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affiliated Debtors and Debtors in Possession

9  
10 **UNITED STATES BANKRUPTCY COURT**  
**EASTERN DISTRICT OF CALIFORNIA**  
**FRESNO DIVISION**

11 In re

Case No. 1:26-bk-10978

12 HRONIS, INC., a California corporation,  
13 et al.,

Chapter 11

SE-12

14 Debtors in Possession

(Jointly Administered with Case Nos. 1:26-bk-10979, 1:26-bk-10980, 1:26-bk-10981, 1:26-bk-10982, 1:26-bk-10983, 1:26-bk-10984, 1:26-bk-10986, 1:26-bk-10987, and 1:26-bk-10988)

15 Affects:

- 16  ALL DEBTORS
- 17  HRONIS, INC., a California corporation
- 18  HRONIS CAPITAL ASSETS, LP, a California limited partnership
- 19  HRONIS CAPITAL MANAGEMENT, LLC, a California limited liability company
- 20  HRONIS CITRUS, LLC, a California limited liability company
- 21  HRONIS FARMING, LP, a California limited partnership
- 22  HRONIS FRUIT COMPANY LLC, a California limited liability company
- 23  HRONIS LAND COMPANY, a California general partnership
- 24  HRONIS RANCH, LLC, a California limited liability company
- 25  HRONIS RESOURCE MANAGEMENT, LLC, a California limited liability

**DEBTORS' MOTION FOR ENTRY OF AN ORDER (I) APPROVING BIDDING PROCEDURES; (II) APPROVING FORM OF ASSET PURCHASE AGREEMENT; (III) APPROVING BID PROTECTIONS; (IV) APPROVING FORM OF NOTICE OF AUCTION AND SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS; (V) ESTABLISHING CERTAIN ASSUMPTION AND ASSIGNMENT PROCEDURES; (VI) AND GRANTING RELATED RELIEF**

Date: April 7, 2026  
Time: 9:30 a.m. (PT)  
Place: U.S. Bankruptcy Court  
2500 Tulare Street  
Fresno, CA 93721  
Courtroom 13 (5<sup>th</sup> Floor)  
Judge: Hon. René Lastreto II

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1 company

2  THE HRONIS FAMILY LIMITED

3 PARTNERSHIP, a California limited

4 partnership

5 **TO THE HONORABLE RENÉ LASTRETO II, UNITED STATES BANKRUPTCY JUDGE,**

6 **THE OFFICE OF THE UNITED STATES TRUSTEE, AND INTERESTED PARTIES:**

7 The above-captioned debtors and debtors in possession (collectively, the “Debtors”), by and

8 through their undersigned proposed counsel, respectfully move (the “Motion”) as follows:

9 **Relief Requested**

10

11 a. The Debtors seek entry of an order, substantially in the form attached to the

12 Exhibit List in support of this Motion as **Exhibit A** (the “Bidding Procedures Order”):

- 13 i. authorizing and approving the proposed bidding procedures
- 14 substantially in the form attached to the Bidding Procedures Order as
- 15 Exhibit 1 (the “Bidding Procedures”) in connection with one or more
- 16 sales or dispositions (collectively, the “Sale”) of the Business (as
- 17 defined below);
- 18 ii. approving the Bid Protections with respect to the Stalking Horse Bid
- 19 (each as defined below) and authorizing the Debtors to incur and pay
- 20 the Bid Protections to the extent applicable;
- 21 iii. establishing the below dates and deadlines for the sale process:

Deadline	Date
Deadline to mail Sale Notice and Contract Notice	<b>Within 5 business days following entry of the Bidding Procedures Order</b>
Sale Objection Deadline and Contract Objection Deadline <sup>1</sup>	<b>4:00 p.m. (PT) 21 days following mailing of the Sale Notice and Contract Notice</b>
Bid Deadline	<b>May 22, 2026, at 5:00 p.m. (PT)</b>

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26 <sup>1</sup> The Sale Objection Deadline and Contract Objection Deadline apply to all objections to the sale

27 of the Business and the assumption and assignment of the Assumed Contracts (including

28 adequate assurance of future performance by the Stalking Horse Bidder), with the exception of

objections related to adequate assurance of future performance by a Successful Bidder other than

the Stalking Horse Bidder.

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Deadline for Debtors to Designate Qualifying Bids and Baseline Bid	<b>May 25, 2026</b>
Auction	<b>May 27, 2026, commencing at 10:00 a.m. (PT)</b>
Deadline to File and Serve Notice of Successful Bidder	<b>As soon as practicable after completion of the Auction</b>
Adequate Assurance Objection Deadline for any Successful Bidder other than the Stalking Horse Bidder	<b>June 1, 2026, at noon (PT)</b>
Debtors’ Deadline to Reply to Sale Objections (other than Adequate Assurance Objections)	<b>June 1, 2026, at noon (PT)</b>
Sale Hearing (subject to Court availability)	<b>On or before June 4, 2026, at 10:00 a.m. (PT)</b>
Sale Closing (anticipated)	<b>On or before two business days after the satisfaction of all conditions to closing, unless otherwise waived by Buyer.</b>

- iv. approving the form and manner of notice of the auction, if any, for the Debtors’ Business (the “Auction”), the Sale and the hearing with respect to the approval of the Sale (the “Sale Hearing”), attached as Exhibit 2 to the Bidding Procedures Order (the “Sale Notice”);
- v. approving procedures for the assumption and assignment of certain executory contracts and unexpired leases in connection with the Sale and approving the form and manner of notice thereof, attached as Exhibit 3 to the Bidding Procedures Order (the “Contract Notice”); and
- vi. granting related relief.

2. This Motion is supported by the *Declaration of Allen Soong* in support of this Motion (the “Bidding Procedures Declaration”), the exhibits in support of this Motion, and the memorandum of points and authorities in support of this Motion (the “Memorandum”),<sup>2</sup> each of which is filed concurrently herewith, and such other evidence as may be submitted at the hearing on

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Memorandum.

1 this Motion.

2 **JURISDICTION AND VENUE**

3 3. This Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and  
4 1334 and General Order No. 182 and General Order No. 223 of the United States District Court for  
5 the Eastern District of California (the “Court”). This matter is a core proceeding pursuant to 28  
6 U.S.C. §§ 157(b)(2)(A), (B), (D), (K), (M) and (O). Venue is proper in this Court pursuant to 28  
7 U.S.C. §§ 1408 and 1409. The Debtors consent to the Bankruptcy Court’s authority to issue final  
8 orders or judgments in this matter.

9 **LEGAL BASIS FOR RELIEF**

10 4. The bases for the relief requested herein are sections 105, 363, and 365, of title 11 of  
11 the United States Code, 11 U.S.C. §§ 101–1532 (as amended, the “Bankruptcy Code”), and Rules  
12 2002, 4001, 6004 and 6006 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”  
13 or “BR”).

14 **BACKGROUND**

15 5. The Debtors are part of a single business enterprise that has farmed in the San Joaquin  
16 Valley since 1945, operating out of a headquarters complex located at 10443 Hronis Road in Delano,  
17 California.

18 6. Today the Hronis group grows, harvests, and markets more than 80 million pounds  
19 of table grapes annually, with major and regional retailers and supermarket chains and other  
20 commercial accounts comprising its primary customer base. Most of the business’s fruit is harvested  
21 from approximately 6,000 acres of owned and leased land. Historically, between 10% and 20% of  
22 its fruit is harvested from other farmers’ acres under contract. During the harvest peak season, the  
23 business requires 2,500 workers to harvest, pack, and ship fruit.

24 7. The approximately 3,700 acres of farmland currently owned by the Debtors is zoned  
25 A, Exclusive Agriculture and AE, Intensive Agriculture, 10 to 40 acres minimum. Permitted uses  
26 are agricultural and rural in nature. The Debtors’ owned properties comprise 26 non-contiguous  
27 ranches, each of which is internally identified by a number. The ranches are located close together  
28 in Kern County and Tulare County, which allows for operational cost efficiencies from economies

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1 of scale. They are also in reliable and desirable water districts, are well farmed and in “turnkey”  
 2 condition, and have physical characteristics which will allow redevelopment into a wide variety of  
 3 crops. Most of the parcels are improved with water infrastructure, including electric pumps. All  
 4 parcels irrigate with drip irrigation.

5 8. As a vertically integrated producer, Hronis cultivates permanent vines of several  
 6 varieties that yield fruit at different times during the summer and autumn months (typically July  
 7 through November), harvests and packs those grapes into boxes by hand, stores those packed boxes  
 8 in cold storage for a period of up to 45 days, and then sells and ships those boxes of grapes to third  
 9 party customers who, in turn, sell them to consumers.

10 9. Recently, the Debtors have expanded to planting pistachios. The current block of  
 11 pistachios is still in the early stage of development and will begin to generate meaningful revenue  
 12 in approximately two seasons.

13 10. The main complex at the Delano headquarters includes the cold storage facility  
 14 which encompasses over 164,000 refrigerated square feet and includes 16 cold storage rooms, six  
 15 pre-cooling rooms, and a pack room. Offices, shops, supply yards, storage buildings, and other  
 16 support buildings provide valuable utility in supporting the business.

17 11. On March 6, 2026 (the “Petition Date”), each Debtor commenced a case under  
 18 chapter 11 of the Bankruptcy Code. The Debtors are operating their business and managing their  
 19 property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.  
 20 No request for the appointment of a trustee or examiner has been made in these chapter 11 cases,  
 21 and no committees have been appointed or designated.

22 12. A more detailed description of the Debtors’ business and the circumstances leading  
 23 to the filing of these chapter 11 cases is set forth in the *Omnibus Declaration of Allen Soong in*  
 24 *Support of First Day Motions* [Docket No. 41], which is incorporated herein.

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### The Sale Process

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2 13. Before the Petition Date, in May 2025, the Debtors retained Ducera Partners LLC  
3 (“Ducera”), a highly experienced investment banker, to commence a process to market the Debtors’  
4 Business for sale or recapitalization. Upon its retention, Ducera and the Debtors developed  
5 marketing materials and began marketing substantially all assets of the Debtors (the “Business”) to  
6 potential strategic or financial investors. In short order, the Debtors and Ducera prepared extensive  
7 diligence materials to support a marketing effort, including a virtual data room, a one-page “at a  
8 glance” summary of the business, and a 25-page confidential information memorandum.

9 14. The Debtors pursued an all-inclusive marketing process, and solicited interest from  
10 potential financial and strategic investors for bids for all or substantially all the Debtors’ assets, on  
11 a going concern basis. In June and July 2025 the Debtors and Ducera were in close dialogue with a  
12 large foreign-owned strategic buyer who had initially expressed very strong interest but ultimately  
13 declined to progress further due to a shift in corporate strategic priorities. Beginning in August 2025,  
14 the Debtors and Ducera contacted over 72 prospective acquirers, of which approximately 17  
15 executed non-disclosure agreements to access the data room and review the Investment Material.  
16 Ultimately, five parties submitted indications of interest in the Debtors’ assets. After negotiating  
17 with these parties, including extensive, arm’s-length negotiations regarding various asset purchase  
18 or financing structures, none of these parties made an offer sufficient to pay off the existing secured  
19 debt. The Debtors parted ways with Ducera in December 2025 and continued to pursue transactional  
20 opportunities. However, the offers made prepetition were not actionable because they did not result  
21 in payments sufficient to pay off the Debtors’ major liabilities. At the conclusion of this marketing  
22 process, as a bankruptcy filing became necessary, the Debtors negotiated Conterra Agricultural  
23 Capital, LLC (“Conterra”), their existing primary secured lender, and determined to proceed with  
24 Conterra as the Stalking Horse Bidder (as defined below) for the Business.

25 15. The Debtors have engaged MD Graham & Associates, Inc. d/b/a GBB Advisors &  
26 Graham and Associates (“GBB”) as their investment banker to continue the marketing process that  
27 was begun prepetition. GBB and the Debtors are generating additional marketing materials based  
28 upon changes in circumstances and the initiation of these chapter 11 cases.

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1           16.     The Debtors intend to conduct a competitive postpetition sale process to maximize  
2 the value of their estates for creditors and other stakeholders. As detailed above, before the Petition  
3 Date, the Debtors have completed the steps necessary to conduct a thorough postpetition marketing  
4 process, including preparing marketing materials, compiling a list of potential buyers, and  
5 contacting, responding to due diligence requests for, and negotiating with potential buyers to serve  
6 as a stalking horse purchaser. The Debtors intend to launch the postpetition marketing process  
7 immediately, to include outreach both to new potential buyers as well as those previously contacted  
8 whose interest may be rekindled now that the Debtors are pursuing a bankruptcy sale.

9           17.     Additionally, the Debtors believe it is important to establish a floor price for their  
10 assets and foster competitive bidding in connection with a sale of their Business. To this end, the  
11 Debtors have secured a stalking horse bid from Conterra (or its designee) (the “Stalking Horse  
12 Bidder”), for substantially all of the Debtors’ assets. The parties’ stalking horse asset purchase  
13 agreement (the “Stalking Horse Agreement”), a copy of which will be filed prior to the hearing on  
14 the Motion, provides for, among other things: (i) a purchase price in excess of \$110,000,000 (subject  
15 to adjustments) and (ii) the assumption of certain liabilities as described in the Stalking Horse  
16 Agreement (collectively, the “Stalking Horse Bid”).

17  
18           18.     With a stalking horse bidding floor in place for the Business (the key terms of which  
19 have already been subject to a robust market test), the Debtors now seek to effectuate one or more  
20 sale transactions to the Stalking Horse Bidder and/or other Successful Bidder(s) (as defined below),  
21 subject to a competitive bidding process that is consistent with both the milestones detailed in the  
22 interim order authorizing debtor-in-possession financing and the Debtors’ fiduciary duties to  
23 maximize value for their estates, creditors and other parties in interest.

24  
25           19.     Upon the Court’s entry of the Bidding Procedures Order, the Debtors will provide  
26 notice of the Bidding Procedures, the deadline to object to the proposed sale(s), and the Sale Hearing  
27 to all potential purchasers of the Business that have contacted or been contacted by the Debtors or  
28

1 their advisors during the marking process to date, and such notice will include the description of the  
2 Debtors' Business attached to Exhibit 2 of the Bidding Procedures Order.

3 **The Proposed Stalking Horse Bid**

4 20. The following is a summary of the material provisions of the Stalking Horse  
5 Agreement:<sup>3</sup>  
6

Provision	Summary Description
Seller	Hronis Capital Assets, LP; Hronis Capital Management, LLC; Hronis Citrus, LLC; Hronis Farming, LP; Hronis Fruit Company LLC; Hronis, Inc.; Hronis Land Company; Hronis Ranch, LLC; Hronis Resource Management, LLC; and The Hronis Family Limited Partnership
Stalking Horse Bidder	Conterra Agricultural Capital LLC or its designee.
Consideration	The purchase price for the Purchased Assets will be, in addition to the Assumed Liabilities and the Cure Amounts (which shall be paid by Buyer to the applicable counterparty on or about the Closing Date), an amount equal to One Hundred Ten Million Dollars (\$110,000,000) plus Sellers' DIP Loan Obligations.
Purchased Assets	As further described in Section 2.1 of the Stalking Horse Agreement, all real and personal, tangible, and intangible property and assets of the Seller of any kind or nature whatsoever, wherever located, whether owned or leased, used in connection with Seller's Business, including but not limited to, accounts receivable, inventory, real property and improvements thereto, assigned leases and leasehold improvements related to the assigned leases, owned furniture, fixtures and equipment, water rights, and other intellectual property and license rights owned by the Seller, excluding only those assets specifically designated by the Stalking Horse Bidder as "Excluded Assets" in Section 2.5 of the Stalking Horse Agreement (collectively, the "Purchased Assets").
Assumption of Contracts; Cure Amounts	The Stalking Horse Bidder shall assume executory contracts and unexpired leases as determined by the Stalking Horse Bidder. The Stalking Horse Bidder will be responsible for payments of Cure Amounts, to be paid at the Closing or as soon as reasonably practicable thereafter (except as otherwise agreed to by the counterparty).

25 \_\_\_\_\_  
26 <sup>3</sup> This summary is provided for the convenience of the Court and parties in interest. To the extent  
27 any inconsistencies exist between the summary provided in this Motion or anywhere else in this  
28 Motion and the actual terms of the Stalking Horse Agreement, the Stalking Horse Agreement shall control. Capitalized terms used but not defined herein are defined in the Stalking Horse Agreement.

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<p>1 Bid Protections</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p>	<p>As detailed in Section 10.2 of the Stalking Horse Agreement, if the Stalking Horse Bidder is not the prevailing purchaser of the Business, then the Stalking Horse Bidder is entitled to an expense reimbursement of an amount equal to Buyer’s reasonable documented out of pocket expenses, not to exceed one percent (1%) of the Purchase Price (the “<u>Expense Reimbursement</u>”).</p> <p>The Stalking Horse Bidder is also entitled to an initial overbid (the “<u>Initial Overbid</u>”) of the Stalking Horse Bid that equals or exceeds the sum of: (i) the Purchase Price (as defined in the Stalking Horse Agreement; (ii) the Expense Reimbursement (collectively, the “<u>Bid Protections</u>”).</p>
<p>8 Other Terms and Conditions</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p>	<p>Closing of the Sale of the Business to the Stalking Horse Bidder will be subject to, among other customary conditions, (i) entry of the Sale Order (as defined in the Stalking Horse Agreement) and, unless otherwise waived by the Stalking Horse Bidder, such Approval Order not being subject to any stay or appeal, (ii) the Seller’s and Stalking Horse Bidder’s representations and warranties in the Stalking Horse Agreement being true and correct in all material respects (except for those representations and warranties qualified by materiality, which will be true and correct in all respects), (iii) the Stalking Horse Bidder’s receipt of certain closing documents from Seller, including a bill of sale, an assignment and assumption agreement, and a lease assignment and assumption agreement, and (iv) the Seller’s and Stalking Horse Bidder’s performance and compliance with the covenants in the Stalking Horse Agreement in all material respects.</p>

**The Bidding Procedures**

17 21. The Debtors desire to receive the greatest value for the Business. Although the  
 18 Debtors believe the proposed Stalking Horse Agreement is fair and reasonable, the Debtors intend  
 19 to offer the Business for sale pursuant to a value-maximizing section 363 sale process aimed at  
 20 achieving higher or otherwise better bids.

22 22. In addition to the provisions highlighted in the above chart, certain of the key terms  
 23 of the Bidding Procedures, which shall apply to Potential Bidders, Qualifying Bidders, the  
 24 submission, receipt, and analysis of all bids relating to the Sale, and the conduct of the Sale and the  
 25 Auction, are included below:

- 26 a. **Qualification as Bidder**: Any Potential Bidder must first become a Qualifying  
 27 Bidder in accordance with the process outlined herein. Notwithstanding anything  
 28 to the contrary herein, and for the avoidance of doubt, for all purposes under the  
 Bidding Procedures: (i) the Stalking Horse Bidder is a Qualifying Bidder, and

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the Stalking Horse Agreement is a Qualifying Bid; and (ii) in determining whether the Potential Bidders constitute Qualifying Bidders, the Debtors may consider a combination of bids for the Business.

b. **Due Diligence:** The Debtors will provide any Qualifying Bidders with reasonable access to the Investment Materials and any other additional information that the Debtors believe to be reasonable and appropriate under the circumstances. All additional due diligence requests shall be directed to: (i) Bradley Bickers (brad@gbbadvisors.com); and/or (ii) Jeffrey C. Hampton (jeffrey.hampton@saul.com), Zev Shechtman (zev.shechtman@saul.com), and Turner N. Falk (turner.falk@saul.com). The due diligence period shall extend through and including the Bid Deadline. The Debtors may, but shall not be obligated to, in their sole discretion, furnish any due diligence information after the Bid Deadline. The Debtors reserve the right, in their reasonable discretion, to withhold or limit access to any due diligence information that the Debtors determine is business-sensitive or otherwise not appropriate for disclosure to a Qualifying Bidder. Notwithstanding any prepetition limitations, including, without limitation, any nondisclosure, confidentiality or similar provisions relating to any due diligence information, the Debtors and their estates shall be authorized to provide due diligence information to Qualifying Bidders provided that such Qualifying Bidders have delivered an executed confidentiality agreement in form and substance acceptable to the Debtors. The Debtors and their estates are not responsible for, and shall have no liability with respect to, any information obtained by, or provided to, any Qualifying Bidders in connection with the Bidding Procedures and the Sale.

c. **Bid Requirements.**

- i. *Qualifying Bid.* Other than in the case of the Stalking Horse Bid, to be deemed a Qualifying Bid, a bid must be received from a Qualifying Bidder on or before the Bid Deadline and
  - a. be in writing;
  - b. fully disclose the identity of the Qualifying Bidder and provide the contact information of the specific person(s) whom the Debtors or their advisors should contact in the event that the Debtors have any questions or wish to discuss the bid submitted by the Qualifying Bidder;
  - c. set forth the purchase price to be paid by such Qualifying Bidder. Such purchase price must equal or exceed the Purchase Price of the Stalking Horse Bid plus the Expense Reimbursement);
  - d. not propose payment in any form other than cash (except as otherwise expressly set forth in the Bidding Procedures);
  - e. state the liabilities proposes to be paid or assumed by such Qualifying Bidder;

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- f. specify the assets that are included in the bid and state that such Qualifying Bidder offers to (i) purchase the assets, and (ii) assume, if applicable, liabilities; *provided, however*, it shall do so based upon substantially the same terms as, or terms more favorable to the Debtors and their estates than, the terms set forth in the Stalking Horse Agreement;
- g. be accompanied by an asset purchase agreement (a “Modified Agreement”) marked to reflect any variations from the Stalking Horse Agreement;
- h. at the Debtors’ request, allocate the bid among the assets proposed to be purchased;
- i. state that such Qualifying Bidder’s offer is formal, binding and unconditional and is irrevocable until two (2) business days after the closing of the Sale;
- j. state that such Qualifying Bidder is financially capable of consummating the transactions contemplated by its bid and provide written evidence in support thereof;
- k. contain such financial and other information to allow the Debtors to make a reasonable determination as to the Qualifying Bidder’s financial and other capabilities to close the transactions contemplated by the bid, including, without limitation, such financial and other information supporting the Qualifying Bidder’s ability to comply with the requirements of adequate assurance of future performance under section 365(f)(2)(B), including the Qualifying Bidder’s financial wherewithal and willingness to perform under any contracts and leases that are assumed and assigned to the Qualifying Bidder, in a form that allows the Debtors to serve such information on any counterparties to any contracts or leases potentially being assumed and assigned in connection with the Sale within one (1) business day after the Debtors’ receipt of such information;
- l. identify with particularity each executory contract and unexpired lease the assumption and assignment of which is a condition to close the transactions contemplated by the Qualifying Bidder’s bid;
- m. contain a commitment to close the transactions contemplated by the Qualifying Bidder’s bid by no later than two days after the entry of a Sale Order;
- n. not request or entitle such Qualifying Bidder to any break-up fee, termination fee, expense reimbursement or similar type of fee or payment;

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o. not contain any contingencies of any kind, including, without limitation, contingencies related to financing, internal approval or due diligence;

p. contain written evidence satisfactory to the Debtors that the Qualifying Bidder has a commitment for financing or other evidence of the ability to close the transactions contemplated by its bid, with appropriate contact information for such financing sources;

q. contain a written acknowledgement and representation that the Qualifying Bidder (i) has had an opportunity to conduct any and all due diligence regarding the Business, (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and other information in making its Qualifying Bid, and (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 Business, or the completeness of any documents or other information provided in connection with the Bidding Procedures and the Sale;

r. sets forth (i) a statement or evidence that the Qualifying Bidder has made or will make in a timely manner all necessary filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, if applicable, and pay the fees associated with such filings, and (ii) any regulatory and third-party approval required for the Qualifying Bidder to close the transactions contemplated by the bid, and the time period within which the Qualifying Bidder expects to receive such regulatory and third-party approvals (and in the case that receipt of any such regulatory or third-party approval is expected to take more than five (5) days following execution and delivery of such transaction documents contemplated by the bid, those actions the bidder will take to ensure receipt of such approval(s) as promptly as possible); provided that a Qualifying Bidder agrees that its legal counsel will coordinate in good faith with Debtors' and Lender's legal counsel to discuss and explain Qualifying Bidder's regulatory analysis, strategy, and timeline for securing all such approvals as soon as reasonably practicable; provided, further that the offer contains a covenant to cooperate with the Debtors to provide pertinent factual information regarding the bidder's operations reasonably required to analyze issues arising with respect to any applicable antitrust laws and other applicable regulatory requirements;

s. provides for the Qualifying Bidder to serve as a backup bidder (the "Back-Up Bidder") if the Qualifying Bidder's bid is the next highest and best bid (the "Back-Up Bid") after the Successful Bid;

t. includes written evidence of authorization and approval from the Qualifying Bidder's board of directors (or comparable governing body) with respect to the submission, execution, and delivery of the bid and the

1 transactions contemplated therein;

2 u. provides a Deposit of equal to 10% of the proposed purchase price;  
3 and

4 v. provides that the Deposit shall be forfeited to the Debtors in the event  
5 of the Qualifying Bidder’s breach of, or failure to perform under, the  
6 Qualifying Bidder’s bid, including any agreements set forth in such bid,  
7 without prejudice to any and all other rights and remedies of the Debtors.

8 A bid from a Qualifying Bidder satisfying all of the above requirements, as  
9 determined by the Debtors, in consultation with the Consultation Parties,  
10 shall constitute a Qualifying Bid. The Debtors reserve the right to work with  
11 any Qualifying Bidder in advance of the Auction to cure any deficiencies in  
12 a bid that is not initially deemed a Qualifying Bid.

13 Each Qualifying Bidder submitting a bid shall be deemed to: (a) acknowledge  
14 and represent that it is bound by all of the terms and conditions of the Bidding  
15 Procedures; (b) have waived the right to pursue a substantial contribution  
16 claim under section 503 of the Bankruptcy Code related in any way to the  
17 submission of its bid, the Bidding Procedures, and the Sale; (c) have waived  
18 any right to a jury trial in connection with, and consented and submitted to  
19 the exclusive jurisdiction of the Court over, any actions or proceedings  
20 arising from or relating to its bid, the Bidding Procedures, the Sale, the  
21 Auction and the construction and enforcement of the contemplated  
22 transaction documents of the Auction Bidders (as defined below); (d) agree  
23 to bring any such action or proceeding in the Court; and (e) have consented  
24 to the Court entering a final judgment determining any such action or  
25 proceeding and that such final judgment in any such action or proceeding,  
26 including all appeals, shall be conclusive and may be enforced in other  
27 jurisdictions (including any foreign jurisdictions) by suit on the judgment or  
28 in any other manner provided by applicable law.

ii. *Credit Bid.* Any Potential Bidder that has a valid and perfected lien on any  
assets of the Debtors’ estates (a “Secured Creditor”) shall have the right to  
credit bid all or a portion of the value of such Secured Creditor’s claims  
within the meaning of section 363(k) of the Bankruptcy Code; *provided* that  
a Secured Creditor shall have the right to credit bid its claim only with respect  
to the collateral by which such Secured Creditor is secured; and *provided*  
*further* that any credit bid by a Secured Creditor shall contain a cash  
component sufficient to repay in fully the secured claims of a senior Secured  
Creditor, if any (unless such senior Secured Creditor agrees to a different  
treatment). For the avoidance of doubt, the Lender has the right to credit bid  
the full amount of the then outstanding Prepetition Obligations and DIP  
Obligations<sup>4</sup> in accordance with section 363(k) of the Bankruptcy Code,

<sup>4</sup> “Prepetition Debt” and “DIP Debt” shall have the meaning ascribed in the *Interim Order (I)*

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pursuant to the Interim DIP Order.<sup>5</sup> Any such bid by the Lender shall be deemed a “Qualifying Bid” for all purposes within the meaning of the Bidding Procedures; provided that if the Lender elects to credit bid, the Lender shall notify the Debtors of its credit bid twenty-four (24) hours prior to the start of the Auction

- iii. *Bid Deadline.* A Qualifying Bidder, other than the Stalking Horse Bidder, that desires to make a bid shall deliver a written and electronic copy of its bid in both PDF and MS-WORD format to the Bidding Procedures Notice Parties and the Consultation Parties so as to be received on or before **May 22, 2026, at 5:00 p.m. (PT)** (the “Bid Deadline”); provided that the Debtors may extend the Bid Deadline without further order of the Court, after consultation with the Consultation Parties. To the extent that the Bid Deadline is extended for all parties, the Debtors shall file a notice on the docket of these chapter 11 cases indicating the same. **Any party that does not submit a bid by the Bid Deadline (except a credit bid by the Lender) will not be allowed to (a) submit any offer after the Bid Deadline, or (b) participate in the Auction.**
  
- iv. *Evaluation of Qualifying Bids.* The Debtors will deliver, within one (1) business day after receipt thereof, copies of all bids from Qualifying Bidders to the Consultation Parties. The Debtors, after consultation with the Consultation Parties, shall make a determination regarding whether a timely submitted bid from a Qualifying Bidder is a Qualifying Bid. No later than **May 25, 2026**, the Debtors shall: (i) notify all Qualifying Bidders whether their bids have been determined to be a Qualifying Bid; and (ii) determine, in consultation with the Consultation Parties, which of the Qualifying Bids, at such time, is the highest or best bid for purposes of constituting the opening bid of the Auction (the “Baseline Bid” and the Qualifying Bidder submitting the Baseline Bid, the “Baseline Bidder”) and shall promptly notify the Stalking Horse Bidder and all Qualifying Bidders with Qualifying Bids of the Baseline Bid. The Debtors reserve the right to withdraw any assets from the sale process at any time before the Auction.
  
- v. *No Qualifying Bids.* If no Qualifying Bids other than the Stalking Horse Bid are submitted on or before the Bid Deadline, then the Debtors shall not hold an Auction and shall request at the Sale Hearing that the Court approve the Stalking Horse Agreement and the transactions contemplated thereunder.

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*Authorizing the Debtors to (A) Obtain Postpetition Operational Cash Flow Financing and (B) Use Cash Collateral; (II) Granting (A) Liens and Providing Superpriority Administrative Claims and (B) Adequate Protection to Prepetition Secured Parties; (III) Modifying the Automatic Stay; (IV) Scheduling a Final DIP Hearing; and (V) Granting Related Relief (D.I. 79) (the “Interim DIP Order”).*

<sup>5</sup> Any credit bid for any of the Debtors’ assets is subject to the right of the Office of the United States Trustee to object to the credit bid for cause under section 363(k) of the Bankruptcy Code.

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- d. **Auction:** If the Debtors receive one or more timely Qualifying Bids for the same assets, other than the Stalking Horse Bid, then the Debtors shall conduct the Auction. Following the Auction, the Debtors will determine, in consultation with the Consultation Parties, which Qualifying Bid is the highest or best bid for the applicable assets, which will be determined by considering, among other things, the following non-binding factors: (a) the number, type and nature of any changes to the Stalking Horse Agreement requested by each bidder and the extent to which such modifications are likely to delay closing of the Sale and the cost to the Debtors and their estates of such modifications or delay; and (b) (i) the total consideration to be received by the Debtors and their estates; (ii) the transaction structure and execution risk, including conditions to, timing of and certainty of closing, termination provisions, availability of financing and financial wherewithal to meet all commitments, and required governmental or other approval; (iii) the net benefit to the Debtors’ estates; and (iv) any other factors the Debtors may reasonably deem relevant. The Auction shall be governed by the following procedures:
- i. the Auction shall be held on **May 27, 2026, at 10:00 a.m. (PT)** (i) at the offices of Saul Ewing LLP, 1888 Century Park East, Suite 1500, Los Angeles, California 90067 or (ii) on such other date and/or at such other location or by virtual means as determined by the Debtors in consultation with the Consultation Parties;
  - ii. only the Qualifying Bidders with Qualifying Bids (the “Auction Bidders”), shall be entitled to make any subsequent bids at the Auction;
  - iii. each Auction Bidder must attend the Auction, either on its own behalf or through a duly authorized representative with power to bind such Auction Bidder at the Auction;
  - iv. each Qualified Bidder(s), if any, the U.S. Trustee, any official committee appointed in these cases, and any other parties the Debtors deem appropriate, together with professional advisors to each of the foregoing parties, shall be permitted to attend and observe the Auction.
  - v. the Debtors and their professional advisors shall direct and preside over the Auction, which shall be transcribed;
  - vi. the Auction Bidders shall confirm on the record that they have not engaged in any collusion with respect to their bid, the Bidding Procedures, the Auction or the Sale;
  - vii. bidding shall commence at the amount of the Baseline Bid, with an initial overbid of \$500,000 and subsequently continue in minimum increments of at least \$200,000 (each, an “Overbid”), provided that: (i) each Overbid must be a Qualifying Bid; and (ii) the Debtors shall retain the right to modify the bid increment requirements at the Auction;
  - viii. any Overbid must remain open and binding on the Qualifying Bidder until and unless (i) the Debtors accept a higher or otherwise better bid submitted

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by another Qualifying Bidder during the Auction as an Overbid and (ii) such Overbid is not selected as the Back-Up Bid;

- ix. the Auction may include separate discussions or negotiations with any of the Auction Bidders, but all bids shall be made on the record and in the presence of all Auction Bidders;
- x. all material terms of the bid that is deemed to be the highest or otherwise best bid for Business for each round of bidding shall be fully disclosed to the Auction Bidders, and the Debtors shall use reasonable efforts to clarify any and all questions that the Auction Bidders may have regarding the Debtors' announcement of the then-current highest and best bid;
- xi. the Debtors and their professional advisors, in consultation with the Consultation Parties, may employ and announce at the Auction additional or modified procedural rules that are reasonable under the circumstances (e.g., the amount of time allotted to make subsequent bids) for conducting the Auction; provided that such rules are (i) not materially inconsistent with the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, or any applicable order of the Court entered in connection with these chapter 11 cases, including, without limitation, the Bidding Procedures Order, and (ii) disclosed to the Auction Bidders; provided further that such rules shall not modify the terms of the Stalking Horse Agreement or the Stalking Horse's Expense Reimbursement;
- xii. each Auction Bidder shall (i) be deemed to have waived any right to a jury trial in connection with, and consented and submitted to the exclusive jurisdiction of the Court over, any actions or proceedings arising from or relating to the Bidding Procedures, the Sale, the Auction and the construction and enforcement of the contemplated transaction documents of the Auction Bidders, (ii) bring any such action or proceeding in the Court, and (iii) be deemed to have consented to the Court entering a final judgment determining any such action or proceeding and that such final judgment in any such action or proceeding, including all appeals, shall be conclusive and may be enforced in other jurisdictions (including any foreign jurisdictions) by suit on the judgment or in any other manner provided by applicable law;
- xiii. the Auction Bidders shall have the right to make additional modifications to their Qualifying Bid in each round of bidding during the Auction, provided that (i) any such modifications on an aggregate basis and viewed in whole, shall not, in the Debtors' discretion, in consultation with the Consultation Parties, be less favorable to the Debtors and their estates than the terms of the Stalking Horse Agreement, and (ii) each Qualifying Bid shall constitute an irrevocable offer and shall be binding on the Auction Bidder submitting such bid until such party shall have submitted a subsequent Qualifying Bid at the Auction or the conclusion of the Sale Hearing, whichever occurs sooner, unless such bid is selected as the Successful Bid or the Back-Up Bid, which shall remain binding as provided for herein;

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- xiv. the Debtors and the Consultation Parties shall have the right to request any additional financial information that will allow the Debtors and the Consultation Parties to make a reasonable determination as to an Auction Bidder’s financial and other capabilities to consummate its proposed Qualifying Bid, as it may be amended during the Auction and any further information that the Debtors may believe is reasonably necessary to clarify and evaluate any bid made by an Auction Bidder during the Auction;
- xv. upon the conclusion of the Auction, the Debtors shall determine, in consultation with the Consultation Parties, subject to Court approval, the offer or offers for the Business that is or are the highest or otherwise best from among the Qualifying Bids submitted at the Auction (the “Successful Bid(s)”). In making this decision, the Debtors may consider, in consultation with the Consultation Parties, among other things, the amount of the purchase price, the likelihood of the bidder’s ability to close a transaction and the timing thereof, the number, type and nature of any changes to the Stalking Horse Agreement requested by each bidder, and the net benefit to the Debtors’ estates. The bidder(s) submitting such Successful Bid(s) shall become the “Successful Bidder(s)”. The Debtors may, in their sole discretion, designate one or more Back-Up Bids (and the corresponding Back-Up Bidder(s)) to purchase the Business in the event that the Successful Bidder(s) do not close the Sale(s); and
- xvi. before the Sale Hearing, the Successful Bidder(s) and any Back-Up Bidder(s) shall complete and execute all agreements, contracts, instruments and other documents evidencing and containing the terms and conditions upon which the Successful Bid was made.

**THE SUCCESSFUL BID(S) AND ANY BACK-UP BID(S) SHALL CONSTITUTE AN IRREVOCABLE OFFER AND BE BINDING ON THE SUCCESSFUL BIDDER(S) AND THE BACK-UP BIDDER(S), RESPECTIVELY, FROM THE TIME THE BID IS SUBMITTED UNTIL TWO (2) BUSINESS DAYS AFTER THE SALE HAS CLOSED. EACH QUALIFYING BID THAT IS NOT A SUCCESSFUL BID OR BACK-UP BID SHALL BE DEEMED WITHDRAWN AND TERMINATED AT THE CONCLUSION OF THE SALE HEARING.**

- e. **Sale Hearing:** The Successful Bid(s) and any Back-Up Bid(s) (or if no Qualifying Bid other than the Stalking Horse Bid is received, then the Stalking Horse Bid as the Successful Bid) will be subject to approval by the Court. The Sale Hearing to approve the Successful Bid(s) and any Back-Up Bid(s) shall take place on **June 4, 2026, at 10:00 a.m. (PT)**, subject to Court availability. The Sale Hearing may be adjourned by the Debtors from time to time without further notice to creditors or other parties in interest other than by announcement of the adjournment in open court on the date scheduled for the Sale Hearing, or by filing a hearing agenda or notice on the docket of these cases.
- f. **Back-Up Bidder:** Notwithstanding any of the foregoing, in the event that the Successful Bidder fails to close the Sale on or before two days after the entry of a

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Sale Order (or such date as may be extended by the Debtors, in consultation with the Consultation Parties), the Back-Up Bid will be deemed to be the Successful Bid, the Back-Up Bidder will be deemed to be the Successful Bidder, and the Debtors shall be authorized, but not directed, to close the Sale to the Back-Up Bidder subject to the terms of the Back-Up Bid without the need for further order of the Court and without the need for further notice to any interested parties.

**g. Return of Deposits:** All Deposits shall be returned to each bidder not selected by the Debtors as the applicable Successful Bidder no later than five (5) business days following the closing of the Sale. The deposit of the Successful Bidder or, if the Sale is closed with the Back-Up Bidder, the deposit of the Back-Up Bidder, shall be applied to the purchase price for the Sale. If the Successful Bidder(s) (or, if any Sale is to be closed with the Back-Up Bidder, then the Back-Up Bidder) fails to consummate the Sale because of a breach or failure to perform on the part of such bidder, then, the Debtors and their estates shall be entitled to retain the Deposit of the Successful Bidder (or, if the Sale is to be closed with the Back-Up Bidder, then the Back-Up Bidder) as part of the damages resulting to the Debtors and their estates for such breach or failure to perform. For the avoidance of doubt, the Debtors’ retention of a Deposit shall not constitute a waiver of any of the Debtors’ legal or equitable rights relating to a Successful Bidder’s or Back-Up Bidder’s breach or failure to close and all such rights and remedies are preserved.

**h. Reservation of Rights:** Notwithstanding any of the foregoing, the Debtors and their estates reserve the right, after consultation with the Consultation Parties, to modify the Bidding Procedures at, before, or during the Auction, including, without limitation, to extend the deadlines set forth herein, modify bidding increments, waive terms and conditions set forth herein with respect to any or all potential bidders (including, without limitation, the Bid Requirements), impose additional terms and conditions with respect to any or all Potential Bidders, adjourn or cancel the Auction at or before the Auction, and adjourn the Sale Hearing.

23. The Debtors, in consultation with their advisors, believe that the timeline set forth in the Bidding Procedures will provide parties with sufficient time to obtain information necessary to formulate a competitive bid, maximizing the prospect that the Debtors will receive offers that will benefit the Debtors’ estates and their stakeholders. The Debtors submit that the sale process is reasonable in time and scope, and will permit sufficient time for any interested bidders to conduct their due diligence with respect to the Business, and formulate bids therefor. Accordingly, the Debtors believe the relief requested in this Motion is in the best interest of the Debtors’ estates, will provide interested parties with sufficient opportunity to participate, and thus should be approved.

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**Form and Manner of Sale Notice**

1  
2           24.     Within five (5) business days of entry of the Bidding Procedures Order, the Debtors  
3 will serve the Sale Notice on the following parties or their respective counsel, if known (collectively,  
4 the “Sale Notice Parties”): (i) the Office of the United States Trustee for the Eastern District of  
5 California; (ii) counsel to the Lender; (iii) all parties known by the Debtors to assert a lien on any  
6 of the assets of the Business; (iv) all persons known or reasonably believed to have asserted an  
7 interest in any of the assets of the Business; (v) certain persons known or reasonably believed to  
8 have expressed an interest in acquiring all or a substantial portion of the Business; (vi) the Office of  
9 the United States Attorney for the Eastern District of California; (vii) the Office of the Attorney  
10 General in each state in which the Debtors operate; (viii) the Office of the Secretary of State in each  
11 state in which the Debtors have operated; (ix) all taxing authorities having jurisdiction over any of  
12 the assets of the Business, including the Internal Revenue Service; (x) all environmental authorities  
13 having jurisdiction over any of the assets of the Business; (xi) the Federal Trade Commission; (xii)  
14 the United States Attorney General/Antitrust Division of Department of Justice; (xiii) all non-Debtor  
15 parties to any of the Assumed Contracts; (xiv) all of the Debtors’ other known creditors and equity  
16 security holders; and (xv) all parties that have filed a notice of appearance and demand for service  
17 of papers in these chapter 11 cases as of the service date.  
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20           25.     Additionally, as soon as practicable after entry of the Bidding Procedures Order, the  
21 Debtors shall cause the Sale Notice to be published once in the national edition of the *Wall Street*  
22 *Journal*, and the local newspaper for the location of the Debtors’ operations in Delano, California.  
23 This publication notice will provide notice of the Sale to any other interested parties whose identities  
24 are unknown to the Debtors.  
25

**Sale Hearing and Sale Objection Deadline**

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27           26.     The Debtors intend to present the Stalking Horse Bid or otherwise Successful Bid(s)  
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1 for approval by the Court pursuant to sections 105, 363 and 365 of the Bankruptcy Code at the Sale  
2 Hearing. The Debtors respectfully request that the Sale Hearing be scheduled on or about June 4,  
3 2026. Upon the failure to consummate a sale of the Business after the Sale Hearing because of the  
4 occurrence of a breach or default under the terms of the Successful Bid(s) or the non-approval of  
5 this Court, the next highest or otherwise best Back-Up Bid(s), if any, as disclosed at the Sale  
6 Hearing, shall be deemed the Successful Bid(s) without further order of the Court, and the parties  
7 shall be authorized to consummate the transaction contemplated by the Back-Up Bid(s).  
8

9         27. The Debtors further request that any and all objections to a Sale of the Business and  
10 entry of a Sale Order: (i) be made in writing; (ii) state with particularity the grounds for the response  
11 or objection; (iii) conform to the Bankruptcy Rules and the Local Bankruptcy Rules; (iv) be filed  
12 with the Court no later than 4:00 p.m. (PT) twenty-one days following mailing of the Sale Notice  
13 (the "Sale Objection Deadline"), or with respect to objections solely related to the adequate  
14 assurance of future performance by the Successful Bidder(s) (other than the Stalking Horse Bidder),  
15 June 1, 2026 at noon (PT) (the "Adequate Assurance Objection Deadline"); and (v) be served on  
16 the following parties (collectively, the "Objection Notice Parties"): (a) proposed counsel to the  
17 Debtors, Saul Ewing LLP, 1888 Century Park East, Suite 1500, Los Angeles, California 90067,  
18 Attn: Zev Shechtman (zev.shechtman@saul.com) and 1735 Market Street, 34th Floor, Philadelphia,  
19 Pennsylvania 19103, Attn: Jeffrey C. Hampton (jeffrey.hampton@saul.com) and Turner N. Falk  
20 (turner.falk@saul.com); (b) counsel to the Lender, Bernie Kornberg  
21 (Bernie.Kornberg@MillerNash.com) and Marc Hirschfield (MHirschfield@rccblaw.com); (c) the  
22 Office of the United States Trustee for the Eastern District of California, Attn: Michael J. Fletcher  
23 (michael.fletcher@usdoj.gov); (d) any statutory committee appointed in these cases; and (e) any  
24 Successful Bidders.  
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**Assumption and Assignment Procedures**

28. To facilitate the Sale(s), the Debtors seek authority to assume and assign to the Successful Bidder(s), the Assumed Contracts in accordance with the Assumption and Assignment Procedures.

29. The Assumption and Assignment Procedures are as follows:

- a. Within five (5) business days following entry of the Bidding Procedures Order (the “Contract Notice Deadline”), the Debtors shall file with the Court and serve on each counterparty to an Assumed Contract (each, a “Counterparty,” and collectively, the “Counterparties”) the Contract Notice.
- b. The Contract Notice shall include, without limitation, the cure amount (each, a “Cure Amount”), if any, that the Debtors believe is required to be paid to the applicable Counterparty under section 365(b)(1)(A) and (B) of the Bankruptcy Code for each of the Assumed Contracts. If a Counterparty objects to (i) the assumption and assignment of the Counterparty’s Assumed Contract, (ii) the Cure Amount for its Assumed Contract or (iii) the provision of adequate assurance of future performance, the Counterparty must file with the Court and serve on the Objection Notice Parties a written objection (a “Contract Objection”).
- c. Any Contract Objection shall: (i) be in writing; (ii) comply with the Bankruptcy Code, Bankruptcy Rules, the Local Bankruptcy Rules and all orders of the Court entered in these chapter 11 cases; (iii) state the basis for such objection; (iv) if such objection is to the Cure Amount, state with specificity what Cure Amount the Counterparty believes is required (in all cases, with appropriate documentation in support thereof); and (v) be filed with the Court and served on the Objection Notice Parties by no later than 4:00 p.m. (PT) twenty-one (21) days following mailing of the Contract Notice (the “Contract Objection Deadline”).

***Any objections to adequate assurance of performance by the Stalking Horse Bidder shall be filed by the Contract Objection Deadline.***

***Any objections to adequate assurance of future performance by a Successful Bidder other than the Stalking Horse Bidder shall be filed in accordance with subparagraph (e) below.***

- d. As soon as reasonably practicable after the completion of the Auction, or to the extent an Auction is not necessary, then after the Debtors’ determination of the Qualifying Bids (in consultation with the Consultation Parties), the Debtors shall file with the Court a notice identifying the Successful Bidder(s) (a “Notice of Successful Bidder(s)”), which shall set forth, among other things, (i) the Successful Bidder(s) and Back-Up Bidder(s) (if any), (ii) the Selected Assumed Contracts, and (iii) the proposed assignee(s) of such Selected Assumed Contracts. For the avoidance of doubt, if the Debtors do not timely receive any Qualifying

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1 Bids other than the Stalking Horse Bid, the Stalking Horse Bidder shall be  
 2 deemed the Successful Bidder.

- 3 e. As soon as reasonably practicable after the completion of the Auction or, to the  
 4 extent an Auction was not necessary, after the Debtors' determination of the  
 5 Qualifying Bids (in consultation with the Consultation Parties), the Debtors will  
 cause to be served by overnight mail upon each affected Counterparty and its  
 counsel (if known) the Notice of Successful Bidder(s).

6 ***Contract Objections solely on the basis of adequate assurance of future  
 7 performance shall be filed not later than June 1, 2026 at noon (PT), except  
 8 with respect Contract Objections to the Stalking Horse Bidder's adequate  
 9 assurance of future performance, which shall be filed not later than the  
 10 Contract Objection Deadline.***

- 11 f. At the Sale Hearing, the Debtors will seek Court approval of their assumption  
 12 and assignment to the Successful Bidder(s) of only those Assumed Contracts that  
 13 have been selected by the Successful Bidder(s) to be assumed and assigned (the  
 14 "Selected Assumed Contracts"). The Debtors and their estates reserve any and  
 15 all rights with respect to any Assumed Contracts that are not ultimately  
 16 designated as Selected Assumed Contracts.

- 17 g. If no Contract Objection is timely received with respect to a Selected Assumed  
 18 Contract: (i) the Counterparty to such Selected Assumed Contract shall be  
 19 deemed to have consented to the assumption by the Debtors and assignment to  
 20 the Successful Bidder of the Selected Assumed Contract, and be forever barred  
 21 from asserting any objection with regard to such assumption and assignment  
 22 (including, without limitation, with respect to adequate assurance of future  
 performance by the Successful Bidder); (ii) any and all defaults under the  
 Selected Assumed Contract and any and all pecuniary losses related thereto shall  
 be deemed cured and compensated pursuant to section 365(b)(1)(A) and (B) of  
 the Bankruptcy Code; and (iii) the Cure Amount for such Selected Assumed  
 Contract shall be controlling, notwithstanding anything to the contrary in such  
 Selected Assumed Contract, or any other related document, and the Counterparty  
 shall be deemed to have consented to the Cure Amount and shall be forever  
 barred from asserting any other claims related to such Selected Assumed  
 Contract against the Debtors and their estates or the Successful Bidder, or the  
 property of any of them, that existed prior to the entry of the Sale Order.

- 23 h. To the extent that the parties are unable to consensually resolve any Contract  
 24 Objection prior to the commencement of the Sale Hearing, including, without  
 25 limitation, any dispute with respect to the cure amount required to be paid to the  
 26 applicable Counterparty under section 365(b)(1)(A) and (B) of the Bankruptcy  
 27 Code (any such dispute, a "Cure Dispute"), such Contract Objection will be  
 28 adjudicated at the Sale Hearing or at such other date and time as may be  
 determined by the Debtors or fixed by the Court; *provided, however*, that if the  
 Contract Objection relates solely to a Cure Dispute, the Selected Assumed  
 Contract may be assumed by the Debtors and assigned to the applicable  
 Successful Bidder provided that the cure amount that the Counterparty asserts is

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1 required to be paid under section 365(b)(1)(A) and (B) of the Bankruptcy Code  
 2 (or such lower amount as agreed to by the Counterparty) is deposited in a  
 3 segregated account by the Debtors or the applicable Successful Bidder, pending  
 4 the Court’s adjudication of the Cure Dispute or the parties’ consensual resolution  
 5 of the Cure Dispute.

- 6 i. Notwithstanding anything to the contrary herein, if after the Sale Hearing or the  
 7 entry of the Sale Order additional executory contracts or unexpired leases of the  
 8 Debtors are determined to be Assumed Contracts, as soon as practicable  
 9 thereafter, the Debtors shall file with the Court and serve, by overnight delivery,  
 10 on the Counterparties a Contract Notice, and such Counterparties shall file any  
 11 Contract Objections not later than fourteen (14) days thereafter. If no Contract  
 12 Objection is timely received, the Debtors shall be authorized to assume and  
 13 assign such Assumed Contracts to the applicable Successful Bidder without  
 14 further notice to creditors or other parties in interest and without the need for  
 15 further order of the Court, and such assumption and assignment shall be subject  
 16 to the terms of the Sale Order.

17 **Notice**

18 30. Notice of this Motion will be given to the following parties, or, in lieu thereof, to  
 19 their counsel: (i) the Office of the United States Trustee for the Eastern District of California; (ii)  
 20 the Debtors’ 30 largest unsecured creditors on a consolidated basis; (iii) counsel to Conterra; (iv)  
 21 the United States Attorney for the Eastern District of California; (v) the offices of the attorneys  
 22 general for the states in which the Debtors operate; (vi) all taxing authorities having jurisdiction  
 23 over any of the assets of the Business, including the Internal Revenue Service; (vii) all persons  
 24 known by the Debtors to assert a lien on any of the assets of the Business; (viii) all persons known  
 25 or reasonably believed to have asserted an interest in any of the assets of the Business; (ix) certain  
 26 persons known or reasonably believed to have expressed an interest in acquiring all or a substantial  
 27 portion of the Business; (x) the office of the Secretary of State in each state in which the Debtors  
 28 have operated; (xi) all environmental authorities having jurisdiction over any of the assets of the  
 Business; and (xiii) any party that has requested notice pursuant to Bankruptcy Rule 2002. In light  
 of the nature of the relief requested, the Debtors submit the no other or further notice is necessary.

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**Conclusion**

WHEREFORE, the Debtors respectfully request the entry of the Proposed Order, granting the relief requested herein and such other and further relief as is just and proper.

Dated: March 20, 2026

SAUL EWING LLP

By: /s/ Zev Shechtman  
Zev Shechtman  
Proposed Attorneys for Hronis, Inc. and  
affiliated Debtors and Debtors in Possession

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