Inc.*, 147 B.R. at 659. The Debtor does not believe that the Bid Protections will stifle bidding. To the contrary, the Debtor believes that such bid protections will encourage bidding by serving “any of three possible useful functions: (1) to attract or retain a potentially successful bid, (2) to establish a bid standard or minimum for other bidders to follow, or (3) to attract additional bidders”. *Id.* at 662.

37. Here, a Stalking Horse Bid would serve all three functions. First, a Stalking Horse Bidder might not enter into a Stalking Horse Agreement without the Bid Protections. Second, pursuant to the Bidding Procedures, any bidder that wishes to participate in the Auction must submit an offer that is higher or otherwise better than the bid of any Stalking Horse Bidder. Third, a Stalking Horse Bid could attract additional bidders because, among other things, additional bidders would be able to save considerable time and expense because they could use many of the documents that any Stalking Horse Bidder may negotiate, including, among other things, a Stalking Horse Agreement and the schedules thereto, in making their bid. In sum, if the Assets are sold to a Successful Bidder other than a Stalking Horse Bidder, the Sale Transaction likely will be the result of any Stalking Horse Bidder’s crucial role as an initial bidder generating interest in the Assets and establishing a minimum acceptable price and offer against which other parties can bid.

38. In addition, “[a] break-up fee should constitute a fair and reasonable percentage of the proposed purchase price, and should be reasonably related to the risk, effort, and expenses of

the prospective purchaser. ‘When reasonable in relation to the bidder’s efforts and to the magnitude of the transaction, break-up fees are generally permissible’”. *Id.* (citation omitted).

39. Here, the Stalking Horse Designation Procedures afford the Debtor with important flexibility to seek approval of Bid Protections to the extent the Debtors believe doing so will maximize the value of the Assets. Accordingly, the Debtor submits that the Stalking Horse Designation Procedures should be approved.

B. Approval of a Sale of the Assets Is Warranted Under Section 363 of the Bankruptcy Code

40. Section 363 of the Bankruptcy Code provides, in relevant part, that the debtor may, “after notice and a hearing . . . use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). While the Bankruptcy Code does not specify the appropriate standard for approving the sale of property under section 363, courts routinely authorize a sale if it is based upon the debtor’s sound business judgment. *See, e.g., Meyers v. Martin (In re Martin)*, 91 F.3d 389, 395 (3d Cir. 1996) (citing *In re Schipper*, 933 F.2d 513 (7th Cir. 1991)); *In re Chateaugay Corp.*, 973 F.2d 141, 143 (2d Cir. 1992); *Stephen Indus., Inc. v. McClung*, 789 F.2d 386, 390 (6th Cir. 1986); *Comm. of Equity Security Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1071 (2d Cir. 1983).

41. Courts typically consider the following factors in determining whether a sale under section 363 of the Bankruptcy Code passes muster under the business judgment standard: (a) whether a sound business justification exists for the sale; (b) whether adequate and reasonable notice of the sale was provided to interested parties; (c) whether the sale will produce a fair and reasonable price for the property; and (d) whether the parties have acted in good faith. *See In re Decora Indus., Inc.*, No. 00-4459, 2002 WL 32332749, at *2 (D. Del. May 20, 2002) (adopting *Lionel* factors) (citing *Guilford Transp. Indus., Inc. v. Delaware & Hudson Ry. Co. (In re*

Delaware & Hudson Ry. Co.), 124 B.R. 169, 176 (D. Del. 1991) (listing non-exclusive factors that may be considered by a court in determining whether there is a sound business purpose for an asset sale)). As such, it follows that when a debtor demonstrates a valid business justification for a decision, the presumption is that the business decision was made “on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company.” *Official Comm. of Subordinated Bondholders v. Integrated Res. Inc. (In re Integrated Res., Inc.)*, 147 B.R. 650, 656 (S.D.N.Y. 1990) (quoting *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)).

1. The Debtor Has Demonstrated a Sound Business Justification for the Sale of the Assets

42. A sound business justification exists where the sale of a debtor’s assets is necessary to preserve the value of the debtor’s estate for the benefit of creditors and interest holders. *See, e.g., Cumberland Farms Dairy, Inc. v. Abbotts Dairies of Penn., Inc. (In re Abbotts Dairies of Penn., Inc.)*, 788 F.2d 143 (3d Cir. 1986); *In re Delaware & Hudson Ry. Co.*, 124 B.R. at 179 (approving the sale of the debtor as a going concern upon a showing of “a valid business purpose”); *In re Lionel Corp.*, 722 F.2d at 1071 (adopting a rule “requiring that a judge determining a § 363(b) application expressly find from the evidence presented before him . . . a good business reason to grant” the sale).

43. As set forth above and in the First Day Declaration and the Naifeh Declaration, a strong business justification exists for a sale of the Assets as described herein. An orderly but expeditious sale of the Assets is critical to maximizing recoveries for the Debtor’s economic stakeholders. Moreover, a timely closing of a sale of the Assets is necessary given the Debtor’s wind down and liquidity position.

2. The Sale Noticing and Objection Procedures Are Appropriate and Comply with Bankruptcy Rules 2002 and 6004

44. Bankruptcy Rules 2002 and 6004 require the Debtor to notify creditors of the proposed sale, provide a description of the Assets and disclose the time and place of the Auction, the terms and conditions of any proposed Sale Transaction and the Objection Deadlines. *See* Fed. R. Bankr. P. 2002(a), 2002(c) and 6004(a). The Sale Noticing and Objection Procedures set forth above are reasonably calculated to provide all of the Debtor's known creditors and other parties in interest with adequate and timely notice of all of the key dates, deadlines and other material information related to the Sale Process. Further, publishing the Publication Notice in the *USA Today* is designed to capture any creditors and parties in interest not currently known to the Debtor. Accordingly, the Debtor requests that the Court approve the Sale Noticing and Objection Procedures as set forth herein, including the Sale Notice, substantially in the form attached to the Bidding Procedures Order as Exhibit 2, and find that no other or further notice of the Bidding Procedures, the Auction (excluding the Auction results) or the Sale Hearing is necessary or required.

3. The Proposed Sale Will Yield a Fair and Reasonable Purchase Price for the Assets

45. The Debtor believes that a Sale Transaction governed by the Bidding Procedures will yield a fair and reasonable price for the Assets. The Bidding Procedures were designed to facilitate a competitive bidding process.

46. The Debtor also constructed the Bidding Procedures to promote transparency, good faith and fairness throughout the entire Sale Process. The Bidding Procedures provide an appropriate framework for the Debtor to review, analyze and compare bids for the Assets and to engage with bidders on an arm's-length basis to work to improve the quality of its bids for the benefit of all parties in interest.

47. A Sale Transaction governed by the Bidding Procedures undoubtedly will serve the important objectives of obtaining not only a fair and reasonable purchase price for the Assets, but also the highest or best value for the Assets. This is a critical feature of the Bidding Procedures, which will inure to the benefit of all parties in interest in this Chapter 11 Case.

4. The Bidding Procedures Ensure that the Sale Process Is Conducted in Good Faith and that the Ultimate Purchaser of the Applicable Assets Is Entitled to the Protections Afforded by Section 363(m) of the Bankruptcy Code

48. Section 363(m) of the Bankruptcy Code is designed to protect the sale of a debtor's assets to a good-faith purchaser. Specifically, section 363(m) provides the following:

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

11 U.S.C. § 363(m). Section 363(m) embodies the “policy of not only affording finality to the judgment of the bankruptcy court, but particularly to give finality to those orders and judgments upon which third parties rely.” *Cumberland Farms Dairy, Inc. v. Abbotts Dairies of Penn., Inc.* (*In re Abbotts Dairies of Penn., Inc.*), 788 F.2d 143, 147 (3d Cir. 1986)); *see also Reloeb Co. v. LTV Corp. (In re Chateaugay Corp.)*, No. 92 Civ. 7054 (PKL), 1993 U.S. Dist. LEXIS 6130, at *9 (S.D.N.Y. May 10, 1993); *Allstate Ins. Co. v. Hughes*, 174 B.R. 884, 888 (S.D.N.Y. 1994) (“Section 363(m) . . . provides that good faith transfers of property will not be affected by the reversal or modification on appeal of an unstayed order, whether or not the transferee knew of the pendency of the appeal.”).

49. While the Bankruptcy Code does not define “good faith,” the Third Circuit has held that indicia of bad faith typically include “fraud, collusion between the purchaser and other bidders

or the trustee, or an attempt to take grossly unfair advantage of other bidders.” *Abbotts Dairies*, 788 F.2d at 147 (quoting *In re Rock Indus. Mach. Corp.*, 572 F.2d 1195, 1198 (7th Cir. 1978)) (other citations omitted); *see also Kabro Assoc. of West Islip, L.L.C. v. Colony Hill Assocs. (In re Colony Hill Assocs.)*, 111 F.3d 269, 276 (2d Cir. 1997).

50. The Debtor submits that any Successful Bidder will be a “good faith purchaser” within the meaning of section 363(m) of the Bankruptcy Code. As set forth above, the Bidding Procedures are designed to produce a fair and transparent competitive bidding process. In addition, Jefferies is an independent investment bank retained by the Debtor for the purpose of exploring strategic alternatives, marketing the Debtor’s business and soliciting bids since February 2025. Each Qualified Bidder participating in the Auction must confirm that it has not engaged in any collusion with respect to the bidding or the sale of the Assets. Any purchase agreement with a Successful Bidder executed by the Debtor will be negotiated at arm’s-length and in good faith. Accordingly, the Debtor seeks a finding that any Successful Bidder (including any Stalking Horse Bidder if declared the Successful Bidder) is a good faith purchaser and is entitled to the full protections afforded by section 363(m) of the Bankruptcy Code.

51. Based on the foregoing, the Debtor submits that it has demonstrated that the proposed Sale Transaction is a sound exercise of the Debtor’s business judgment and should be approved as a good faith transaction.

C. A Sale of the Assets Free and Clear of Liens, Claims, Interests and Encumbrances Is Appropriate under Section 363(f) of the Bankruptcy Code

52. In the interest of attracting the best offers, the Court should authorize the Debtor to sell the Assets free and clear of any liens, claims, interests and other encumbrances, in accordance with section 363(f) of the Bankruptcy Code. Section 363(f) of the Bankruptcy Code authorizes a

debtor to sell assets free and clear of all liens, claims, interests and encumbrances of an entity other than the estate if any one of the following conditions is met:

- (a) applicable non-bankruptcy law permits sale of such property free and clear of such interest;
- (b) such entity consents;
- (c) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (d) such interest is in bona fide dispute; or
- (e) such entity could be compelled, in legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f)(1)–(5); *see also In re Kellstrom Indus., Inc.*, 282 B.R. 787, 793 (Bankr. D. Del. 2002) (“Section 363(f) is written in the disjunctive, not the conjunctive, and if any of the five conditions are met, the debtor has the authority to conduct the sale free and clear of all liens.”); *Citicorp Homeowners Servs., Inc. v. Elliot (In re Elliot)*, 94 B.R. 343, 345 (E.D. Pa. 1988) (same); *Mich. Emp’t Sec. Comm’n v. Wolverine Radio Co. (In re Wolverine Radio Co.)*, 930 F.2d 1132, 1147 n.24 (6th Cir. 1991) (same); *In re Zeigler*, 320 B.R. 362, 381 (Bankr. N.D. Ill. 2005) (same); *In re Bygaph, Inc.*, 56 B.R. 596, 606 n.8 (Bankr. S.D.N.Y. 1986) (same).

53. The Debtor anticipates that any Sale Transaction it elects to pursue will satisfy one or more of the requirements under section 363(f) of the Bankruptcy Code to permit a “free and clear” sale of the Assets. As an initial matter, the DIP Lender, who is secured by liens on, among other things, the Assets, already consented to the terms of the Bidding Procedures, and subject to the Bidding Procedures, will be actively involved in the Sale Process. Additionally, any parties with junior liens on the Assets can be compelled to accept a money satisfaction of their interests, but also would be adequately protected by such liens attaching to the proceeds of the applicable Sale Transaction in the order of their respective priority. Accordingly, the Debtor requests that

the Court authorize the sale of the Assets free and clear of any liens, claims, interests and encumbrances, to the fullest extent permitted by section 363(f) of the Bankruptcy Code.

D. The Debtor’s Assumption and Assignment of Executory Contracts and Unexpired Leases Are Appropriate under Section 365 of the Bankruptcy Code

54. Section 365(a) of the Bankruptcy Code provides that a debtor “subject to the court’s approval, may assume or reject any executory contract or unexpired lease of the debtor.” 11 U.S.C. § 365(a). Courts employ the business judgment standard in determining whether to approve a debtor’s decision to assume or reject an executory contract or an unexpired lease. *See, e.g., In re Market Square Inn, Inc.*, 978 F.2d 116, 121 (3d Cir. 1992) (finding that assumption or rejection of a lease “will be a matter of business judgment”); *In re HQ Global Holdings, Inc.*, 290 B.R. 507, 511 (Bankr. D. Del. 2003) (finding debtor’s decision to assume or reject executory contract is governed by business judgment standard and can only be overturned if decision was product of bad faith, whim or caprice). In this context, the business judgment test only requires that a debtor demonstrate that assumption or rejection of an executory contract or unexpired lease benefits the estate. *See Sharon Steel Corp. v. Nat’l Fuel Gas Distrib. Corp.*, 872 F.2d 36, 40 (3d Cir. 1989); *Wheeling-Pittsburgh Steel Corp. v. West Penn Power Co., (In re Wheeling-Pittsburgh Steel Corp.)*, 72 B.R. 845, 846 (Bankr. W.D. Pa. 1987).

55. Any proposed Sale Transaction will provide a Successful Bidder with the opportunity to designate certain Contracts for assumption and assignment. Assumption of any Contracts is an exercise of the Debtor’s sound business judgment because the transfer of Contracts in connection with a Sale Transaction is an essential element in the Debtor’s ability to maximize the value of the Assets—and, particularly so when a Contract is integral to the ownership or operation of the Assets to be acquired.

56. The consummation of any Sale Transaction involving the assignment of a Contract will be contingent upon the Debtor's compliance with the applicable requirements of section 365 of the Bankruptcy Code. Section 365(b)(1) requires that any outstanding defaults under the Contracts to be assumed be cured or that the Debtor provide adequate assurance that such defaults will be promptly cured. See 11 U.S.C. § 365(b)(1). The Debtor's assumption and assignment of any Contracts will be dependent upon payment of Cure Costs and effective only upon the closing of an applicable Sale Transaction. As set forth above, subject to the Court's approval, the Debtor will file with the Court and serve on each Counterparty an Assumption and Assignment Notice setting forth the Debtor's good-faith calculation of the Cure Costs for each Contract that could be assumed in connection with a Sale Transaction. Counterparties will have an opportunity to raise any Cure Objections in advance of the Sale Hearing.

57. Section 365(f) of the Bankruptcy Code requires, in part, that the assignee of any executory contract provide "adequate assurance of future performance . . . whether or not there has been a default in such contract." 11 U.S.C. § 365(f)(2). While the Bankruptcy Code does not define "adequate assurance," courts have held that what constitutes "adequate assurance" should be determined by "a practical, pragmatic construction based upon the facts and circumstances of each case." See *Carlisle Homes, Inc. v. Azzari (In re Carlisle Homes, Inc.)*, 103 B.R. 524, 538 (Bankr. D.N.J. 1988) (quoting *In re Bon Ton Rest. & Pastry Shop, Inc.*, 53 B.R. 789, 803 (Bankr. N.D. Ill. 1985)); see also *In re Alipat, Inc.*, 36 B.R. 274, 276-77 (Bankr. E.D. Mo. 1984) (recognizing that the term adequate assurance "borrowed its critical language . . . from Section 2-609 of the Uniform Commercial Code" which "suggest[s] that adequate assurance is to be defined by commercial rather than legal standards . . . [and] factual considerations"). While no single standard governs every case, adequate assurance "will fall considerably short of an absolute

guarantee of performance.” *In re Carlisle Homes, Inc.*, 103 B.R. at 538 (citations omitted); *In re Natco Indus., Inc.*, 54 B.R. 436, 440 (Bankr. S.D.N.Y. 1985) (adequate assurance of future performance does not mean absolute assurance that debtor will thrive and pay rent).

58. Adequate assurance may be provided by demonstrating, among other things, the assignee’s financial health and experience in managing the type of enterprise or property assigned. *See, e.g., In re Bygaph, Inc.*, 56 B.R. 596, 605-06 (Bankr. S.D.N.Y. 1986) (finding that industrial expertise, past success in running a similar business and financial wherewithal satisfied the adequate assurance requirement of section 365 of the Bankruptcy Code).

59. The Bidding Procedures expressly specify that for a bid to qualify as a “Qualified Bid,” a Prospective Bidder must include with its bid Adequate Assurance Information regarding the Prospective Bidder’s (or any other relevant assignee’s) ability to perform the applicable obligations under any Contracts that may be included in the bid. The Debtor will furnish all available Adequate Assurance Information to the relevant Counterparties as soon as reasonably possible following its receipt of such information. Finally, any Counterparty that is dissatisfied with the content or quality of any relevant Adequate Assurance Information will have an opportunity to request additional information from the Debtor and, if necessary, lodge an Adequate Assurance Objection in advance of the Sale Hearing. In light of the foregoing, the Debtor’s assumption and assignment of any Contracts in accordance with the Assumption and Assignment Procedures would satisfy the requirements of section 365 of the Bankruptcy Code and should be approved.

60. Finally, in order to facilitate the assumption and assignment of Contracts in furtherance of maximizing the value of the Assets, the Debtor further requests that the Court find that any anti-assignment provision included in any Contract, whether such provision expressly

prohibits, or has the effect of restricting or limiting assignment of a Contract, is unenforceable and prohibited pursuant to section 365(f) of the Bankruptcy Code.¹⁰

VI. Requests for Immediate Relief & Waiver of Stay

61. Pursuant to Bankruptcy Rules 6004(h) and 6006(d), the Debtor seeks a waiver of any stay of the effectiveness of the Bidding Procedures Order, any Sale Order and any other order authorizing the assumption or assumption and assignment of a Contract in connection with a Sale Transaction. Bankruptcy Rule 6004(h) provides that “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6004(h). Bankruptcy Rule 6006(d) provides that “[a]n order authorizing the trustee to assign an executory contract or unexpired lease under § 365(f) is stayed until the expiration of 14 days after entry of the order unless the court orders otherwise.” Fed. R. Bankr. P. 6006(d).

62. For the reasons set forth herein, the relief requested herein is necessary and appropriate to maximize the value of the Assets for the benefit of the Debtor’s economic stakeholders. Given the Debtor’s financial condition, the Debtor’s wind down efforts, and the time-intensive nature of conducting a comprehensive Sale Process, the relief requested herein should be granted and effective as soon as practicable. Any delay in the Sale Process could jeopardize the Debtor’s ability to maximize value for its stakeholders. Accordingly, the Debtor submits that ample cause exists to justify waiving the fourteen-day stay imposed by Bankruptcy

¹⁰ Section 365(f)(1) provides in pertinent part that, “notwithstanding a provision in an executory contract or unexpired lease of the debtor, or in applicable law, that prohibits, restricts, or conditions the assignment of such contract or lease, the trustee may assign such contract or lease” 11 U.S.C. § 365(f)(1). Further, section 365(f)(3) provides that “[n]otwithstanding a provision in an executory contract or unexpired lease of the debtor, or in applicable law that terminates or modifies, or permits a party other than the debtor to terminate or modify, such contract or lease or a right or obligation under such contract or lease on account of an assignment of such contract or lease, such contract, lease, right, or obligation may not be terminated or modified under such provision because of the assumption or assignment of such contract or lease by the trustee.” 11 U.S.C. § 365(f)(3).

Rules 6004(h) and 6006(d), in each case, to the extent that such stay applies to the relief requested herein.

NOTICE

63. Notice of this Motion will be given to: (i) the Office of the United States Trustee for the District of Delaware; (ii) the United States Attorney's Office for the District of Delaware; (iii) the United States Department of Justice; (iv) the Internal Revenue Service; (v) counsel to the Committee; (vi) counsel to the DIP Lender; (vii) counsel to the Prepetition Secured Lender; (viii) all persons and entities known by the Debtor to have asserted any lien on or encumbrance with respect to the Assets (for whom identifying information and addresses are available to the Debtor); and (ix) any other party entitled to notice pursuant to Bankruptcy Rule 2002. The Debtor believes that no further notice is required.

64. A copy of this Motion is available via (i) PACER, which is accessible through the Court's website at: <http://www.deb.uscourts.gov>, and (ii) the website maintained by the Debtor's claims and noticing agent, Epiq Corporate Restructuring, at <https://dm.epiq11.com/AGS>.

CONCLUSION

WHEREFORE, the Debtor respectfully requests that the Court (i) enter the Bidding Procedures Order, substantially in the form attached hereto as **Exhibit A**; (ii) and, after the Sale Hearing, the Sale Order, respectively, granting the relief requested in the Motion and (iii) grant such other and further relief to the Debtor as the Court may deem proper.

Dated: September 12, 2025
Wilmington, Delaware

Respectfully Submitted,

/s/ Matthew P. Milana

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*Counsel for Debtor and Debtor in
Possession*

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

ALACHUA GOVERNMENT SERVICES,
INC.,

Debtor.¹

)

) Chapter 11

)

) Case No. 25-11289 (JKS)

)

) **Proposed Obj. Deadline: Sep. 19, 2025 at 4:00 p.m. (ET)**

) **Hearing Date: TBD**

)

NOTICE OF MOTIONS AND HEARING

PLEASE TAKE NOTICE that, on September 12, 2025, Alachua Government Services, Inc., as debtor and debtor in possession in the above-captioned chapter 11 case (the “**Debtor**”), filed the *Motion of the Debtor for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of the Debtor’s Real and Personal Property Assets in Alachua, Florida, (B) Authorizing the Debtor to Designate a Stalking Horse Bidder and to Provide Bidding Protections, (C) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (D) Approving Assumption and Assignment Procedures, (E) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof and (F) Granting Related Relief; and (II)(A) Approving the Sale of the Debtor’s Real and Personal Property Assets in Alachua, Florida Free and Clear of Liens, Claims, Interests and Encumbrances, (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases and (C) Granting Related Relief* (the “**Motion**”) with the United States Bankruptcy Court for the District of Delaware (the “**Court**”).

PLEASE TAKE FURTHER NOTICE that, contemporaneously with the filing of the Motion, the Debtor also filed a motion to shorten the notice and objection periods with respect to

¹ The Debtor in this chapter 11 case, along with the last four digits of its federal tax identification number is: Alachua Government Services, Inc. (5370). The Debtor’s mailing address is 13200 NW Nano Court, Alachua, Florida 32615.

the Motion (the “**Motion to Shorten**”).

PLEASE TAKE FURTHER NOTICE that if the Court grants the relief requested in the Motion to Shorten: (i) a hearing to consider the Motion (the “**Hearing**”) will be held on **a date and time to be determined** before The Honorable J. Kate Stickles, United States Bankruptcy Judge for the District of Delaware, at the Court, 824 North Market Street, 5th Floor, Courtroom 6, Wilmington, Delaware 19801, and (ii) any responses or objections to the Motion must be filed by **September 19, 2025 at 4:00 p.m. (ET)**.

PLEASE TAKE FURTHER NOTICE that if the Court denies, in whole or in part, the relief requested in the Motion to Shorten, parties-in-interest will receive separate notice of the Court-approved objection deadline and hearing date for consideration of the Motion.

Dated: September 12, 2025
Wilmington, Delaware

Respectfully Submitted,

/s/ Matthew P. Milana

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Exhibit A

Bidding Procedures Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

ALACHUA GOVERNMENT SERVICES, INC.,

Debtor.¹

) Chapter 11

) Case No. 25-11289 (JKS)

) Re: Docket No. __
)
)
)

**ORDER (I) APPROVING BIDDING PROCEDURES
FOR THE SALE OF THE DEBTOR’S REAL AND PERSONAL
PROPERTY ASSETS IN ALACHUA, FLORIDA, (II) AUTHORIZING
THE DEBTOR TO DESIGNATE A STALKING HORSE BIDDER AND TO
PROVIDE BIDDING PROTECTIONS, (III) SCHEDULING AN AUCTION AND
APPROVING THE FORM AND MANNER OF NOTICE THEREOF, (IV) APPROVING
ASSUMPTION AND ASSIGNMENT PROCEDURES, (V) SCHEDULING A SALE
HEARING AND APPROVING THE FORM AND MANNER OF NOTICE
THEREOF AND (VI) GRANTING RELATED RELIEF**

Upon consideration of the *Motion of the Debtor for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of the Debtor’s Real and Personal Property Assets in Alachua, Florida, (B) Authorizing the Debtor to Designate a Stalking Horse Bidder and to Provide Bidding Protections, (C) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (D) Approving Assumption and Assignment Procedures, (E) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof and (F) Granting Related Relief; and (II)(A) Approving the Sale of the Debtor’s Real and Personal Property Assets in Alachua, Florida Free and Clear of Liens, Claims, Interests and Encumbrances, (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases and (C) Granting Related Relief* (the “**Motion**”)² of the Debtor; and the Court having reviewed the Motion, the Supporting Declarations,

¹ The Debtor in this chapter 11 case, along with the last four digits of its federal tax identification number is: Alachua Government Services, Inc. (5370). The Debtor’s mailing address is 13200 NW Nano Court, Alachua, Florida 32615.

² Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Motion or in the Bidding Procedures, as applicable.

and the First Day Declaration; and the Court having considered the statements of counsel and the evidence adduced with respect to the Motion at a hearing before the Court on [___], 2025 to consider certain of the relief requested in the Motion (the “**Bidding Procedures Hearing**”); and after due deliberation, this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion at the Bidding Procedures Hearing is in the best interests of the Debtor, its estate, and its creditors, and the Debtor having demonstrated good, sufficient, and sound business justifications for the relief granted herein;

IT IS HEREBY FOUND AND DETERMINED THAT:

A. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b).

B. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

C. Notice of the Motion and the Bidding Procedures Hearing was sufficient and no other or further notice need be provided.

D. The bidding procedures attached hereto as **Exhibit 1** (the “**Bidding Procedures**”) are fair, reasonable, and appropriate and are designed to maximize the value of the proceeds of the sale of the Debtor’s real and personal property assets in Alachua, Florida (the “**Assets**”).

E. The Bidding Procedures comply with the requirements of Rule 6004-1(c) of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”).

F. The procedures set forth herein regarding the Debtor’s assumption and assignment of executory contracts and unexpired leases (collectively, the “**Contracts**”) in connection with a

sale of the Assets (the “**Assumption and Assignment Procedures**”) are fair, reasonable, and appropriate and comply with the provisions of section 365 of the Bankruptcy Code and Rule 6006 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

G. The Debtor has articulated good and sufficient business reasons for the Court to approve (i) the Bidding Procedures; (ii) the form and manner of notice of the Bidding Procedures, the auction of the Assets (the “**Auction**”), and the final hearing to consider approval of a sale of the Assets (the “**Sale Hearing**”), substantially in the form attached hereto as **Exhibit 2** (the “**Sale Notice**”); (iii) the form and manner of notice to each relevant non-debtor counterparty to a Contract (each, a “**Counterparty**”) of (a) the Debtor’s calculation of the amount necessary to cure any defaults under an applicable Contract (the “**Cure Costs**”) and (b) certain other information regarding the potential assumption and assignment of Contracts in connection with the sale of the Assets, substantially in the form attached hereto as **Exhibit 3** (the “**Assumption and Assignment Notice**”); and (iv) the Assumption and Assignment Procedures.

H. The Bidding Procedures, including the procedures for the designation of a Stalking Horse Bidder and providing certain bid protections as provided for in this Order, are reasonably designed to promote active bidding at and participation in the Auction to ensure that the highest or otherwise best value is generated for the Assets.

I. Good and sufficient notice of the relief sought in the Motion has been provided under the circumstances, and no other or further notice is required except as set forth in the Bidding Procedures and the Assumption and Assignment Procedures. A reasonable opportunity to object and be heard regarding the relief granted herein has been afforded to all parties in interest.

J. The Sale Notice, the Publication Notice (as defined below), and the Assumption and Assignment Notice are appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the Auction, the Sale Hearing, the Bidding Procedures, the

Assumption and Assignment Procedures, the Debtor's proposed Cure Costs, any proposed assumption of a Contract in connection with a sale of the Assets, and all relevant and important dates and deadlines with respect to the foregoing, and no other or further notice of the Auction, the sale of the Assets, or the assumption and assignment of Contracts in connection therewith shall be required.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is GRANTED to the extent set forth herein.
2. All objections to the relief granted in this Order that have not been withdrawn, waived, or settled, and all reservations of rights included therein, are hereby overruled and denied on the merits with prejudice.

A. The Bidding Procedures

3. The Bidding Procedures attached hereto as **Exhibit 1** are hereby approved and are incorporated herein by reference. The Bidding Procedures shall govern the bids and proceedings related to the Auction and the sale of the Assets. The Debtor is authorized to take all actions necessary or appropriate to implement the Bidding Procedures.

4. Subject to this Order and the Bidding Procedures (including the consultation rights afforded to the Consultation Parties in the Bidding Procedures), the Debtor, in the exercise of its reasonable business judgment and in a manner consistent with its fiduciary duties and applicable law, shall have the right to (a) determine which bidders qualify as "Qualified Bidders," and which bids qualify as "Qualified Bids;" (b) make final determinations as to whether the Debtor will conduct an Auction; (c) select the Baseline Bid for the Assets; (d) determine the amount of each Minimum Overbid; (e) determine the Leading Bid for the Assets; (f) determine which Qualified Bid is the highest or otherwise best bid for the Assets (such Qualified Bid, a "**Successful Bid**") and which Qualified Bid is the next highest and next best bid after the Successful Bid for the Assets

(such Qualified Bid, a “**Backup Bid**”); (g) reject any bid that is (i) inadequate or insufficient; (ii) not in conformity with the requirements of this Order or any other applicable order of the Court, the Bidding Procedures, the Bankruptcy Code, or other applicable law; or (iii) contrary to the best interests of the Debtor and its estate; (h) adjourn or cancel the Auction in accordance with the Bidding Procedures; and (i) adjourn the Sale Hearing in accordance with the Bidding Procedures.

5. In accordance with and subject to the Bidding Procedures (including the consultation rights afforded to the Consultation Parties in the Bidding Procedures), the Debtor, in the exercise of its reasonable business judgment and in a manner consistent with its fiduciary duties and applicable law, shall have the right to modify the Bidding Procedures, including to (a) extend or waive deadlines or other terms and conditions set forth herein or therein; (b) adopt new rules and procedures for conducting the bidding and Auction process so long as any such modifications are disclosed to all Prospective Bidders and Qualified Bidders; and (c) otherwise modify the Bidding Procedures to further promote competitive bidding for and maximizing the value of the Assets.

B. Stalking Horse and Bidding Protections

6. The Debtor is authorized to seek approval of any Stalking Horse Agreements with any Stalking Horse Bidders and provide such Stalking Horse Bidder(s) with an expense reimbursement of the reasonable and documented third-party fees and expenses incurred by such Stalking Horse Bidder(s) and/or a break-up fee (collectively, the “**Bid Protections**”) in accordance with the following procedures (the “**Stalking Horse Designation Procedures**”):

- a. Subject to the provisions set forth in the DIP Orders, the Bidding Procedures, and this Order, in consultation with the Consultation Parties, and with the consent of the DIP Lender (which consent will not be unreasonably withheld, conditioned, or delayed), the Debtor may, after consultation with the Consultation Parties, enter into one or more Stalking Horse Agreements, in form and substance reasonably acceptable to the DIP Lender, subject to higher or otherwise better offers at the Auction.

- b. In the event that the Debtor, in consultation with the Consultation Parties and with the consent of the DIP Lender (which consent will not be unreasonably withheld, conditioned, or delayed), selects one or more parties to serve as Stalking Horse Bidder(s) and to provide such Stalking Horse Bidder(s) with Bid Protections, the Debtor may seek entry of an order approving the designation of the Stalking Horse Bidder and, to the extent applicable, any proposed Bid Protections (a “**Stalking Horse Order**”).
- c. To obtain entry of a Stalking Horse Order, the Debtor will be authorized to file a notice (the “**Stalking Horse Hearing Notice**”) setting an expedited hearing on not less than five calendar days’ notice. Such Stalking Horse Hearing Notice will be served on the U.S. Trustee, the Consultation Parties, and those parties who have filed the appropriate notice pursuant to Bankruptcy Rule 2002 requesting notice of all pleadings filed in the Chapter 11 Case with no further notice being required (the “**Stalking Horse Notice Parties**”).
- d. The Stalking Horse Hearing Notice will (i) set forth the identity of the Stalking Horse Bidder (and if the Stalking Horse Bidder is a newly-formed entity, then the Stalking Horse Bidder’s parent company or sponsor); (ii) set forth the amount of the Stalking Horse Bid and what portion (if any) is cash; (iii) identify any connections the Stalking Horse Bidder has to the Debtor other than those connections that arise from the Stalking Horse Bid; (iv) specify any proposed Bid Protections; (v) attach the Stalking Horse Agreement; (vi) attach the proposed form of Stalking Horse Order; and (vii) and set forth the Stalking Horse Order Objection Deadline (as defined below).
- e. Objections to the designation of a Stalking Horse Bidder or any of the terms of a Stalking Horse Bid (the “**Stalking Horse Objection**”) must (a) be in writing, (b) comply with the Bankruptcy Code, Bankruptcy Rules, and Local Rules, (c) state, with specificity, the legal and factual bases thereof, and (d) be filed with the Court and served on the Stalking Horse Notice Parties no later than three calendar days after the service of the Stalking Horse Notice (the “**Stalking Horse Objection Deadline**”). If no Stalking Horse Objection is timely filed and served with respect to the applicable Stalking Horse Bid, upon the expiration of the Stalking Horse Objection Deadline, the Debtor may submit to the Court the proposed Stalking Horse Order under certification of counsel, which may be entered by the Court without a hearing, including with respect to any Bid Protections.
- f. For the avoidance of doubt, no Stalking Horse Bidder will be entitled to any Bid Protections absent entry of a Stalking Horse Order or further order of the Court. Notwithstanding anything herein to the contrary, to the extent the Debtor seeks to provide Bid Protections to a Stalking Horse Bidder that is either (A) an “insider” as that term is defined in section 101(31) of the Bankruptcy Code or (B) a credit bid by the DIP Lender or the Prepetition Secured Lender, then the Debtor will file a separate motion seeking

approval of such Bid Protections and may request that the Court hold a hearing on the approval of such motion on an expedited basis.

7. Notwithstanding anything to the contrary in this Order, any Stalking Horse Agreement or the Bidding Procedures, (a) payment of any Bid Protections payable to any Stalking Horse pursuant to the terms and conditions of a Stalking Horse Agreement shall be subject to the terms of the DIP Orders and the DIP Documents (as defined in the DIP Orders), and (b) the Bid Protections are entitled only to administrative priority status and not superpriority status. For the avoidance of doubt, the Debtor shall only be obligated to remit amounts to any Stalking Horse on account of the Bid Protections in accordance with the terms and conditions of this Order and a Stalking Horse Agreement.

C. Bid Deadline and Auction

8. Any Interested Party that intends to participate in the Auction must submit in writing a Qualified Bid in accordance with the Bidding Procedures on or before **October 6, 2025 at 4:00 p.m. (ET)** (the “**Bid Deadline**”).

9. If the Debtor receives more than one Qualified Bid for the Assets, the Debtor shall conduct an Auction for the Assets.

10. The Auction, if required, shall take place on **October 8, 2025 at 10:00 a.m. (prevailing Eastern time)**, at the offices of Richards, Layton & Finger, P.A., One Rodney Square, 920 N. King Street, Wilmington, Delaware 19801, or such later date, time and location as designated by the Debtor (in consultation with the Consultation Parties), after providing notice to the following parties: (i) the DIP Lender, (ii) the United States Trustee for the District of Delaware, (iii) the Prepetition Secured Lender, and (iv) counsel to the Committee. In the event that the Auction cannot be held at a physical location, the Auction will be conducted via a virtual meeting (either telephonic or via videoconference) the information to join which virtual meeting shall be provided by the Debtor to each Qualified Bidder prior to the Auction.

11. In the event the Debtor determines not to hold an Auction, the Debtor shall file with the Court, serve on the Sale Notice Parties, and cause to be published on the website maintained by Epiq Corporate Restructuring, LLC, the Debtor's claims and noticing agent in this Chapter 11 Case, located at <https://dm.epiq11.com/case/ags> (the "**Case Website**"), a notice containing the following information (as applicable): (a) a statement that the Auction has been canceled; (b) the identity of the Successful Bidder; (c) either include a copy of the Successful Bid or a summary of the material terms of such bid, including any assumption and assignment of Contracts contemplated thereby, or provide instructions for accessing the Successful Bid free of charge from the Case Website; and (d) the date, time, and location of the Sale Hearing.

12. Only a Qualified Bidder that has submitted a Qualified Bid shall be eligible to participate in the Auction, subject to any other limitations as the Debtor may reasonably impose in accordance with the Bidding Procedures. Qualified Bidders participating in the Auction must attend the Auction personally or through a duly authorized representative. The Debtor may establish a reasonable limit on the number of representatives and/or professional advisors that may appear on behalf of a Qualified Bidder or otherwise attend the Auction.

13. Each Qualified Bidder participating in the Auction will be required to confirm in writing and on the record at the Auction that (i) it has not engaged in any collusion with respect to the submission of any Bid or the Auction and (ii) each Qualified Bid it submits at the Auction is a binding, good faith and bona fide offer to purchase the Assets identified in such Bid.

14. The Debtor shall file a notice identifying the Successful Bidder and Backup Bidder (if selected) (the "**Notice of Successful Bidder**") as soon as reasonably practicable after closing of the Auction, if any, and in any event not later than October 9, 2025. The Notice of Successful Bidder will (i) identify the Successful Bidder and the Backup Bidder; (ii) either include a copy of the Successful Bid and the Backup Bid or a summary of the material terms of such bids, including

any assumption and assignment of Contracts contemplated thereby, or provide instructions for accessing the Successful Bid and the Backup Bid free of charge from the Case Website; and (iii) set forth the date, time, and location of the Sale Hearing and any other relevant dates or other information necessary to reasonably apprise the Sale Notice Parties of the outcome of the Auction.

D. Sale Noticing and Objection Procedures

15. Objections to the sale of the Assets free and clear of liens, claims, interests, and encumbrances pursuant to section 363(f) of the Bankruptcy Code, any of the relief requested in the Motion, and entry of any order approving the sale (the “**Sale Order**”) must (i) be in writing and specify the nature of such objection, (ii) comply with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and all orders of the Court entered in the Chapter 11 Case, (iii) be filed with the Court by (a) **October 6, 2025 at 4:00 p.m. (prevailing Eastern time)** (the “**Sale Objection Deadline**”) or (b) with respect to objections solely related to the identity of the Successful Bidder(s) (other than any Stalking Horse Bidder), the conduct of the Auction, if held, or adequate assurance of future performance by the Successful Bidder(s), by the date that is two (2) days after the filing of the Notice of Successful Bidder (the “**Post-Auction Objection Deadline**”), and (iv) be served upon the Objection Notice Parties and all other parties entitled to notice of same.

16. Any party who fails to file and serve a timely objection by the Sale Objection Deadline or the Post-Auction Objection Deadline, as applicable, in accordance with the terms of this Order shall be forever barred from asserting, at the Sale Hearing or thereafter, any objection to the relief requested in the Motion, or to the consummation or performance of the sale of the Assets, including the transfer of the Assets to the Successful Bidder free and clear of liens, claims, interests, and encumbrances pursuant to section 363(f) of the Bankruptcy Code, and shall be deemed to “consent” to such sale for purposes of section 363(f) of the Bankruptcy Code.

17. The Debtor may file a reply to any objection, if any, by no later than **October 10, 2025 at 4:00 p.m. (ET)**.

18. Consummation of the sale of the Assets pursuant to a Successful Bid shall be subject to Court approval. The Sale Hearing shall be held before the Court on **[October 13], 2025, at [] [].m. (prevailing Eastern Time)**; *provided* that the Debtor may seek an adjournment of the Sale Hearing in accordance with the Bidding Procedures.

19. The Sale Notice, substantially in the form attached hereto as **Exhibit 2**, is approved. Service of the Sale Notice in accordance with the Motion was appropriate under the circumstances, and no other or further notice of the proposed sale of the Assets, the Auction, the Sale Hearing, the Sale Objection Deadline, or the Post-Auction Objection Deadline shall be required; *provided, however*, by no later than three (3) business days after the entry of this Order, the Debtor shall cause the information contained in the Sale Notice to be published once in the national edition of *USA Today*.

E. Assumption and Assignment Procedures

20. The Assumption and Assignment Notice, substantially in the form attached hereto as **Exhibit 3**, is approved, and no other or further notice of the Debtor's proposed Cure Costs with respect to Contracts listed on an Assumption and Assignment Notice is necessary or required.

21. By no later than three (3) business days after the entry of this Order, the Debtor shall file with the Court, serve on the applicable Counterparties (and counsel, if known), and cause to be published on the Case Website, the Assumption and Assignment Notice.

22. Any objection to the Debtor's proposed Cure Costs (each such objection, a "**Cure Objection**") shall (a) be in writing and state, with specificity, the legal and factual bases thereof and include any appropriate documentation in support thereof; (b) be filed with the Court by no later than **October 6, 2025, at 4:00 p.m. (ET)**; and (c) served on the Objection Notice Parties.

23. The Debtor, any Stalking Horse Bidder or, as applicable, the Successful Bidder, and the objecting Counterparty shall first confer in good faith to attempt to resolve a Cure Objection without Court intervention. If the parties are unable to consensually resolve a Cure Objection prior to the commencement of the Sale Hearing, the Court will make all necessary determinations relating to the applicable Cure Costs and Cure Objection at a hearing scheduled at a date and time agreeable by the parties in accordance with paragraph 23 of this Order. If a Cure Objection is resolved in a manner that is not in the best interests of the Debtor and its estate, whether or not such resolution occurs prior to or after the closing of the sale of the Assets, the Debtor, any Stalking Horse Bidder or, as applicable, the Successful Bidder, may determine that any Contract subject to such resolved Cure Objection no longer will be assumed and assigned in connection with the sale of the Assets (subject to the terms of the applicable purchase agreement). All other objections to the Debtor's proposed assumption and assignment of the Debtor's right, title, and interest in, to, and under a Contract shall be heard at the Sale Hearing.

24. If a timely Cure Objection cannot otherwise be resolved by the parties, the Cure Objection may be heard at the Sale Hearing or, at the option of the Debtor, in consultation with the applicable Successful Bidder, be adjourned to a subsequent hearing (each such Cure Objection, an "**Adjourned Cure Objection**"). An Adjourned Cure Objection may be resolved after the closing date of the sale of the Assets. Upon resolution of an Adjourned Cure Objection and the payment of the applicable cure amount, if any, the Contract that was the subject of such Adjourned Cure Objection shall, at the election of the Successful Bidder, and subject to the Debtor's rights set forth in paragraph 22 of this Order, be deemed assumed and assigned to the applicable Successful Bidder as of the closing date of the sale of the Assets.

25. If a Counterparty fails to file with the Court and serve on the Objection Notice Parties a timely Cure Objection, the Counterparty forever shall be barred from asserting any

objection with regard to the cost to cure any defaults under the applicable Contract. The Cure Costs set forth in the applicable Assumption and Assignment Notice shall be controlling and will be the only amount necessary to cure outstanding defaults under the Contract and satisfy the requirements of section 365(b) of the Bankruptcy Code, and the Counterparty to the Contract shall be bound by and deemed to have consented to the Cure Costs.

26. In accordance with the Bidding Procedures, Qualified Bids shall be accompanied by Adequate Assurance Information (as defined in the Bidding Procedures). The Debtor shall use commercially reasonable efforts to, within one day after the Bid Deadline, but, in no event later than one day after the Debtor receives Adequate Assurance Information, serve by email or overnight mail such Adequate Assurance Information on all Counterparties (and counsel, if known) to any Contract that may be assumed by the applicable Qualified Bidder.

27. Any objection to the proposed assumption and assignment of a Contract, the subject of which objection is a Successful Bidder's (or any other relevant assignee's) proposed form of adequate assurance of future performance with respect to the Contract (each such objection, an "**Adequate Assurance Objection**"), shall (a) be in writing and state, with specificity, the legal and factual bases thereof and include any appropriate documentation in support thereof; (b) be filed with the Court by **no later than the date that is one (1) day after the filing of the Notice of Successful Bidder**; and (c) be served on the Objection Notice Parties.

28. The Debtor, the applicable Successful Bidder, and a Counterparty that has filed an Adequate Assurance Objection shall first confer in good faith to attempt to resolve the Adequate Assurance Objection without Court intervention. If the parties are unable to consensually resolve the Adequate Assurance Objection prior to the commencement of the Sale Hearing, the Adequate Assurance Objection and all issues of adequate assurance of future performance of the applicable

Successful Bidder (or any other relevant assignee) shall be determined by the Court at the Sale Hearing.

29. If a Counterparty fails to file with the Court and serve on the Objection Notice Parties a timely Adequate Assurance Objection, the Counterparty shall be forever barred from asserting any objection to the assumption and/or assignment of a Contract with regard to adequate assurance of future performance. The applicable Successful Bidder (or any other relevant assignee) shall be deemed to have provided adequate assurance of future performance with respect to a Contract in accordance with Bankruptcy Code sections 365(b)(1)(C), 365(f)(2)(B), and, if applicable, Bankruptcy Code section 365(b)(3), notwithstanding anything to the contrary in the Contract or any other document.

30. As soon as reasonably practicable after the closing of the sale of the Assets, the Debtor shall file with the Court, serve on the applicable Counterparties, and cause to be published on the Case Website, a notice containing the list of Contracts that the Debtor assumed and assigned pursuant to any asset purchase agreement with the Successful Bidder.

31. The inclusion of a Contract or Cure Costs with respect to any Contract on any Assumption and Assignment Notice, shall not constitute or be deemed a determination or admission by the Debtor, any Stalking Horse Bidder, the Successful Bidder, or any other party that such Contract is an executory contract or an unexpired lease within the meaning of the Bankruptcy Code, and shall not be a guarantee that such Contract ultimately will be assumed or assigned. The Debtor reserves all of its rights, claims, and causes of action with respect to each Contract listed on any Assumption and Assignment Notice.

32. Without limiting any party's right to obtain such information earlier, any Stalking Horse Bidder shall submit to the Consultation Parties, on or before the Bid Deadline, a list of the

Contracts that, as of the Bid Deadline, such Stalking Horse Bidder proposes to be assumed and assigned by the Debtor in connection with the sale of the Assets.

F. Other Related Relief

33. Notwithstanding anything to the contrary contained in this Order or otherwise: (i) the DIP Lender's rights under the DIP Orders and the other DIP Documents, including its rights regarding the Sale or other disposition of any portion of the DIP Collateral (as defined in the DIP Orders) are hereby expressly reserved and not modified, waived or impaired in any way by this Order; (ii) all cash proceeds generated from the Sale or other disposition of any portion of the DIP Collateral, including, without limitation, any Assets, shall be paid to the DIP Lender upon the closing of such Sale or other disposition for permanent application against any outstanding DIP Obligations (as defined in the DIP Orders) until such time as all DIP Obligations have been paid in full in cash in accordance with the terms and conditions of the DIP Orders and the DIP Documents; and (iii) nothing in this Order is intended to, or shall be deemed to, modify, waive, or impair any of the provisions of the DIP Orders and the DIP Documents, or the rights and obligations of the Debtor, the DIP Lender, or any other party in interest thereunder.

34. Notwithstanding anything to the contrary contained herein or in the Bidding Procedures, nothing in this Order or the Bidding Procedures shall (i) waive the DIP Lender's right to credit bid (any such credit bid, a "**DIP Credit Bid**") any portion of, and up to the full amount of, the value of the DIP Obligations with respect to any individual Asset, any portion of the Assets, or all Assets, in each case constituting DIP Collateral by which the DIP Obligations are secured; (ii) be construed as a waiver of, or a finding that any credit bid satisfies the requirements of, section 363(k) of the Bankruptcy Code; or (iii) prejudice any party in interest's rights to object to a credit bid on any basis (subject to the limitations set forth in the DIP Orders), or any other party's right to oppose such objection.

35. If a Bid (including a DIP Credit Bid) is submitted by, or on behalf of, the DIP Lender, (a) such Bid shall be deemed a Qualified Bid in all respects and notwithstanding the fact that such Bid might not satisfy some or all of the requirements or conditions for a Bid to constitute a Qualified Bid, (b) the DIP Lender and/or the person or entity submitting the Bid on its behalf (including any agent or other representative for the DIP Lender) shall be deemed a Qualified Bidder, (c) the DIP Lender and/or the person or entity submitting the Bid on their behalf (including any agent or other representative for the DIP Lender) shall not be required to provide a Deposit, and (d) any Bid (including a DIP Credit Bid) submitted by, or on behalf of, the DIP Lender need only be a written notice that specifies (either specifically or generally) the amount of the DIP Obligations and/or other consideration that are the subject of such Bid and the Assets that are the subject of such Bid.

36. Upon consummation of a sale pursuant to a DIP Credit Bid, or consummation of any Bid submitted by, or on behalf of, the DIP Lender, the DIP Lender shall not be required to take title to or ownership of, or have any obligation in connection with (in each case, legal, equitable, or otherwise), or be deemed to have taken title to or ownership of, or have any obligation in connection with (in each case, legal, equitable, or otherwise), any individual Asset, portion of the Assets, or all of the Assets, and the DIP Lender shall have the right to designate any person or entity that shall take title to the individual Asset, portion of the Assets, or all of the Assets that are subject to the applicable DIP Credit Bid or Bid.

37. In the event of a breach or failure to consummate a Sale by the Successful Bidder or the Backup Bidder, as applicable, the defaulting Successful Bidder's Deposit or Backup Bidder's Deposit, as applicable, shall be forfeited to the Debtor and its estate, constitute DIP Collateral and be subject to the DIP Liens (as defined in the DIP Orders), and all rights of the

Debtor and its estate are specifically reserved to seek all available remedies against the defaulting Successful Bidder or Backup Bidder, as applicable.

38. All persons and entities that participate in the Auction or bidding for the Assets during the Sale Process shall be deemed to have knowingly and voluntarily (i) consented to the core jurisdiction of the Court to enter any order related to the Bidding Procedures, the Auction, or any other relief requested in the Motion or granted in this Order; (ii) waived any right to a jury trial in connection with any disputes relating to the Bidding Procedures, the Auction, or any other relief requested in the Motion or granted in this Order; and (iii) consented to the entry of a final order or judgment in connection with any disputes relating to the Bidding Procedures, the Auction, or any other relief requested in the Motion or granted in this Order, if it is determined that the Court would lack Article III jurisdiction to enter such a final order or judgment absent the consent of the relevant parties.

39. Nothing in this Order, or any of the Exhibits hereto, shall prevent the Debtor from exercising its fiduciary duties in consummating or otherwise pursuing an alternative transaction, including, but not limited to, nothing herein shall obligate the Debtor to consummate or pursue any transaction with respect to any asset with a Qualified Bidder.

40. Notwithstanding the applicability of any of Bankruptcy Rules 6004(h), 6006(d), 7062, 9014, or any other provisions of the Bankruptcy Rules or the Local Rules stating to the contrary, the terms and provisions of this Order shall be immediately effective and enforceable upon its entry, and any applicable stay of the effectiveness and enforceability of this Order is hereby waived.

41. The Debtor is authorized to take all steps necessary or appropriate to implement the relief granted in this Order.

42. This Court shall retain jurisdiction over any and all matters arising from or related to the implementation or interpretation of this Order.

Exhibit 1

Bidding Procedures

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

ALACHUA GOVERNMENT SERVICES, INC.,

Debtor¹

Chapter 11

Case No. 25-11289 (JKS)

BIDDING PROCEDURES

On July 6, 2025 (the “Petition Date”), the above captioned debtor and debtor in possession (the “Debtor”) filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), in the United States Bankruptcy Court for the District of Delaware (this “Court”), commencing the above-captioned chapter 11 case (the “Chapter 11 Case”).

On September __, 2025, the Court held a hearing (the “Bidding Procedures Hearing”) on the *Motion of the Debtor for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of the Debtor’s Real and Personal Property Assets in Alachua, Florida, (B) Authorizing the Debtor to Designate a Stalking Horse Bidder and to Provide Bidding Protections, (C) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (D) Approving Assumption and Assignment Procedures, (E) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof and (F) Granting Related Relief; and (II)(A) Approving the Sale of the Debtor’s Real and Personal Property Assets in Alachua, Florida Free and Clear of Liens, Claims, Interests and Encumbrances, (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases and (C) Granting Related Relief* [Docket No. [●]] (the “Bidding Procedures Motion”).

On September __, 2025, the Court entered an order [Docket No. [●]] (the “Bidding Procedures Order”),² which authorized, among other things, the Debtor to solicit bids in accordance with the procedures outlined herein (collectively, the “Bidding Procedures”) for a sale or disposition (a “Sale Transaction,” and collectively, the “Sale”) of all or any portion for the Assets (as defined below).

The Bidding Procedures sets forth the process by which the Debtor is authorized and directed to solicit the highest or otherwise best Bid (as defined below) for all or any portion of the Debtor’s real and personal property assets in Alachua, Florida (the “Assets”), culminating in an auction (the “Auction”) solely if competing Qualified Bids (as defined below) are received. The Sale is contemplated to be implemented pursuant to the terms and conditions of the

¹ The Debtor in this Chapter 11 Case, along with the last four digits of its federal tax identification number, is Alachua Government Services, Inc. (5370). The Debtor’s mailing address is 13200 NW Nano Court, Alachua, Florida 32615.

² Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Bidding Procedures Motion or the Bidding Procedures Order.

applicable asset purchase agreement(s) upon the receipt of a Successful Bid (as defined below) that the Debtor has determined, in its business judgment and in consultation with the Consultation Parties (as defined below) is the highest and otherwise best offer for the Assets in accordance with the Bidding Procedures.

Copies of the Bidding Procedures Order and any other documents in the Debtor's Chapter 11 Case are available at the Debtor's Chapter 11 Case website:

<https://dm.epiq11.com/case/ags>

or upon request to the following:

Jefferies LLC ("Jefferies")

520 Madison Avenue

New York, NY 10022

Attn: Michael O'Hara, Kevin Murray

Email: Project.Ace.2025.RX@Jefferies.com

Tel.: +1(212) 323-3998

KEY DATES

The key dates for the sale process are as follows. The Debtor, in consultation with the Consultation Parties, may extend any of the deadlines, or delay any of the applicable dates, set forth herein or in the Bidding Procedures Order.

Proposed Date	Event
September 22, 2025	Deadline for Debtor to file and serve Sale Notice
Three (3) business days after the entry of the Bidding Procedures Order	Deadline for Debtor to file and serve Assumption and Assignment Notice
October 6, 2025, at 4:00 p.m. (ET)	Sale Objection Deadline and Cure Objection Deadline
October 6, 2025, at 4:00 p.m. (ET)	Bid Deadline
October 8, 2025, at 10:00 a.m. (ET), at the Offices of Richards, Layton & Finger, P.A., Wilmington, Delaware	Auction

Proposed Date	Event
October 9, 2025	Deadline for Debtor to file and serve Notice of Successful Bidder
One (1) Day After Filing of the Notice of Successful Bidder	Post-Auction Objection Deadline and Adequate Assurance Objection Deadline
October 10, 2025 at 4:00 p.m. (ET)	Debtor's Deadline to Reply to Objections
October 13, 2025, subject to the availability of the Court	Sale Hearing
October 15, 2025	Deadline to consummate approved Sale Transaction

PARTICIPATION REQUIREMENTS

1. Prospective Bidders

In order to participate in the bidding process or otherwise be considered for any purpose hereunder, a person or entity interested in the Assets or any portion thereof (other than a Stalking Horse Bidder) (an “Interested Party”) must deliver to the investment banker to the Debtor, Jefferies LLC, 520 Madison Avenue, New York, NY 10022, Attn: Michael O’Hara, Kevin Murray (Project.Ace.2025.RX@Jefferies.com), the following documents and information (collectively, the “Preliminary Bid Documents”):

- (a) the identification of the Interested Party and any principals and representatives thereof (including counsel), including by identifying those principals and representatives who are authorized by the Interested Party to appear and act on such Interested Party’s behalf for all purposes under the Bidding Procedures regarding the Interested Party’s contemplated Sale Transaction;
- (b) a description of any and all connections that the Interested Party (including its affiliates and any related persons) may have to (a) the Debtor, (b) any current or former directors and officers of the Debtor, (c) the Debtor’s non-Debtor affiliates, and (d) the Debtor’s primary creditors as identified by the Debtor;
- (c) preliminary proof of such Interested Party’s financial capacity to close a proposed Sale Transaction, which may include current unaudited or verified financial statements of, or verified financial commitments obtained by, such Interested Party (or, if the Interested Party is an entity formed for the purpose of acquiring

all or a portion of the Assets, the party that will bear liability for a breach by the Interested Party of an asset purchase agreement or other agreement entered into in respect of the proposed Sale Transaction) the adequacy of which the Debtor will determine in its sole discretion; and

- (d) an executed confidentiality agreement in form and substance acceptable to the Debtor (a “Confidentiality Agreement”).³

Each Interested Party shall comply with all reasonable requests for information from the Debtor regarding the ability of such Interested Party to consummate its contemplated Sale Transaction.

If the Debtor, in consultation with its advisors and the Consultation Parties, determines that an Interested Party has timely delivered adequate Preliminary Bid Documents, such Interested Party shall be eligible to receive due diligence information as described below (each such Interested Party after timely delivering adequate Preliminary Bid Documents, a “Prospective Bidder”); *provided* that the Debtor will notify any Interested Party that has not submitted adequate Preliminary Bid Documents so that such Interested Party has the opportunity to remedy any inadequacies and become a Prospective Bidder. The Debtor, in consultation with its advisors and the Consultation Parties, will determine and notify each Interested Party whether it has submitted adequate Preliminary Bid Documents.

2. Due Diligence

Only Prospective Bidders, a Stalking Horse Bidder and the DIP Lender shall be eligible to receive due diligence information and reasonable access to the Debtor’s confidential electronic data room concerning the Assets (the “Data Room”). The Debtor, with the aid of its advisors, shall coordinate all reasonable requests from Prospective Bidders for additional information and due diligence access; *provided* that the Debtor may withhold or limit the access of any Prospective Bidder (including its affiliates and any related persons) to the Data Room or other due diligence materials at any time and for any reason, including, without limitation, if (a) any due diligence information is determined to be business sensitive, proprietary, or otherwise not appropriate for disclosure to a Prospective Bidder by the Debtor, (b) the Prospective Bidder does not become, or the Debtor determines the Prospective Bidder is not likely to become, a Qualified Bidder (as defined below), (c) the Prospective Bidder violates the terms of its Confidentiality Agreement, (d) the Debtor becomes aware that the information set forth in the Preliminary Bid Documents is inaccurate or misleading or of any other reason to doubt such Prospective Bidder’s ability to close its contemplated transaction, (e) the Prospective Bidder (including its affiliates and any related persons) uses information obtained from the Data Room or the diligence process in connection with, or related to, any litigation or other legal action related to the Debtor, (f) such disclosure would jeopardize protections afforded the Debtor or primary creditor as identified by the Debtor under the attorney-client privilege or the attorney work product doctrine, or (g) the bidding process is terminated in accordance with its terms.

³ Interested Parties may obtain a copy of a Confidentiality Agreement by requesting a copy from the Debtor’s counsel, Richards, Layton & Finger, P.A. (Attn: Michael J. Merchant (merchant@rlf.com) and Amanda R. Steele (steele@rlf.com)).

Notwithstanding any prepetition limitations, including, without limitation, any non-disclosure, confidentiality, or similar provisions relating to any due diligence information, the Debtor and its estate will be authorized to provide due diligence information to each Prospective Bidder that has delivered an executed Confidentiality Agreement. Notwithstanding anything to the contrary herein, the Debtor reserves the right to withhold any diligence materials that the Debtor believes in good faith and in the exercise of its business judgment are sensitive or otherwise not appropriate for disclosure.

Each Interested Party or Prospective Bidder shall comply with all reasonable requests by the Debtor or its advisors with respect to information, documentation, and due diligence access regarding such Interested Party or Prospective Bidder, as applicable, and its contemplated Sale Transaction.

The due diligence period will end on the Bid Deadline (as defined below) and, subsequent to the Bid Deadline, the Debtor shall have no obligation to furnish any due diligence information. Additional due diligence will not be provided after the Bid Deadline, unless otherwise deemed reasonably appropriate by the Debtor in consultation with the Consultation Parties.

The Debtor has designated Jeffries to coordinate all reasonable requests for additional information and due diligence access. Contact information for Jeffries is as follows:

Jefferies LLC and Jefferies International Limited
Attn: Michael O'Hara (michael.ohara@jefferies.com) and Kevin Murray
(kevin.murray@jefferies.com)

3. No Communications Among Bidders

There shall be no communications regarding the Debtor's sale process between and among Prospective Bidders or between Prospective Bidders and/or Qualified Bidders, on the one hand, and the Consultation Parties, on the other hand, unless the Debtor has previously authorized such communication in writing (email being sufficient) and that any communications authorized by the Debtor, in accordance with this paragraph, shall require such parties to include a representative (identified by the Debtor or the Debtor's advisors in the writing authorizing such communications) be copied or included in all such communications; provided that nothing in this paragraph or any Confidentiality Agreement shall preclude (a) a Stalking Horse Bidder or the DIP Lender from communicating with the Debtor or the other Consultation Parties, (b) the Stalking Horse Bidder or the DIP Lender from communicating with other Interested Parties and/or Prospective Bidders, in each case that are affiliates of such Stalking Horse Bidder or the DIP Lender, or (c) prohibit any communications between the Interested Parties and/or Prospective Bidders or between Interested Parties and/or Prospective Bidders, on the one hand, and the Consultation Parties, on the other hand, about matters unrelated to the Debtor's Sale process, and (d) receiving an inbound communication from a third party and responding that communications are not permissible absent authorization by the Debtor. The Debtor reserves the right, in its reasonable business judgment and in consultation with the Consultation Parties, to disqualify any Prospective Bidders (other than a Stalking Horse Bidder or the DIP Lender) that

have communications between and among themselves, or with a Consultation Party, without the Debtor's written consent.

STALKING HORSE DESIGNATION PROCEDURES

The Stalking Horse Designation procedures set forth in paragraph 6 of the Bidding Procedures Order apply to the designation of any Stalking Horse Agreements, Stalking Horse Bidder, and Bid Protections.

Any Stalking Horse Agreement executed by the Debtor and the transactions contemplated thereby will be deemed a Qualified Bid for all purposes, and any Stalking Horse Bidder party to a Stalking Horse Agreement executed by the Debtor will be deemed to be a Qualified Bidder.

Other than as provided by order of the Court, no party submitting a Bid shall be entitled to a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation. Any substantial contribution claims by any Bidder are deemed waived, to the extent based on solely on such Bidder's submission of a Bid hereunder.

QUALIFIED BID REQUIREMENTS

To be eligible to participate in the Auction, each offer, solicitation, or proposal to acquire the Assets (each, a "Bid"), other than a Stalking Horse Bid, must be delivered or transmitted via email (in pdf or similar format) so as to be **actually received** by Jefferies no later than **4:00 p.m. (prevailing Eastern time) on October 6, 2025** (the "Bid Deadline"), or such other date as may be agreed to by the Debtor in accordance with the terms hereof.

In order to constitute a Qualified Bid (as defined below), a Bid must satisfy each of the following conditions:

1. **Irrevocability of Bid.** The Bid must include a letter stating that the Prospective Bidder's offer is irrevocable and binding until the closing of the Sale if such Prospective Bidder is the Successful Bidder, and that the Prospective Bidder agrees to serve as a Backup Bidder (as defined below) if such bidder's Bid is selected as the next highest or otherwise next best bid after the Successful Bid (as defined below).
2. **Assets and Liabilities.** The Bid must clearly identify the following: (a) the Assets to be purchased and (b) the liabilities and obligations to be assumed, including any indebtedness to be assumed, if any.
3. **Designation of Assigned Contracts and Leases.** The Bid must identify any and all executory contracts and unexpired leases of the Debtor that the bidder wishes to be assumed and assigned to the bidder at closing. The Bid must confirm that the bidder will be responsible for any Cure Costs associated with such assumption and include a good faith estimate of such Cure Costs (which estimate may be provided by the Debtor).

4. **Purchase Price.** The Bid must clearly set forth the cash purchase price, and any other non-cash consideration (with the form of such consideration specified), to be paid.
5. **Minimum Bid.** Each Bid must either (a) (i) provide for the payment of aggregate consideration, in the Debtor's good-faith business judgment, the value of which is in excess of at least the sum of (x) the purchase price under a Stalking Horse Agreement plus (y) any Bid Protections approved by the Court and clear the minimum Overbid (as defined below) amount which shall be made in increments of at least \$250,000 in cash, cash equivalents, or such other consideration that the Debtor deems equivalent (in consultation with the Consultation Parties); or (b) propose an alternative transaction that, after consultation with the Consultation parties, in the Debtor's good faith business judgment, provides higher value or better terms than a Stalking Horse Bid. The Debtor and its advisors may determine appropriate minimum Bid increments for each round of bidding. Notwithstanding anything to the contrary herein, this requirement cannot be amended or modified without the consent of the DIP Lender.
6. **Deposit.** Each Bid (except for a DIP Credit Bid) must be accompanied by a good faith deposit in the form of cash in an amount equal to not less than ten percent (10%) of the aggregate purchase price of the Bid to be held in an escrow account to be identified and established by the Debtor (the "Deposit"). For the avoidance of doubt, to the extent the Purchase Price of a Bid is increased, at any time or from time to time, whether prior to commencement of the Auction (if any) or during the Auction (if any), the amount of the Deposit shall automatically increase accordingly (i.e., to become equal to ten percent (10%) of any increased Purchased Price) and the corresponding bidder will promptly pay into escrow the amount of such increase, within one (1) business day, following such increase. Without limiting the foregoing, if a Purchase Price is increased in order to make a bid into a Qualified Bid, the Debtor may condition participation of the applicable bidder at the Auction (if any) on such bidder paying the then full amount of the Deposit into escrow prior to the commencement of such Auction or such participation.⁴
7. **Asset Purchase Agreement.** Each Bid must include duly executed, non-contingent transaction documents necessary to effectuate the transactions contemplated in the Bid (the "Bid Documents"). The Bid Documents shall include a copy of the asset purchase agreement, including a complete set of all disclosure schedules and exhibits thereto, and marketed against, either the form asset purchase agreement to be provided by the Debtors to Prospective Bidders (the "Form APA") or, if applicable, the Stalking Horse Agreement, to reflect the proposed sale transaction and to show any other proposed modifications to the

⁴ For the avoidance of doubt, the liens granted to the DIP Lender in this chapter 11 case, as set forth in the *Final Order (A) Authorizing Debtor to (I) Obtain Postpetition Financing and (II) Use Cash Collateral, (B) Granting Liens and Providing Claims With Superpriority Administrative Expense Status, (C) Granting Adequate Protection, (D) Modifying Automatic Stay, and (E) Granting Related Relief* [Docket No. 141] (the "DIP Order"), shall attach to any and all of the Debtor's and the estate's rights and interests in the Deposit.

Form APA or Stalking Horse Agreement, as applicable, as well as all other material documents integral to such Bid.

8. **Adequate Assurance Information.** The Bid must include sufficient financial or other information (the “Adequate Assurance Information”) to establish adequate assurance of future performance with respect to any lease or contract to be assigned to the Qualified Bidder (as defined below) in connection with the proposed Sale which shall include (i) audited and unaudited financial statements, (ii) tax returns, (iii) bank account statements, (iv) a description of the manner in which the Bidder plans to capitalize and manage the business going forward, and (v) any such other documentation or information as the Debtor may request (the foregoing clauses (i)-(v) and/or such other documentation and information satisfactory to the Debtor to demonstrate an Prospective Bidder’s adequate assurance of future performance, collectively, the “Adequate Assurance Package”). The Bid shall also identify a contact person (with relevant contact information) that counterparties to any lease or contract can contact to obtain additional Adequate Assurance Information. The Adequate Assurance Package must be submitted to the Debtor and its advisors at the time of the Bid’s submission in its own compiled pdf document. Any requests made by the Debtor or its advisors thereafter for further or supplemental information or documentation must be promptly provided to the Debtor and its advisors.
9. **Proof of Financial Ability to Perform.** Each Bid must include written evidence that the Debtor reasonably concludes that the bidder has the necessary financial ability to timely close the proposed Sale Transaction in accordance with the Bidding Procedures. Such information must include (i) contact names, telephone numbers, and email addresses for verification of financing sources; (ii) evidence of the bidder’s internal financing resources and, if applicable, proof of fully executed and effective financing commitments with limited conditionality customary for transactions of the proposed Sale Transaction’s type from one or more reputable financing sources in an aggregate amount equal to the Cash portion of such Bid (including, if applicable, the payment of Cure Costs), in each case, as are required to timely close the Sale Transaction; (iii) any other financial disclosure or credit-quality support information or enhancement requested by the Debtor demonstrating that such bidder has the ability to timely close the proposed Sale Transaction in accordance with the Bidding Procedures.
10. **Contingencies; No Financing or Diligence Outs.** A Bid shall not be conditioned on the obtaining or the sufficiency of financing or any internal approval, or on the outcome or review of due diligence.
11. **Identity.** The Bid must fully disclose the identity of the party submitting the Bid (and any equity holders, limited partners, or other financial backer), its full legal name, jurisdiction of incorporation or formation, and location in the Prospective Bidder’s corporate structure and the representatives thereof who are authorized to appear and act on its behalf for all purposes regarding the contemplated Sale.

12. **As-Is, Where-Is.** The Bid must include the following representations and warranties: (a) a statement expressly confirming that the Prospective Bidder has had an opportunity to conduct any and all due diligence regarding the Assets prior to submitting its Bid, (b) a statement that the Prospective Bidder has relied solely upon its own independent review, investigation, and/or inspection of any relevant documents and the Assets 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, by the Debtor, Jeffries, or the Debtor's advisors regarding the Debtor's business or the Assets or the completeness of any information provided in connection therewith, except, solely with respect to the Debtor, as expressly stated in the representations and warranties contained in the Prospective Bidder's proposed asset purchase agreement ultimately accepted and executed by the Debtor; and (c) the Prospective Bidder's agreement to not use information obtained from the Data Room or the diligence process in connection with, or related to, any litigation or other legal actions between such Prospective Bidder (including its affiliates and any related persons) and the Debtor, any current or former directors and officers of the Debtor, the Debtor's affiliates, and/or the Debtor's primary creditors as identified by the Debtor.
13. **Authorization.** The Bid must include evidence that the Prospective Bidder has obtained authorization or approval from its board of directors (or comparable governing body) acceptable to the Debtor with respect to the submission, execution, and delivery of its Bid and Bid Documents, participation in the Auction, and closing of the proposed transaction(s) contemplated in such Bid. The Bid shall further state that any necessary filings under applicable regulatory, antitrust, and other laws will be made in a timely manner and that payment of the fees associated therewith shall be made by the Prospective Bidder.
14. **Disclaimer of Fees.** Each Bid (other than a Stalking Horse Bid) must disclaim any right to receive a fee analogous to a break-up fee, expense reimbursement, "topping" or termination fee, or any other similar form of compensation. For the avoidance of doubt, no Qualified Bidder (other than a Stalking Horse Bidder) will be permitted to request, nor be granted by the Debtor, at any time, whether as part of the Auction or otherwise, a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation, and by submitting its Bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis, including under §503(b) of the Bankruptcy Code.
15. **Time Frame for Closing.** A Bid by a Prospective Bidder must be reasonably likely (based on antitrust or other regulatory issues, experience, and other considerations in the Debtor's business judgment) to be consummated, if selected as the Successful Bid, within a time frame reasonably acceptable to the Debtor (in consultation with the Consultation Parties) and, in any event, by the Sale Consummation Deadline. The Prospective Bidder must commit to closing the proposed Sale(s) contemplated by the Bid as soon as practicable and provide perspective on any potential regulatory issues that may arise in connection with

such Prospective Bidder's acquisition of the Assets including timing for resolution thereof.

16. **Adherence to Bidding Procedures.** Each Bid must include (a) a statement that the Prospective Bidder has acted in good faith consistent with §363(m) of the Bankruptcy Code and (b) a statement that the Prospective Bidder agrees to be bound by, and has complied with, the Bidding Procedures.
17. **Joint Bids.** The Debtor is authorized to approve joint bids, in the exercise of its business judgment and in consultation with the Consultation Parties on a case-by-case basis; *provided* that the foregoing is subject to the restrictions on communications among bidders set forth herein, and that the Debtor authorizes any joint bids in writing (email being sufficient).
18. **No Collusion.** The Prospective Bidder must acknowledge in writing that (a) in connection with submitting its Bid, it has not engaged in any collusion that would be subject to §363(n) of the Bankruptcy Code with respect to any Bids or the Sale, specifying that it did not agree with any Prospective Bidders or Qualified Bidders to control price and (b) it agrees not to engage in any collusion that would be subject to §363(n) of the Bankruptcy Code with respect to any Bids, the Auction, or the Sale.
19. **Other Information.** The Bid contains such other information as may be reasonably requested by the Debtor.

A Bid received that meets the above requirements, as determined by the Debtor, in consultation with its advisors and the Consultation Parties, in the Debtor's reasonable business judgment will constitute a "Qualified Bid" for the Assets (and the Prospective Bidder submitting such Qualified Bid will constitute a "Qualified Bidder"); *provided* that, if the Debtor receives a Bid that does not meet the requirements for a Qualified Bid, the Debtor may provide the Prospective Bidder with the opportunity to remedy any deficiencies before the Auction in order to render such Bid a Qualified Bid; *provided, further*, that, if any Qualified Bidder fails to comply with reasonable requests for additional information and due diligence access requested by the Debtor to the satisfaction of the Debtor, the Debtor may, after consulting with the Consultation Parties, disqualify any Qualified Bidder and Qualified Bid and such Qualified Bidder will not be entitled to attend or participate in the Auction. The Debtor may also, after consulting with the Consultation Parties, waive or modify any of the above requirements in the exercise of its reasonable business judgment.

The Debtor reserves the right, in the exercise of its business judgment and in consultation with the Consultation Parties, to (A) work with Prospective Bidders to aggregate two or more Bids into a single consolidated Bid prior to the Bid Deadline and (B) Qualified Bidders to aggregate two or more Qualified Bids into a single Qualified Bid prior to the conclusion of the Auction (if any); *provided, however*, that the Debtor reserves the right, in the exercise of its business judgment, to condition any pairing or combination of Bids as set forth in this paragraph on conditions, pertaining to the ultimate disposition of any Assets sought by the relevant Bid(s) or otherwise, as the Debtor believes, in consultation with its advisors and the Consultation

Parties, is in the best interests of the Debtor and its estate.

Notwithstanding anything to the contrary in the Bidding Procedures, a Stalking Horse Bidder shall be deemed to be a Qualified Bidder, and the Stalking Horse Agreement shall be deemed to be a Qualified Bid, such that the Stalking Horse Bidder shall not be required to submit an additional Qualified Bid. If the Stalking Horse Agreement is chosen as the Successful Bid, the rights and obligations of the Stalking Horse Bidder shall be as set forth in the Stalking Horse Agreement.

QUALIFIED BIDDERS

Prior to the commencement of the Auction, the Debtor shall notify each Prospective Bidder whether such party is a Qualified Bidder. Promptly upon designating the Qualified Bidders, the Debtor shall provide the Adequate Assurance Information received from the applicable Qualified Bidder to the Consultation Parties pursuant to such Qualified Bidder's proposed transaction. If any Bid is determined by the Debtor (in consultation with the Consultation Parties) not to be a Qualified Bid, the Debtor will refund such Prospective Bidder's Deposit on or before the date that is five (5) business days after the Bid Deadline.

Between the date that the Debtor notifies a Prospective Bidder that it is a Qualified Bidder and the Auction, the Debtor may discuss, negotiate, or seek clarification of any Qualified Bid from a Qualified Bidder. Without the prior written consent of the Debtor (email being sufficient), a Qualified Bidder may not modify, amend, or withdraw its Qualified Bid, except for proposed amendments to increase the consideration contemplated by, or otherwise improve the terms of, the Qualified Bid, during the period that such Qualified Bid remains binding as specified in the Bidding Procedures; *provided* that any Qualified Bid may be improved at the Auction as set forth herein. Any improved Qualified Bid must continue to comply with the requirements for Qualified Bids set forth in the Bidding Procedures.

Each Qualified Bidder shall comply with all reasonable requests for additional information and due diligence access requested by the Debtor or its advisors regarding the ability of such Qualified Bidder to consummate its contemplated transaction. Failure by a Qualified Bidder to comply with such reasonable requests for additional information and due diligence access may be a basis for the Debtor to determine that such bidder is no longer a Qualified Bidder or that a Bid made by such bidder is not a Qualified Bid.

The Debtor, in consultation with the Consultation Parties, will evaluate whether a Bid constitutes a Qualified Bid using any and all factors that the Debtor deems reasonably pertinent, including, without limitation, (i) the amount of the purchase price set forth in the Bid, (ii) the risks and timing associated with consummating a sale transaction(s) with the Prospective Bidder, (iii) any Assets included in or excluded from the Bid, including any proposed assumed contracts or leases; (iv) any liabilities and obligations assumed as part of the Bid, (v) the ability to obtain any and all necessary regulatory approvals for the proposed sale transaction, (vi) the net benefit to the Debtor's estate, and (vii) the tax consequences of such Bid.

If no Qualified Bids, other than a Stalking Horse Bid, are received by the Bid Deadline, then the Auction will not occur, and such Stalking Horse Bidder shall be deemed the Successful

Bidder, and the Debtor shall pursue entry of an order by the Court, in form and substance acceptable to the Stalking Horse Bidder, approving the Stalking Horse Agreement and authorizing the Sale to the Stalking Horse Bidder at the Sale Hearing (as defined below).

If a Bid (including a DIP Credit Bid) is submitted by, or on behalf of, the DIP Lender, (a) such Bid shall be deemed a Qualified Bid in all respects and notwithstanding the fact that such Bid might not satisfy some or all of the requirements or conditions for a Bid to constitute a Qualified Bid, (b) the DIP Lender and/or the person or entity submitting the Bid on its behalf (including any agent or other representative for the DIP Lender) shall be deemed a Qualified Bidder, (c) the DIP Lender and/or the person or entity submitting the Bid on their behalf (including any agent or other representative for the DIP Lender) shall not be required to provide a Deposit, and (d) any Bid (including a DIP Credit Bid) submitted by, or on behalf of, the DIP Lender need only be a written notice that specifies (either specifically or generally) the amount of the DIP Obligations and/or other consideration that are the subject of such Bid and the Assets that are the subject of such Bid.

AUCTION

If one or more Qualified Bids is received by the Bid Deadline, the Debtor will conduct the Auction with respect to the Assets. If the Debtor does not receive any Qualified Bids (other than a Stalking Horse Bid), the Debtor will not conduct the Auction and will designate such Stalking Horse Agreement as the Successful Bid.

Prior to the commencement of the Auction, the Debtor will notify all Qualified Bidders of the highest or otherwise best Qualified Bid, as determined in the Debtor's reasonable business judgment (in consultation with the Consultation Parties) (the "Baseline Bid"), and provide copies of the Bid Documents supporting the Baseline Bid to all Qualified Bidders. The determination of which Qualified Bid constitutes the Baseline Bid and which Qualified Bid constitutes the Successful Bid shall take into account any factors the Debtor (in consultation with the Consultation Parties) reasonably deem relevant to the value of the Qualified Bid to the Debtor's estate, including, among other things, the following: (i) the amount and nature of the consideration, including any obligations to be assumed; (ii) the executory contracts and unexpired leases of the Debtor, if any, for which assumption and assignment or rejection is required, and the costs and delay associated with any litigation concerning executory contracts and unexpired leases necessitated by such bid; (iii) the number, type, and nature of any changes to a Stalking Horse Agreement, if any and as applicable, requested by each Qualified Bidder; (iv) the extent to which such modifications are likely to delay closing of the sale of the Assets and the cost to the Debtor of such modifications or delay; (v) the likelihood of the Qualified Bidder being able to close the proposed transaction (including obtaining any required regulatory approvals) and the timing thereof; (vi) the net benefit to the Debtor's estate; and (vii) the tax consequences of such Qualified Bid.

The Auction shall take place on **October 8, 2025 at 10:00 a.m. (prevailing Eastern time)**, at the offices of Richards, Layton & Finger, P.A., One Rodney Square, 920 N. King Street, Wilmington, Delaware 19801, or such later date, time and location as designated by the Debtor (in consultation with the Consultation Parties), after providing notice to the following parties (collectively, the "Notice Parties"): (i) the DIP Lender and its counsel, (ii) the United

States Trustee for the District of Delaware, (iii) the Prepetition Secured Lender, and (iv) counsel to the official committee of unsecured creditors appointed in the Chapter 11 Case (the “Committee”). In the event that the Auction cannot be held at a physical location, the Auction will be conducted via a virtual meeting (either telephonic or via videoconference) the information to join which virtual meeting shall be provided by the Debtor to each Qualified Bidder prior to the Auction.

I. Participation and Attendees

The Debtor, with the assistance of its advisors, shall direct and preside over the Auction. At the start of the Auction, the Debtor shall describe the terms of the Baseline Bid. All incremental Bids made thereafter shall be Overbids and shall be made and received on an open basis, and all material terms of each Overbid shall be fully disclosed to all other Qualified Bidders. The Debtor shall maintain a written transcript of the Auction and of all Bids made and announced at the Auction, including the Baseline Bid, all Overbids, and the Successful Bid.

Only Qualified Bidders that have submitted Qualified Bids by the Bid Deadline are eligible to participate in the Auction, subject to other limitations as may be reasonably imposed by the Debtor (in consultation with the Consultation Parties) in accordance with the Bidding Procedures. Qualified Bidders participating in the Auction must appear in person (or through a duly authorized representative), telephonically, or through a video teleconference.

Each Qualified Bidder participating in the Auction will be required to confirm in writing and on the record at the Auction that (i) it has not engaged in any collusion with respect to the submission of any Bid or the Auction and (ii) each Qualified Bid it submits at the Auction is a binding, good faith and bona fide offer to purchase the Assets identified in such Bid.

II. Auction Procedures

The Auction shall be governed by the following procedures, subject to the Debtor’s right to modify such procedures in its reasonable business judgment (in consultation with the Consultation Parties):

1. **Baseline Bids.** Bidding shall commence at the amount of the Baseline Bid.
2. **Minimum Overbid.** Qualified Bidders may submit successive bids higher than the previous bid, based on and increased from the Baseline Bid for the relevant Assets (each such Bid, an “Overbid”). Any Qualified Bidder’s initial Overbid shall be made in increments of at least \$250,000 in cash, cash equivalents, or such other consideration that the Debtor deems equivalent (in consultation with the Consultation Parties). The Debtor may, in its reasonable business judgment (in consultation with the Consultation Parties), announce increases or reductions to initial or subsequent Overbids at any time during the Auction.
3. **Highest or Best Offer.** After the first round of bidding and between each subsequent round of bidding, the Debtor (in consultation with the Consultation Parties) shall announce the Bid that they believe in its reasonable business judgment to be the highest or otherwise best offer for the relevant Assets (the

“Leading Bid”) and describe the material terms thereof, after taking into effect payment of the Break-Up Fee. Each 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. To the extent not previously provided (which is determined by the Debtor), a Qualified Bidder submitting a subsequent Bid must submit, as part of its subsequent Bid, written evidence (in the form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Debtor, in consultation with the Consultation Parties, which availability is not otherwise conditioned on obtaining financing or any internal approval other than customary conditions in financing commitments) demonstrating such Qualified Bidder’s ability to close the transaction at the purchase price contemplated by such subsequent Bid.

4. **Rejection of Bids.** The Debtor may, in its reasonable business judgment (in consultation with the Consultation Parties) reject, at any time before entry of an order of the Court approving a Qualified Bid, any Bid that the Debtor determines is (a) inadequate or insufficient, (b) not in conformity with the requirements of the Bankruptcy Code, the Bidding Procedures, or the terms and conditions of the Sale, or (c) contrary to the best interests of the Debtor, its estate, its creditors, and other stakeholders.
5. **No Round-Skipping.** Round-skipping, as described herein, is explicitly prohibited. To remain eligible to participate in the Auction, in each round of bidding, (i) each Qualified Bidder must submit a Bid in such round of bidding that is a higher or otherwise better offer than the immediately preceding Bid submitted by a Qualified Bidder in such round of bidding and (ii) to the extent a Qualified Bidder fails to bid in such round of bidding or to submit a Bid in such round of bidding that is a higher or otherwise better offer than the immediately preceding Bid submitted by a Qualified Bidder in such round of bidding, as determined by the Debtor in its reasonable business judgment (in consultation with the Consultation Parties), such Qualified Bidder shall be disqualified from continuing to participate in the Auction for such Purchased Assets; provided that, with the consent of the Consultation Parties, the Debtor may adopt and utilize the Auction procedures other than the foregoing procedure for any round of bidding.
6. **Additional Information.** The Debtor (including in consultation with the Consultation Parties) shall have the right to request any additional financial information that will allow the Debtor to make a reasonable determination as to a Qualified Bidder’s financial and other capabilities to consummate the transactions contemplated by its proposal and any further information that the Debtor believes is reasonably necessary to clarify and evaluate any Bid made by a Qualified Bidder during the Auction.
7. **Modification of Procedures.** The Debtor may announce at the Auction modified or additional procedures for conducting the Auction, or otherwise modify the Bidding Procedures, in each case in consultation with the Consultation Parties; *provided* that at no point may the form of currency be in a form other than cash.

All such modifications and additional rules will be communicated in advance to each of the Consultation Parties and Qualified Bidders; *provided* that, to the extent such modifications occur at the Auction, disclosure of such modifications shall be limited to those in attendance at the Auction.

The Auction shall include open bidding in the presence of all other Qualified Bidders. All Qualified Bidders shall have the right to submit additional Bids and make modifications to any prior Qualified Bid or Overbid at the Auction to improve their Bids; *provided* that any Overbid made by a Qualified Bidder (including with respect to any Backup Bid) must remain open and binding on the Qualified Bidder until the close of the Auction, and, if selected as either a Successful Bid or a Backup Bid, until the closing of the Sale Transaction contemplated by such Successful Bid or Backup Bid. The Debtor may, in its reasonable business judgment (in consultation with the Consultation Parties), negotiate with any and all Qualified Bidders participating in the Auction.

SUCCESSFUL BIDDER

Immediately prior to the conclusion of the Auction, the Debtor shall (i) determine (subject to the consent of the DIP Lender and after consultation with the other Consultation Parties) consistent with the Bidding Procedures, which Bid constitutes the highest or otherwise best Bid for the Assets (each such bid, a “Successful Bid”) and (ii) notify all Qualified Bidders at the Auction for the Assets of the identity of the bidder that submitted the Successful Bid (each such bidder, the “Successful Bidder”) and the amount of the purchase price and other material terms of the Successful Bid. The terms of the Successful Bid and the Backup Bid (as defined below) shall be acceptable to the DIP Lender and shall, among other things, provide that all cash proceeds generated from the Sale shall be paid to the DIP Lender upon the closing of such Sale for permanent application against any outstanding DIP Obligations until such time as all DIP Obligations have been paid in full in cash in accordance with the terms and conditions of the DIP Orders and the DIP Documents.

The Debtor shall file a notice identifying the Successful Bidder and Backup Bidder (if selected) (the “Notice of Successful Bidder”) as soon as reasonably practicable after closing of the Auction, if any, and in any event not later than October 9, 2025.

The Debtor’s presentation of a particular Qualified Bid to the Court for approval does not constitute the Debtor’s acceptance of such Qualified Bid. The Debtor will be deemed to have accepted a Bid only when the Bid has been approved by the Court at the Sale Hearing. The Debtor shall seek approval by the Court to consummate the Backup Bid, solely in the event the Successful Bidder fails to close the transaction as provided in the Successful Bid and with all rights reserved against the Successful Bidder.

BACKUP BIDDER

Notwithstanding anything in the Bidding Procedures to the contrary, if an Auction is conducted, the Qualified Bidder with the next-highest or otherwise second-best Qualified Bid as compared to the Successful Bid at the Auction for the Assets, as determined by the Debtor in the exercise of its reasonable business judgment (in consultation with the Consultation Parties) (the

“Backup Bid”), shall be required to serve as a backup bidder (the “Backup Bidder”), and such Qualified Bidder shall agree and be deemed to agree to be the Backup Bidder if so designated; *provided* that, if a Stalking Horse Bidder is selected as the Backup Bid, such Bid must remain irrevocable only for so long as is required under the Stalking Horse Agreement. If the DIP Lender submits a DIP Credit Bid prior to the end of the Auction for any particular Assets, and the Debtors have identified another Successful Bidder for those same Assets, the DIP Lender shall automatically serve as the Backup Bidder on account of their DIP Credit Bid, or if another Backup Bidder (with a higher or better offer than the DIP Credit Bid) is selected, a backup to the Backup Bidder.

The identity of the Backup Bidder and the amount and material terms of the Qualified Bid of the Backup Bidder shall be announced by the Debtor at the conclusion of the Auction, if any, at the same time the Debtor announces the identity of the Successful Bidder.

The Backup Bid shall remain binding on the Backup Bidder until the closing of a Sale Transaction for the applicable Assets pursuant to the Successful Bid. If a Successful Bidder fails to consummate the approved transactions contemplated by its Successful Bid, the Debtor may select the Backup Bidder as the Successful Bidder, and such Backup Bidder shall be deemed a Successful Bidder for all purposes.

RETURN OF DEPOSIT

The Deposit of the Successful Bidder, if applicable, shall be applied to the purchase price of such transaction at closing. The Deposits for each Qualified Bidder (including a Stalking Horse Bidder) shall be held in one or more accounts on terms acceptable to the Debtor (in consultation with the Consultation Parties) and shall be returned (other than with respect to the Successful Bidder, and the Backup Bidder) on or before the date that is ten (10) business days after the Auction. The Backup Bidder’s Deposit shall be held in escrow until the closing of the Sale with the Successful Bidder. In the event the Successful Bidder fails to close and the Debtor opts to close on the Sale Transaction(s) set forth in the Backup Bid, the Backup Bidder’s Deposit shall be applied to the purchase price of such transaction(s) at closing. In the event of a breach or failure to consummate a Sale by the Successful Bidder or the Backup Bidder, as applicable, the defaulting Successful Bidder’s Deposit or Backup Bidder’s Deposit, as applicable, shall be forfeited to the Debtor and its estate, constitute DIP Collateral and be subject to the DIP Liens, and the Debtor and its estate specifically reserve the right to seek all available remedies against the defaulting Successful Bidder or Backup Bidder, as applicable.

CONSULTATION BY THE DEBTOR

The Debtor shall consult with the Consultation Parties as explicitly provided for in the Bidding Procedures. Each reference in the Bidding Procedures to “consultation” (or similar phrase) with the Consultation Parties shall mean consultation in good faith. The term “Consultation Parties” as used in the Bidding Procedures shall mean (i) the DIP Lender and its advisors⁵ and (ii) the Committee and its advisors.

⁵ For the avoidance of doubt, nothing in these Bidding Procedures or the Bidding Procedures Order limits or in any way alters the DIP Lender’s rights (including in respect of consents and approvals) under the DIP Order and the

FREE AND CLEAR OF ANY AND ALL ENCUMBRANCES

All rights, titles, and interests in and to the Assets subject thereto shall be sold free and clear of all liens, claims, interests, and encumbrances (collectively, the “Encumbrances”), subject only to the assumed liabilities and permitted encumbrances (as defined in the Successful Bidder(s)’ asset purchase agreement), if any, in accordance with Bankruptcy Code §363(f), with such Encumbrances to attach to the net proceeds received by the Debtor from the Sale of the Assets in accordance with the Bankruptcy Code, applicable non-bankruptcy law and any prior orders of the Court.

RESERVATION OF RIGHTS

The Debtor reserves the right to, in its reasonable business judgment (in consultation with the Consultation Parties), modify the Bidding Procedures in good faith, including, without limitation, the Sale Consummation Deadline and any other milestones thereunder, to further the goal of attaining the highest or otherwise best offer for the Assets, or impose, at or prior to selection of the Successful Bidder, additional customary terms and conditions on the Sale of the Assets, including, without limitation (a) extending the deadlines set forth in the Bidding Procedures, (b) adjourning the Auction (if held) without further notice, (c) adding or modifying procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction and/or adjourning the Sale Hearing in open court (if held), (d) canceling the Auction or electing not to hold an Auction, (e) rejecting any or all Bids or Qualified Bids, (f) adjusting the applicable Minimum Overbid increment, including by requesting that Qualified Bidders submit last or final bids on a “blind basis,” and (g) other than with respect to a Stalking Horse Agreement, selecting a draft purchase agreement agreed to by a Qualified Bidder in connection with a Qualified Bid to serve as the purchase agreement that will be executed by the Successful Bidder or Successful Bidders, as applicable, and with any necessary adjustments for the assets and liabilities being purchased and assumed, upon conclusion of the Auction, if held. The Debtor shall provide reasonable notice of any such modification to any Qualified Bidder, including a Stalking Horse Bidder.

CONSENT TO JURISDICTION

All Interested Parties, Prospective Bidders, and Qualified Bidders shall be deemed to have consented to the exclusive jurisdiction of the Court for any and all matters related to, or in connection with, the Bidding Procedures, including, without limitation, any finding or determination that such Interested Parties, Prospective Bidders, and/or Qualified Bidders have waived any right to a jury trial in connection with any disputes relating to the Auction, the construction and enforcement of the Bidding Procedures, any credit bid, and/or the Bid Documents, as applicable.

other DIP Documents (as defined in the DIP Order). The DIP Lender’s rights in its capacity as a Consultation Party are in addition to its rights under the DIP Documents. In the event of any conflict or inconsistency between any of the DIP Documents and these Bidding Procedures or the Bidding Procedures Order, the applicable DIP Documents shall control.

SALE HEARING

A hearing to consider approval of the sale of the Assets to the Successful Bidder(s), Backup Bidder(s) (if applicable), or to approve a Stalking Horse Agreement, if no Auction is held (the “Sale Hearing”), is currently scheduled to take place on **October [13], 2025 at p.m. (prevailing Eastern time)**, before The Honorable J. Kate Stickles. The Sale Hearing may be continued to a later date by the Debtor by sending notice prior to, or making an announcement at, the Sale Hearing. No further notice of any such continuance will be required to be provided to any party.

At the Sale Hearing, the Successful Bidder(s) and the Backup Bidder(s) must acknowledge on the record at the start of the hearing that in connection with submitting their Bids, they did not engage in any collusion that would be subject to §363(n) of the Bankruptcy Code with respect to any Bids, the Auction or the Sale, specifying that they did not agree with any Interested Parties, Prospective Bidders, or Qualified Bidders to control the price or any other terms of the Sale.

Objections to the sale of any Assets free and clear of liens, claims, interests, and encumbrances pursuant to section 363(f) of the Bankruptcy Code, any of the relief requested in the Motion, and entry of any order approving the sale (the “Sale Order”) must (i) be in writing and specify the nature of such objection, (ii) comply with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and all orders of the Court entered in the Chapter 11 Case, (iii) be filed with the Court by (a) **October 6, 2025 (prevailing Eastern time)** (the “Sale Objection Deadline”) or (b) with respect to objections solely related to the identity of the Successful Bidder(s) (other than a Stalking Horse Bidder) or adequate assurance of future performance by the Successful Bidder(s), **by the date that is one (1) day after the filing of the Notice of Successful Bidder** (the “Post-Auction Objection Deadline”), and (iv) be served upon the Notice Parties and all other parties entitled to notice of same.

* * * * *

Exhibit 2

Sale Notice

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

) Chapter 11

ALACHUA GOVERNMENT SERVICES, INC.,

) Case No. 25-11289 (JKS)

Debtor.¹

**NOTICE OF SALE, BIDDING PROCEDURES, AUCTION,
SALE HEARING AND OTHER DEADLINES RELATED THERETO**

PLEASE TAKE NOTICE OF THE FOLLOWING:

On September [], 2025, Alachua Government Services, Inc., as debtor and debtor-in-possession (the “**Debtor**”) in the above-captioned chapter 11 case (the “**Chapter 11 Case**”), filed with the United States Bankruptcy Court for the District of Delaware (the “**Court**”) a motion [Docket No. ____] (the “**Motion**”) seeking entry of (a) an order (the “**Bidding Procedures Order**”) (i) approving bidding procedures (the “**Bidding Procedures**”)² to be used in connection with a sale (a “**Sale Transaction**”) of Debtor’s real and personal property assets in Alachua, Florida (the “**Assets**”); (ii) authorizing the Debtor to designate a Stalking Horse Bidder (the “**Stalking Horse Bidder**”) and provide Bid Protections in accordance with the Bidding Procedures and any Stalking Horse Agreement; (iii) scheduling (A) an auction of the Assets (the “**Auction**”) on **October [8], 2025, at [] [].m. (ET)** and (B) a final hearing to consider approval of the proposed Sale Transaction (the “**Sale Hearing**”) on **October [13], 2025, at [] [].m. (ET)**; (iv) approving the form and manner of notice of the Bidding Procedures, the Auction and the Sale Hearing; (v) approving procedures for the assumption and assignment of executory contracts and unexpired leases (collectively, the “**Contracts**”) in connection with any Sale Transaction; (vi) approving the form and manner of notice to each relevant non-debtor counterparty to a Contract of the Debtor’s calculation of the amount necessary to cure any defaults under an applicable Contract and certain other information regarding the potential assumption and assignment of Contracts in connection with a Sale Transaction; and (vii) granting related relief; and (b) an order (the “**Sale Order**”) (i) authorizing the Sale Transaction for a sale of the Assets free and clear of all liens, claims, interests and encumbrances, except certain permitted encumbrances as determined by the Debtor and any Successful Bidder (as defined in the Bidding Procedures), with liens to attach to the proceeds of

¹ The Debtor in this chapter 11 case, along with the last four digits of its federal tax identification number is: Alachua Government Services, Inc. (5370). The Debtor’s mailing address is 13200 NW Nano Court, Alachua, Florida 32615.

² Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Motion or the Bidding Procedures, as applicable. Any summary of the Bidding Procedures or the Bidding Procedures Order (or any provision thereof) contained herein is qualified in its entirety by the actual terms and conditions thereof. To the extent that there is any inconsistency between any summary in this Sale Notice and the terms and conditions of either of the Bidding Procedures or the Bidding Procedures Order, the actual terms and conditions in those documents shall control.

the applicable Sale Transaction; (ii) authorizing the assumption and assignment of certain Contracts in connection with the approved Sale Transaction; and (iii) granting related relief.

On September [], 2025, the Court entered the Bidding Procedures Order [Docket No. []].

ASSETS FOR SALE

The Debtor intends to sell the Assets.

A Prospective Bidder may bid on the Assets, subject to the conditions set forth in the Bidding Procedures.

The ability to undertake and consummate a sale of the Assets shall be subject to competitive bidding in accordance with the Bidding Procedures and approval by the Court.

Any party interested in submitting a bid for the Assets should contact the Debtor's investment banker, Jefferies LLC (Attn: Michael O'Hara, Kevin Murray (email: project.ace.2025.rx@jefferies.com) ("**Jefferies**")).

KEY DATES AND DEADLINES

A. Bid Deadline

Any Prospective Bidder that intends to participate in the Auction must submit in writing to Jefferies a Qualified Bid (as defined in the Bidding Procedures) on or before October [6], 2025, at 4:00 p.m. (ET) (the "**Bid Deadline**").

The Qualified Bid requirements are set forth in the Bidding Procedures.

B. Auction

If one or more Qualified Bids is received by the Bid Deadline, the Debtor will conduct the Auction with respect to the Assets. If the Debtor does not receive any Qualified Bids (other than a Stalking Horse Bid), the Debtor will not conduct the Auction and will designate such Stalking Horse Agreement as the Successful Bid.

The Auction, if required, will be conducted on **October 8, 2025, at 10:00 a.m. (ET)**, at the office of Richards, Layton & Finger, P.A., located at One Rodney Square, 920 North King Street, Wilmington, Delaware 19801, or such later date, time and location as designated by the Debtor (in consultation with the Consultation Parties). In the event that the Auction cannot be held at a physical location, the Auction will be conducted via a virtual meeting (either telephonic or via videoconference) the information to join which virtual meeting shall be provided by the Debtor to each Qualified Bidder prior to the Auction.

By October 9, 2025, the Debtor will file with the Court, serve on the Sale Notice Parties and cause to be published on the Debtor's case website, <https://dm.epiq11.com/case/ags/> (the "**Case Website**"), a notice of the results of the Auction (the "**Notice of Successful Bidder**"), which will (A) identify the Successful Bidder and the Backup Bidder; (B) either include a copy of each Successful Bid and the Backup Bid or a summary of the material terms of such bids, including any proposed assumption and assignment of Contracts contemplated thereby, or provide instructions for accessing each Successful Bid and the Backup Bid free of charge from the Case Website; and

(C) set forth the Post-Auction Sale Objection Deadline and the date, time and location of the Sale Hearing and any other relevant dates or other information necessary to reasonably apprise the Sale Notice Parties of the outcome of the Auction.

In the event the Auction is cancelled, including, without limitation, because no Qualified Bids, other than a Stalking Horse Agreement, have been received as of the Bid Deadline, the Debtor shall file a Notice of Successful Bidder promptly identifying such Stalking Horse Bidder as the Successful Bidder.

C. Objection Deadlines

1. Sale Objection Deadline. Objections to the sale of the Assets, including (i) any objection to a sale of the Assets free and clear of all liens, claims, interests and encumbrances pursuant to section 363(f) of the Bankruptcy Code and (ii) the entry of any Sale Order must (A) be in writing and state, with specificity, the legal and factual bases thereof and include any appropriate documentation in support thereof; (B) be filed with the Court by no later than **October 6, 2025, at 4:00 p.m. (ET)** and (C) served on the Objection Notice Parties (as defined in the Bidding Procedures).
2. Post-Auction Objection Deadline. Following service of the Notice of Successful Bidder, Sale Notice Parties will have an opportunity to object to the conduct of the Auction and/or the particular terms of any proposed Sale Transaction in the Successful Bid (each such objection, a “Post-Auction Objection”). Any Post-Auction Sale Objection must (i) be in writing and state, with specificity, the legal and factual bases thereof and include any appropriate documentation in support thereof; (ii) be filed with the Court **by no later than two (2) days after the filing of the Notice of Successful Bidder** (the “**Post-Auction Objection Deadline**”); and (iii) served on the Objection Notice Parties.

D. Sale Hearing

The Sale Hearing shall take place on **October 13, 2025, at [] [].m. (ET)** before The Honorable J. Kate Stickles, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware, located at 824 N. Market Street, Wilmington, Delaware 19801.

RESERVATION OF RIGHTS TO MODIFY BIDDING PROCEDURES

The Debtor reserves the right to, in its reasonable business judgment (in consultation with the Consultation Parties), modify the Bidding Procedures in good faith, including, without limitation, the Sale Consummation Deadline and any other milestones thereunder, to further the goal of attaining the highest or otherwise best offer for the Assets, or impose, at or prior to selection of the Successful Bidder, additional customary terms and conditions on the Sale of the Assets, including, without limitation (a) extending the deadlines set forth in the Bidding Procedures, (b) adjourning the Auction (if held) without further notice, (c) adding or modifying procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction and/or adjourning the Sale Hearing in open court (if held), (d) canceling the Auction or electing not to hold an Auction, (e) rejecting any or all Bids or Qualified Bids, (f) adjusting the applicable Minimum Overbid increment, including by requesting that Qualified Bidders submit last or final

bids on a “blind basis,” and (g) other than with respect to a Stalking Horse Agreement, selecting a draft purchase agreement agreed to by a Qualified Bidder in connection with a Qualified Bid to serve as the purchase agreement that will be executed by the Successful Bidder or Successful Bidders, as applicable, and with any necessary adjustments for the assets and liabilities being purchased and assumed, upon conclusion of the Auction, if held. The Debtor shall provide reasonable notice of any such modification to any Qualified Bidder, including any Stalking Horse Bidder.

ADDITIONAL INFORMATION

Copies of the Motion, the Bidding Procedures Order and the Bidding Procedures may be obtained free of charge by visiting the Case Website.

FAILURE TO ABIDE BY THE BIDDING PROCEDURES, THE BIDDING PROCEDURES ORDER OR ANY OTHER APPLICABLE ORDER OF THE COURT ENTERED IN THIS CHAPTER 11 CASE MAY RESULT IN THE REJECTION OF YOUR BID AND YOUR DISQUALIFICATION FROM PARTICIPATING IN THE BIDDING FOR AND AUCTION OF THE ASSETS.

THE FAILURE OF ANY PERSON OR ENTITY TO FILE AND SERVE AN OBJECTION IN ACCORDANCE WITH THE BIDDING PROCEDURES ORDER, INCLUDING THE FAILURE TO FILE ANY SUCH OBJECTION BY THE APPLICABLE OBJECTION DEADLINE, SHALL FOREVER BAR SUCH PERSON OR ENTITY FROM ASSERTING, AT THE SALE HEARING OR THEREAFTER, ANY SUCH OBJECTION TO THE RELIEF REQUESTED IN THE MOTION, THE CONSUMMATION OF ANY APPLICABLE SALE TRANSACTION, INCLUDING THE SALE OF THE ASSETS TO A SUCCESSFUL BIDDER FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES PURSUANT TO SECTION 363(f) OF THE BANKRUPTCY CODE OR THE TERMS OF A STALKING HORSE AGREEMENT OR OTHER ASSET PURCHASE AGREEMENT EXECUTED BY THE DEBTOR.

Dated: September [], 2025
Wilmington, Delaware

Respectfully Submitted,

/s/ DRAFT

RICHARDS, LAYTON & FINGER, P.A.

Mark D. Collins (No. 2981)

Michael J. Merchant (No. 3854)

Amanda R. Steele (No. 5530)

One Rodney Square

920 N. King Street

Wilmington, Delaware 19801

Telephone: (302) 651-7700

Facsimile: (302) 651-7701

Email: collins@rlf.com
merchant@rlf.com
steele@rlf.com

*Counsel for Debtor and Debtor in
Possession*

Exhibit 3

Assumption and Assignment Notice

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

) Chapter 11

ALACHUA GOVERNMENT SERVICES, INC.,

) Case No. 25-11289 (JKS)

Debtor.¹

**NOTICE OF CURE COSTS AND POTENTIAL ASSUMPTION AND
ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES
IN CONNECTION WITH SALE OF THE DEBTOR'S REAL AND PERSONAL
PROPERTY ASSETS IN ALACHUA, FLORIDA**

PLEASE TAKE NOTICE OF THE FOLLOWING:

On September [], 2025, Alachua Government Services, Inc., as debtor and debtor-in-possession (the “**Debtor**”) in the above-captioned chapter 11 case (the “**Chapter 11 Case**”), filed with the United States Bankruptcy Court for the District of Delaware (the “**Court**”) a motion [Docket No. ____] (the “**Motion**”) seeking entry of (a) an order (the “**Bidding Procedures Order**”) (i) approving bidding procedures (the “**Bidding Procedures**”) ² to be used in connection with a sale (a “**Sale Transaction**”) of Debtor’s real and personal property assets in Alachua, Florida (the “**Assets**”); (ii) authorizing the Debtor to designate a Stalking Horse Bidder (the “**Stalking Horse Bidder**”) and provide Bid Protections in accordance with the Bidding Procedures and any Stalking Horse Agreement; (iii) scheduling (A) an auction of the Assets (the “**Auction**”) on **October [8], 2025, at [] [].m. (ET)** and (B) a final hearing to consider approval of the proposed Sale Transaction (the “**Sale Hearing**”) on **October [13], 2025, at [] [].m. (ET)**; (iv) approving the form and manner of notice of the Bidding Procedures, the Auction and the Sale Hearing; (v) approving procedures for the assumption and assignment of executory contracts and unexpired leases (collectively, the “**Contracts**”) in connection with any Sale Transaction; (vi) approving the form and manner of notice to each relevant non-debtor counterparty to a Contract of the Debtor’s calculation of the amount necessary to cure any defaults under an applicable Contract and certain other information regarding the potential assumption and assignment of Contracts in connection with a Sale Transaction; and (vii) granting related relief; and (b) an order (the “**Sale Order**”) (i) authorizing the Sale Transaction for a sale of the Assets free and clear of all liens, claims, interests and encumbrances, except certain permitted encumbrances as determined by the Debtor and any

¹ The Debtor in this chapter 11 case, along with the last four digits of its federal tax identification number is: Alachua Government Services, Inc. (5370). The Debtor’s mailing address is 13200 NW Nano Court, Alachua, Florida 32615.

² Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Motion or the Bidding Procedures, as applicable. Any summary of the Bidding Procedures or the Bidding Procedures Order (or any provision thereof) contained herein is qualified in its entirety by the actual terms and conditions thereof. To the extent that there is any inconsistency between any summary in this Sale Notice and the terms and conditions of either of the Bidding Procedures or the Bidding Procedures Order, the actual terms and conditions in those documents shall control.

Successful Bidder (as defined in the Bidding Procedures), with liens to attach to the proceeds of the applicable Sale Transaction; (ii) authorizing the assumption and assignment of certain Contracts in connection with the approved Sale Transaction; and (iii) granting related relief.

On September [], 2025, the Court entered the Bidding Procedures Order [Docket No. []].

You are receiving this Notice because you may be a Counterparty to a Contract of the Debtor that may be assumed and assigned to the Successful Bidder for the Assets.

CURE COSTS

In accordance with the Assumption and Assignment Procedures and the Bidding Procedures Order, the Debtor may, in connection with the Sale Transaction with the Successful Bidder at the Auction, seek to assume and assign to the Successful Bidder certain of its Contracts. Each of the Contracts that potentially could be assumed and assigned in connection with the Sale Transaction, together with the Debtor's calculation of Cure Costs with respect to such Contracts, is set forth on **Schedule 1** hereto. The inclusion of any Contract on **Schedule 1** does not constitute an admission by the Debtor, any Stalking Horse Bidder, any Successful Bidder, or any other party that such Contract is an executory contract or an unexpired lease within the meaning of the Bankruptcy Code or require or guarantee that such Contract ultimately will be assumed or assigned. All rights of the Debtor with respect thereto are reserved.

In addition, to the extent that any of the Cure Costs set forth on **Schedule 1** do not reflect (i) postpetition payments that have been made by the Debtor in respect of applicable Cure Costs or (ii) any payments that are made by the Debtor in respect of such Cure Costs after the filing of this Notice, the respective amounts required to be paid to cure any existing defaults under the applicable Contracts shall be reduced by any such corresponding postpetition payments, and the Debtor reserves its rights to update the Cure Costs set forth on **Schedule 1** accordingly, either by filing a supplemental notice with the Court or by written notice to the applicable Counterparty.

CURE OBJECTIONS

A. Cure Objection Deadline

Any Counterparty to a Contract that wishes to object to the Debtor's proposed Cure Costs (each such objection, a "**Cure Objection**") shall file with the Court and serve on the Objection Notice Parties its Cure Objection, which must state, with specificity, the legal and factual bases thereof and include any appropriate documentation in support thereof, by no later than **October 6, 2025, at 4:00 p.m. (ET)**.

B. Resolution of Cure Objections

Pursuant to the Bidding Procedures Order, the Debtor, any Stalking Horse Bidder or Successful Bidder, and the objecting Counterparty shall first confer in good faith to attempt to resolve the Cure Objection without Court intervention. If the parties are unable to consensually resolve the Cure Objection prior to the commencement of the Sale Hearing, the Court shall make all necessary determinations relating to the applicable Cure Costs and Cure Objection at a hearing scheduled pursuant to the following paragraph. If a Cure Objection is resolved in a manner that is

not in the best interests of the Debtor and its estate, whether or not such resolution occurs prior to or after the closing of the applicable Sale Transaction, the Debtor, any Stalking Horse Bidder or, as applicable, the Successful Bidder may determine that any Contract subject to such resolved Cure Objection will no longer be assumed and assigned pursuant to the applicable Sale Transaction (subject to the terms of the applicable Sale Transaction). All other objections to the proposed assumption and assignment of the Debtor's right, title and interest in, to and under a Contract will be heard at the Sale Hearing.

C. Adjourned Cure Objections

If a timely filed Cure Objection cannot otherwise be resolved by the parties, the Cure Objection may be heard at the Sale Hearing, or, at the Debtor's option, be adjourned to a subsequent hearing (each such Cure Objection, an "**Adjourned Cure Objection**"). An Adjourned Cure Objection may be resolved after the closing date of the Sale Transaction. Upon resolution of an Adjourned Cure Objection and the payment of the applicable cure amount, if any, the applicable Contract that was the subject of such Adjourned Cure Objection shall, at the election of the Successful Bidder, and subject to the Debtor's rights set forth in paragraph 24 of the Bidding Procedures Order, be deemed assumed and assigned to the Successful Bidder as of the closing date of the Sale Transaction.

IF A COUNTERPARTY FAILS TO FILE WITH THE COURT AND SERVE ON THE OBJECTION NOTICE PARTIES A TIMELY CURE OBJECTION, THE COUNTERPARTY FOREVER SHALL BE BARRED FROM ASSERTING ANY OBJECTION WITH REGARD TO THE COST TO CURE ANY DEFAULTS UNDER THE APPLICABLE CONTRACT. THE CURE COSTS SET FORTH ON SCHEDULE 1 HERETO SHALL BE CONTROLLING AND WILL BE THE ONLY AMOUNT NECESSARY TO CURE OUTSTANDING DEFAULTS UNDER THE CONTRACT AND SATISFY THE REQUIREMENTS OF SECTION 365(b) OF THE BANKRUPTCY CODE, AND THE COUNTERPARTY TO THE CONTRACT SHALL BE DEEMED BOUND BY AND TO HAVE CONSENTED TO THE CURE COSTS.

NOTICE OF AUCTION RESULTS

The Auction, if required, will be conducted on **October 8, 2025, at 10:00 a.m. (ET)**, at the office of Richards, Layton & Finger, P.A., located at One Rodney Square, 920 North King Street, Wilmington, Delaware 19801, or such later date, time and location as designated by the Debtor (in consultation with the Consultation Parties). In the event that the Auction cannot be held at a physical location, the Auction will be conducted via a virtual meeting (either telephonic or via videoconference) the information to join which virtual meeting shall be provided by the Debtor to each Qualified Bidder prior to the Auction.

By October 9, 2025, the Debtor will file with the Court, serve on the Sale Notice Parties and cause to be published on the Debtor's case website, <https://dm.epiq11.com/case/ags/> (the "**Case Website**"), a notice of the results of the Auction (the "**Notice of Successful Bidder**"), which will (A) identify the Successful Bidder and the Backup Bidder; (B) either include a copy of each Successful Bid and the Backup Bid or a summary of the material terms of such bids, including any proposed assumption and assignment of Contracts contemplated thereby, or provide instructions

for accessing each Successful Bid and the Backup Bid free of charge from the Case Website; and (C) set forth the Post-Auction Sale Objection Deadline and the date, time and location of the Sale Hearing and any other relevant dates or other information necessary to reasonably apprise the Sale Notice Parties of the outcome of the Auction.

In the event the Auction is cancelled, including, without limitation, because no Qualified Bids, other than a Stalking Horse Agreement, have been received as of the Bid Deadline, the Debtor shall file a Notice of Successful Bidder promptly identifying such Stalking Horse Bidder as the Successful Bidder.

ADEQUATE ASSURANCE OBJECTIONS

A. Adequate Assurance Objection Deadline

Any Counterparty to a Contract that wishes to object to the proposed assumption and assignment of the Contract, the subject of which objection is a Successful Bidder's (or any other relevant assignee's) proposed form of adequate assurance of future performance (each such objection, an "**Adequate Assurance Objection**"), shall file with the Court and serve on the Objection Notice Parties (as defined in the Bidding Procedures) an Adequate Assurance Objection, which must state, with specificity, the legal and factual bases thereof and include any appropriate documentation in support thereof, by no later than the date that is two (2) days after the filing of the Notice of Successful Bidder.

B. Resolution of Adequate Assurance Objections

Pursuant to the Bidding Procedures Order, The Debtor and the objecting Counterparty shall first confer in good faith to attempt to resolve the Adequate Assurance Objection without Court intervention. If the parties are unable to consensually resolve the Adequate Assurance Objection prior to the commencement of the Sale Hearing, the Adequate Assurance Objection and all issues of adequate assurance of future performance of the applicable Successful Bidder (or any other relevant assignee) shall be determined by the Court at the Sale Hearing.

IF A COUNTERPARTY FAILS TO FILE WITH THE COURT AND SERVE ON THE OBJECTION NOTICE PARTIES A TIMELY ADEQUATE ASSURANCE OBJECTION, THE COUNTERPARTY FOREVER SHALL BE BARRED FROM ASSERTING ANY OBJECTION TO THE ASSUMPTION AND/OR ASSIGNMENT OF THE APPLICABLE CONTRACT WITH REGARD TO ADEQUATE ASSURANCE OF FUTURE PERFORMANCE. THE SUCCESSFUL BIDDER (OR ANY OTHER RELEVANT ASSIGNEE) SHALL BE DEEMED TO HAVE PROVIDED ADEQUATE ASSURANCE OF FUTURE PERFORMANCE WITH RESPECT TO THE CONTRACT IN ACCORDANCE WITH BANKRUPTCY CODE SECTIONS 365(b)(1)(C), 365(f)(2)(B) AND, IF APPLICABLE, 365(b)(3), NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE CONTRACT OR ANY OTHER DOCUMENT.

SALE HEARING

The Sale Hearing shall take place on **October 13, 2025, at [] [].m. (ET)** before The Honorable J. Kate Stickles, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware, located at 824 N. Market Street, Wilmington, Delaware 19801.

ADDITIONAL INFORMATION

Copies of the Motion, the Bidding Procedures Order and the Bidding Procedures may be obtained free of charge by visiting the Case Website.

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Dated: [], 2025
Wilmington, Delaware

Respectfully Submitted,

/s/ DRAFT

RICHARDS, LAYTON & FINGER, P.A.

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Schedule 1