

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY
Caption in Compliance with D.N.J. LBR 9004-1

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Possession, Hanover Hills Surgery Center LLC*

In re:

ATLANTIC NEUROSURGICAL SPECIALISTS, P.A. *et al*,¹

Debtors.



Order Filed on August 23, 2024
by Clerk
U.S. Bankruptcy Court
District of New Jersey

Chapter 11

Case No. 24-15726(VFP)

Jointly Administered

ORDER (I)(A) APPROVING THE AUCTION AND BIDDING PROCEDURES, (B) APPROVING STALKING HORSE BID PROTECTIONS, (C) SCHEDULING BID DEADLINES AND AN AUCTION, (D) APPROVING THE FORM AND MANNER OF NOTICE THEREOF, AND (II) (A) ESTABLISHING NOTICE AND PROCEDURES FOR THE ASSUMPTION AND ASSIGNMENT OF CONTRACTS AND LEASES, (B) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF ASSUMED CONTRACTS AND LEASES, (C) AUTHORIZING THE SALE OF ASSETS, AND (D) GRANTING RELATED RELIEF

The relief set forth on the following pages, numbered two (2) through ten (10), is hereby ORDERED.

DATED: August 23, 2024

A handwritten signature in black ink, appearing to read "Vincent F. Papalia".

Honorable Vincent F. Papalia
United States Bankruptcy Judge

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor's federal tax identification number, are: Atlantic Neurosurgical Specialists, P.A., d/b/a Atlantic Neurosurgical and Altair Health (0733); ANS Newco, LLC, d/b/a Altair Health (7893); and Hanover Hills Surgery Center LLC, d/b/a Altair Health Surgical Center and Altair Health (8645).

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Upon consideration of the motion (the “Motion”)² of Hanover Hills Surgery Center LLC (“Hanover Hills” or the “Debtor”), a debtor and debtor in possession in the above-captioned jointly administered chapter 11 cases, for entry of an order (this “Order”) (a) approving the proposed marketing, auction, and bidding procedures attached as Exhibit 1 to the Order (the “Bidding Procedures”), by which Hanover Hills will solicit and select the highest or otherwise best offer(s) for the sale or sales (the “Sale”) of all, substantially all, or any portion of its assets (defined below); (b) approving the break-up fee and expense reimbursements relating to a stalking horse bidder; (c) establishing certain dates and deadlines related thereto and scheduling an auction or auctions, if any, for the Sale; (d) approving the manner of notice of the Auction and sale hearing as may be necessary; (e) approving procedures for the assumption and assignment of certain executory contracts and unexpired leases in connection with the Sale, if any; (f) authorizing the assumption and assignment of certain executory contracts and unexpired leases; (g) authorizing the Sale of Debtor’s Sale Assets; and (h) granting related relief, each as more fully set forth in the Motion; and upon consideration of the Declaration submitted in support of the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Standing Order of Reference to the Bankruptcy Court Under Title 11* of the United States District Court for the District of New Jersey, entered July 23, 1984, and amended on September 18, 2012 (Simandle, C.J.); and this matter being a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and the Court being able to issue a final order consistent with Article III of the United States Constitution; and

² Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Motion.

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venue of this proceeding and the Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and appropriate notice of and opportunity for a hearing on the Motion having been given; and the Court having considered the papers filed, including opposition, if any, and the arguments at hearing; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is **GRANTED** as set forth herein.
2. Hanover Hills is hereby authorized to solicit bids for the sale of substantially all of its assets (the “Sale Assets”) and to initiate the process of assumption and assignment of certain executory contracts and unexpired leases consistent with the procedures set forth below.
3. In connection with the Debtor’s solicitation of offers, Hanover Hills is hereby authorized, subject to further approval at a hearing to approve the sale of the Sale Assets, to enter into an asset purchase agreement with a potential interested purchaser in form and substance acceptable to Hanover Hills; and provided Hanover Hills receives at least one other qualifying bid, Hanover Hills is authorized to conduct an auction of the Sale Assets (the “Auction”).

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4. The procedures governing for the solicitation of bids the sale of the Sale Assets and the Auction sale of the Sale Assets, attached hereto as **Exhibit 1** (the “Bidding Procedures”), are hereby authorized, approved, and made part of this Order as if fully set forth herein.

5. Within three (3) business days after entry of this Order, a copy of the Notice of Bid Deadline, Auction, and Sale Hearing in Connection With Sale of Substantially All of Debtor’s Assets Free and Clear of Liens, Claims, Encumbrances, and Interests (the “Sale Notice”), substantially in the form attached hereto as **Exhibit 2**, which is approved in all respects, together with copies of this Order and each of the other Exhibits attached hereto, shall be served by electronic mail, overnight mail, or first class mail upon the following parties: (a) including, but not limited to any party that expressed an interest in any of the Sale Assets within the last two (2) years, Sasso Consulting LLC, Summit Health Group and its affiliates, and all potential purchasers as identified by the Debtor; (b) counsel to all parties that are known to possess or assert a lien, claim, encumbrance or interest in or upon any of the Sale Assets; (c) counsel to the Official Committee of Unsecured Creditors (the “Committee”); (d) counsel to the United States Trustee; and (e) counsel to all parties-in-interest that have requested notice in this case pursuant to Bankruptcy Rule 2002. On the same date, Hanover Hills shall serve by first class mail the Sale Notice upon all known creditors of Hanover Hills, to the extent not otherwise already served by electronic mail or overnight mail.

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6. Any objections to final approval of the Sale must be filed and served not later than October 4, 2024 at 5:00 p.m. (Eastern Standard Time). Any replies to any objections must be filed and served by October 7, 2024.

7. A hearing to confirm the results of the Auction, if such Auction is conducted, to approve the Sale of the Sale Assets, and to authorize Hanover Hills to sell the Sale Assets and otherwise consummate the transactions contemplated by any asset purchase agreement for the Sale of the Sale Assets, including the assumption and assignment of the executory contracts and the Lease (the “Sale Hearing”), will be held before this Court on October 8, 2024 at 10:00 a.m., which may be adjourned by further Order of this Court or otherwise on agreement of counsel for Hanover Hills, the ANS Debtors, and the Committee.

8. Hanover Hills is authorized to identify a Stalking Horse Bidder, and upon identification, in accordance with the Bidding Procedures, Hanover Hills shall file the Stalking Horse Notice identifying such Stalking Horse Bidder and the Stalking Horse Bid Protections, provided, however, the Break-Up Fee shall not exceed three percent (3%) of the Stalking Horse Bid, subject to further negotiation with the Stalking Horse Bidder and the U.S. Trustee. The Stalking Horse Notice shall be served on all parties in interest within one (1) day of the filing of the Stalking Horse Notice. Parties in interest will have seven (7) days to file an objection to the proposed Stalking Horse Bid Protections set forth in the Stalking Horse Notice.

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9. The procedures governing the assumption and assignment of executory contracts and unexpired leases, attached hereto as **Exhibit 3** (the “Assumption and Assignment Procedures”), are hereby authorized, approved, and made part of this Order as if fully set forth herein.

10. Within five (5) business days after entry of this Order, or such adjourned date to which Hanover Hills, the ANS Debtors, and the Committee agree, Hanover Hills must file and serve by electronic mail, overnight mail, or first class mail a copy of the Assumption and Assignment Notice, substantially in the form attached hereto as **Exhibit 4**, which is approved in all respects, together with copies of this Order and each of the other Exhibits attached hereto, upon the following parties (i) the applicable counterparties to all such executory contracts and unexpired leases (the “Non-Debtor Parties”), and their counsel, if known; (ii) the Committee; (iii) the United States Trustee; and (iv) any other parties in interest who have requested notice pursuant to Federal Rule of Bankruptcy Procedure 2002. The Notice shall identify the executory contracts and unexpired leases that may be assumed and assigned and identify the amounts required to cure any and all defaults under such contracts and leases as of the projected date of closing of the sale of the Sale Assets.

11. Any objection by a Non-Debtor Party to the assumption and assignment of an executory contract or unexpired lease by the Stalking Horse Bidder, including, but not limited to,

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an objection as to the proposed cure amount under the executory contract or unexpired lease or that adequate assurance of future performance has not been provided, must be filed and served by not later than twenty-one (21) days after Hanover Hills' service of the Assumption and Assignment Notice; or at the Sale Hearing, if the Non-Debtor Party objects to assumption and assignment to the Successful Bidder (as defined in the Bidding Procedures), if the Successful Bidder is a bidder other than the Stalking Horse Bidder.

12. Subject to the terms of the *Interim Order Authorizing (I) Post-Petition Financing to Hanover Hills Surgery Center LLC, (II) Use of Cash Collateral by Hanover Hills Surgery Center LLC, (III) The Granting of an Administrative Claim and Carve Out to the ANS Debtors for Repayment of All Intercompany Post-Petition DIP Loans Ahead of Payment to Key Bank from the Net Proceeds of the Sale of the Assets of Hanover Hills, and (IV) Modifying the Automatic Stay as May Be Necessary, and (V) Scheduling a Final Hearing* (the "Interim DIP Order") as the same may ultimately be entered by the Court consistent with the hearing on August 20, 2024, all prepetition valid liens, claims, encumbrances, and interests that attached to the Sale Assets immediately prior to the consummation of the sale thereof will attach to the net proceeds of the sale of the Sale Assets with the same extent, validity and priority as existed immediately prior to the consummation of such Sale. Subject to the Interim DIP Order, the entry of this Order shall not constitute an admission by the ANS Debtors or Hanover Hills or an adjudication by this Court of the

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validity, extent, priority, perfection, secured status, or avoidability (or not), under bankruptcy or other applicable law, of any pre- or post-petition secured, unsecured or administrative claim that may exist against the Sale Assets being sold by Hanover Hills, as to which the Debtors, the Committee, KeyBank and any other parties in interest asserting a secured claim to the Sale Assets are reserving, and not prejudicing any and all claims, counterclaims, positions or defenses thereto, that they have or may have with respect to any liens or security interests in or to the Sale Assets, which claims are not being prejudiced, impaired, precluded or foreclosed by the entry of this Order.

13. Any secured creditor may “credit bid” under section 363(k) of the Bankruptcy Code subject to any party’s right to object to or challenge the extent, priority, validity, or amount of the secured creditor’s claim.

14. The Debtor is hereby authorized to take all actions reasonably necessary as contemplated by or consistent with this Order, the Bidding Procedures, and the Assumption and Assignment Procedures, subject to the consultation rights, as applicable, of the ANS Debtors, the Committee, and KeyBank, as set forth herein and therein.

15. The term “consultation,” as it appears in this Order or in any of the Exhibits attached hereto, shall include and allow for interaction with representatives or advisors of the party to be consulted. In all events, any consultation, including the method and timing of interaction with the party to be consulted and the party’s response, shall be that which is appropriate under the

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circumstances. In those instances in which consultation with a party to be consulted, other than the Committee, may pose a conflict of interest for the party, the Debtor shall have the right to modify the party's consultation rights in those instances as appropriate and shall notify such party that it has invoked such right.

16. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion under the circumstances and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

17. The requirement set forth in Bankruptcy Local Rule 9013-1(a)(3) that any motion be accompanied by a memorandum of law is hereby deemed satisfied by the contents of the Motion or otherwise waived.

18. The Debtor shall serve by regular mail a copy of this Order and the Motion on all parties required to receive such service pursuant to Bankruptcy Local Rule 9013-5(f) within two (2) business days after the entry of this Order.

19. Any party may move for modification of this Order in accordance with Bankruptcy Local Rule 9013-5(e).

20. The Debtor is authorized to take all such actions as are necessary or appropriate to implement the terms of this Order.

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21. Notwithstanding any Bankruptcy Rule to the contrary, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

22. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY**

In re:

ATLANTIC NEUROSURGICAL
SPECIALISTS, P.A. *et al*,¹

Debtors.

Chapter 11

Case No. 24-15726(VFP)

Jointly Administered

BIDDING PROCEDURES

Set forth below are the bidding procedures (the “Bidding Procedures”) to be employed with respect to the proposed sale of substantially all of the assets of Hanover Hills Surgery Center LLC (the “Debtor” or “Hanover Hills”), debtor and debtor-in-possession in the above-captioned jointly administered Chapter 11 Case pending in the United States Bankruptcy Court for the District of New Jersey (the “Bankruptcy Court”). The sale will be subject to competitive bidding as set forth herein and Bankruptcy Court approval pursuant to sections 363 and 365 of the United States Bankruptcy Code.

On August 9, 2024, Hanover Hills filed a *Motion for Entry of an Order (I)(A) Approving the Auction and Bidding Procedures, (B) Approving Stalking Horse Bid Protections, (C) Scheduling Bid Deadlines and An Auction, (D) Approving the Form and Manner of Notice Thereof, and (II)(A) Establishing Notice And Procedures for the Assumption and Assignment of Contracts and Leases, (B) Authorizing the Assumption and Assignment of Assumed Contracts and Leases, (C) Authorizing the Sale of Assets, and (D) Granting Related Relief* [Docket No. [118]] (the “Motion”).²

On August __, 2024, the Bankruptcy Court entered an *Order (I)(A) Approving the Auction and Bidding Procedures, (B) Approving Stalking Horse Bid Protections, (C) Scheduling Bid Deadlines and An Auction, (D) Approving the Form and Manner of Notice Thereof, and (II)(A) Establishing Notice And Procedures for the Assumption and Assignment of Contracts and Leases, (B) Authorizing the Assumption and Assignment of Assumed Contracts and Leases, (C) Authorizing*

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor’s federal tax identification number, are: Atlantic Neurosurgical Specialists, P.A., d/b/a Atlantic Neurosurgical and Altair Health (0733); ANS Newco, LLC, d/b/a Altair Health (7893); and Hanover Hills Surgery Center LLC, d/b/a Altair Health Surgical Center and Altair Health (8645).

² Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Motion.

the Sale of Assets, and (D) Granting Related Relief [Docket No. [●]] (the “Bidding Procedures Order”).

Assets to Be Sold; Excluded Assets

The assets to be sold include substantially all of the assets of Hanover Hills, including, without limitation, its right, title, and interest in (i) the License; (ii) inventory; (iii) equipment and fixtures; and (iv) contracts and leases (including the lease for the Facility), to the extent they are not rejected; (in all events excluding the below-defined Excluded Assets, collectively, the “Sale Assets”), free and clear of all liens, claims, encumbrances, and interests, pursuant to Bankruptcy Code sections 363(b), (f), and (m), with all such liens, claims, encumbrances, and interests to attach to the proceeds of the sale of the Sale Assets with the same validity and priority as existed immediately prior to the consummation of such sale; provided that, on information and belief (but without any representation or warranty of any kind by Hanover Hills as to the accuracy of the following), Hanover Hills may currently possess equipment or other personal property in which it does not have an ownership interest or operate pursuant to one or more non-residential leases of commercial property, machinery and equipment leases, and other agreements, customer contracts, documents, leases, and instruments, and which may include operating licenses and permits (collectively, “Designated Agreements”). No rights under any Designated Agreement are or will be included in the Sale Assets, except and solely to the extent that any such rights are assignable under applicable law, including with the consent of the non-debtor party as may be required. The Sale Assets will not include, and will in all events expressly exclude (collectively, the “Excluded Assets”): (a) any causes of action of any Debtor arising under chapter 5 of the Bankruptcy Code; (b) any causes of action of any Debtor against any of its directors, officers, insiders, or affiliates; (c) any equity interests owned by Hanover Hills and issued by any debtor or non-debtor affiliates; and (d) certain other assets to be identified by Hanover Hills, including, but not limited to accounts receivables, tax credits and/or refunds, Hanover Hills’ books and records and intellectual property, subject to negotiation with Qualified Bidders.

The Sale Assets may be sold in a single lot to a single bidder or in multiple lots to multiple bidders; and Hanover Hills, in consultation with the Official Committee of Unsecured Creditors (the “Committee”), affiliated debtors Atlantic Neurosurgical Specialists, P.A. and ANS Newco LLC (collectively, the “ANS Debtors”), and KeyBank, National Association (“KeyBank”) may exclude any portion of the Sale Assets from the sale.

Investment Banker

On July 30, 2024, Hanover Hills filed an application to retain the Bloom Organization, LLC (“Bloom”) as its investment banker [Docket No. 97]. On August 14, 2024, the Bankruptcy Court entered an Order approving the retention of Bloom as the investment banker of Hanover Hills.

Data Room

On or about August 5, 2024, a data room for potential purchasers was established by Bloom; the ANS Debtors, the Committee, and their respective professionals shall have unrestricted access to the data room at all times prior to the closing of the sale.

Stalking Horse Bidder

By not later than September 13, 2024 at 5:00 p.m. (Eastern Standard Time), or such adjourned date to which Hanover Hills, the ANS Debtors, and the Committee agree, Hanover Hills, in consultation with the Committee, KeyBank, and the ANS Debtors, shall identify a “stalking horse bidder” that makes a qualified bid in form and substance acceptable to Hanover Hills, and in consultation with the Committee, KeyBank, and the ANS Debtors, that offers to purchase, in cash or cash equivalents, the Sale Assets in their entirety or in lots pursuant to terms in form and substance acceptable to Hanover Hills, and that is not an “insider” within the meaning of Bankruptcy Code section 101(31) (the “Stalking Horse Bidder”).

Hanover Hills shall be authorized, but not obligated, in an exercise of its reasonable business judgment, in consultation with the ANS Debtors, KeyBank, and the Committee, to (a) select one or more bidders to act as a Stalking Horse Bidder in connection with the Auction of the Sale Assets, and (b) in connection with any stalking horse agreement with a Stalking Horse Bidder, provide a break-up fee that shall not exceed three percent (3%) of the Stalking Horse Bid, subject to further negotiation with the Stalking Horse Bidder and the U.S. Trustee (the “Break-Up Fee”) and agreement to reimburse the reasonable and documented out of pocket fees and expenses of such Stalking Horse Bidder, subject to a cap agreed upon by Hanover Hills in its business judgment (the “Expense Reimbursement” and together with the Break-Up Fee, the “Stalking Horse Bid Protections”), subject to negotiation with the Stalking Horse Bidder. In the event Hanover Hills selects a Stalking Horse Bidder, it shall file a notice (the “Stalking Horse Notice”) identifying such Stalking Horse Bidder, the Stalking Horse Bid Protections, and any Overbid requirements. Parties in interest will have seven (7) days to file an objection to the proposed Stalking Horse Bid Protections set forth in the Stalking Horse Notice.

The Stalking Horse Notice shall be provided to the following parties: (a) all potential purchasers as identified by Hanover Hills; (b) counsel to all parties that are known to possess or assert a lien, claim, encumbrance or interest in or upon any of the Sale Assets; (c) counsel to the Committee; (d) counsel to the United States Trustee; (e) counsel to all parties-in-interest that have requested notice in this case pursuant to Bankruptcy Rule 2002.

The Stalking Horse Bidder’s bid will be subject to higher and better offers as set forth below.

“As Is, Where Is”

The sale of the Sale Assets shall be on an “as is, where is” basis and without representations or warranties of any kind, nature, or description by Hanover Hills, its agents, or its estate or otherwise except as set forth in any asset purchase agreement to be executed by Hanover Hills with respect to the Sale Assets in accordance with the terms herein. By submitting a bid, each Qualified Bidder (as defined herein) shall be deemed to acknowledge and represent that it has had

an opportunity to conduct any and all due diligence regarding the Sale Assets prior to making its offer, that in making its bid it has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the Sale Assets, and that it has not relied upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Sale Assets, or the completeness of any information provided in connection therewith or at the Auction, except as set forth in any asset purchase agreement to be executed by Hanover Hills with respect to the Sale Assets.

Sale Free of Any and All Liens, Claims, Encumbrances, and Interests

Except as otherwise provided in any asset purchase agreement to be executed by Hanover Hills with respect to the Sale Assets, all of the Hanover Hills' right, title, and interest in and to the Sale Assets shall be sold free and clear of all liens, claims, encumbrances, and interests to the maximum extent permitted by Bankruptcy Code section 363, with such liens, claims, encumbrances, and interests to attach to the net proceeds of the sale of the Sale Assets with the same validity and priority as existed immediately prior to the consummation of such sale.

Participation Requirements

Any person or entity that wishes to participate in the bidding process (a "Potential Bidder") must become an "Eligible Bidder." As a prerequisite to becoming an Eligible Bidder, a Potential Bidder must promptly deliver to (i) Hanover Hills' investment banker, Bloom (Attn: Henry Bloom and Brian Liberty, hbloom@bloomllc.com and bliberty@bloomllc.com), and (ii) counsel for Hanover Hills (Fox Rothschild LLP 49 Market Street, Morristown, NJ 07960 (Attn: Joseph J. DiPasquale, Esq., Michael R. Herz, Esq. and Agostino A. Zammiello, Esq.) (jdipasquale@foxrothschild.com, mherz@foxrothschild.com and azammiello@foxrothschild.com)) the following documents:

- (i) An executed confidentiality agreement in form and substance acceptable to Hanover Hills, in consultation with the Committee, KeyBank, and the ANS Debtors; and
- (ii) Sufficient information showing that the Potential Bidder has or will have, without any conditions or contingencies, the financial wherewithal and any required organizational authorizations to consummate the sale and associated transactions, including but not limited to current audited financial statements (or such other form of financial disclosure and credit-quality support or enhancement acceptable to Hanover Hills, in consultation with the Committee, KeyBank, and the ANS Debtors) of the Potential Bidder and of those entities that or individuals who have an ownership interest in the Potential Bidder and that or who will guarantee or back the obligations of the Potential Bidder.

An Eligible Bidder is a Potential Bidder that (a) delivers the documents described in subparagraphs (i) and (ii) above, and that (b) Hanover Hills, in consultation with the Committee, KeyBank, and the ANS Debtors, and based on financial information submitted by the Potential

Bidder and other considerations deemed relevant by Hanover Hills, in consultation with the Committee, KeyBank, and the ANS Debtors, determine is reasonably likely to submit a bona fide offer and to be able to consummate a sale if selected as a Successful Bidder (as defined herein).

After a Potential Bidder delivers all of the materials required by subparagraphs (i) and (ii) above, Hanover Hills, in consultation with the Committee, KeyBank, and the ANS Debtors, shall notify the Potential Bidder that it qualifies as an Eligible Bidder.

Due Diligence

Hanover Hills, in consultation with the Committee, KeyBank, and the ANS Debtors, may allow any Eligible Bidder the time and opportunity to conduct reasonable due diligence; provided, however, that Hanover Hills shall not be obligated to furnish any due diligence information after the Auction. Neither Hanover Hills nor any of its representatives are obligated to furnish any information to any person other than an Eligible Bidder, the Committee, and the ANS Debtors.

Bid Deadline

An Eligible Bidder that desires to make a bid for the Sale Assets must deliver written copies of its bid by electronic mail and overnight mail to the following parties: (i) Hanover Hill's investment banker, Bloom (Attn: Henry Bloom and Brian Liberty, hbloom@bloomllc.com and bliberty@bloomllc.com), (ii) counsel to Hanover Hills (Fox Rothschild LLP, 49 Market Street, Morristown, NJ 07960 (Attn: Joseph J. DiPasquale, Esq., Michael R. Herz, Esq. and Agostino A. Zammiello, Esq.) (jdipasquale@foxrothschild.com, mherz@foxrothschild.com and azammiello@foxrothschild.com)); (iii) counsel to the ANS Debtors (Greenbaum, Rowe, Smith & Davis LLP, PO Box 5600, Woodbridge, NJ 07095 (Attn: David L. Bruck, Esq.) (dbruck@greenbaumlaw.com)); (iv) counsel to the Committee (Faegre Drinker Biddle & Reath LLP, 600 Campus Drive, Florham Park, NJ 07932 (Attn: Frank F. Velocci, Esq. and Richard J. Bernard, Esq.) (frank.velocci@faegredrinker.com and richard.bernard@faegredrinker.com)); and (v) counsel to the United States Trustee (United States Department of Justice, Office of the United States Trustee, One Newark Center, Suite 2100, Newark, New Jersey 07102 (Attn: Fran B. Steele, Esq.) (Fran.B.Steele@usdoj.gov)), so as to be received not later than 5:00 p.m. (Eastern Standard Time) on September 27, 2024 at 5:00 p.m. (Eastern Standard Time) (the "Bid Deadline"), or such adjourned date to which Hanover Hills, the ANS Debtors, and the Committee agree.

Qualified Bid

All bids must include the following documents or items, as applicable:

- (i) The identity of the bidder, the name(s) of the officer(s) or authorized agent(s) who will appear on behalf of such bidder, and the name(s) of each direct and indirect owner of the bidder, and the existence, if any, of any relationship between any such entity or person with the Debtor or any of the other bidders;
- (ii) If a Stalking Horse Bidder has been timely designated in accordance with these Bidding Procedures, subsequent to the offer made by the Stalking

Horse Bidder, must (i) be “higher and better” than the Stalking Horse Bidder’s bid, as determined in good faith by the Debtor, in consultation with the Committee, KeyBank, and the ANS Debtors; and (ii) exceed the sum of (a) the original proposed purchase price that has been proposed by the Stalking Horse Bidder; (b) an “overbid” to be determined based on the amount of the Stalking Horse Bid and negotiations with the Stalking Horse Bidder (the “Overbid”); (c) the Expense Reimbursement; and (d) the Break-Up Fee, subject to negotiation with the Stalking Horse Bidder (a “Qualified Bid”). Any prospective purchaser, other than any prospective purchaser deemed a Stalking Horse Bidder prior to the Auction, that submits an acceptable Qualified Bid in accordance with the Bidding Procedures shall be deemed a qualified bidder (a “Qualified Bidder”).

- (iii) A written statement confirming that the bidder’s offer will be irrevocable until the conclusion of the Sale Hearing (as defined herein), subject to the terms herein pertaining to the irrevocability of any Successful Bid and Backup Bid, that the bidder has not engaged and that it will not engage in any collusion or bad faith with respect to the bidding or sale process, and that the bidder consents to the jurisdiction of the Bankruptcy Court;
- (iv) The bidder’s redline draft of a proposed asset purchase agreement, based on the asset purchase agreement executed by the Stalking Horse Bidder; or alternatively, a new draft of a proposed asset purchase agreement, if one has not been previously executed by any Stalking Horse Bidder, together with all exhibits and schedules thereto; the agreement shall include (A) a commitment to close (i) upon entry of the Sale Order and (ii) not later than seven (7) days after the Successful Bidder receives approval from the applicable governmental and regulatory authority to acquire Hanover Hills’ license to operate the ambulatory facility, and (B) a representation that the Eligible Bidder is able to and that it will make all necessary government, regulatory, or other filings and pay the fees associated with such filings and any such taxes that might be due on the sale or transfer of the Sale Assets;
- (v) The bidder’s redline draft of a proposed form of Sale Order, based on the form of order drafted in connection with the asset purchase agreement executed by the Stalking Horse Bidder; or alternatively, a new draft of a proposed form of Sale Order, if one has not been previously drafted;
- (vi) A good-faith cash deposit in the amount of ten percent (10%) of the Stalking Horse Bidder’s bid must be delivered to Hanover Hills’ counsel, Fox Rothschild LLP 49 Market Street, Morristown, NJ 07960 (Attn: Joseph J. DiPasquale, Esq., Michael R. Herz, Esq. and Agostino A. Zammiello, Esq.) (jdipasquale@foxrothschild.com, mherz@foxrothschild.com and azammiello@foxrothschild.com), upon the submission of a bid, and which will be held in a non-interest bearing account; if Hanover Hills is unable to identify a Stalking Horse Bidder, any other bidder must submit a deposit in

the amount of ten percent (10%) of its initial Qualified Bid (as defined herein);

- (vii) Written evidence, satisfactory to Hanover Hills, in consultation with the Committee, KeyBank, and the ANS Debtors, of the Eligible Bidder's ability and willingness to immediately consummate the sale, without any conditions or contingencies, and with appropriate contact information for the financing sources;
- (viii) A written statement listing the executory contracts and unexpired leases to be assumed by the bidder and indicating that the bidder will cure all costs and provide adequate assurance of future performance with respect to any executory contracts or unexpired leases to be assumed and assigned in connection with the sale;
- (ix) A written statement describing the material, nonconfidential terms of any agreement with management or key employees regarding compensation or future employment; indicating whether the terms comply with Bankruptcy Code section 503(c); and describing the measures taken to ensure the fairness of the sale and the agreement; and
- (x) A written statement identifying the entity that or person who will retain or have access to Hanover Hills' books and records.

A bid received from an Eligible Bidder that includes all of these documents and meets all of the above requirements shall be a "Qualified Bid" and such Eligible Bidder shall become a "Qualified Bidder," except that Hanover Hills, in the exercise of its reasonable business judgment, in consultation with the Committee, KeyBank, and the ANS Debtors, shall have the right to reject any bid that they deem inadequate or insufficient, not in conformity with these Bidding Procedures, or contrary to the best interests of Hanover Hills and its estate. The Stalking Horse Bidder shall be a "Qualified Bidder"; and any asset purchase agreement executed by the Stalking Horse Bidder shall be a "Qualified Bid."

Hanover Hills reserves the right to waive any of these terms or conditions or to impose additional reasonable terms and conditions on any Qualified Bid, in each case in consultation with the Committee, KeyBank, and the ANS Debtors.

Each Qualified Bidder, by submitting a Qualified Bid, will be deemed to acknowledge and agree that it is not relying on any written or oral statements, representations, promises, warranties or guarantees of any kind or nature, whether express or implied, by operation of law or otherwise, made by any person or party whomsoever, including Hanover Hills or its agents and representatives (other than as may be set forth in a definitive agreement executed by Hanover Hills) regarding Hanover Hills, any Sale Assets, the Auction, these Bidding Procedures or any information provided in connection therewith from time to time.

Without the written consent of Hanover Hills, in consultation with the Committee, KeyBank, and the ANS Debtors, a Qualified Bidder may not amend, modify, or withdraw its Qualified Bid, except for proposed amendments to increase the amount or otherwise improve the terms of the Qualified Bid, during the period that such Qualified Bid remains irrevocable and binding.

These Bidding Procedures are subject to the terms and provisions of any post-petition debtor-in-possession financing order and cash collateral order entered in the Debtor's case from time to time.

Effect of No Qualified Bids

If no "higher and better bids" are timely submitted, the Auction will not be held, the Stalking Horse Bidder will be the Successful Bidder (as defined herein), the asset purchase agreement with the Stalking Horse Bidder will be the Successful Bid (as defined herein), and Hanover Hills shall seek approval and authority to consummate the sale contemplated by such agreement on the terms and conditions described therein.

The Auction

If a Qualified Bid other than that submitted by the Stalking Horse Bidder has been received by Hanover Hills, Hanover Hills shall conduct an auction (the "Auction") of the Sale Assets. The Auction shall commence on September 30, 2024 at 10:00 a.m. (Eastern Standard Time), or such adjourned date to which Hanover Hills, the ANS Debtors, and the Committee agree, at the offices of Fox Rothschild LLP, 49 Market Street, Morristown, NJ 07960.

Before the commencement of the Auction, Hanover Hills, in consultation with the Committee, KeyBank, and the ANS Debtors, shall select the "highest and best" bid to serve as the starting point for the auction sale (the "Starting Bid"). The Stalking Horse Bidder shall be provided with a copy of the Starting Bid prior to the Auction. Also, each Qualified Bidder will be required to represent that it has not engaged and that it will not engage in any collusion or bad faith with respect to the bidding or sale process.

Only Qualified Bidders, Hanover Hills, the ANS Debtors, the Official Committee of Unsecured Creditors, KeyBank, the United States Trustee, and such entities' respective advisors and counsel may attend the Auction. Any other interested party may attend only if no later than five (5) days before the Auction it provides notice to respective counsel for Hanover Hills, the ANS Debtors, and the Committee of its intention to attend the Auction.

During the Auction, bidding shall begin initially with the Starting Bid, and then continue in minimum increments in the amount of at least \$50,000.00 (subject to modification in accordance with the terms of these Bidding Procedures). Hanover Hills, in consultation with the Committee, KeyBank, and the ANS Debtors, may conduct the Auction and adopt rules for the bidding process in the manner that they, in their reasonable judgment, determine will result in the highest and best offer for the Sale Assets and that are not materially inconsistent with any of the provisions of these Bidding Procedures, the Bidding Procedures Order, any other Bankruptcy Court order, or any asset purchase agreement with the Stalking Horse Bidder. At a minimum, the following rules will apply:

(i) the procedures must be fair and open, with no participating Qualified Bidder disadvantaged in any material way as compared to any other participating Qualified Bidder; (ii) all bids must be made and received in one room, on an open basis, and all other bidders will be entitled to be present for all bidding, with the understanding that the true identity of each bidder will be fully disclosed to all other bidders and that all material terms of each Qualified Bid will be fully disclosed to all other bidders throughout the entire Auction; (iii) each Qualified Bidder will be permitted a fair, but limited, amount of time to respond to the previous bid at the Auction; and (iv) the bidding must be documented.

Bidding at the Auction shall continue until such time as the highest and best offer is determined by Hanover Hills, in consultation with the Committee, KeyBank, and the ANS Debtors, in accordance with these Bidding Procedures.

Hanover Hills, in the exercise of its reasonable business judgment and in consultation with the Committee, KeyBank, and the ANS Debtors, shall have the right to reject any bid that they deem inadequate or insufficient, not in conformity with these Bidding Procedures, or contrary to the best interests of Hanover Hills and its estate.

Within twenty-four (24) hours of the conclusion of the Auction, Hanover Hills, in consultation with the Committee, KeyBank, and the ANS Debtors, shall announce any highest and best bid designated as the successful bid (the “Successful Bid,” submitted by the “Successful Bidder”) and any next highest and best bid designated as a backup bid (the “Backup Bid,” submitted by the “Backup Bidder”) ³ by filing a notice with the Court. The Successful Bid and the Backup Bid, if any, will be irrevocable until 28 days after entry of the Sale Order, or such adjourned date to which Hanover Hills, the ANS Debtors, and the Committee agree.

Notice of the auction results shall be promptly provided to the following parties: (a) all potential purchasers as identified by Hanover Hills; (b) counsel to all parties that are known to possess or assert a lien, claim, encumbrance or interest in or upon any of the Sale Assets; (c) counsel to the Committee; (d) counsel to the United States Trustee; and (e) counsel to all parties-in-interest that have requested notice in this case pursuant to Bankruptcy Rule 2002.

Sale Hearing

Upon submission of an acceptable asset purchase agreement by any Successful Bidder in form and substance acceptable to Hanover Hills, in consultation with the Committee, KeyBank, and the ANS Debtors (a “Purchase Agreement”), Hanover Hills shall execute such Purchase Agreement and shall seek Bankruptcy Court approval of the agreement at the Sale Hearing (as defined herein). Hanover Hills shall be deemed to have accepted the Successful Bid only when it has been approved by the Bankruptcy Court at the Sale Hearing.

Any objections to final approval of the sale must be filed and served not later than October 4, 2024 at 5:00 p.m.. (Eastern Standard Time).

³ The Backup Bidder will become the Successful Bidder in the event the Successful Bidder is unable to close on sale.

The Bidding Procedures Order sets October 8, 2024 at 10:00 a.m. (Eastern Standard Time) as the date on which the Bankruptcy Court shall conduct a hearing to approve the sale of and to authorize Hanover Hills to sell the Sale Assets (the “Sale Hearing”). The Sale Hearing may be adjourned by further order of the Bankruptcy Court or otherwise on agreement of counsel for Hanover Hills, the ANS Debtors, and the Committee.

By a date not more than two (2) days after the conclusion of the Sale Hearing (to the extent practicable), this Court may, if appropriate, enter an order approving the sale of the Sale Assets.

Effect of No Objection

Failure to timely object to the sale of the Sale Assets shall be deemed consent to the sale of the Sale Assets and other relief requested in the Motion, and be a bar to the assertion, at the Sale Hearing or thereafter, of any objection to the Motion, the Auction, the sale of the Sale Assets, the assumption and assignment of executory contracts and unexpired leases, or Hanover Hills’ consummation and performance of the terms of the asset purchase agreement entered into with the ultimate purchaser.

Closing

The consummation of the sale to the Successful Bidder pursuant to the terms of the Purchase Agreement shall take place (i) upon entry of the Sale Order and (ii) not later than seven (7) days after the Successful Bidder receives approval from the applicable governmental and regulatory authority to acquire Hanover Hills’ license to operate the ambulatory facility.

The deposit of any Successful Bidder shall be applied to the purchase price at closing. If the sale of the Sale Assets to any Successful Bidder pursuant to the terms of the Purchase Agreement does not close as a result of the Successful Bidder’s default, breach or failure to perform, Hanover Hills shall be entitled to retain the deposit as liquidated damages. Otherwise, any other bidders’ deposits shall be promptly returned to such bidders after the closing of the sale to any Successful Bidder.

Amendment

Hanover Hills, in consultation with the Committee, KeyBank, and the ANS Debtors, may amend, supplement, or otherwise modify these Bidding Procedures if an amendment will further the goals and objective of the bidding process, provided that any amendment will not be inconsistent with the Bidding Procedures Order or any other Order of the Bankruptcy Court.

FOX ROTHSCHILD LLP

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Michael R. Herz, Esq.

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Proposed Counsel to the Debtor and Debtor in Possession, Hanover Hills Surgery Center LLC

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY**

In re:

ATLANTIC NEUROSURGICAL
SPECIALISTS, P.A. *et al.*,¹

Debtors.

Chapter 11

Case No. 24-15726(VFP)

Jointly Administered

**NOTICE OF BID DEADLINE, AUCTION, AND SALE HEARING IN CONNECTION
WITH SALE OF SUBSTANTIALLY ALL OF DEBTOR'S ASSETS FREE AND CLEAR
OF LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS**

PLEASE TAKE NOTICE that on August 9, 2024, Hanover Hills Surgery Center LLC, the above-captioned debtor and debtor in possession (the “Debtor” or “Hanover Hills”) filed the *Debtor’s Motion for Entry an Order (I)(A) Approving the Auction and Bidding Procedures, (B) Approving Stalking Horse Bid Protections, (C) Scheduling Bid Deadlines and An Auction, (D) Approving the Form and Manner of Notice Thereof, and (II)(A) Establishing Notice And Procedures for the Assumption and Assignment of Contracts and Leases, (B) Authorizing the Assumption and Assignment of Assumed Contracts and Leases, (C) Authorizing the Sale of Assets, and (D) Granting Related Relief* [Docket No. 118] (the “Motion”)² with the United States Bankruptcy Court for the District of New Jersey (the “Court”) seeking, among other things, entry

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor’s federal tax identification number, are: Atlantic Neurosurgical Specialists, P.A., d/b/a Atlantic Neurosurgical and Altair Health (0733); ANS Newco, LLC, d/b/a Altair Health (7893); and Hanover Hills Surgery Center LLC, d/b/a Altair Health Surgical Center and Altair Health (8645).

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

of an order authorizing and approving: (a) approving the Bidding Procedures, by which Hanover Hills will solicit and select the highest or otherwise best offer(s) for the sale or sales (the “Sale”) of all, substantially all, or any portion of its assets; (b) approving the Stalking Horse Bid Protections; (c) establishing certain dates and deadlines related thereto and scheduling an auction or auctions, if any, for the Sale; (d) approving the manner of notice of the Auction and sale hearing as may be necessary; (e) approving procedures for the assumption and assignment of certain executory contracts and unexpired leases in connection with the Sale, if any; (f) authorizing the assumption and assignment of certain executory contracts and unexpired leases; (g) authorizing the Sale of Debtor’s Sale Assets; and (h) granting related relief.

PLEASE TAKE FURTHER NOTICE that Hanover Hills is soliciting offers for the purchase of the Sale Assets consistent with the bidding procedures (the “Bidding Procedures”) approved by the Court by entry of an order on [●], 2023 [Docket No. [●]] (the “Bidding Procedures Order”). **All interested bidders should carefully read the Bidding Procedures and Bidding Procedures Order.** To the extent that there are any inconsistencies between this notice and the Bidding Procedures or Bidding Procedures Order, the Bidding Procedures or Bidding Procedures Order, as applicable, shall govern in all respects.

PLEASE TAKE FURTHER NOTICE that the deadline for interested bidders to submit an offer to purchase the Sale Assets, in accordance with the Bidding Procedures, is **on or before September 27, 2024 at 5:00 p.m. (Eastern Standard Time)** (the “Bid Deadline”).

PLEASE TAKE FURTHER NOTICE that, if Hanover Hills receives qualified competing bids within the requirements and time frame specified by the Bidding Procedures, Hanover Hills will conduct an auction (the “Auction”) of the Sale Assets **on September 30, 2024 at 10:00 a.m. (prevailing Eastern Time)** at the offices of Fox Rothschild LLP, 49 Market Street, Morristown, NJ 07960 (or at any other location as Hanover Hills may hereafter designate on proper notice).

PLEASE TAKE FURTHER NOTICE that, except as otherwise set forth in the Bidding Procedures Order with respect to any objections to proposed cure payments or the assumption and assignment of executory contracts or unexpired leases, any objection to approval of the Sale of the Sale Assets must: (a) be in writing; (b) conform to the applicable provisions of the Bankruptcy Rules and the Local Rules; (c) state with particularity the legal and factual basis for the objection and the specific grounds therefor; and (d) be filed with the Court, and served so as to be actually received **on or before October 4, 2024 at 5:00 p.m. (prevailing Eastern Time)** (“Sale Objection Deadline”) by the following parties: counsel to Hanover Hills (Fox Rothschild LLP, 49 Market Street, Morristown, NJ 07960 (Attn: Joseph J. DiPasquale, Esq., Michael R. Herz, Esq. and Agostino A. Zammiello, Esq.) (jdipasquale@foxrothschild.com, mherz@foxrothschild.com, and azammiello@foxrothschild.com)); (ii) counsel to the ANS Debtors (Greenbaum, Rowe, Smith & Davis LLP, PO Box 5600, Woodbridge, NJ 07095 (Attn: David L. Bruck, Esq.) (dbruck@greenbaumlaw.com)); (iii) counsel to the Committee (Faegre Drinker Biddle & Reath LLP, 600 Campus Drive, Florham Park, NJ 07932 (Attn: Frank F. Velocci, Esq. and Richard J. Bernard, Esq.) (frank.velocci@faegredrinker.com and richard.bernard@faegredrinker.com)); and (iv) counsel to the United States Trustee (United States Department of Justice, Office of the United States Trustee, One Newark Center, Suite 2100, Newark, New Jersey 07102 (Attn: Fran B. Steele,

Esq.) (Fran.B.Steele@usdoj.gov). Any replies to any objections must be filed and served **on or before October 7, 2024.**

CONSEQUENCES OF FAILING TO TIMELY MAKE AN OBJECTION

ANY PARTY OR ENTITY WHO FAILS TO TIMELY MAKE AN OBJECTION TO THE SALE ON OR BEFORE THE SALE OBJECTION DEADLINE IN ACCORDANCE WITH THE BIDDING PROCEDURES ORDER SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE SALE, INCLUDING WITH RESPECT TO THE TRANSFER OF THE DEBTOR'S ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS, EXCEPT AS SET FORTH IN THE APPLICABLE PURCHASE AGREEMENT.

PLEASE TAKE FURTHER NOTICE that Hanover Hills will seek approval of the Sale at a hearing scheduled to commence **on or before October 8, 2024, at 10:00 a.m. (prevailing Eastern Time)** (the "Sale Hearing") before the Honorable Vincent F. Papalia, United States Bankruptcy Judge for the Bankruptcy Court for the District of New Jersey, 50 Walnut Street, Newark, NJ 07102, Courtroom 3B.

PLEASE TAKE FURTHER NOTICE that copies of the Motion, Bidding Procedures, and Bidding Procedures Order, as well as all related exhibits, are available: (a) free of charge upon request to Epiq Corporate Restructuring, LLC (the notice and claims agent retained in these chapter 11 cases) by calling (888) 311-7005 (Toll-Free) or (971) 328-4573 (International), emailing atlanticneurosurgicalspecialists@epiqglobal.com, or writing via hardcopy to: Atlantic Neurosurgical Specialists, P.A. Claims Processing Center, c/o Epiq Corporate Restructuring, LLC, 10300 SW Allen Blvd., Beaverton, OR 97005; (b) by visiting the website maintained in these chapter 11 cases <https://dm.epiq11.com/case/atq/info>; or (c) for a fee via PACER by visiting <http://www.njb.uscourts.gov>.

PLEASE TAKE FURTHER NOTICE that you may obtain additional information concerning the above-captioned chapter 11 cases at the website maintained in these chapter 11 cases at <https://dm.epiq11.com/case/atq/info>.

Dated: August , 2024

FOX ROTHSCHILD LLP

Proposed Counsel to Hanover Hills Surgery Center LLC

/s/

Joseph J. DiPasquale, Esq.

Michael R. Herz, Esq.

Agostino A. Zammiello, Esq.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY**

In re:

ATLANTIC NEUROSURGICAL
SPECIALISTS, P.A. *et al.*,¹

Debtors.

Chapter 11

Case No. 24-15726(VFP)

Jointly Administered

ASSUMPTION AND ASSIGNMENT PROCEDURES

Set forth below are the procedures that shall apply to the proposed assumption and assignment (the “Assumption and Assignment Procedures”) of executory contracts and unexpired leases in connection with the proposed sale of substantially all of the assets of Hanover Hills Surgery Center LLC (the “Debtor” or “Hanover Hills”), debtor and debtor-in-possession in the above-captioned jointly administered Chapter 11 Case pending in the United States Bankruptcy Court for the District of New Jersey (the “Bankruptcy Court”).

On August 9, 2024, Hanover Hills filed a *Motion for entry of an Order (I)(A) Approving the Auction and Bidding Procedures, (B) Approving Stalking Horse Bid Protections, (C) Scheduling Bid Deadlines and An Auction, (D) Approving the Form and Manner of Notice Thereof, and (II)(A) Establishing Notice And Procedures for the Assumption and Assignment of Contracts and Leases, (B) Authorizing the Assumption and Assignment of Assumed Contracts and Leases, (C) Authorizing the Sale of Assets, and (D) Granting Related Relief* [Docket No. 118] (the “Motion”).²

On August __, 2024, the Bankruptcy Court entered an *Order (I)(A) Approving the Auction and Bidding Procedures, (B) Approving Stalking Horse Bid Protections, (C) Scheduling Bid Deadlines and An Auction, (D) Approving the Form and Manner of Notice Thereof, and (II)(A) Establishing Notice And Procedures for the Assumption and Assignment of Contracts and Leases, (B) Authorizing the Assumption and Assignment of Assumed Contracts and Leases, (C) Authorizing the Sale of Assets, and (D) Granting Related Relief* [Docket No. [●]] (the “Bidding Procedures”).

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor’s federal tax identification number, are: Atlantic Neurosurgical Specialists, P.A., d/b/a Atlantic Neurosurgical and Altair Health (0733); ANS Newco, LLC, d/b/a Altair Health (7893); and Hanover Hills Surgery Center LLC, d/b/a Altair Health Surgical Center and Altair Health (8645).

² Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Motion.

Order”). A copy of the “Bidding Procedures” is attached as **Exhibit 1** to the Bidding Procedures Order.

Filing and Service of Assumption Notice

By not more than five (5) business days after entry of the Bidding Procedures Order, or such adjourned date to which Hanover Hills, the ANS Debtors, and the Official Committee of Unsecured Creditors (the “Committee”) agree, Hanover Hills must file and serve by electronic mail, overnight mail, or first class mail a copy of the notice of the possible assumption and assignment of executory contracts and unexpired leases pursuant to Bankruptcy Code section 365 (the “Assumption and Assignment Notice”) upon the following parties (i) the applicable counterparties to all such executory contracts and unexpired leases (the “Non-Debtor Parties”), and their counsel, if known; (ii) the Committee; (iii) the United States Trustee; and (iv) any other parties in interest who have requested notice pursuant to Federal Rule of Bankruptcy Procedure 2002.

Content of Assumption Notice

The Notice shall be substantially in the form of **Exhibit 4** attached to the Bidding Procedures Order and shall set forth the following information, to the best of Hanover Hills’ knowledge, as applicable: (i) all of Hanover Hills’ executory contracts and unexpired leases that potentially could be assumed and assigned; (ii) the names and addresses of the Non-Debtor Parties to each contract or lease; (iii) the proposed amount, if any, that must be paid to cure all defaults pursuant to Bankruptcy Code section 365(b)(1)(A) for each listed executory contract or unexpired lease (the “Cure Amount”); (iv) the procedures for Non-Debtor Parties to receive information regarding assurance of future performance of the contract or lease pursuant to Bankruptcy Code section 365(f); and (v) the deadlines and procedures for filing an objection to the potential assumption and assignment of any executory contract or unexpired lease listed in the Notice of Possible Assumption and Assignment.

Adequate Assurance Information

Upon written request by a Non-Debtor Party, Hanover Hills must promptly provide to the Non-Debtor Party any available information relating to the ability of a potential assignee to fulfill Hanover Hills’ obligations under any assumed executory contract or unexpired lease and thereby demonstrate adequate assurance of future performance (“Adequate Assurance Information”), provided that the Non-Debtor Party confirms in writing to Hanover Hills’ counsel its agreement to keep such information strictly confidential and use it only for the purpose of evaluating whether the potential assignee has provided adequate assurance of future performance under the applicable contract or lease.

Objections to Assumption and Assignment, including Cure Objections

Any objection by a Non-Debtor Party to the assumption and assignment of an executory contract or unexpired lease by the Stalking Horse Bidder, including, but not limited to, an objection as to the proposed Cure Amount under the contract or lease or that adequate assurance of future performance has not been provided (“Objection”), must be filed with the Bankruptcy Court and

served on counsel to Hanover Hills (Fox Rothschild LLP, 49 Market Street, Morristown, NJ 07960 (Attn: Joseph J. DiPasquale, Esq., Michael R. Herz, Esq. and Agostino A. Zammiello, Esq.) (jdipasquale@foxrothschild.com, mherz@foxrothschild.com and azammiello@foxrothschild.com)); (ii) counsel to the ANS Debtors (Greenbaum, Rowe, Smith & Davis LLP, PO Box 5600, Woodbridge, NJ 07095 (Attn: David L. Bruck, Esq.) (dbruck@greenbaumlaw.com)); (iii) counsel to the Committee (Faegre Drinker Biddle & Reath LLP, 600 Campus Drive, Florham Park, NJ 07932 (Attn: Frank F. Velocci, Esq. and Richard J. Bernard, Esq.) (frank.velocci@faegredrinker.com and richard.bernard@faegredrinker.com)); and (iv) counsel to the United States Trustee (United States Department of Justice, Office of the United States Trustee, One Newark Center, Suite 2100, Newark, New Jersey 07102 (Attn: Fran B. Steele, Esq.) (Fran.B.Steele@usdoj.gov)) by no later than October 4, 2024 at 5:00 p.m. (Eastern Standard Time).

An Objection to the Cure Amount must set forth with specificity each alleged default in the executory contract or unexpired lease at issue and the alleged Cure Amount asserted by such Non-Debtor Party to the extent it differs from the Cure Amount specified by Hanover Hills in the Assumption and Assignment Notice.

An Objection to the Cure Amount may not prevent or delay assumption and assignment of the executory contract or unexpired lease to which the Objection relates. If a Non-Debtor Party files an Objection to the Cure Amount, Hanover Hills may hold the Cure Amount in reserve pending further Order of the Court or mutual agreement of the parties. So long as the Cure Amount is held in reserve, and the Non-Debtor Party has not otherwise objected to the applicable executory contract or unexpired lease, Hanover Hills may assume and assign such contract or lease.

If the Non-Debtor Party objects to assumption and assignment to the Successful Bidder (as defined in the Bidding Procedures), where the Successful Bidder is a bidder other than the Stalking Horse Bidder, said Objection shall be filed by no later than October 4, 2024 at 5:00 p.m. (Eastern Standard Time), and be heard at the Sale Hearing on October 8, 2024 at 10:00 a.m. (Eastern Standard Time), which may be adjourned by further Order of this Court or otherwise on agreement of counsel for Hanover Hills, the ANS Debtors, and the Committee.

Effect of No Objection

If any Non-Debtor Party fails to timely file an Objection, then: (i) Hanover Hills' proposed Cure Amount shall be binding upon the Non-Debtor Party with respect to Hanover Hills' liability and obligations, if any, to the Non-Debtor Party under the applicable executory contract or unexpired lease; and (ii) the Sale Order (as defined in the Bidding Procedures) will constitute a final determination that Hanover Hills has satisfied its burden of proof under Bankruptcy Code sections 365(b) and 365(f).

Effect of Assumption and Assignment

Pursuant to Bankruptcy Code section 365(k), upon assumption and assignment of an executory contract or unexpired lease, Hanover Hills and its estate shall be relieved of any liability for any breach of such contract or lease that occurs after the assignment.

Amendment

Hanover Hills, in consultation with the ANS Debtors, KeyBank, and the Committee may amend these Assumption and Assignment Procedures if an amendment will further the objective of the assumption and assignment process, provided that any amendment will not be inconsistent with the Bidding Procedures Order or any other Order of the Bankruptcy Court.

Reservation of Rights

Hanover Hills reserves all rights, remedies, claims, and defenses with respect to any executory contract or unexpired lease.

The mere listing of any executory contract or unexpired lease on the Assumption and Assignment Notice or any Supplemental Assumption and Assignment Notice does not require or guarantee that such executory contract or unexpired lease will be assumed by Hanover Hills at any time or assumed and assigned, and all rights of Hanover Hills and the Successful Bidder with respect to such executory contracts and/or unexpired leases are reserved. Moreover, Hanover Hills explicitly reserve the right, in their reasonable discretion, to seek to reject or assume each executory contract or unexpired lease pursuant to section 365(a) of the Bankruptcy Code and in accordance with the procedures allowing Hanover Hills and/or the Successful Bidder, as applicable, to designate any executory contract or unexpired lease as either rejected or assumed on a post-closing basis.

The issuance of an Assumption and Assignment Notice to a Non-Debtor Party shall not constitute an admission that the executory contract or unexpired leases to which the Non-Debtor Party is a party is an executory contract or unexpired lease. Additionally, nothing herein (i) alters in any way the prepetition nature of the executory contract or unexpired lease or the validity, priority, or amount of any claims of a counterparty to any executory contract or unexpired lease against Hanover Hills that may arise under such executory contract or unexpired lease, (ii) creates a postpetition contract or agreement, or (iii) elevates to administrative expense priority any claims of a counterparty to any executory contract or unexpired lease against Hanover Hills that may arise under such executory contract or unexpired lease.

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Proposed Counsel to the Debtor and Debtor in Possession, Hanover Hills Surgery Center LLC

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY**

In re:

ATLANTIC NEUROSURGICAL
SPECIALISTS, P.A. *et al.*¹

Debtors.

Chapter 11

Case No. 24-15726(VFP)

Jointly Administered

**NOTICE OF POSSIBLE ASSUMPTION AND ASSIGNMENT OF CERTAIN
EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN CONNECTION WITH
SALE OF SUBSTANTIALLY ALL OF THE DEBTOR'S ASSETS**

PLEASE TAKE NOTICE that on August 9, 2024, Hanover Hills Surgery Center LLC, the above-captioned debtor and debtor in possession (the “Debtor” or “Hanover Hills”) filed the *Debtor’s Motion for Entry an Order (I)(A) Approving the Auction and Bidding Procedures, (B) Approving Stalking Horse Bid Protections, (C) Scheduling Bid Deadlines and An Auction, (D) Approving the Form and Manner of Notice Thereof, and (II)(A) Establishing Notice And Procedures for the Assumption and Assignment of Contracts and Leases, (B) Authorizing the Assumption and Assignment of Assumed Contracts and Leases, (C) Authorizing the Sale of Assets, and (D) Granting Related Relief* [Docket No. 118] (the “Motion”)² with the United States Bankruptcy Court for the District of New Jersey (the “Court”) seeking, among other things, entry

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor’s federal tax identification number, are: Atlantic Neurosurgical Specialists, P.A., d/b/a Atlantic Neurosurgical and Altair Health (0733); ANS Newco, LLC, d/b/a Altair Health (7893); and Hanover Hills Surgery Center LLC, d/b/a Altair Health Surgical Center and Altair Health (8645).

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

of an order authorizing and approving: (a) approving the Bidding Procedures, by which Hanover Hills will solicit and select the highest or otherwise best offer(s) for the sale or sales (the “Sale”) of all, substantially all, or any portion of its assets; (b) approving the Stalking Horse Bid Protections; (c) establishing certain dates and deadlines related thereto and scheduling an auction or auctions, if any, for the Sale; (d) approving the manner of notice of the Auction and sale hearing as may be necessary; (e) approving procedures for the assumption and assignment of certain executory contracts and unexpired leases in connection with the Sale, if any; (f) authorizing the assumption and assignment of certain executory contracts and unexpired leases; (g) authorizing the Sale of the Debtor’s Sale Assets; and (h) granting related relief.

PLEASE TAKE FURTHER NOTICE that on [●], 2023, the Bankruptcy Court entered an Order granting the Motion [Docket No. [●]] (the “Bidding Procedures Order”).

PLEASE TAKE FURTHER NOTICE that, pursuant to the Bidding Procedures Order, Hanover Hills may seek to assume and assign the executory contracts and unexpired leases identified on **Schedule 1** attached hereto (the “Assignment Schedule”) in connection with the Sale of the Sale Assets.

PLEASE TAKE FURTHER NOTICE that any written request for Adequate Assurance Information (as defined in the Assumption and Assignment Procedures attached as Exhibit 3 to the Bidding Procedures Order) must be promptly made to counsel to Hanover Hills (Fox Rothschild LLP, 49 Market Street, Morristown, NJ 07960 (Attn: Joseph J. DiPasquale, Esq., Michael R. Herz, Esq. and Agostino A. Zammiello, Esq.) (jdipasquale@foxrothschild.com, mherz@foxrothschild.com and azammiello@foxrothschild.com)); and it must (i) include an email address or mail address to which a response to such request can be sent, and (ii) confirm that the recipient will enter into a confidentiality agreement. Upon receiving such a request, Hanover Hills shall promptly provide such party with the Adequate Assurance Information.

PLEASE TAKE FURTHER NOTICE that, any objection by a Non-Debtor Party to the assumption and assignment of an executory contract or unexpired lease by the Stalking Horse Bidder, including, but not limited to, an objection as to the proposed cure amount under the contract or lease or that adequate assurance of future performance has not been provided, must be filed with the Bankruptcy Court and served on counsel to Hanover Hills (Fox Rothschild LLP, 49 Market Street, Morristown, NJ 07960 (Attn: Joseph J. DiPasquale, Esq., Michael R. Herz, Esq. and Agostino A. Zammiello, Esq.) (jdipasquale@foxrothschild.com, mherz@foxrothschild.com and azammiello@foxrothschild.com)); (ii) counsel to the ANS Debtors (Greenbaum, Rowe, Smith & Davis LLP, PO Box 5600, Woodbridge, NJ 07095 (Attn: David L. Bruck, Esq.) (dbruck@greenbaumlaw.com)); (iii) counsel to the Committee (Faegre Drinker Biddle & Reath LLP, 600 Campus Drive, Florham Park, NJ 07932 (Attn: Frank F. Velocci, Esq. and Richard J. Bernard, Esq.) (frank.velocci@faegredrinker.com and richard.bernard@faegredrinker.com)); and (iv) counsel to the United States Trustee (United States Department of Justice, Office of the United States Trustee, One Newark Center, Suite 2100, Newark, New Jersey 07102 (Attn: Fran B. Steele, Esq.) (Fran.B.Steele@usdoj.gov)) by no later than October 4, 2024 at 5:00 p.m. (Eastern Standard Time), and heard at the Sale Hearing on October 8, 2024 at 10:00 a.m. (Eastern Standard Time, if the Non-Debtor Party objects to assumption and assignment to the Successful Bidder (as defined

in the Bidding Procedures), if the Successful Bidder is a bidder other than the Stalking Horse Bidder.

PLEASE TAKE FURTHER NOTICE that, unless a Non-Debtor Party (as defined in the Assumption and Assignment Procedures) timely objects, whether to a Cure Amount or on any other basis, the Non-Debtor Party shall be (i) deemed to have consented to the assumption and assignment of the applicable contract or lease and stipulated that the applicable Cure Amount as determined by Hanover Hills is correct and that the assurance of future performance is adequate; (ii) forever barred, estopped, and enjoined from objecting to the assumption and assignment of the assumed contract or lease, to the applicable Cure Amount, or to the assurance of future performance; (iii) forever barred, estopped, and enjoined from asserting or claiming against Hanover Hills or the assignee that any additional amounts are due, that any defaults under the contract or lease exist, that conditions to assignment must be satisfied under such assumed contract or lease, that there is any objection or defense to the assumption and assignment of such assumed contract or lease, or that any required consent to the assignment has not been given; (iv) deemed to have agreed that from and after the date of assignment of the applicable contract or lease, the contract or lease will remain in effect; and (v) barred from asserting any other basis on which to object to the assumption and assignment.

PLEASE THAT FURTHER NOTICE that, notwithstanding anything herein, the mere listing of any executory contract or unexpired lease on the Assumption and Assignment Notice or any Supplemental Assumption and Assignment Notice does not require or guarantee that such executory contract or unexpired lease will be assumed by Hanover Hills at any time or assumed and assigned, and all rights of Hanover Hills and the Successful Bidder with respect to such executory contracts and/or unexpired leases are reserved. Moreover, Hanover Hills explicitly reserves the right, in their reasonable discretion, to seek to reject or assume each executory contract or unexpired lease pursuant to section 365(a) of the Bankruptcy Code and in accordance with the procedures allowing Hanover Hills and/or the Successful Bidder, as applicable, to designate any executory contract or unexpired lease as either rejected or assumed on a post-closing basis.

PLEASE TAKE FURTHER NOTICE that, nothing herein (i) alters in any way the prepetition nature of the executory contract or unexpired lease or the validity, priority, or amount of any claims of a counterparty to any executory contract or unexpired lease against Hanover Hills that may arise under such executory contract or unexpired lease, (ii) creates a postpetition contract or agreement, or (iii) elevates to administrative expense priority any claims of a counterparty to any executory contract or unexpired lease against Hanover Hills that may arise under such executory contract or unexpired lease.

PLEASE TAKE FURTHER NOTICE that, if any Non-Debtor Party (as defined in the Assumption and Assignment Procedures) agrees with the Cure Amount identified on the Assignment Schedule and such party has no other objection to the sale or the potential assumption and assignment of its executory contract or unexpired lease, the Non-Debtor Party need not take any further action.

PLEASE TAKE FURTHER NOTICE that Hanover Hills reserves the right to supplement and modify the Assignment Schedule up to the close of the Auction; provided that if

Hanover Hills adds an executory contract or unexpired lease to the Assignment Schedule or modify the Cure Amount, the affected party shall receive a separate notice and an opportunity to object to such addition or modification.

PLEASE TAKE FURTHER NOTICE that copies of the Motion, Bidding Procedures, and Bidding Procedures Order, as well as all related exhibits, are available: (a) free of charge upon request to Epiq Corporate Restructuring, LLC (the notice and claims agent retained in these chapter 11 cases) by calling (888) 311-7005 (Toll-Free) or (971) 328-4573 (International), emailing atlanticneurosurgicalspecialists@epiqglobal.com, or writing via hardcopy to: Atlantic Neurosurgical Specialists, P.A. Claims Processing Center, c/o Epiq Corporate Restructuring, LLC, 10300 SW Allen Blvd., Beaverton, OR 97005; (b) by visiting the website maintained in these chapter 11 cases <https://dm.epiq11.com/case/atq/info>; or (c) for a fee via PACER by visiting <http://www.njb.uscourts.gov>.

PLEASE TAKE FURTHER NOTICE that you may obtain additional information concerning the above-captioned chapter 11 cases at the website maintained in these chapter 11 cases at <https://dm.epiq11.com/case/atq/info>.

Dated: August __, 2024

FOX ROTHSCHILD LLP

Proposed Counsel to Hanover Hills Surgery Center LLC

/s/ _____
Joseph J. DiPasquale, Esq.
Michael R. Herz, Esq.
Agostino A. Zammiello, Esq.

SCHEDULE 1

Assumption and Assignment Cure Schedule

Counter Party	Address	Contract/Lease Title	Effective Date	Cure Amount