UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

**Caption in Compliance with D.N.J. LBR 9004-1(b)**

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| In re:<br><br>SKYLINE TOWER RESORT VACATION CONDOMINIUM ASSOCIATION, INC.,[1]<br><br>Debtor. | Case No. 25-22156 (ABA)<br>Chapter 11 (Subchapter V)<br><br>Judge Hon. Andrew B. Altenburg, Jr.<br><br>Hearing Date: February 10, 2026<br>Hearing Time: 10:00 a.m. |

**NOTICE OF MOTION FOR ENTRY OF AN ORDER (I) (A) APPROVING AUCTION AND BIDDING PROCEDURES, (B) SCHEDULING BID DEADLINES AND AN AUCTION, AND (C) APPROVING THE FORM AND MANNER OF NOTICE THEREOF, AND (II) (A) AUTHORIZING THE SALE OF ASSETS AND (B) GRANTING RELATED RELIEF**

[1] The last four digits of Debtor's tax identification number are 5824. Debtor's primary place of business is 100 S. North Carolina Ave, Atlantic City, NJ 08401.

**PLEASE TAKE NOTICE** that on February 10, 2026, at 10:00 a.m. (EST), or as soon thereafter as counsel may be heard, the above-captioned debtor (the "Debtor"), by and through its undersigned proposed counsel, shall move (the "Motion") before the Honorable Andrew B. Altenburg, Jr., United States Bankruptcy Judge, in Courtroom 4B of the United States Bankruptcy Court for the District of New Jersey, Mitchell H. Cohen U.S. Courthouse, 400 Cooper Street, 4th Floor, Camden, NJ 08101 for entry of an order, substantially in the form submitted herewith, approving auction and bidding procedures, scheduling bid deadlines and an auction, approving the form and manner of notice thereof, and authorizing the sale of assets.

**PLEASE TAKE FURTHER NOTICE** that in support of the Motion, the Debtor shall rely on the *Declaration of Sheama Holmes-Walker in Support of Debtor's Chapter 11 Petition and Applications for First Day Relief* [ECF No. 9], which sets forth the relevant factual bases upon which the relief requested should be granted. A proposed Order granting the relief requested in the Motion also is submitted herewith.

**PLEASE TAKE FURTHER NOTICE** that pursuant to D.N.J. LBR 9013-2(a)(2)(i), responsive pleadings, if any, must be filed with the Clerk of the Bankruptcy Court, United States Bankruptcy Court, U.S. Post Office and Courthouse, 401 Market Street, Camden, NJ 08101, and served on K&L Gates LLP, Attorneys for the Debtor, Attn: Daniel M. Eliades, Esq., One Newark Center, 10th Floor, Newark, NJ 07102, at least seven (7) days prior to the hearing date.

**PLEASE TAKE FURTHER NOTICE** that unless objections are timely filed and served, the Motion may be decided on the papers in accordance with D.N.J. LBR 9013-3(d), and the relief requested may be granted without further notice or hearing.

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Dated: January 14, 2026

By: */s/ Daniel M. Eliades*
Daniel M. Eliades

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| In re:<br><br>SKYLINE TOWER RESORT VACATION CONDOMINIUM ASSOCIATION, INC.,[1]<br><br>Debtor. | Case No. 25-22156(ABA)<br>Chapter 11 (Subchapter V)<br><br>Judge: Hon. Andrew B. Altenburg, Jr.<br><br>Hearing Date: February 10, 2026<br>Hearing Time: 10:00 am |

**DEBTOR'S MOTION FOR ENTRY OF AN ORDER (I) (A) APPROVING AUCTION AND BIDDING PROCEDURES, (B) SCHEDULING BID DEADLINES AND AUCTION, AND (C) APPROVING THE FORM AND MANNER OF NOTICE THEREOF, AND (II) (A) AUTHORIZING THE SALE OF ASSETS AND <u>(B) GRANTING RELATED RELIEF</u>**

[1] The last four digits of Debtor's tax identification number are 5824. Debtor's primary place of business is 100 S. North Carolina Ave, Atlantic City, NJ 08401.

SKYLINE TOWER RESORT VACATION CONDOMINIUM ASSOCIATION, INC., (the "Debtor" or the "Association") respectfully states the following in support of its *Motion for Entry of an Order (I) (A) Approving Auction and Bidding Procedures, (B) Scheduling Bid Deadlines and an Auction, and (C) Approving the Form and Manner of Notice Thereof, and (II) (A) Authorizing the Sale of Assets and (B) Granting Related Relief* (the "Motion").

## INTRODUCTION

1. Debtor seeks entry of an order, substantially in the form attached hereto as **Exhibit A** (the "Bidding Procedures Order" or the "Order"): (a) approving the proposed marketing, auction, and bidding procedures attached as Exhibit 1 to the Order (the "Bidding Procedures"), pursuant to which Debtor will solicit and select the highest or otherwise best offer for the sale or other transaction (the "Sale Transaction") of the Property (as defined below); (b) establishing certain dates, deadlines and procedures related thereto and scheduling an auction, if any, for the Sale Transaction (the "Auction"); (c) approving the manner of notice of any Auction and corresponding sale approval hearing (the "Sale Hearing") as may be necessary; and (d) granting related relief.

2. Additionally, Debtor will seek entry of an order at the Sale Hearing (the "Sale Order") (a) authorizing and approving a Sale Transaction with the Successful Bidder (as defined below); and (b) authorizing and approving the sale of the Property free and clear of all interval and other interests of Association Members (as defined below), liens, claims, encumbrances, and other interests pursuant to 11 U.S.C. §§ 363(b), (f), (h), (i) and (m), to the extent set forth in an asset purchase agreement ("PSA") with the Successful Bidder; and (c) granting any related relief.

3. In support of the Motion, Debtor respectfully relies upon the *Declaration of Sheama Holmes-Walker in Support of Debtor's Chapter 11 Petition and First Day Relief* (the "First Day Declaration"; ECF No. 9).[2]

## JURISDICTION AND VENUE

4. The United States Bankruptcy Court for the District of New Jersey (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Standing Order of Reference to the Bankruptcy Court Under Title 11*, entered July 23, 1984, and amended on September 18, 2012 (Simandle, C.J.). Debtor confirms its consent to the Court entering a final order in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

5. The bases for the relief requested herein are sections 105(a), 363, 365, 503, and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code"), Rules 2002, 6004, and 6006(a) of the Federal Rules of Bankruptcy Procedures (the "Bankruptcy Rules"), and Rules 6004-1, 6004-2, and 9013-1(a)(3) of the Local Bankruptcy Rules for the District of New Jersey (the "Local Rules").

6. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

## BACKGROUND

### I. General Background

7. On November 15, 2025 (the "Petition Date"), Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (the "Chapter 11 Case").

[2] Capitalized terms used but not otherwise defined in this Motion shall have the meanings ascribed to them in the First Day Declaration.

8. Debtor is a not-for-profit corporation organized under the laws of the State of New Jersey pursuant to a Certificate of Incorporation filed with the State Treasurer of New Jersey on October 19, 2004. First Day Declaration at ¶ 6.

9. Pursuant to its By-Laws, Debtor was organized and exists to administer the Fairfield Atlantic City – Skyline Tower, a Condominium located in Atlantic City, New Jersey. The original By-Laws were recorded in conjunction with the recordation of the Master Deed on January 20, 2025 in the Office of the Recorder of Deeds for Atlantic County, New Jersey as part of Instrument No. 2005007307. First Day Declaration at ¶ 9.

10. Debtor is operating its business and managing its affairs as debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. See First Day Declaration at ¶ 5.

11. For a detailed description of Debtor and its operations, Debtor respectfully refers the Court and parties in interest to the First Day Declaration.

## II. The Property

12. The property governed by the Association is located at 100 S. North Carolina Ave. Atlantic City, New Jersey (the "Property"). Built in 1982, the Property consists of a 32-story, concrete-constructed high rise above a parking deck. The Property contains 20 commercial units and 296 residential units - with 192 one-bedroom units, 98 two-bedroom units, 5 three-bedroom units and 1 four-bedroom unit. The Property operates as a timeshare community. First Day Declaration at ¶¶ 11, 13.

13. Situated near the Atlantic City Boardwalk, the Property is strategically located near casinos, shopping and the Atlantic Ocean beaches. Rooms have balconies and partial ocean views. Common area amenities include an enclosed pool, fitness room, child activity center, meeting space, and other resort style amenities.

14. Building floors one through six contain the commercial units. (individually a "Commercial Unit" or collectively the "Commercial Units"). Wyndham Vacation Resorts, Inc. ("WVR") owns all Commercial Units. Commercial Unit 1 represents laundry space; Commercial Unit 2 is the front desk; Commercial Unit 3 is office space; Commercial Unit 4 and Commercial Unit 5 are non-descript Commercial Units; Commercial Unit 6 is the property management office; Commercial Units 7, 10, 12, 14 and 15 are components of the parking garage; Commercial Units 8, 9, 11, and 13 are designated as back of house; Commercial Unit 16 contains activities and the arcade; Commercial Unit 17 is a deck; Commercial Unit 18 is the indoor pool; Commercial Unit 19 is a recreation and fitness area; and Commercial Unit 20 is a sales unit.

15. The residential units located on floors seven through twelve and fourteen through thirty-three of the Property are organized pursuant to the Master Deed as a timeshare plan. Sections 4.2 and 4.5.1 of the Master Deed provide that the developer has sole discretion to allocate residential units into the timeshare plan and to create timeshare interests in the residential units. Vacation Ownership Interests ("VOI's") are defined as undivided interests as tenants in common with other owners in a residential unit or grouping of residential units. The initial developer, Fairfield Resorts, Inc., organized the VOIs in the Property by floor, with each timeshare owner receiving a fractional interest on one of the Property's residential floors. First Day Declaration at ¶ 16.

## III. Ownership of the Property

16. Exhibit F to the Master Deed sets forth the percentage of common elements allocated to each of the units in the condominium – both commercial and residential. Pursuant to Section 5.4 of the Master Deed, each owner of a VOI has a fractional undivided interest in one or more residential units and will also have a fractional ownership interest in the sum of the

percentage interests in the common elements for all such residential units. First Day Declaration at ¶ 17.

17. Pursuant to Section 1 of Article II of the Bylaws of the Association, record owners of VOIs and Commercial Units, including the Developer, are members of the Association and are hereafter referred to as the "Association Members." First Day Declaration at ¶ 24.

18. The Association owns 9,369,000 of the 2,640,478,000 tenant-in-common fee simple VOIs at the Property, and a concomitant share of the common elements at the Property, (the "Association Interest"). The Association Interest comprises approximately .35% of the total VOIs at the Property. The Association is a tenant in common with all other VOI owners and commercial unit owner(s) at the Property. See First Day Declaration at ¶ 19.

19. Wyndham Vacation Resorts, Inc. ("WVR") owns 268,407,000 of the 2,640,478,000 tenant-in-common fee simple VOIs at the Property, and a concomitant share of the common elements at the Property. WVR owns approximately 10.17% of the total VOIs at the Property. WVR is a tenant in common with all other VOI owners and commercial unit owner(s) at the Property. First Day Declaration at ¶ 20.

20. PTVO Owners Association, Inc. ("PTVO") owns 1,790,597,000 of the 2,640,478,000 tenant-in-common fee simple VOIs at the Property, and a concomitant share of the common elements at the Property. PTVO owns approximately 67.81% of the total VOIs at the Property. PTVO is a tenant in common with all other VOI owners and commercial unit owner(s) at the Property. First Day Declaration at ¶ 21.

21. The remaining 572,105,000 of the 2,640,478,000 tenant-in-common fee simple VOIs at the Property, and a concomitant share of the common elements at the Property, are owned by approximately 8,848 parties to approximately 5,126 contracts (the "Interval Owners"). The

Interval Owners own approximately 21.67% of the Property. The Interval Owners are tenants in common with all other VOI owners and commercial unit owner(s) at the Property. First Day Declaration at ¶ 22.

22. Debtor intends to file one or more adversary proceedings pursuant to section 363(h) of the Bankruptcy Code seeking judgments authorizing the sale of the Property, including the Association Interest in the Property, together with the interests of all Association Members, including Interval Owners (each such proceeding, a "Section 363(h) Proceeding").[3] See First Day Declaration at ¶ 54. Debtor seeks authority to market the Property according to the Bidding Procedures while the Section 363(h) Proceedings are pending. As detailed below, closing of a Sale Transaction shall be subject to the entry of a final and unappealable order or judgment of this Court authorizing Debtor to sell the Association Interest jointly with the sale of the interests of all other Association Members in the Property pursuant to section 363(h) of the Bankruptcy Code.Debtor intends to file an application requesting that the Court approve Debtor's retention of Hilco Real Estate, LLC ("Hilco") as its real estate broker to market the Property for sale, subject to the conclusion of the Section 363(h) Proceedings. The terms of Hilco's engagement will be set forth in a Declaration filed contemporaneously with the filing of Hilco's retention application.

## RELIEF REQUESTED

### I. The Bidding Procedures

23. Debtor seeks approval of the Bidding Procedures to establish an open process for the solicitation, receipt, and evaluation of Bids (as defined below) in a fair, accessible, and expeditious manner. The Bidding Procedures contemplate that all parties executing confidentiality

[3] The rights of Association Members pursuant to section 363(j) of the Bankruptcy Code will be dealt with in the Section 363(h) Proceedings and/or the subchapter V plan.

agreements in accordance with the Bidding Procedures will be granted access to a virtual data room in accordance with the terms thereof, which virtual data room will be populated with relevant information regarding the Property on a rolling basis throughout the sale process.

24. Debtor seeks to sell the Property to the highest and best bidder to maximize value for the bankruptcy estate. To provide the most competitive and flexible process, Debtor seeks to establish standardized procedures that create an open and level playing field that permits potential purchasers the flexibility to propose an acquisition of the Property, as set forth in the Bidding Procedures. The proposed sale processes and procedures will culminate with an Auction.

25. The timeline set forth in the Bidding Procedures was calculated to balance the need to provide adequate notice to parties in interest and any person or entity interested in purchasing the Property (a "Potential Bidder") with the need to run an expeditious and efficient sale process.

26. The Bidding Procedures are designed to generate the highest or otherwise best available recoveries to Debtor's stakeholders by encouraging prospective bidders to submit competitive, value-maximizing Bids. It is Debtor's intention to market the Property and solicit Bids through Hilco as its real estate broker. Hilco has extensive experience marketing properties that are in bankruptcy proceedings. Through a robust and far-reaching marketing campaign, Hilco will expose the Property to a large pool of potential buyers. Hilco's experience allows it to clearly explain the bankruptcy sales process to interested buyers and get bidders comfortable submitting market value offers under the timeframes outlined in these Bidding Procedures. This process flushes out the market of interested parties and puts them into a competitive process to maximize the value of the property.

27. Debtor believes that the Bidding Procedures and the timeline set forth therein are in the best interests of Debtor's bankruptcy estate, will establish the extent of the market for the

Property, and provide interested parties with sufficient opportunity to participate. Because the Bidding Procedures are attached as Exhibit 1 to the Order, they are not restated in their entirety herein. Generally, the Bidding Procedures establish the following, among other things:

> **Public Announcement of Auction**. Within three (3) business days after the occurrence of the Stalking Horse Deadline (defined below), Debtor shall serve on all parties, a notice setting forth (A) (i) the date, time, and link for the (a) Auction and (b) the Sale Approval Request (as defined below) process, and (ii) the deadlines and procedures for objecting to the proposed Sale Transaction; and (B) the Bidding Procedures (the "Auction Notice"), and shall upload said materials into the data room for the Property. The Auction Notice shall include a general description of the Property for sale.
>
> *See* Bid. Proc., at § III.
>
> **Potential Bidder Requirements**. To participate in the bidding process or otherwise be considered for any purpose hereunder, including to receive access to due diligence materials, a person or entity interested in purchasing the Property, which may include any Association Member in accordance with section 363(i) of the Bankruptcy Code (a "Potential Bidder"), must deliver or have previously delivered to Debtor the following preliminary documentation (collectively, the "Preliminary Bid Documents"):
>
> a. an executed confidentiality agreement (a "Confidentiality Agreement") in form and substance acceptable to Debtor;
>
> b. sufficient information that the Potential Bidder has or can reasonably obtain the financial capacity to close a purchase of the Property, the adequacy of which must be acceptable to Debtor; and
>
> c. a statement detailing whether the Potential Bidder is partnering with or otherwise working with any other interested party in connection with the potential submission of a joint Bid, the identity of any such party or parties, and a concise description of the nature of such partnership or joint Bid to the extent reasonably practicable.
>
> Debtor, in consultation with its advisors, will determine and notify each Potential Bidder whether such Potential Bidder has submitted adequate documents so that such Potential Bidder may proceed to conduct due diligence and submit a Bid.
>
> *See* Bid. Proc., at § IV.
>
> **Stalking Horse Reimbursement**. Upon entry of the Bidding Procedures Order, Debtor shall be authorized, but not obligated, in an exercise of its business judgment to (a) select a Qualified Bidder (as defined below) to act as a stalking horse bidder (a "Stalking Horse Bidder") in connection with the sale process for the Property and/or any ultimate Auction; and (b) in connection with any stalking horse agreement with a Stalking Horse Bidder, Debtor may seek approval from the Court for Stalking Horse reimbursement of actual and

necessary due diligence expenses up to a maximum of $100,000 (the "Expense Reimbursement"), and if provided for under the stalking horse agreement, may further seek court approval for a reasonable "break-up" fee, calculated as a percentage of the Stalking Horse Bid, not to exceed three percent (3%) (the "Break-Up Fee") (the Expense Reimbursement and Break-Up Fee each are a "Stalking Horse Protection," and collectively are the "Stalking Horse Protections"); provided, that any overbid must be sufficient to satisfy any Stalking Horse Protections approved by the Court.

*See* Bid. Proc., at § V.

**Qualified Bid/Bid Qualification Requirements**. To be deemed a Qualified Bidder and be deemed eligible to participate in any Auction, a Potential Bidder must deliver to Debtor and its advisors (i) an irrevocable offer for the purchase of all of the Property (each, a "Bid"), and shall meet the following criteria, in each case, on or prior to the Bid Deadline (as defined below); or, in the event Debtor selects a Stalking Horse Bidder prior to the Stalking Horse Deadline, (ii) documentation satisfying all of the below criteria. An Association Member submitting a Bid pursuant to section 363(i) of the Bankruptcy Code (a "Section 363(i) Bid") must clearly specify in the Bid that such Association Member is exercising its rights and submitting such Bid pursuant to section 363(i).[4] The Potential Bidder must identify the Property it intends to bid upon and post the required deposit therefor as indicated below:

> Purchased Property and Assumed Liabilities: Each Bid must clearly state the following: (i) the Property to be purchased; and (ii) the liabilities and obligations to be assumed by the Potential Bidder (including any executory contracts or unexpired leases to be assumed and assigned), including any debt and cure costs to be assumed. Any Bid that is a Section 363(i) Bid must clearly state that such Bid is being submitted pursuant to section 363(i) of the Bankruptcy Code.
>
> Good Faith Deposit: Each Bid (other than a Section 363(i) Bid) must be accompanied by a cash deposit in an amount equal to five percent (5%) of the aggregate purchase price of the Bid to be held by a title company designated by Debtor (the "Good Faith Deposit"); provided, that the Good Faith Deposit may be held by a title company designated by the Potential Bidder so long as (i) such title company is acceptable to Debtor and (ii) the Potential Bidder, title company and Debtor enter into an escrow agreement in substantially the form attached to the form of purchase agreement. In the event Debtor selects a Stalking Horse Bidder, in order to be deemed a Qualified Bidder at the scheduled Auction, a Potential Bidder must post a deposit equal to five percent (5%) of the Stalking Horse Bid.
>
> No later than two (2) business days after conclusion of the Auction, (i) the Successful Bidder and the Back-Up Bidder must adjust its Good Faith Deposit so that it equals ten percent (10%) of the aggregate purchase price specified in the Successful Bid or Back-Up Bid, as applicable, and (ii) if a Section 363(i) Bid is

[4] Unless otherwise stated, each Section 363(i) Bid is a Bid and an Association Member submitting a Section 363(i) Bid is subject to the same requirements as other Potential Bidders.

selected as the Successful Bid, the Successful Bidder must tender a cash deposit in an amount equal to ten percent (10%) of the aggregate purchase price of the Successful Bid to be held by a title company designated by Debtor (the "Section 363(i) Good Faith Deposit"); provided, that the Section 363(i) Good Faith Deposit may be held by a title company designated by the Successful Bidder so long as (i) such title company is acceptable to Debtor and (ii) the Successful Bidder, title company and Debtor enter into an escrow agreement in substantially the form attached to the form of purchase agreement.

Purchase Price: Each Bid must (i) clearly set forth the purchase price to be paid for the Property and any assumption of liabilities by the Potential Bidder (the "Purchase Price"), and (ii) identify separately the cash and non-cash components of the Purchase Price in U.S. Dollars.

Same or Better Terms; Bid Documents: Each Bid must include duly executed and non-contingent, where applicable, transaction documents necessary to effectuate the transactions contemplated in the Bid (the "Bid Documents"). The Bid Documents shall include: (i) a redline copy of the form of purchase agreement that will be provided by Debtor that such bidder is willing to execute, which redline edits may not change material terms to the detriment of Debtor and must be on at least equivalent or better terms to the bankruptcy estate as the form purchase agreement, (ii) a schedule of contracts and leases to be assumed to the extent applicable to the Bid, (iii) any other material documents integral to such Bid, (iv) a statement from the Potential Bidder that the Qualified Bid will be irrevocable (whether or not such Qualified Bid is selected as the Successful Bid or next highest or otherwise best Bid (the "Back-Up Bid")) until the consummation of the Sale Transaction, and (v) to the extent the Potential Bidder is utilizing a title company other than the one designated by Debtor, evidence of committed title insurance, documented to Debtor's satisfaction.

No Qualified Bidder Bid Protections: Unless submitted prior to the Stalking Horse Deadline (as defined below) in connection with a request to be named as the Stalking Horse Bidder, and unless specifically designated as a Stalking Horse Bidder under the Bid Procedures, a Qualified Bid must include a statement that the Bid does not entitle such bidder to any Stalking Horse Protections, including a Break-Up Fee, termination fee, Expense Reimbursement, or similar type of payment or reimbursement and a waiver of any substantial contribution administrative expense claim under section 503(b) of the Bankruptcy Code related to bidding for the Property.

Sources of Financing: A Qualified Bid must include evidence of financial wherewithal to consummate the proposed Sale Transaction set forth in its Bid with cash on hand or, to the extent that the Bid is not accompanied by such evidence, the Bid must include committed financing, documented to Debtor's satisfaction, that demonstrates that the Potential Bidder has received sufficient debt and/or equity funding commitments to satisfy the Potential Bidder's obligations under the proposed Sale Transaction and other obligations under its Bid. Such funding commitments or other financing must be unconditional and must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals, and shall have covenants and conditions acceptable to Debtor.

Contingencies; No Financing or Diligence Outs: The Bid must not contain any contingencies as to the validity, effectiveness, or binding nature of the Bid, including, without limitation, contingencies for due diligence, inspection, title insurance or financing of any kind (including any conditions pertaining to financial performance, conditions, or prospects). All diligence must be completed before the Bid Deadline.

Identity: Each Bid must fully disclose the identity of each entity and each entity's shareholders, partners, investors, and ultimate controlling entities that will be bidding for or purchasing the Property or otherwise participating in connection with such Bid, and the complete terms of any such participation, along with sufficient evidence that the Potential Bidder is legally empowered to complete the transactions on the terms contemplated by the parties. Each Bid must also include contact information for the specific person(s) whom K&L Gates LLP or Shuker & Dorris, P.A. can contact regarding such Bid.

As-Is, Where-Is: Each Bid must include a written acknowledgement and representation that the Potential Bidder: (i) has had an opportunity to conduct any and all due diligence prior to making its offer; (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the Property in making its Bid; (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied, by operation of law, or otherwise, regarding the completeness of any information provided in connection therewith, except as expressly stated in the Potential Bidder's proposed purchase agreement; and (iv) is otherwise willing to purchase the Property "as is, where is."

Authorization: Each Bid must contain evidence that the Potential Bidder has obtained all necessary authorizations or approvals from its shareholders, members, and/or its board of managers or directors, or any other internal and other approvals, as applicable, with respect to the submission of its Bid and the consummation of the transactions contemplated in such Bid.

Joint Bids: Debtor will be authorized to approve joint Bids in its reasonable business judgment, on a case-by-case basis, so long as a joint Bid meets the Qualified Bid requirements and the applicable bidders otherwise comply with these Bidding Procedures.

Adequate Assurance of Future Performance: Each Bid must (i) identify any executory contracts (the "Executory Contracts") and any unexpired leases (the "Unexpired Leases") to be assumed or assumed and assigned in connection with the proposed Sale Transaction, (ii) provide for the payment of all cure amounts (the "Cure Amounts") related to such Executory Contracts and Unexpired Leases by the

Qualified Bidder, (iii) demonstrate that the Qualified Bidder can provide adequate assurance of future performance under all such Executory Contracts and Unexpired Leases sufficient to satisfy the requirements of sections 365(b)(3) and 365(f)(2)(B) of the Bankruptcy Code, (iv) provide the legal name of the proposed assignee (the "Proposed Assignee") and any guarantors, as applicable; and (v) provide documentation as necessary to establish the foregoing.

Acknowledgement of Compliance with Bidding Procedures, Bidding Procedures Order, Bankruptcy Code, and Non-Bankruptcy Law: Each Bid must acknowledge its compliance in all respects with the Bidding Procedures, the Bidding Procedures Order, Bankruptcy Code and any applicable non-bankruptcy law.

No Collusion: The Potential Bidder must acknowledge in writing (i) that it has not engaged in any collusion with respect to any Bids or the Sale Transaction, specifying that it did not agree with any Potential Bidders to control price; and (ii) that it agrees not to engage in any collusion with respect to any Bids, the Auction, or the Sale Transaction. For the avoidance of doubt, this requirement does not restrict Potential Bidders from working with other Potential Bidders with Debtor's prior written consent (email shall suffice).

Good Faith Offer: The Bid must constitute a good faith, *bona fide* offer to consummate the Sale Transaction.

Irrevocable: Each Bid must state that in the event such Bid is chosen as the Back-Up Bid (as defined below), it shall remain irrevocable until Debtor and the Successful Bidder consummate the applicable Sale Transaction.

Back-Up Bid: Each Bid shall state whether the Potential Bidder will serve as a Back-Up Bidder (as defined below) if the Potential Bidder's Bid is the next highest or otherwise best bid.

Expected Closing Date: Each Bid must state the Potential Bidder's expected date of closing of the Sale Transaction, which proposed date must be consistent with the applicable closing date set forth in the sale timeline portion of the Bidding Procedures.

Time Frame for Closing: A Bid by a Potential Bidder must be reasonably likely to be consummated, if selected as the Successful Bid (as defined herein), within a time frame set forth in the Bidding Procedures or as otherwise acceptable to Debtor.

No Fees: Except for any Expense Reimbursement and/or Break-Up Fee as may be awarded by the Court to a designated Stalking Horse Bidder, each Potential Bidder presenting a Bid or Bids will bear its own costs and expenses (including legal fees) in connection with the proposed transaction, and by submitting its Bid(s), is agreeing to disclaim any right to receive a fee analogous to a Break-Up Fee, Expense Reimbursement, termination fee, or other similar form of compensation.

For the avoidance of doubt, unless submitted prior to the Stalking Horse Deadline for consideration as a Stalking Horse Bid and conditioned upon such bid actually being accepted as a Stalking Horse Bid, each Potential Bidder by submitting its Bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis, including under section 503(b) of the Bankruptcy Code.

Adherence to Bidding Procedures: By submitting its Bid, each Potential Bidder is agreeing to abide by and honor the terms of these Bidding Procedures and agrees not to submit a Bid or seek to reopen the Auction after conclusion of the Auction.

Consent to Jurisdiction: Each Potential Bidder must submit to the jurisdiction of the Court and waive any right to a jury trial in connection with any disputes relating to Debtor's qualification of Bids, the Auction, the Sale Transaction and the construction and enforcement of these Bidding Procedures, any written indications of interest, Preliminary Bid Documents, the Bids, the Bid Documents, and any and all other agreements entered into in connection with any proposed Sale Transaction, and the closing of the Sale Transaction, as applicable; and

Conditions to Closing: Each Bid must identify with particularity each and every condition to closing, including the Executory Contracts and Unexpired Leases for which assumption and assignment is required.

*See* Bid. Proc., at § VI.

28. Importantly, the Bidding Procedures recognize Debtor's fiduciary obligations to maximize value, and as such, do not impair Debtor's ability to consider all Qualified Bid proposals, and preserve Debtor's right to seek Court approval to modify the Bidding Procedures in accordance with its terms as necessary or appropriate to maximize value for the bankruptcy estate.

## II. The Sale and Auction Dates and Deadlines Schedules.

29. Debtor is seeking approval of the Bidding Procedures and the following proposed timeline for the sale process (the dates set forth below, the "Sale Schedule") to establish a clear and open process for the solicitation, receipt, and evaluation of Bids on a timeline that allows Debtor to consummate Sale Transaction.

30. Debtor reserves and shall have the right to: (i) modify the Sale Schedule; and (ii) conduct multiple Sale Transactions across one or more Auctions to maximize the value of the Property, in accordance with the Bidding Procedures.

31. Each allocated component of a Qualified Bid shall be considered a binding Bid as to the Property. Debtor reserves the right to consider and select any bid or combination of bids as to the Property that maximizes the value and benefit to the bankruptcy estate.

**Sale Schedule Summary**

| Event | Description | Deadline |
|---|---|---|
| Marketing Campaign | Hilco to commence marketing the Property. | No later than February 6, 2026. |
| Selection of Stalking Horse Bidder | Debtor shall be authorized, but not obligated, in the exercise of its business judgment, to select a Qualified Bidder to act as a Stalking Horse Bidder.<br><br>Debtor shall file a Notice of Stalking Horse Bidder with the Court within one (1) business day after executing any Stalking Horse Agreement. | February 16, 2026, at 5:00 p.m., prevailing Eastern Time (the "Stalking Horse Deadline"). |
| Initial Qualified Bid or Bidder Qualification Deadline (the "Bid Deadline") | Deadline by which all binding Qualified Bids must be received pursuant to the Bidding Procedures.<br><br>If Debtor selects a Qualified Bidder to act as a Stalking Horse Bidder, this date shall be the deadline for Bidders to submit the requisite information/documents to Debtor to be deemed a Qualified Bidder as set forth in the Bidding Procedures and submit a Bid at the Auction. | April 17, 2026, at 5:00 p.m., prevailing Eastern Time. |
| Evaluation of Qualified Bids | Absent the filing of a Notice of Stalking Horse Bidder, Debtor shall evaluate Qualified Bids and identify the Qualified Bid that is, in Debtor's business judgment, the highest or otherwise best Qualified Bid or combination of Qualified Bids for the Property (the "Starting Bid"). | April 24, 2026 (five (5) business days after Bid Deadline). |

| Event | Description | Deadline |
|---|---|---|
| Auction | The date and time of the Auction, if one is needed, which will be conducted virtually via Zoom.<br><br>At the conclusion of the Auction, Debtor, in the exercise of its business judgment, shall have the right to determine the highest and best bid or combination of bids and designate one or more Successful Bids. | April 28, 2026 (seven (7) business days after Bid Deadline), at 10:00 a.m. prevailing Eastern Time. |
| Selection of 363(i) Bid as Successful Bid | Debtor shall be authorized, but not obligated, in the exercise of its business judgment, to select a Section 363(i) Bid as a Successful Bid.<br><br>If a Section 363(i) Bid is selected as the Successful Bid, the Successful Bidder must tender the Section 363(i) Good Faith Deposit pursuant to the Bidding Procedures. | Within two (2) business days after conclusion of the Auction. |
| Notice of Successful Bidder | After selection of the Successful Bid pursuant to the Bidding Procedures, Debtor shall file on the docket a notice identifying the Successful Bidder (as defined in the Bidding Procedures) (the "<u>Notice of Successful Bidder</u>"), identifying the applicable Successful Bidder, Property, and key terms of the agreement. | No later than three (3) business days after the conclusion of the Auction. |
| PSA Execution | Execution of a non-contingent Purchase and Sale Agreement for the Sale Transaction that is the subject of the Successful Bid by Debtor and Successful Bidder (a "<u>PSA</u>"). | Within two (2) business days after conclusion of the Auction. |
| Assumption and Rejection of Executory Contracts | If applicable in the PSA or otherwise necessary, the deadline by which Debtor shall file a motion to assume or | Within seven (7) business days of the Notice of Successful Bidder, Debtor |

| Event | Description | Deadline |
|---|---|---|
| | reject executory contracts and/or unexpired leases in connection with any proposed Sale Transaction. | shall file a motion regarding the proposed assumption or rejection of executory contracts and unexpired leases. |
| Sale Approval Request | The deadline by which Debtor shall file and serve a notice seeking approval of the Successful Bid and authorization to proceed with the Sale Transaction (the "Sale Approval Request") that is the subject of the Successful Bid. | Within three (3) business days after the signing of the PSA. |
| Bidder Affidavit | The Successful Bidder and the Back-up Bidder shall submit an affidavit, declaration or affirmation, as applicable, that asserts such Bidder's good faith and lack of collusion with any other Bidder. | Within three (3) business days after the conclusion of the Auction. |
| Sale Objection Deadline | The deadline by which objections, if any, to the Sale Approval Request ("Sale Objections") must be filed with the Court and received by Debtor and interested parties. | At 5:00 p.m. prevailing Eastern Time on the date that is three (3) business after the filing of the Sale Approval Request. |
| Response to Sale Objections | The deadline by which responses to any Sale Objections must be filed with the Court and received by the party submitting the Sale Objection(s), Debtor, and interested parties. | At 5:00 p.m. prevailing Eastern Time on the date that is one (1) business day after the Sale Objection Deadline. |
| Sale Hearing | The hearing before the Court, if necessary, to consider approval of the Successful Bid, pursuant to which Debtor and the Successful Bidder will consummate the Sale (the "Sale Hearing"). | Subject to the Court's calendar and availability, 10:00 a.m. prevailing Eastern Time on the date that is five (5) business days after the Sale Objection Deadline, or as soon thereafter as Debtor may be heard. |
| Closing of Sale Transaction | Closing of the Sale Transaction approved by Court. | Fourteen (14) days after later of the entry of (a) the |

| Event | Description | Deadline |
|---|---|---|
| | | Court's entry of an order approving the Sale Transaction (the "Sale Order"), or (b) the entry of a final and unappealable order or judgment of this Court in the Section 363(h) Proceedings authorizing Debtor to sell the Association Interest jointly with the sale of the interests of all Association Members in the Property. |

32. The timelines contemplated in the Sale Schedule are essential to maximize value for Debtor's bankruptcy estate. Debtor believes that the relief sought by this Motion appropriately balances the need to provide all parties in interest with notice and due process, affords Debtor sufficient time to generate interest in the Property, and provides Debtor with an expeditious process commensurate with Debtor's liquidity constraints. Accordingly, Debtor believes the relief requested herein is in the best interest of Debtor's bankruptcy estate, will provide interested parties with sufficient opportunity to participate in the process, and, therefore, should be approved.

## III. Designation of Stalking Horse Bidder

33. Debtor requests authority to, no later than the Stalking Horse Deadline: (a) designate a bidder with an initial Qualified Bid (the "Stalking Horse Bidder") for the Property; (b) enter into a Stalking Horse Agreement with the Stalking Horse Bidder; and (c) provide the Stalking Horse Bidder with Stalking Horse Protections, where Debtor determines, in the exercise of its reasonable business judgment, that setting a floor price for the Property is in the best interest of Debtor's bankruptcy estate.

34. Having flexibility to designate a Stalking Horse Bidder for the Property will enhance Debtor's ability to maximize value of the Property, and accordingly, is in the best interests of Debtor's estate.

35. Specifically, Debtor may: (a) establish initial overbid minimum and subsequent bidding increment requirements; (b) offer the Stalking Horse Bidder a Break-Up Fee expressed as a percentage of the Stalking Horse Bid, not to exceed three percent (3%), and/or Expense Reimbursement in an amount agreed to by Debtor and consistent with market practices, subject to Court approval; and (c) provide other appropriate and customary protections to a Stalking Horse Bidder.

36. If Debtor designates a Stalking Horse Bidder with respect to the Property, Debtor shall file with the Court a notice that identifies the Stalking Horse Bidder and discloses the Stalking Horse Bid (the "Notice of Stalking Horse Bidder") as set forth in the Bidding Procedures.

37. Given Debtor's need to maximize value for creditors and Association Members through a timely and efficient marketing and sale process, the ability to designate a Stalking Horse Bidder and offer Stalking Horse Bid Protections to such bidders is justified, appropriate and essential.

**IV. Form and Manner of Auction Notice.**

38. The Auction for the Property, if needed, will be conducted virtually via Zoom on April 28, 2026, at 10:00 a.m. prevailing Eastern Time.

39. As soon as practicable after entry of an Order approving the Bidding Procedures, Debtor will cause the Auction Notice, as appropriate, to be served on the parties that receive notice of this Motion and to be uploaded into the data room for the Property as well as on the website maintained by Omni in this case (the "Omni Website"). In addition, as soon as practicable after

entry of said Order, Debtor will, through Hilco, prepare and implement the following comprehensive marketing and sales process for the Property, which will include:

- Print Media Advertising
- Internet & Digital Advertising
- Email Campaigns – targeted to over 20,000 active buyers
- Custom Webpage
- Custom Brochure & Offering Memorandum
- Signage
- Identified buyer/user contact lists
- Direct Mail
- Public Relations
- Prospect Management
- Virtual Due Diligence Room
- Professionally-Handled Property Showings
- Constant Communication with Interested Parties
- Real-time Analysis
- Post-Sale/Disposition Follow-up

40. The Auction Notice is reasonably calculated to provide all interested parties with timely and proper notice of the proposed Sale Transaction, including the date, time, and place of the Auction (if any), the Bidding Procedures, and the dates and deadlines related thereto. Accordingly, Debtor requests that the form and manner of the Auction Notice be approved and no other or further notice of the Auction be required other than the notice provided for herein.

**V. Court Approval of Sale**

41. Within three (3) business days of the execution of a PSA as to the Property, Debtor shall file the Sale Approval Request with the Court, consisting of (A) a certification (i) identifying the Successful Bidder as the proposed Purchaser of the Property; (ii) attesting that all contingencies and conditions precedent to the closing of the Sale Transaction have been satisfied or providing the status thereof; (iii) confirming that the Successful Bid was a Qualified Bid and satisfied all of the requirements of the Bidding Procedures approved by this Court; (iv) confirming that the proposed Sale Transaction meets all the criteria for approval under 11 U.S.C. § 363 and as

otherwise set forth in the Bidding Procedures Order; and (v) memorializing Debtor's determination that the proposed purchase represents the highest and best offer received, and manifests the most advantageous sale transaction for the bankruptcy estate; and (B) a proposed form of Order approving the Sale Transaction. Said certification shall provide parties with a three (3) business day period within which to file Sale Objections and request that, in the absence of any filed objection, the Court enter an order approving the proposed sale transaction at the conclusion of the three-day objection period. The certification will further request that, in the event an objection is filed, responsive pleadings be filed by Debtor within one (1) business day after the Sale Objection Deadline and that the court schedule a hearing within the time frames set forth in the above summary chart.[5]

**VI. Procedures Relating to Executory Contracts and Unexpired Leases.**

42. Within seven (7) business days of the filing of the Notice of the Successful Bidder and the execution of the PSA, Debtor, if necessary, shall file a motion regarding the proposed assumption or rejection of executory contracts and unexpired leases (the "<u>Assumption/Rejection Motion</u>") in accordance with the terms of the Successful Bid on such matters and establish a protocol for the assumption and/or rejection of executory contracts by the Successful Bidder as ultimately approved by the Court. The Assumption/Rejection Motion will provide all applicable counterparties with (i) notice of the proposed treatment of their respective executory contract(s) or unexpired lease(s); (ii) the amount to be paid, if any, to cure any existing default(s); (iii) deadlines for objecting to the proposed treatment of the executory contract/unexpired lease as set forth in the

[5] For the avoidance of doubt, closing of a Sale Transaction shall be subject to the entry of a final and unappealable order or judgment of this Court, in all Section 363(h) Proceedings or otherwise, authorizing Debtor to sell the Property, including the Association Interest jointly with the sale of the interests of all other Association Members in the Property pursuant to section 363(h) of the Bankruptcy Code.

Assumption/Rejection Motion; and (iv) notice of the hearing date for the resolution of any filed objections to the Assumption/Rejection Motion. Debtor anticipates that the effective date of any assumption or rejection will be synchronized with the closing of the sale transaction. The closing will occur within the time frames set forth in the above summary schedules.

## Basis for Relief

### I. The Relief Sought in the Order Is in the Best Interests of Debtor's Estate and Should Be Approved.

43. "When conducting an asset sale, the ultimate responsibility of the debtor, and the primary focus of the bankruptcy court, is the maximization of the value of the assets sold." John J. Jerome & Robert D. Drain, Bankruptcy Court is Newest Arena for M&A Action, N.Y.L.J., June 3, 1991; *see In re Mushroom Transp. Co.*, 382 F.3d 325, 339 (3d Cir 2004) (debtor-in-possession "had a fiduciary duty to protect and maximize the estate's assets"); *In re Adams Res. Expl. Corp.*, No. 17-10866, 2017 WL 5493616, at *1 (Bankr. D. Del. May 24, 2017) ("The Sale Procedures are reasonable and appropriate and represent the best method for maximizing value for the benefit of the Debtor's estates under the circumstances of this case."). In furtherance of that goal, bidding procedures and bid protections, such as those proposed here, may be used in court-supervised asset sales because they streamline the acquisition process, "help to provide an adequate basis by which to compare offers," and maximize value. Jerome & Drain (1991) at 8, col. 4; *see In re Edwards*, 228 B.R. 552, 561 (Bankr. E.D. Pa. 1998) ("The purpose of procedural bidding orders is to facilitate an open and fair public sale designed to maximize value for the estate."); *In re O'Brien Env't Energy, Inc.*, 181 F.3d 527, 535 (3d Cir. 1999) (recognizing that bid protections "encourage a prospective bidder to do the due diligence that is the prerequisite to any bid by assuring the prospective bidder that it will receive compensation for that undertaking if it is unsuccessful"); *In re Dura Automotive Sys., Inc.*, No. 06-11202, 2007 WL 7728109, at *90 (Bankr. D. Del. Aug. 15,

2007) (recognizing that "procedures intended to enhance competitive bidding are consistent with the goal of maximizing the value received by the estate and therefore are appropriate in the context of bankruptcy sales."); *Off. Comm. Of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.)*, 147 B.R. 650, 659 (S.D.N.Y. 1992) (bidding procedures and bid protections "are important tools to encourage bidding and to maximize the value of the debtor's assets"); *In re Metaldyne Corp.,* 409 B.R. 661, 670 (Bankr. S.D.N.Y. 2009) ("[b]idder protections are granted when a bidder provides a floor for bidding by expending resources to conduct due diligence and allowing its bid to be shopped around for a higher offer").

In overseeing an asset sale subject to an auction process, the bankruptcy court must weigh:

> on the one hand, providing for an orderly bidding process, recognizing the danger that absent such a fixed and fair process bidders may decline to participate in the auction; and, on the other hand, retaining the liberty to respond to differing circumstances so as to obtain the greatest return for the bankrupt estate.

*In re Fin. News Network, Inc.*, 980 F.2d 165, 166 (2d Cir. 1992). Because the bankruptcy court must perform this balancing act, "a bankruptcy judge's broad discretionary power in conducting the sale of a debtor's assets should not be narrowed by technical rules mindlessly followed" that "reduce the broad discretion and flexibility a bankruptcy court must necessarily have to enhance the value of the estates before it." *Id.* at 169–70; *see Dura Automotive*, 2007 WL 7728109, at *90 ("The paramount goal in any proposed sale of property of the estate is to maximize the proceeds received by the estate.").

44. Here, Debtor submits that the Bidding Procedures are a valid exercise of its business judgment, fair and appropriate under the circumstances, consistent with procedures routinely approved by courts in this Circuit, and in the best interest of its estate. Courts have consistently held that a debtor's business judgment is entitled to substantial deference with respect to the procedures to be used in selling an estate's assets. *See, e.g.*, *In re Culp*, 550 B.R. 683, 697

(D. Del. 2015) ("'In determining whether to authorize use, sale, or lease of property of the estate under Section 363, courts require the [debtor] to show that a sound business purpose justifies such actions.' If the [debtor's] decision evidences a sound business purpose, then the Bankruptcy Court should approve the sale.") (quoting *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999)); *In re Martin*, 91 F.3d 389, 395 (3d Cir. 1996) (citing *In re Schipper*, 933 F.2d 513, 515 (7th Cir. 1991)); *Schipper*, 933 F.2d at 515 ("Under Section 363, the debtor in possession can sell property of the estate . . . if he has an 'articulated business justification' . . . ." (internal citations and quotations omitted)); *see Integrated Res.*, 147 B.R. at 656 (applying business judgment rule to bidding procedures and incentives and noting that "[c]ourts are loath to interfere with corporate decisions absent a showing of bad faith, self-interest, or gross negligence"). The business justification for the sale of the Property is well established in the First Day Declaration and well supported by Association Members – with more than 99% of the voting interests present at the pre-petition special membership meetings (in person or by proxy) having voted in favor of a sale of the Property in bankruptcy. See, e.g. First Day Declaration at ¶¶ 42-44.

45. Debtor believes that the proposed Bidding Procedures will promote active bidding from seriously interested parties and will maximize the value of the Property for the benefit of Debtor's estate. The proposed Bidding Procedures will allow Debtor to conduct the Sale Transaction in a controlled, fair, and open fashion that will encourage participation by financially capable bidders who can demonstrate the ability to close a Sale Transaction. In particular, the Bidding Procedures contemplate an open and public marketing process with minimum barriers to entry and provide Potential Bidders with sufficient time to perform due diligence and acquire the information necessary to submit a timely and well-informed Bid. In addition, the proposed Bidding Procedures Order provides that Debtor may alter the Sale Schedule and/or run multiple Auctions

as necessary, thereby preserving Debtor's ability to run a tailored, value-maximizing process for the Property.

46. Approval of bidding procedures following first-day hearings shortly after the petition date has been approved on many occasions by courts in this district where the debtors have demonstrated that such approval maximizes estate value. *See, e.g.*, *In re Invitae Corporation*, No. 24-11362 (MBK) (Bankr. D.N.J. Feb. 16, 2024); *In re Rite Aid Corp.*, No. 23-18993 (MBK) (Bankr. D.N.J. Oct. 18, 2023); *In re Bed Bath & Beyond Inc.*, No. 23-13359 (VFP) (Bankr. D.N.J. April 25, 2023); *In re David's Bridal, LLC*, No. 23-13131 (CMG) (Bankr. D.N.J. April 17, 2023); *In re SLT Holdco, Inc.*, No. 20-18368 (MBK) (Bankr. D.N.J. July 13, 2020).

47. The Debtor respectfully submits that the proposed Bidding Procedures will encourage competitive bidding, are appropriate under the relevant standards governing auction proceedings in bankruptcy proceedings and are consistent with the controlling legal standard in the Third Circuit. Accordingly, Debtor respectfully requests that the Court approve the Bidding Procedures as a valid exercise of Debtor's business judgment.

## II. The Form and Manner of Notice Should Be Approved.

48. Pursuant to Bankruptcy Rule 2002(a), Debtor is required to provide creditors with 21 days' notice of the Auction. Pursuant to Bankruptcy Rule 2002(c), such notice must include the time and place of the Auction and the deadline for filing any objections to such a sale.

49. As soon as reasonably practicable following entry of the Bidding Procedures Order, Debtor will cause the Auction Notice to be served upon (a) the Office of the United States Trustee for the District of New Jersey; (b) all Association Members; (c) Debtor's 30 largest unsecured creditors; (d) the United States Attorneys' Office for the District of New Jersey; (e) the Internal Revenue Service; (f) the U.S. Securities and Exchange Commission; (g) the Office of the Attorney General for the State of New Jersey; (h) the New Jersey Division of Taxation; (i) the Subchapter

V Trustee; and (j) any party that has requested notice pursuant to Bankruptcy Rule 2002. Debtor will also cause the Auction Notice to be uploaded to the Omni Website.

50. Debtor submits that the Auction Notice constitutes good and adequate notice of the Auction and the proceedings with respect thereto in compliance with, and satisfaction of, the applicable requirements of Bankruptcy Rule 2002. Accordingly, no further notice is necessary and Debtor requests that this Court approve the form and manner of the notice of the Auction Notice.

**III. The Stalking Horse Bid Protections are Reasonable and Appropriate**

51. Debtor is also seeking authority, but not direction, to offer customary breakup fees to potential Stalking Horse Bidders. Specifically, Debtor proposes providing for (i) an Expense Reimbursement of actual and necessary due diligence expenses incurred by a Stalking Horse Bidder up to a maximum of $100,000; and, to the extent provided for in any stalking horse agreement or otherwise appropriate, (ii) a Break-Up Fee expressed as a percentage of the stalking horse purchase price not to exceed three percent (3%), both of which are subject to Court approval, and further provided that any overbid must be sufficient to satisfy any Expense Reimbursement and Break-Up Fee approved by the Court. The use of a stalking horse in a public auction process for dispositions pursuant to section 363 of the Bankruptcy Code is a customary practice in chapter 11 cases, as the use of a stalking horse bid is, in many circumstances, the best way to maximize value in an auction process by "establish[ing] a framework for competitive bidding and to facilitate a realization of that value." *Official Comm. of Unsecured Creditors v. Interforum Holding LLC*, 2011 WL 2671254, *1 n.1 (E.D. Wis. July 7, 2011). As a result, stalking horse bidders often require breakup fees as an inducement for "setting the floor at auction, exposing its bid to competing bidders, and providing other bidders with access to the due diligence necessary to enter into an asset purchase agreement." *Id.* (citations omitted); *see also Calpine Corp. v. O'Brien Env't Energy, Inc. (In re O'Brien Env't Energy, Inc.)*, 181 F.3d 527, 535 (3d Cir. 1999) (recognizing that bid

protections "encourage a prospective bidder to do the due diligence that is the prerequisite to any bid by assuring the prospective bidder that it will receive compensation for that undertaking if it is unsuccessful"); *In re Metaldyne Corp.,* 409 B.R. 661, 670 (Bankr. S.D.N.Y. 2009) ("Bidder protections are granted when a bidder provides a floor for bidding by expending resources to conduct due diligence and allowing its bid to be shopped around for a higher offer"). Thus, the use of breakup fees has become an established practice in chapter 11 cases.

52. Generally, bidding protections, such as break-up fees, are a normal and, in many cases, necessary component of significant sales under the Bankruptcy Code. *See Off. Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.)*, 147 B.R. 650, 659-60 (S.D.N.Y. 1992) ("Break-up fees are important tools to encourage bidding and to maximize the value of the debtor's assets. . . . In fact, because the . . . corporation [has] a duty to encourage bidding, break-up fees can be *necessary* to discharge [such] duties to maximize value."). As a result, courts routinely approve such bidding protections in connection with proposed bankruptcy sales where a proposed fee or reimbursement provides a benefit to the estate. *In re Energy Future Holdings Corp.*, 904 F.3d 298, 313 (3d Cir. 2018) (holding that "[T]he allowability of break-up fees . . . depends upon the requesting party's ability to show that the fees [a]re actually necessary to preserve the value of the estate." (internal quotations omitted) (alterations in original)); *In re Reliant Energy Channelview LP*, 594 F.3d 200, 206 (3d Cir. 2010); *O'Brien*, 181 F.3d 527. Debtor believes that the allowance of the Stalking Horse Bid Protections are in the best interests of Debtor's estate and its creditors, as a Stalking Horse Bidder, if designated, will establish a floor for further bidding that may increase the consideration given in exchange for the Property for the benefit of Debtor's estate.

53. In the Third Circuit, bidding protections, such as those proposed here, are subject to the general standard used for administrative expenses under section 503 of the Bankruptcy Code. *Energy Future*, 904 F.3d at 313 (citing *O'Brien*, 181 F.3d at 535); *Reliant Energy*, 594 F.3d at 206 (holding that the general standard used for all administrative expenses applies to break-up fees). Thus, "the allowability of break-up fees, like that of other administrative expenses, depends upon the requesting party's ability to show that the fees were actually necessary to preserve the value of the estate." *Reliant Energy*, 594 F.3d at 206 (quoting *O'Brien*, 181 F.3d at 535) (internal quotations omitted).

54. Courts in this district have routinely approved break-up fees and/or expense reimbursements offered to stalking horse bidders. *See, e.g.*, *In re Alliant Techs., L.L.C.*, No. 21-19748 (JKS) (Bankr. D.N.J. Jan. 21, 2022) [ECF No. 101] (approving bidding procedures and bidding protections including an expense reimbursement payable to the stalking horse bidder); *In re RTW Retailwinds, Inc.*, No. 20-18445 (JKS) (Bankr. D.N.J. Aug. 8, 2020) [Docket No. 192] (approving bidding procedures and bidding protections including a break-up fee payable to the stalking horse bidder); *In re SLT Holdco, Inc.*, No. 20-18368 (MBK) (Bankr. D.N.J. July 13, 2020) [ECF No. 72] (same); *In re New England Motor Freight, Inc.*, No. 19-12809 (JKS) (Bankr. D.N.J. April 8, 2019) [ECF No. 427] (same); *in re Aceto Corp.*, No. 19-13448 (VFP) (Bankr. D.N.J. Mar. 19, 2019) [ECF No. 174] (same).

55. Debtor believes that the ability to offer the Break-Up Fee should it deem it necessary and appropriate, is in the best interests of Debtor's estate and its creditors, as the Stalking Horse Bidder will establish a floor for further bidding that may increase the consideration ultimately realized for the Property. If a Break-Up Fee is paid, it likely will be because Debtor received higher or otherwise superior Qualified Bids for the Property. In short, the proposed Break-

Up Fee is fair and reasonable under the circumstances because same would constitute a "fair and reasonable percentage of the proposed purchase price" and are "reasonably related to the risk, effort, and expenses of the prospective purchaser." *In re Integrated Res., Inc.*, 147 B.R. at 662 (approving a breakup fee of 1.6 percent of the proposed purchase price).

56. Accordingly, Debtor should be granted the authority, but not direction, to offer the Break-Up Fee and Expense Reimbursement.

**IV. The Sale is Within the Sound Business Judgment of Debtor and Should Be Approved**

57. Ample authority exists for approval of a proposed sale to a Successful Bidder. Section 363(b)(1) of the Bankruptcy Code provides, in relevant part, that a debtor in possession, "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Section 363 does not set forth a standard for determining when it is appropriate for a court to authorize the sale or disposition of a debtor's assets prior to confirmation of a plan. However, courts in the Third Circuit and others have required that the decision to sell assets outside the ordinary course of business be based upon the sound business judgment of the debtor. *See, e.g.*, *Myers v. Martin (In re Martin)*, 91 F.3d 389, 395 (3d Cir. 1996) (internal citation omitted); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1070-71 (2d Cir. 1983); *In re Abbotts Dairies of Pennsylvania, Inc.*, 788 F.2d 143, 147-48 (3d Cir. 1986) (implicitly adopting the "sound business judgment" test of *In re Lionel Corp.*); *In re Delaware & Hudson Ry. Co.*, 124 B.R. 169, 175-76 (D. Del. 1991) (holding that the Third Circuit adopted the "sound business judgment" test in *Abbotts Dairies*); *Dai-Ichi Kangyo Bank, Ltd. v. Montgomery Ward Holding Corp. (In re Montgomery Ward Holding Corp.*), 242 B.R. 147-53 (D. Del. 1999) (same).

58. The "sound business judgment" test requires a debtor to establish four elements in order to justify the sale or lease of property outside the ordinary course of business: (a) that a

"sound business purpose" justifies the sale of assets outside the ordinary course of business; (b) that adequate and reasonable notice has been provided to interested persons; (c) that the debtor has obtained a fair and reasonable price; and (d) good faith. *Abbotts Dairies*, 788 F.2d 143; *Titusville Country Club v. Pennbank (In re Titusville Country Club)*, 128 B.R. 396, 399 (Bankr. W.D. Pa. 1991); *In re Sovereign Estates, Ltd*, 104 B.R. 702, 704 (Bankr. E.D. Pa. 1989). A debtor's showing of a sound business purpose need not be unduly exhaustive but, rather, a debtor is "simply required to justify the proposed disposition with sound business reasons." *In re Baldwin United Corp.*, 43 B.R. 888, 906 (Bankr. S.D. Ohio 1984). Whether or not there are sufficient business reasons to justify a transaction depends upon the facts and circumstances of each case. *Lionel*, 722 F.2d at 1071. The demonstration of a valid business justification by the debtor leads to a strong presumption "that in making [the] business decision the directors of a corporation acted 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. 1992) (quoting *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)).

59. Additionally, section 105(a) of the Bankruptcy Code provides a bankruptcy court with broad powers in the administration of a case under the Bankruptcy Code. Section 105(a) provides that "[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a). Provided that a bankruptcy court does not employ its equitable powers to achieve a result not contemplated by the Bankruptcy Code, the exercise of its section 105(a) power is proper. *In re Fesco Plastics Corp.*, 996 F.2d 152, 154 (7th Cir. 1993); *Pincus v. Graduate Loan Ctr. (In re Pincus)*, 280 B.R. 303, 312 (Bankr. S.D.N.Y. 2002).

**a. A Sound Business Purpose Exists for the Sale.**

60. Here, a sound business purpose exists for the Sale Transaction. At a special meeting of Association Members conducted on October 4, 2025, 99.93% of the voting interests present at the meeting voted in favor of filing a chapter 11 bankruptcy petition in order to, among other things and subject to Court approval, market and sell the entire Property, free and clear of the interests of all Association Members. First Day Declaration at ¶ 43. In addition, more than 99% of the voting interests present at the membership meeting voted to, among other things (a) suspend occupancy at the Property as of December 27, 2025, (b) suspend collection of 2026 maintenance fees and refund to Association Members any 2026 maintenance fees already received by the Association, (c) waive the funding of reserves in the 2026 budget, and (d) immediately suspend reservations at the Property after December 27, 2025. First Day Declaration at ¶ 43. Thus, Association Members voted overwhelmingly to pursue a sale of the Property at this time and in this forum rather than to continue to fund operating the Property via future payment of maintenance fees and/or special assessments.

61. Debtor believes that the Sale Transaction will maximize the value of the Property, exposing it to the market as part of a competitive, arms' length process. Consequently, the ultimately successful bid, after being subject to a "market check" in the form of an Auction, will constitute, in Debtor's reasonable business judgment, the highest or otherwise best offer for the Property and will provide a greater recovery for the estate than any known or practicably available alternative. *See, e.g.*, *In re Trans World Airlines, Inc.*, No. 01-00056, 2001 WL 1820326, at *4 (Bankr. D. Del. 2001) (while a "section 363(b) sale transaction does not require an auction procedure . . . [t]he auction procedure has developed over the years as an effective means for producing an arm's length fair value transaction.").

62. Thus, Debtor submits that the Successful Bid will constitute the highest or otherwise best offer for the Property and will provide a greater recovery for Debtor's estate than would be provided by any other available alternative. As such, Debtor's determination to sell the Property through an Auction process and subsequently to enter into a purchase agreement with the Successful Bidder will be a valid and sound exercise of Debtor's business judgment. Debtor will submit evidence in connection with the Sale Approval Request to support these conclusions. Therefore, Debtor requests that the Court make a finding that the proposed sale of the Property is a proper exercise of Debtor's business judgment and is rightly authorized.

**b. Adequate and Reasonable Notice of the Auction and Sale Will be Provided.**

63. The Auction Notice: (a) will be served in a manner that provides parties in interest notice of the Sale Approval Request process and the date, time, and location of any Sale Hearing; (b) informs parties in interest of the deadlines for objecting to the Sale or the assumption and assignment of the executory contracts and unexpired leases; and (c) otherwise includes all information relevant to parties interested in or affected by the Sale Transaction. Significantly, the form and manner of the Auction Notice will have been approved by this Court pursuant to the Bidding Procedures Order after notice and a hearing before it is served on parties in interest.

**c. The Sale and Purchase Price Will Reflect a Fair Value Transaction.**

64. It is well-settled that, where there is a court-approved auction process, a full and fair price is presumed to have been obtained for the assets sold, as the best way to determine value is exposure to the market. *See Bank of Am. Nat'l Trust & Sav. Ass'n v. 203 N. LaSalle St. P'ship*, 526 U.S. 434, 457 (1999); *see also In re Trans World Airlines, Inc.*, 2001 WL 1820326, at *4 ("The auction procedure has developed over the years as an effective means for producing an arm's length fair value transaction.").

65. Prior to the Bid Deadline, Hilco will market the Property and solicit offers consistent with the Bidding Procedures, including, for example, by providing Potential Bidders with access to a data room populated with relevant information and metrics as to the Property, targeted mailing and solicitation of suitable interested parties, evaluating and considering a variety of alternative transaction structures, and otherwise assisting Debtor with all efforts to increase the aggregate transaction value. In this way, the number of Qualified Bidders that are eligible to participate in a competitive Auction process will be maximized, or, if no Auction is held because no Auction is necessary, the purchase price will, conclusively, be deemed fair value.

**d. The Sale Transaction Has Been Proposed in Good Faith Without Collusion, and the Successful Bidder is a "Good-Faith Successful Bidder."**

66. Debtor requests that the Court find the Successful Bidder is entitled to the benefits and protections provided by section 363(m) of the Bankruptcy Code in connection with the sale of the Property. Section 363(m) of the Bankruptcy Code provides in pertinent part:

> [t]he reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease or 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 or lease were stayed pending appeal.

11 U.S.C. § 363(m).

67. Section 363(m) of the Bankruptcy Code thus protects the purchaser of assets sold pursuant to section 363 of the Bankruptcy Code from the risk that it will lose its interest in the purchased assets if the order allowing the sale is reversed on appeal, if such purchaser leased or purchased the assets in "good faith." While the Bankruptcy Code does not define "good faith," courts have held that a purchaser shows its good faith through the integrity of its conduct during the sale proceedings, finding that where there is a lack of such integrity, a good faith finding may not be made. *See, e.g.*, *In re Abbotts Dairies of Pennsylvania, Inc.*, 788 F.2d 143, 147 (3d Cir.

1986) (quoting *In re Rock Indus. Mach. Corp.*, 572 F.2d 1195, 1198 (7th Cir. 1978)) ("Typically, the misconduct that would destroy a purchaser's good faith status at a judicial sale involves fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders."); *In re Andy Frain Servs., Inc.*, 798 F.2d 1113, 1125-26 (7th Cir. 1986) (same); *In re Sasson Jeans, Inc.*, 90 B.R. 608, 610 (S.D.N.Y. 1988) (same).

68. Debtor submits that the Successful Bidder will be a "good faith purchaser" within the meaning of section 363(m) of the Bankruptcy Code. *First,* as detailed above, the consideration to be received by Debtor from a Successful Bidder will be substantial, fair, and reasonable. *Second,* any sale agreement with a Successful Bidder will presumably be the culmination of an open competitive process culminating, if necessary, in an Auction in which all parties will be represented by counsel and all negotiations will be conducted on an arm's-length, good-faith basis. *Third,* at the Sale Hearing, the facts will demonstrate no "fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders" or similar conduct that would cause or permit the Sale to be avoided under section 363(n) of the Bankruptcy Code. And, with respect to Potential Bidders, the Bidding Procedures are designed to ensure that no party can exert undue influence over the process. *Finally,* any Bid that Debtor ultimately determines to be the Successful Bid will have been evaluated and approved by Debtor and subject to the scrutiny and review of the Court as part of the Sale Hearing. Accordingly, Debtor believes that the Successful Bidder, if any, and any purchase agreement associated with a Successful Bid should be entitled to the full protections of section 363(m) of the Bankruptcy Code.

**e. The Sale Transaction Should be Approved "Free and Clear" Under Section 363(f).**

69. Section 363(f) of the Bankruptcy Code permits a debtor to sell property free and clear of another party's interest in the property if: (a) applicable non-bankruptcy law permits such

a free and clear sale; (b) the holder of the interest consents; (c) the interest is a lien and the sale price of the property exceeds the value of all liens on the property; (d) the interest is the subject of a bona fide dispute; (e) the holder of the interest could be compelled in a legal or equitable proceeding to accept a monetary satisfaction of its interest. *See* 11 U.S.C. § 363(f).

70. Section 363(f) is drafted in the disjunctive. Thus, satisfaction of any of the requirements enumerated therein will suffice to warrant Debtor's sale of the Property free and clear of all encumbrances, except with respect to any interests that may be assumed liabilities under the applicable purchase agreement. *See In re Kellstrom Indus., Inc.*, 282 B.R. 787, 793 (Bankr. D. Del. 2002) ("[I]f any of the five conditions are met, the debtor has the authority to conduct the sale free and clear of all liens."); *see also Citicorp Homeowners Servs., Inc. v. Elliot (In re Elliot)*, 94 B.R. 343, 345 (E.D. Pa. 1988) (holding that a sale "free and clear" may be approved provided the requirements of at least one subsection are met).

71. Debtor submits that sale of any interest in the Property that will not be an assumed liability satisfies or will satisfy at least one of the five conditions of section 363(f) of the Bankruptcy Code,[6] and that any such interest will be adequately protected by either being paid in full at the time of closing, or by having it attach to the net proceeds of the Sale, less the costs and expenses of the Sale and subject to any claims and defenses Debtor may possess with respect thereto. Debtor accordingly requests authority to convey the Property to the Successful Bidder, if any, free and clear of all encumbrances, with any such encumbrances to attach to the proceeds of the Sale Transaction.

**f. The Sale Transaction Should be Approved Under Section 363(h).**

[6] Debtor contends that an overwhelming majority of Association Members will consent to the sale and separately that Association Members could be compelled in a legal or equitable proceeding to accept a monetary satisfaction of their interests via 363(h) Proceedings.

72. Section 363(h) of the Bankruptcy Code permits a debtor to sell both the estate's interest, as well as the interest of any co-owner in property in which the debtor had, on the petition date, an undivided interest as a tenant in common, only if:

> (1) partition in kind of such property among the estate and such co-owners is impracticable;
> (2) sale of the estate's undivided interest in such property would realize significantly less for the estate than sale of such property free of the interests of such co-owners;
> (3) the benefit to the estate of a sale of such property free of the interests of co-owners outweighs the detriment, if any, to such co-owners; and
> (4) such property is not used in the production, transmission, or distribution, for sale, of electric energy or of natural or synthetic gas for heat, light, or power.

11 U.S.C. § 363(h); *see also In re Polliard*, 152 B.R. 51, 56 (Bankr. W.D. Pa. 1993) (authorizing sale of co-owned property pursuant to section 363(h)); *In re Sunset Point II Timeshare Condo. Assoc., Inc.*, Case No. 17-81007 (Bankr. M.D. Ala. Oct. 16, 2018) (authorizing sale of timeshare interests).

73. Each of the elements of 11 U.S.C. § 363(h) is present and will be reflected in judgments/orders entered in the Section 363(h) Proceedings. Debtor intends to establish in the Section 363(h) Proceedings (by consent of Association Members or otherwise) that (i) partition of the Property among the Debtor and co-owners is impracticable given, among other things, that the Property is co-owned by nearly 9,000 parties in an interval format as a timeshare; (ii) sale of the Association Interest alone would yield significantly less to the Debtor than the sale of the undivided interests in the Property of the Debtor and all Association Members of the Association; (iii) the benefit to the estate of a sale of the Property free of the interests of co-owners outweighs the detriment, if any, to those co-owners that do not consent to the sale; and (iv) the Property is not used in the production, transmission, or distribution for sale, of electric energy or natural or synthetic gas for heat, light, or power.

**g. The Bidding Procedures Comply with Section 363(i).**

74. Section 363(i) of the Bankruptcy Code provides that before the consummation of a sale of property under 11 U.S.C. § 363(h), a non-debtor co-owner of such property "may purchase the property at the price at which such sale is to be consummated." 11 U.S.C. § 363(i). The Bidding Procedures preserve Section 363(i) rights of non-debtor co-owners of the Property. Each Association Member has the right to participate in the Auction, subject to the Bidding Procedures. At the Auction, an Association Member that is a Qualified Bidder may submit a Section 363(i) Bid that competes with other bids for the Property.

**h. Compliance with Section 363(j).**

75. Section 363(j) of the Bankruptcy Code states that after the sale of property under 11 U.S.C. § 363(h), the debtor shall distribute to the non-debtor co-owners of such property and to the bankruptcy estate "the proceeds of such sale, less the costs and expenses, not including any compensation of the trustee, of such sale, according to the interests of" the Association Members and the Debtor. 11 U.S.C. § 363(j). As noted above, the rights of Association Members and the Debtor pursuant to Section 363(j) of the Bankruptcy Code will be dealt with in the Section 363(h) Proceedings and/or the subchapter V plan. The Bidding Procedures do not infringe or impair Section 363(j) rights of non-debtor co-owners of the Property.

**Request of Waiver of Stay**

76. To the extent that the relief sought in the Motion constitutes a use of property under section 363(b) of the Bankruptcy Code, Debtor seeks a waiver of the fourteen-day stay under Bankruptcy Rule 6004(h). As explained herein, the relief requested in this Motion is immediately necessary for Debtor to be able to preserve the value of its estate.

**Waiver of Memorandum of Law**

77. The Debtor respectfully requests that the Court waive the requirement to file a separate memorandum of law pursuant to Local Rule 9013-1(a)(3) because the legal basis upon which the Debtors rely is set forth herein and the Motion does not raise any novel issues of law.

**Reservation of Rights**

78. Notwithstanding anything to the contrary herein, nothing contained in this Motion or any actions taken pursuant to any order granting the relief requested by this Motion is intended or should be construed as (a) an admission as to the validity of any particular claim against Debtor, (b) a waiver of Debtor's rights to dispute any particular claim or interest on any grounds, (c) a promise or requirement to pay any particular claim or interest, (d) an implication or admission that any particular claim or interest is of a type specified or defined in this Motion or any order granting the relief requested by this Motion, (e) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code, (f) a waiver or limitation of Debtor's, or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (g) a concession by Debtor that any interests, claims, or liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the Motion are valid, and the rights of all parties are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such interests, claims, or liens. If the Court grants the relief sought herein, same is not intended and should not be construed as an admission as to the validity of any claim or a waiver of Debtor's rights to subsequently dispute such claim.

79. Further, Debtor requests the right to alter the Bidding Procedures based upon the exigencies of a given situation. Debtor reserves the right to: (i) determine which bids are Qualified Bids; (ii) determine which Qualified Bid is the highest or otherwise best bid and which is the next highest or otherwise best bid; (iii) reject any bid that is (a) inadequate or insufficient, (b) not in

conformity with these sales procedures, or the requirements of the Bankruptcy Code, or (c) contrary to the best interests of Debtor; and (iv) waive terms and conditions set forth herein with respect to Qualified Bids.

**No Prior Request**

80. No prior request for the relief sought in this Motion has been made to this Court or any other court.

**Notice**

81. Debtor will provide notice of this Motion to the following parties and/or their respective counsel, as applicable: (a) the Office of the United States Trustee for the District of New Jersey; (b) all Association Members; (c) Debtor's 30 largest unsecured creditors; (d) the United States Attorneys' Office for the District of New Jersey; (e) the Internal Revenue Service; (f) the U.S. Securities and Exchange Commission; (g) the Office of the Attorney General for the State of New Jersey; (h) the New Jersey Division of Taxation; (i) the Subchapter V Trustee; and (j) any party that has requested notice pursuant to Bankruptcy Rule 2002. Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

***[Remainder of Page Intentionally Blank]***

**WHEREFORE**, Debtor respectfully requests that the Court enter an order, in substantially the form submitted herewith, granting the relief requested herein and such other relief as is just and proper under the circumstances.

Dated: January 14, 2026

Respectfully submitted,

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*Proposed Special Counsel for Debtor*

By: *<u>/s/ Daniel M. Eliades</u>*
Daniel M. Eliades

**Exhibit A**

**(Proposed Order)**

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

**Caption in Compliance with D.N.J. LBR 9004-1(b)**
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| | |
|---|---|
| In re:<br><br>SKYLINE TOWER RESORT VACATION CONDOMINIUM ASSOCIATION, INC.,[1]<br><br>Debtor. | Case No. 25-22156(ABA)<br>Chapter 11 (Subchapter V)<br><br>Judge: Hon. Andrew B. Altenburg, Jr.<br><br>Hearing Date: February 10, 2026<br>Hearing Time: 10:00 am |

**ORDER (I) (A) APPROVING AUCTION AND BIDDING PROCEDURES, (B) SCHEDULING BID DEADLINES AND AN AUCTION, AND (C) APPROVING THE FORM AND MANNER OF NOTICE THEREOF, AND (II) (A) AUTHORIZING THE SALE OF ASSETS AND (B) GRANTING RELATED RELIEF**

The relief set forth on the following pages, numbered two (2) through eight (8), is hereby **ORDERED**.

[1] The last four digits of Debtor's tax identification number are 5824. Debtor's primary place of business is 100 S. North Carolina Ave, Atlantic City, NJ 08401.

Upon the *Debtor's Motion for Entry of an Order (I) (A) Approving Auction and Bidding Procedures, (B) Scheduling Bid Deadlines and an Auction, and (C) Approving the Form and Manner of Notice Thereof, and (II) (A) Authorizing the Sale of Assets and (B) Granting Related Relief* (the "Motion")[2] of the above-captioned debtor and debtor-in-possession (the "Debtor") for entry of an order (this "Order") (a) approving the proposed marketing, auction, and bidding procedures attached as Exhibit 1 to this Order (the "Bidding Procedures"), by which Debtor will solicit and select the highest or otherwise best offer for the sale or other transaction (the "Sale Transaction") of the Property; (b) establishing certain dates, deadlines and procedures related thereto and scheduling an auction, if any, for the Sale Transaction (the "Auction"); (c) approving the manner of notice of the Auction and sale approval process including, if necessary, a sale hearing (the "Sale Hearing") as may be necessary; (d) authorizing the Sale Transaction; and (e) granting related relief, all as more fully set forth in the Motion; and the Motion supported by, *inter alia*, the First Day Declaration of Sheama Holmes-Walker (ECF No. 9); and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 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 Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court

[2] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion or the Bidding Procedures (as defined below), as applicable.

having found that the relief requested in the Motion is in the best interests of Debtor's estate, its creditors, and other parties in interest; and this Court having found that Debtor's notice of the Motion was appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor:

**IT IS HEREBY ORDERED THAT**:

1. The Motion is **GRANTED** as set forth herein.

2. Debtor has articulated good and sufficient reasons for authorizing and approving the Bidding Procedures, which are fair, reasonable, and appropriate under the circumstances and designed to maximize the recovery on, and realizable value of Debtor's assets.

3. Debtor's proposed notice of the Motion and the Hearing was (i) appropriate and reasonably calculated to provide all interested parties with timely and proper notice, (ii) in compliance with all applicable requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, and (iii) adequate and sufficient under the circumstances of this Chapter 11 Case, and no other or further notice is required. A reasonable opportunity to object or be heard regarding the relief granted by this Order has been afforded to all interested persons and entities.

4. All objections to the relief requested in the Motion that have not been withdrawn, waived, or settled prior to or at the Hearing are hereby overruled.

**I. Important Dates and Deadlines.**

5. **Stalking Horse Deadline.** February 16, 2026, at 5:00 p.m., prevailing Eastern Time, is the deadline by which Debtor may, but is not required to, designate a received Qualified Bid as a Stalking Horse Bid for the Property. Debtor shall file any Notice of Stalking Horse Bidder within one (1) business day after executing any applicable Stalking Horse Agreement.

6. **Bid Deadline for the Property.** April 17, 2026, at 5:00 p.m., prevailing Eastern Time, is the deadline by which all Qualified Bids must be **actually received** by the parties specified in the Bidding Procedures.

7. **Auction.** The Auction for the Property, if needed, will be April 28, 2026, at 10:00 a.m. prevailing Eastern Time, which date and time may be extended by Debtor upon written notice to the Court. The Auction will be conducted virtually via Zoom. Only Debtor, Qualified Bidders, the U.S. Trustee, the Subchapter V Trustee, and any other parties as Debtor may determine to include in its reasonable discretion, in each case, along with the representatives and advisors, shall be entitled to attend the Auction, and only Qualified Bidders will be entitled to make Bids at the Auction. For the avoidance of doubt, only Association Members that submit Section 363(i) Bids that constitute Qualified Bids will be entitled to participate in and make further Bids at the Auction. Debtor shall send written notice of the date, time, and link for the Auction to the Qualified Bidders, the U.S. Trustee and the Subchapter V Trustee no later than two business days before such Auction.

8. **Evaluation of Bids.** At the conclusion of the Auction, Debtor, in the exercise of its business judgment, shall have the right to determine the highest and best bid or combination of bids and designate one or more Successful Bids.

9. **Notice of Successful Bidder.** No later than three (3) business days after the conclusion of the Auction for the Property, Debtor shall file a Notice of Successful Bidder.

10. **Sale Objection Deadline.** Objections to the Sale of the Property, if any, must be made within three (3) business days of the Sale Approval Request filed with the Court on notice to all creditors and Qualified Bidders (the "Sale Objection Deadline").

11. **Sale Order.** Debtor shall file and serve a form of proposed Sale Order for the Property along with the Sale Approval Request therefor.

12. **Sale Hearing.** If necessary, five (5) business days after the Sale Objection Deadline or as soon thereafter as the parties may be heard.

13. **Sale Closing.** Closing of the Sale Transaction shall occur no later than fourteen (14) days after the later of (a) the entry of the Sale Order approving the Sale Transaction, or (b) the entry of a final and unappealable order or judgment of this Court in the Section 363(h) Proceedings authorizing Debtor to sell the Association Interest jointly with the sale of the interests of all Association Members in the Property.

14. The Bidding Procedures, substantially in the form attached hereto as **Exhibit 1**, are incorporated herein and are hereby approved in their entirety, and the Bidding Procedures shall govern the submission, receipt, and analysis of all Bids relating to any proposed Sale Transaction. Any party desiring to submit a Bid shall comply with the Bidding Procedures and this Order. Debtor is authorized to take all actions necessary to implement the Bidding Procedures. Subject to

the terms of the Bidding Procedures, Debtor may seek Court approval to modify the Bidding Procedures as necessary or appropriate to maximize value for the estate.

15. The Auction Notice, substantially in the form attached hereto as **Exhibit 2**, is hereby approved. As soon as reasonably practicable following the entry of this Order and the marketing period, Debtor will cause the Auction Notice to be served upon (a) the Office of the United States Trustee for the District of New Jersey; (b) all Association Members; (c) Debtor's 30 largest unsecured creditors; (d) the United States Attorneys' Office for the District of New Jersey; (e) the Internal Revenue Service; (f) the U.S. Securities and Exchange Commission; (g) the Office of the Attorney General for the State of New Jersey; (h) the New Jersey Division of Taxation; (i) the Subchapter V Trustee; and (j) any party that has requested notice pursuant to Bankruptcy Rule 2002.

**II. Miscellaneous**

16. Debtor will entertain only Qualified Bids for the Property. Any Association Member that does not submit a Section 363(i) Bid that is a Qualified Bid will be deemed to have waived and relinquished all rights and interests of such Association Member pursuant to section 363(i) of the Bankruptcy Code, and such Association Member shall be forever barred from seeking to exercise or enforce any such rights or interests.

17. Debtor shall have the right to: (i) modify the Sale Schedule; and (ii) conduct multiple Sale Transactions across one or more Auctions to maximize the value of the Property, in accordance with the Bidding Procedures.

18. Debtor has the right to: (i) determine which bids are Qualified Bids; (ii) determine which Qualified Bid is the highest or otherwise best bid, and which Qualified Bid is the next highest or otherwise best bid; (iii) reject any bid that is (a) inadequate or insufficient, (b) not in conformity with these sales procedures, or the requirements of the Bankruptcy Code, or (c) contrary to the best interests of Debtor; (iv) waive terms and conditions set forth herein with respect to Qualified Bids; and (v) select a Qualified Bid before the Bid Deadline and move forward to seek Court approval of one or more direct Sale Transaction(s).

19. The failure to include or reference a particular provision of the Bidding Procedures in this Order shall not diminish or impair the effectiveness or enforceability of such a provision in the Bidding Procedures.

20. The Court, at the request of Debtor, and subject to its availability, may modify the dates of and adjourn any hearing(s) set by this Order without further Order of this Court, *provided* that Debtor will serve notice to all requisite parties informing them of such modification.

21. Unless otherwise set forth in this Order, Debtor may seek Court approval to modify any of the deadlines set forth herein or provide for additional deadlines within the Sale Schedule, *provided* that Debtor will disclose all applicable deadlines in the Auction Notice or revised Auction Notice.

22. Debtor may modify any Good Faith Deposit or Section 363(i) Good Faith Deposit as necessary or appropriate.

23. In the event of any inconsistencies between this Order and the Motion and/or the Bidding Procedures, this Order shall govern in all respects.

24. Debtor is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

25. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Order shall be effective and enforceable immediately upon entry hereof.

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

27. The requirement set forth in 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.

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

# **Exhibit 1**

**Bidding Procedures**

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

**Caption in Compliance with D.N.J. LBR 9004-1(b)**

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| In re:<br><br>SKYLINE TOWER RESORT VACATION CONDOMINIUM ASSOCIATION, INC.,[1]<br><br>Debtor. | Case No. 25-22156(ABA)<br><br>Chapter 11 (Subchapter V)<br><br>Judge: Hon. Andrew B. Altenburg, Jr. |

**MARKETING PROCESS AND BIDDING PROCEDURES FOR THE SUBMISSION, RECEIPT, AND ANALYSIS OF BIDS IN CONNECTION WITH THE SALE OF PROPERTY**

[1] The last four digits of Debtor's tax identification number are 5824. Debtor's primary place of business is 100 S. North Carolina Ave, Atlantic City, NJ 08401.

**I. Property.**

Debtor is seeking to sell all of the property governed by the Association, which includes 20 commercial units and 296 residential units – with 192 one-bedroom units, 98 two-bedroom units, 5 three-bedroom units and 1 four-bedroom unit on a site commonly known as 100 S. North Carolina Ave. Atlantic City, New Jersey (the "Property"), free and clear of all of all interval interests of Association Members, liens, claims, interests, or other encumbrances.

Debtor seeks to sell the Property to the highest and best bidder to maximize value for its estate. To provide the most competitive and flexible process, Debtor seeks to establish standardized procedures leading to and culminating in an auction that creates an open and level playing field that permits potential purchasers the flexibility to propose an acquisition of the Property. To accomplish this end, Debtor will engage in a sale process for the Property.

Debtor reserves the right to consider and select any Bid or combination of Bids as to the Property that maximizes the value and benefit to the bankruptcy estate.

The Marketing Period (*as defined below*) for the Property will commence on no later than January 30, 2026.

The Stalking Horse Deadline for the Property will be **February 17, 2026, at 5:00 p.m. (prevailing Eastern Time)**.

The Bid Deadline for the Property will be **April 17, 2026, at 5:00 p.m. (prevailing Eastern Time)**.

The Auction for the Property will commence on **April 28, 2026 at 10:00 a.m. (prevailing Eastern Time)**.

**I. Marketing Period/Process**

Debtor will, through Hilco, prepare and implement the following comprehensive marketing and sales process for the Property, which will include:

- Print Media Advertising
- Internet & Digital Advertising
- Email Campaigns – targeted to over 20,000 active buyers
- Custom Webpage
- Custom Brochure & Offering Memorandum
- Signage
- Identified buyer/user contact lists
- Direct Mail
- Public Relations
- Prospect Management
- Virtual Due Diligence Room
- Professionally-Handled Property Showings
- Constant Communication with Interested Parties

- Real-time Analysis
- Post-Sale/Disposition Follow-up

(The marketing period for the Property shall be collectively referred to as the "Marketing Period").

**II. Public Announcement of Auction.**

Within three (3) business days after the occurrence of the Stalking Horse Deadline, Debtor shall serve on all parties, a notice (A) setting forth (I) the date, time, and link for the (a) Auction and (b) the Sale Approval Request (as defined below) process and (ii) the deadlines and procedures for objecting to the proposed Sale Transaction, and (B) the Bidding Procedures (the "Auction Notice"); and shall upload said materials into the data room for the Property. Debtor shall also upload said materials into the data room for the Property. The Auction Notice shall include a general description of the Property for sale.

**III. Potential Bidder Requirements.**

To participate in the bidding process or otherwise be considered for any purpose hereunder, including to receive access to due diligence materials, a person or entity interested in purchasing the Property, which may include any Association Member in accordance with section 363(i) of the Bankruptcy Code (a "Potential Bidder") must deliver or have previously delivered to Debtor the following preliminary documentation (collectively, the "Preliminary Bid Documents"):

a. an executed confidentiality agreement (a "Confidentiality Agreement") in form and substance acceptable to Debtor;

b. sufficient information that the Potential Bidder has or can reasonably obtain the financial capacity to close a purchase of the Property, the adequacy of which must be acceptable to Debtor; and

c. a statement detailing whether the Potential Bidder is partnering with or otherwise working with any other interested party in connection with the potential submission of a joint Bid, the identity of any such party or parties, and a concise description of the nature of such partnership or joint Bid to the extent reasonably practicable.

Debtor, in consultation with its advisors, will determine and notify each Potential Bidder whether such Potential Bidder has submitted adequate documents so that such Potential Bidder may proceed to conduct due diligence and submit a Bid.

**IV. Stalking Horse Reimbursement.**

Upon entry of the Bidding Procedures Order, Debtor shall be authorized, but not obligated, in an exercise of its business judgment to (a) select a Qualified Bidder to act as a stalking horse bidder (a "Stalking Horse Bidder") in connection with the sale process and/or any ultimate Auction and (b) in connection with any stalking horse agreement with a Stalking Horse Bidder, Debtor may seek approval from the Court for Stalking Horse reimbursement of actual and necessary due diligence expenses up to a maximum of $100,000 (the "Expense Reimbursement"), and if provided for under the stalking horse agreement, may further seek court approval for a reasonable "break-up" fee, expressed as a percentage of the Stalking Horse Bid, not to exceed three percent (3%) (the "Break-Up Fee") (the Expense Reimbursement and Break-Up Fee each are a "Stalking Horse Protection," and collectively are the "Stalking Horse Protections"), provided that any overbid must be sufficient to satisfy any Stalking Horse Protections approved by the Court.

## V. Qualified Bid/Bidder Qualification Requirements.

To be deemed a Qualified Bidder and be deemed eligible to participate in any Auction, a Potential Bidder must deliver to Debtor and its advisors (i) an irrevocable offer for the purchase of some or all of the Property (each, a "Bid"), and shall meet the following criteria, in each case, on or prior to the Bid Deadline (as defined below); or, in the event Debtor selects a Stalking Horse Bidder, (ii) documentation satisfying all of the below criteria. An Association Member submitting a Bid pursuant to section 363(i) of the Bankruptcy Code (a "Section 363(i) Bid") must clearly specify in the Bid that such Association Member is exercising its rights and submitting such Bid pursuant to section 363(i).[2] The Potential Bidder must identify the Property it intends to bid upon and post the required deposit therefor as indicated below:

a. **Purchased Property and Assumed Liabilities**: Each Bid must clearly state the following: (a) the Property to be purchased and/or liquidated or otherwise disposed of; and (b) the liabilities and obligations to be assumed (including any executory contracts or unexpired leases to be assumed and assigned), including any debt and cure costs to be assumed. Any Bid that is a Section 363(i) Bid must clearly state that such Bid is being submitted pursuant to section 363(i) of the Bankruptcy Code.

b. **Good Faith Deposit**: Each Bid (other than a Section 363(i) Bid) must be accompanied by a cash deposit in an amount equal to five percent (5%) of the aggregate purchase price of the Bid to be held by a title company designated by Debtor (the "Good Faith Deposit"); provided, that the Good Faith Deposit may be held by a title company designated by the Potential Bidder so long as (i) such title company is acceptable to Debtor and (ii) the Potential Bidder, title company and Debtor enter into an escrow agreement in substantially the form attached to the form of purchase agreement. In the event Debtor selects a Stalking Horse Bidder, in order to be deemed a Qualified Bidder at the scheduled Auction, a Potential Bidder must post a deposit equal to five percent (5%) of the Stalking Horse Bid.

No later than two (2) business days after conclusion of the Auction, (i) the Successful Bidder and the Back-Up Bidder must adjust its Good Faith Deposit so that it equals ten percent (10%) of the aggregate purchase price specified in the Successful Bid or Back-Up Bid, as applicable, and (ii) if a Section 363(i) Bid is selected as the Successful Bid, the Successful Bidder must tender a cash deposit in an amount equal to ten percent (10%) of the aggregate purchase price of the Successful Bid to be held by a title company designated by Debtor (the "Section 363(i) Good Faith Deposit"); provided, that the Section 363(i) Good Faith Deposit may be held by a title company designated by the Successful Bidder so long as (i)

[2] Unless otherwise stated, each Section 363(i) Bid is a Bid and an Association Member submitting a Section 363(i) Bid is subject to the same requirements as other Potential Bidders.

such title company is acceptable to Debtor and (ii) the Successful Bidder, title company and Debtor enter into an escrow agreement in substantially the form attached to the form of purchase agreement.

c. **Purchase Price**: Each Bid must (i) clearly set forth the purchase price to be paid for the Property and any assumption of liabilities by the Potential Bidder (the "Purchase Price"), and (ii) identify separately the cash and non-cash components of the Purchase Price in U.S. Dollars.

d. **Same or Better Terms; Bid Documents**: Each Bid must include duly executed and non-contingent, where applicable, transaction documents necessary to effectuate the transactions contemplated in the Bid (the "Bid Documents"). The Bid Documents shall include: (i) a redline copy of the form of purchase agreement that will be provided by Debtor that such bidder is willing to execute, which redline edits may not change material terms to the detriment of Debtor and must be on at least equivalent or better terms to the bankruptcy estate as the form purchase agreement, (ii) a schedule of contracts and leases to be assumed to the extent applicable to the Bid, (iii) any other material documents integral to such Bid, (iv) a statement from the Potential Bidder that the Qualified Bid will be irrevocable (whether or not such Qualified Bid is selected as the Successful Bid or next highest or otherwise best Bid (the "Back-Up Bid")) until the consummation of the Sale Transaction, and (e) to the extent the Potential Bidder is utilizing a title company other than the one designated by Debtor, evidence of committed title insurance, documented to Debtor's satisfaction.

e. **No Qualified Bidder Bid Protections**: Unless submitted prior to the applicable Stalking Horse Deadline in connection with a request to be named as a Stalking Horse Bidder, and unless the Qualified Bidder is specifically designated as a Stalking Horse Bidder under these Bid Procedures, a Qualified Bid must include a statement that the Bid does not entitle such bidder to any Break-Up Fee, termination fee, Expense Reimbursement, or similar type of payment or reimbursement and a waiver of any substantial contribution administrative expense claim under section 503(b) of the Bankruptcy Code related to bidding for the Property.

f. **Sources of Financing**: A Qualified Bid must include evidence of financial wherewithal to consummate the proposed Sale Transaction set forth in its Bid with cash on hand or, to the extent that the Bid is not accompanied by such evidence, the Bid must include committed financing, documented to Debtor's satisfaction, that demonstrates that the Potential Bidder has received sufficient debt and/or equity funding commitments to satisfy the Potential Bidder's obligations under the proposed Sale Transaction and other obligations under its Bid. Such funding commitments or other financing must be unconditional and must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals, and shall have covenants and conditions acceptable to Debtor.

g. **Contingencies; No Financing or Diligence Outs**: The Bid must not contain any contingencies as to the validity, effectiveness, or binding nature of the Bid, including, without limitation, contingencies for due diligence, inspection, title insurance or financing of any kind (including any conditions pertaining to financial performance, conditions, or prospects). All diligence must be completed before the Bid Deadline.

h. **Identity**: Each Bid must fully disclose the identity of each entity and each entity's shareholders, partners, investors, and ultimate controlling entities that will be bidding for or purchasing the Property or otherwise participating in connection with such Bid, and the complete terms of any such participation, along with sufficient evidence that the Potential Bidder is legally empowered to complete the transactions on the terms contemplated by the parties. Each Bid must also include contact information for the specific person(s) whom K&L Gates LLP can contact regarding such Bid.

i. **As-Is, Where-Is**: Each Bid must include a written acknowledgement and representation that the Potential Bidder: (i) has had an opportunity to conduct any and all due diligence prior to making its offer; (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the Property in making its Bid; (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied, by operation of law, or otherwise, regarding the completeness of any information provided in connection therewith, except as expressly stated in the Potential Bidder's proposed purchase agreement; and (iv) is otherwise willing to purchase the Property "as is, where is."

j. **Authorization**: Each Bid must contain evidence that the Potential Bidder has obtained all necessary authorizations or approvals from its shareholders, members, and/or its board of managers or directors, or any other internal and other approvals, as applicable, with respect to the submission of its Bid and the consummation of the transactions contemplated in such Bid.

k. **Joint Bids**: Debtor will be authorized to approve joint Bids in its reasonable business judgment, on a case-by-case basis, so long as a joint Bid meets the Qualified Bid requirements, and the applicable bidders otherwise comply with these Bidding Procedures.

l. **Adequate Assurance of Future Performance**: Each Bid must (i) identify any executory contracts (the "Executory Contracts") and any unexpired leases (the "Unexpired Leases") to be assumed or assumed and assigned in connection with the proposed Sale Transaction, (ii) provide for the payment of all cure amounts (the "Cure Amounts") related to such Executory Contracts and Unexpired Leases by the Qualified Bidder, (iii) demonstrate that the Qualified Bidder can provide adequate assurance of future performance under all such Executory Contracts and Unexpired Leases sufficient to satisfy the requirements of sections 365(b)(3) and 365(f)(2)(B) of the Bankruptcy Code, and (iv) provide the legal name of the proposed assignee (the "Proposed Assignee") and any guarantors, as applicable; and (v) provide documentation as necessary to establish the foregoing.

m. **Acknowledgement of Compliance with Bidding Procedures, Bidding Procedures Order, Bankruptcy Code, and Non-Bankruptcy Law**: Each Bid must acknowledge its compliance in all respects with these Bidding Procedures, the Bidding Procedures Order, Bankruptcy Code and any applicable non-bankruptcy law.

n. **No Collusion**: The Potential Bidder must (i) acknowledge in writing that it has not engaged in any collusion with respect to any Bids or the Sale Transaction, specifying that it did not agree with any Potential Bidders to control price; and (ii) agree not to engage in any collusion with respect to any Bids, the Auction, or the Sale Transaction. For the avoidance of doubt, this requirement does not restrict Potential Bidders from working with other Potential Bidders with Debtor's prior written consent (email shall suffice).

o. **Good Faith Offer**: The Bid must constitute a good faith, *bona fide* offer to consummate the Sale Transaction.

p. **Irrevocable**: Each Bid must state that in the event such Bid is chosen as the Back-Up Bid (as defined below), it shall remain irrevocable until Debtor and the Successful Bidder consummate the applicable Sale Transaction.

q. **Back-Up Bid**: Each Bid shall state whether the Potential Bidder will serve as a Back-Up Bidder (as defined below) if the Potential Bidder's Bid is the next highest or otherwise best bid.

r. **Expected Closing Date**: Each Bid must state the Potential Bidder's expected date of closing of the Sale Transaction, which proposed date must be consistent with the closing date set forth in the sale timeline portion of the Bidding Procedures.

s. **Time Frame for Closing**: A Bid by a Potential Bidder must be reasonably likely to be consummated, if selected as the Successful Bid (as defined herein), within the time frame as set forth in the Bidding Procedures or as otherwise acceptable to Debtor.

t. **No Fees**: Except for any Expense Reimbursement and/or Break-Up Fee as may be awarded by the Court to a designated Stalking Horse Bidder, each Potential Bidder presenting a Bid or Bids will bear its own costs and expenses (including legal fees) in connection with the proposed transaction, and by submitting its Bid(s) is agreeing to disclaim any right to receive a fee analogous to a Break-Up Fee, Expense Reimbursement, termination fee, or other similar form of compensation.

For the avoidance of doubt, unless submitted prior to the applicable Stalking Horse Deadline for consideration as a Stalking Horse Bid, and unless such bid is actually designated by Debtor as a Stalking Horse Bid prior to the Stalking Horse Deadline, each Potential Bidder by submitting its Bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis, including under section 503(b) of the Bankruptcy Code.

u. **Adherence to Bidding Procedures**: By submitting its Bid, each Potential Bidder is agreeing to abide by and honor the terms of these Bidding Procedures and agrees not to submit a Bid or seek to reopen the Auction after conclusion of the Auction.

v. **Consent to Jurisdiction**: Each Potential Bidder must submit to the jurisdiction of the Court and waive any right to a jury trial in connection with any disputes relating to Debtor's qualification of Bids, the Auction, the Sale, the Sale Transaction and the construction and enforcement of these Bidding Procedures, any written indications of interest, Preliminary Bid Documents, the Bids, the Bid Documents, and any and all other agreements entered into in connection with any proposed Sale Transaction, and the closing of the Sale Transaction, as applicable; and

w. **Conditions to Closing**: Each Bid must identify with particularity each and every condition to closing, including the Executory Contracts and Unexpired Leases for which assumption and assignment is required.

Only Bids fulfilling all of the preceding requirements contained in this section may, or otherwise in Debtor's reasonable business judgment will, be deemed to be "Qualified Bids," and only those parties submitting Qualified Bids may, at Debtor's reasonable business judgment, be deemed to be "Qualified Bidders."

In the event that Debtor does, in fact, select a Stalking Horse Bidder for the Property, in order to be deemed a Qualified Bidder at the Auction, a Potential Bidder must comply with all requirements for a Qualified Bid as set forth in this Article VI above.

Neither Debtor nor any of its advisors are making or have at any time made any warranties or representations of any kind or character, express or implied, with respect to the Property, including, but not limited to, any warranties or representations as to operating history or projections, valuation, governmental approvals, the compliance of the Property with governmental laws, the truth, accuracy, or completeness of any documents related to the Property, or any other information provided by or on behalf of Debtor to a bidder, or any other matter or thing regarding the Property. All bidders must acknowledge and agree that upon closing, Debtor shall sell and transfer to the Successful Bidder, and the Successful Bidder shall accept, the Property, except to the extent expressly provided in the Court's order approving the Sale Transaction. Neither Debtor nor any of its advisors will be liable for or bound by any express or implied warranties, guaranties, statements, representations, or information pertaining to the Property or relating thereto that Debtor, any advisor, or agent representing or purporting to represent Debtor to whomever might have made or furnished, directly or indirectly, orally or in writing, unless (with respect to Debtor) specifically set forth in the Court's order approving the Sale Transaction.

Within three (3) days after the Bid Deadline, Debtor shall determine which Potential Bidders are Qualified Bidders and will notify the Potential Bidders whether the Bids submitted constitute Qualified Bids or if the bidder is otherwise determined to be a Qualified Bidder, which will enable such Qualified Bidders to participate in the Auction. Any Bid that is not deemed a Qualified Bid shall not be considered by Debtor; *provided* that if Debtor receives a Bid prior to the Bid Deadline that does not satisfy the requirements of a Qualified Bid, Debtor may provide the Potential Bidder with the opportunity to remedy any deficiencies prior to the Auction.

Debtor's obligations as to the Sale Transaction are contingent upon obtaining Court approval for such Sale Transaction and upon the Court's entry of a final and unappealable order or judgment authorizing Debtor to sell the Association Interest jointly with the sale of the interests of all other Association Members in the Property in a 363(h) Proceeding or otherwise.

**VII. [Reserved].**

**VIII. Obtaining Due Diligence Access.**

Only Potential Bidders shall be eligible to receive due diligence information, access to Debtor's electronic data room, and additional non-public information regarding Debtor. ***No Potential Bidder will be permitted to conduct any due diligence without entry into a Confidentiality Agreement***. Beginning on the date Debtor determines that a party is a Potential Bidder, or as soon as reasonably practicable thereafter, Debtor will provide such Potential Bidder with access to an electronic data room and reasonable due diligence information, as requested by such Potential Bidder, as soon as reasonably practicable after such request. Debtor shall promptly consult with its advisors (a) with respect to any due diligence disputes that arise concerning any Potential Bidder and (b) prior to revoking due diligence access to any such entity. Debtor shall post substantially all written due diligence provided to any Potential Bidder to Debtor's electronic data room for the benefit of all Potential Bidders.

Potential Bidders will not, directly or indirectly, contact or initiate or engage in discussions in respect of matters relating to Debtor or a potential transaction with any customer, supplier, or other contractual counterparty of Debtor without the prior written consent of Debtor. The due diligence period will end on the Bid Deadline, and subsequent to the Bid Deadline, Debtor shall have no obligation to furnish any due diligence information.

In connection with the provision of due diligence information to Potential Bidders, Debtor shall not furnish any confidential information relating to Debtor or a potential transaction to any person except a Potential Bidder or such Potential Bidder's duly authorized representatives to the extent provided in an applicable Confidentiality Agreement.

Debtor and its advisors shall coordinate all reasonable requests for additional information and due diligence access from Potential Bidders; *provided* that Debtor may decline to provide such information to Potential Bidders who, in Debtor's reasonable business judgment, have not established, or who have raised doubt, that such Potential Bidders intend in good faith to, or have the capacity to, consummate a Sale Transaction.

**A. Communications with Potential Bidders (including Qualified Bidders).**

Notwithstanding anything to the contrary in these Bidding Procedures, all substantive direct communications, including any diligence requests, with Potential Bidders (including any Qualified Bidders) shall be through Debtor's counsel or Hilco.

### B. Due Diligence from Potential Bidders (including Qualified Bidders).

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

## IX. Bid Deadline.

Binding Bids must be submitted in writing to the following parties (the "Bid Notice Parties") so as to be **actually received** no later than 5:00 p.m. (prevailing Eastern Time) on April 17, 2026 (the "Bid Deadline"):

(i) proposed counsel to the Debtor, Forman Holt, 365 West Passaic Street, Suite 400, Rochelle Park, NJ, 07662, Attn: Michael Holt (mholt@formanlaw.com).

(ii) proposed special counsel to Debtor, K&L Gates LLP, One Newark Center, Tenth Floor, Newark, NJ 07102, Attn: Daniel M. Eliades and Peter J. D'Auria (daniel.eliades@klgates.com and peter.dauria@klgates.com).

(iii) the broker, Hilco Real Estate, LLC, 5 Revere Dr., Suite 206, Northbrook, IL 60062, Attn: Jeffrey Azuse (jazuse@hilcoglobal.com) and Jordan Schack (jschack@hilcoglobal.com).

Debtor may extend the Bid Deadline for any reason whatsoever, in its reasonable business judgment for all or certain Potential Bidders.

## X. Evaluation of Qualified Bids.

Debtor shall evaluate Qualified Bids and identify the Qualified Bid that is, in Debtor's business judgment, the highest or otherwise best Qualified Bid or combination of Qualified Bids for the Property (the "Starting Bid").

When determining the highest or otherwise best Qualified Bid, as compared to other Qualified Bids, Debtor may consider the following factors, in addition to any other factors that Debtor deems appropriate: (a) the amount and nature of the total consideration; (b) the likelihood of the Qualified Bidder's ability to close a transaction and the timing thereof; (c) the net economic effect of any changes to the value to be received by Debtor's estate from the transaction contemplated by the Bid Documents, including any cure costs associated with any assumption(s) of liabilities, executory contracts or unexpired leases; (d) the tax consequences of such Qualified Bid. Prior to commencing the Auction, Debtor shall notify all Qualified Bidders as to which Qualified Bid is the Starting Bid for the Auction; and (e) any other factor or metric relevant to the evaluation of whether said Qualified Bid is in the best interest of the estate. At such time, Debtor shall also distribute copies of the Starting Bid to each Qualified Bidder.

## XI. Auction.

Other than as expressly set forth herein, if Debtor receives more than one Qualified Bid for the Property by the Bid Deadline, Debtor shall conduct the Auction in accordance with the Auction Procedures (as defined below) to determine the Successful Bidder in its reasonable business judgment with respect to the Property. If Debtor does not receive a Qualified Bid by the Bid Deadline, Debtor will not conduct the Auction.

The Auction for the Property shall commence on April 28, 2026, at 10:00 a.m. (prevailing Eastern Time), or such later time or other place as Debtor determines.

The Auction will be conducted in accordance with the following procedures (the "Auction Procedures"):

a. the Auction will be conducted virtually via Zoom;

b. except as otherwise provided herein, only Qualified Bidders shall be entitled to bid at the Auction;

c. the Qualified Bidders must appear in person or through duly authorized representatives at the Auction with authority to bind such Qualified Bidder as to any amount bid by such person or representative;

d. bidding shall begin with the Starting Bid, which may be a Stalking Horse Bid, if applicable;

e. subsequent Bids (each, an "Overbid") may only be made at the Auction and any initial overbid must be sufficient to pay any Stalking Horse Bidder Expense Reimbursement and/or Break-Up Fee approved by the Court plus no less than $100,000, and thereafter shall be at least a $100,000 increase in cash, cash equivalents, or other such consideration that Debtor, in its reasonable business judgment, deems equivalent over the previous Bid. Debtor may, in its reasonable business judgment, announce increases or reductions to the minimum Overbid at any time during the Auction. For the avoidance of doubt, each successive Bid that a Qualified Bidder may submit at the Auction must contain a Purchase Price in cash, cash equivalents, or such other consideration that Debtor, in its reasonable business judgment, deems equivalent that exceeds the then existing highest Bid by at least the amount of the minimum Overbid;

f. at the commencement of the Auction, Debtor may announce procedural and related rules governing the Auction, including time periods available to all Qualified Bidders to submit successive bid(s);

g. each Qualified Bidder will be permitted a reasonable time to respond to previous Bids at the Auction, as determined by Debtor;

h. during the course of the Auction, Debtor shall, after submission of each Overbid, promptly inform each Qualified Bidder of the terms of the previous Bids and inform each Qualified Bidder which Overbid(s) reflect, in Debtor's view, the highest or otherwise best bid(s) for the Property;

i. the Auction will be transcribed to ensure an accurate recording of the bidding at the Auction;

j. each Qualified Bidder will be required to confirm on the record that it has not engaged, and will not engage, in any collusion with respect to the bidding or the Sale Transaction. For the avoidance of doubt, (a) this requirement does not restrict Qualified Bidder(s) from working with other Qualified Bidder(s) with Debtor's prior written consent;

k. each Qualified Bidder will be required to confirm that its Bid is a good faith, *bona fide* offer and it intends to consummate the Sale Transaction if selected as the Successful Bid or the Back-up Bidder in accordance with these Bidding Procedures (as may be modified in accordance herewith at the Auction);

l. the Court and Debtor will not consider Bids made after the Auction has been closed;

m. Debtor, in its reasonable business judgment, may reject, at any time before entry of an order of the Court approving a Successful Bid, any Bid that Debtor determines is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bidding Procedures, or the terms and conditions of the Sale Transaction, or (iii) contrary to the best interests of Debtor, its estate, its creditors, and other stakeholders;

n. Debtor has the right to request any additional information that will allow Debtor to make a reasonable determination as to a Qualified Bidder's financial and other capabilities to consummate the transactions contemplated by their proposal and any further information that Debtor believes is reasonably necessary to clarify and evaluate any Bid made by a Qualified Bidder during the Auction;

o. Debtor reserves the right, in its reasonable business judgment, to adjourn the Auction one or more times to, among other things, (a) facilitate discussions between Debtor and Qualified Bidders, (b) allow Qualified Bidders to consider how they wish to proceed, and (c) provide Qualified Bidders the opportunity to provide Debtor with such additional evidence as Debtor, in its reasonable business judgment, may require that the Qualified Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed transaction at the prevailing amount;

p. notwithstanding anything herein to the contrary, Debtor may, at any time, choose to adjourn the Auction by announcement at the Auction. Debtor shall promptly file notice of such adjournment with the Court; and

q. Only Debtor, Qualified Bidders, the U.S. Trustee, the Subchapter V Trustee and any other parties as Debtor may determine to include in its reasonable discretion, in each case, along with the representatives and advisors of the foregoing parties, shall be entitled to attend the Auction, and only Qualified Bidders will be entitled to make Bids at the Auction.

For the avoidance of doubt, nothing in the Auction Procedures will prevent Debtor from exercising its respective fiduciary duties under applicable law (as reasonably determined in good faith by Debtor, in consultation with counsel).

**XII. Acceptance of the Successful Bid.**

The Auction shall continue until (i) there is only one Qualified Bid or a combination of Qualified Bids that Debtor determines, in its reasonable business judgment and in a manner consistent with the exercise of its fiduciary duties and outlined below in further detail, is the highest or otherwise best Bid to purchase the Property (each, a "Successful Bid"), and (ii) Debtor determines, in its reasonable business judgment, that further bidding is unlikely to result in a different Successful Bid or Successful Bids that would be reasonably acceptable to Debtor, at which point, the Auction will be closed.

When determining the highest or otherwise best Qualified Bid, as compared to other Qualified Bids, Debtor may consider the following factors in addition to any other factors that Debtor deems appropriate: (a) the amount and nature of the total consideration, which includes, but is not limited to, assumed liabilities (administrative liabilities, cure payments), and the amount of Executory Contracts and Unexpired Leases being assumed; (b) the likelihood of the Qualified Bidder's ability to close a transaction and the timing thereof; (c) the net economic effect of any changes to the value to be received by Debtor's estate from the transaction contemplated by the Bid Documents; and (d) the tax consequences of such Qualified Bid; and (e) any other consideration that may impact Debtor's stakeholders.

Any Qualified Bidder that submits a Successful Bid will be deemed a "Successful Bidder" with respect to the Property for the purchase pursuant to such Successful Bid. Debtor shall, within three (3) days of the conclusion of the Auction, file a notice identifying the Successful Bid and the Successful Bidder with the Court. Within two (2) business days after the conclusion of the Auction, the designated Successful Bidder shall execute a binding purchase and sale agreement ("PSA") on the terms of the Successful Bid and consistent with the form PSA submitted by said Successful Bidder along with its Qualified Bid. For the avoidance of doubt, the execution of the PSA shall deem Debtor's selection of the Successful Bid final and, subject to the designation of the Back-Up Bid, Debtor shall not solicit and/or accept any further Bids or offers to submit a Bid after such selection; *provided* that, notwithstanding anything to the contrary in these Bidding Procedures, nothing in these Bidding Procedures shall require the members, board of directors, board of managers, or such similar governing body of Debtor to take or refrain from taking any action that Debtor determines in good faith, in consultation with counsel, would be inconsistent with applicable law or its fiduciary obligations under applicable law.

Within two (2) business days of the selection of the Successful Bidder, such Successful Bidder shall adjust its Good Faith Deposit so that it equals ten percent (10%) of the aggregate purchase price specified in the Successful Bid, which shall be submitted by wire transfer of immediately available funds to an escrow account held by the applicable title company.

**XIII. Designation of Back-Up Bidder.**

The Back-Up Bid to purchase any the Property (the "Back-Up Bidder") will be determined by Debtor at the conclusion of the Auction, and will be announced at that time to all the Qualified Bidders participating in the Auction. Debtor's selection of a Back-Up Bid shall be deemed final, and Debtor shall not accept any further Bids or offers to submit a Bid after such selection. Debtor will be authorized, but not required, to consummate the Sale Transaction with the Backup Bidder without further order of the Court, so long as such Back-Up Bid shall have been approved in connection with the Court's approval of the Successful Bid, or subject to Court approval if not.

Within two (2) business days of the selection of the Back-Up Bidder, such Back-Up Bidder shall adjust its Good Faith Deposit so that it equals ten percent (10%) of the aggregate purchase price specified in the Back-Up Bid, which shall be submitted by wire transfer of immediately available funds to an escrow account held by the applicable title company.

If, for any reason, the Successful Bidder fails to consummate the purchase of the Property within the time permitted, then the Back-Up Bidder will automatically be deemed to have submitted the Successful Bid for the Property, and the Back-Up Bidder shall be deemed a Successful Bidder for the Property and shall be required to consummate a Sale Transaction with Debtor as soon as is reasonably practicable within the time frames as set forth herein without further order of the Court, upon 24 hours advance notice filed with the Court.

The Back-Up Bid shall remain open and irrevocable until the earliest to occur of (i) consummation of a Sale Transaction with the Successful Bidder, (ii) the termination of the PSA with the Successful Bidder or failure to close by the Successful Bidder, and (iii) the release of such Back-Up Bid by Debtor in writing (such date, the "Back-Up Termination Date"). Debtor shall return the Back-Up Bidder's deposit owed within five (5) business days of the Back-Up Termination Date.

**XIV. Approval of the Sale Transaction.**

Within three (3) business days after the execution of a PSA, Debtor shall file the Sale Approval Request consisting of (A) a certification with the Court (i) identifying the Successful Bidder as the proposed Purchaser of the applicable Property; (ii) attesting that all contingencies and conditions precedent to the closing of the Sale Transaction have been satisfied; (iii) confirming that the Successful Bid was a Qualified Bid and satisfied all of the requirements of the Bidding Procedures approved by this Court; (iv) confirming that the proposed Sale Transaction meets all the criteria for approval under 11 U.S.C. § 363 and as otherwise set forth in the Bidding Procedures Order; and (v) memorializing Debtor's determination that the proposed purchase represents the highest and best offer received, and manifests the most advantageous sale transaction for the bankruptcy estate; and (B) a proposed form of order approving the Sale Transaction. Said certification shall provide parties with a three (3) business day period within which to file an objection to the proposed sale transaction and request that, in the absence of any filed objection, the Court enter an order approving the proposed sale transaction at the conclusion of the objection period.[3]

The certification will further request that, in the event an objection is filed, responsive pleadings shall be filed by Debtor within one (1) business day after the Sale Objection Deadline and that the Court schedule a hearing within five (5) business days after the Sale Objection Deadline. To the extent a Sale Hearing is conducted, Debtor will seek certain findings from the Court regarding the Auction, including, among other things, that: (1) the Auction was conducted, and the Successful Bidder was selected, in accordance with the Bidding Procedures; (2) the Auction was fair in substance and procedure; (3) the Successful Bid was a Qualified Bid as defined in these Bidding Procedures; and (4) consummation of the Sale Transaction as contemplated by the Successful Bid in the Auction will provide the highest or otherwise best offer for the Property and is in the best interests of Debtor and its estate.

The Successful Bidder and Back-up Bidder shall take reasonable steps to support Debtor in obtaining approval of the Sale Transaction, including by filing an affidavit, affirmation or declaration (as appropriate) to satisfy the requirements of 11 U.S.C. § 363(m) and (n), including asserting its good faith and lack of collusion with respect to the sale of the Property, and the bidding and auction related thereto, within three (3) calendar days of the conclusion of the Auction.

**XV. Reservation of Rights.**

Debtor shall have the right to alter the Bidding Procedures based upon the circumstances and/or exigencies of a given situation, including but not limited to modification of the Sale Schedule. Debtor reserves the right to: (i) determine which bids are Qualified Bids and which Potential Bidders are Qualified Bidders; (ii) determine which Qualified Bid is the highest or otherwise best bid and which is the next highest or otherwise best bid; (iii) reject any bid that is (a) inadequate or insufficient, (b) not in conformity with these sales procedures or the requirements of the Bankruptcy Code, or (c) contrary to the best interests of Debtor; and (iv) waive terms and conditions set forth herein with respect to Qualified Bids.

[3] For the avoidance of doubt, closing of the Sale Transaction shall be subject to the entry of a final and unappealable order or judgment of this Court authorizing Debtor to sell the Property, including the Association Interest jointly with the sale of the interests of all other Association Members in the Property pursuant to section 363(h) of the Bankruptcy Code.

**Exhibit 2**

**Auction Notice**

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

**Caption in Compliance with D.N.J. LBR 9004-1(b)**

**Forman Holt**
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Suite 400
Rochelle Park, NJ 07662
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Peter J. D'Auria, Esq. (PJD-3709)
*Proposed Special Counsel for the Debtors*

| | |
|---|---|
| In re:<br><br>SKYLINE TOWER RESORT VACATION CONDOMINIUM ASSOCIATION, INC.,[1]<br><br>Debtor. | Case No. 25-22156(ABA)<br><br>Chapter 11 (Subchapter V)<br><br>Judge: Hon. Andrew B. Altenburg, Jr. |

**<u>NOTICE OF SALE BY AUCTION AND SALE HEARING</u>**

[1] The last four digits of Debtor's tax identification number are 5824. Debtor's primary place of business is 100 S. North Carolina Ave, Atlantic City, NJ 08401.

**PLEASE TAKE NOTICE** that on [●], 2026, the United States Bankruptcy Court for the District of New Jersey (the "Court") entered the *Order (I) (A) Approving Auction and Bidding Procedures, (B) Scheduling Bid Deadlines and an Auction, (C) Approving the Form and Manner of Notice Thereof, and (II) (A) Authorizing the Sale of Assets and (B) Granting Related Relief* [ECF No. [___]] (the "Bidding Procedures Order")[2] in the chapter 11 case of the above-captioned debtor and debtor in possession (the "Debtor").

**PLEASE TAKE FURTHER NOTICE** that Debtor is soliciting offers for the purchase of the Property consistent with the bidding procedures (the "Bidding Procedures") approved by the Court pursuant to 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, if Debtor receives qualified competing Bids for the Property within the requirements and time frame specified by the Bidding Procedures, Debtor will conduct an auction (the "Auction") of the Property on **April 28, 2026, at 10:00 a.m. (prevailing Eastern Time).** The Auction shall take place virtually via Zoom.

**PLEASE TAKE FURTHER NOTICE** that only Debtor, Qualified Bidders, the U.S. Trustee, the Subchapter V Trustee and any other parties as Debtor may determine to include in its reasonable discretion, in each case, along with their representatives and advisors, shall be entitled to attend the Auction, and only Qualified Bidders will be entitled to make Overbids at the Auction. **All interested or potentially affected parties should carefully read the Bidding Procedures and the Bidding Procedures Order.**

**PLEASE TAKE FURTHER NOTICE** that Debtor will seek approval of the Sale Transaction at a hearing scheduled to commence on or before **[________], at 10:00 a.m. (prevailing Eastern Time)** (the "Sale Hearing") before the Honorable Judge Altenburg or conducted consistent with the procedures established pursuant to the Court's standing orders regarding remote hearings in bankruptcy cases.

**PLEASE TAKE FURTHER NOTICE** that, except as otherwise set forth in the Bidding Procedures Order, objections to consummation or approval of the Sale Transaction 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 bases 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 [________], at 5:00 p.m. (prevailing Eastern Time)** by the following parties: (i) counsel to Debtor, Forman Holt, 365 West Passaic Street, Suite 400, Rochelle Park, NJ, 07662, Attn: Michael Holt (mholt@formanlaw.com); (ii) counsel to Debtor, K&L Gates LLP, One Newark Center, Tenth Floor, Newark, NJ 07102, Attn: Daniel M. Eliades and Peter J. D'Auria (daniel.eliades@klgates.com and peter.dauria@klgates.com); (iii) Office of the United States Trustee for Region 3, 1 Newark Center, Suite 2100, Newark, NJ 07102, Attn: Jeffery M. Sponder and Samantha Lieb (jeffery.m.sponder@usdoj.gov and samantha.lieb2@usdoj.gov); and (v)

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[2] Capitalized terms used but not defined in this notice have the meanings given to them in the Bidding Procedures Order

Subchapter V Trustee, Holly Smith Miller, 901 Market Street., Suite. 3020, 3rd Floor, Philadelphia, PA 19104-5016 (hsmith@gsbblaw.com).

**CONSEQUENCES OF FAILING TO TIMELY MAKE AN OBJECTION**

**ANY PARTY OR ENTITY WHO FAILS TO TIMELY MAKE AN OBJECTION TO THE SALE TRANSACTION, AS APPLICABLE, 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 PROPERTY FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS, EXCEPT AS MAY BE SET FORTH IN THE APPLICABLE PURCHASE AGREEMENT, AS APPLICABLE.**

Dated: ______ __, 2026

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Facsimile: (973) 848-4001
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Peter J. D’Auria, Esq. (PJD-3709)
*Proposed Special Counsel for Debtor*

By: /s/________________________
Daniel M. Eliades