

SO ORDERED.

SIGNED this 12th day of March, 2015.



*Benjamin A. Kahn*

BENJAMIN A. KAHN  
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT  
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA  
GREENSBORO DIVISION

IN RE:	)	
	)	
MILLENIUM IV, INC.,	)	CASE NO. B-14-11410
	)	Chapter 7
Debtor.	)	
_____	)	

ORDER AUTHORIZING SALE OF ASSETS OWNED BY DEBTOR  
BY MEANS OF PUBLIC AUCTION PURSUANT TO 11 U.S.C. §§ 105(a) AND 363 AND FED. R.  
BANKR. P. 2002, 6004 AND 9014, AND APPROVING SALE AND BIDDING PROCEDURES,  
AND FORM AND MANNER OF NOTICE

THIS MATTER came on to be heard on February 24, 2015, upon the Trustee’s Motion Pursuant to 11 U.S.C. §§105(a) and 363 and Fed. R. Bankr. P. 2002, 6004 and 9014, Seeking Approval of Sale and Bidding Procedures, and Form and Manner of Notice Thereof, with Respect to the Proposed Sale of Assets Owned by Debtor and Means of Public Auction (the “Sale Motion”). Appearances were made by Charles M. Ivey, III, as Chapter 7 trustee and attorney for trustee and William P. Miller, U.S. Bankruptcy Administrator. After due and proper notice to all parties and in consideration of the evidence presented and pleadings filed, the Court makes the following findings of fact and conclusions of law:

1. The Debtor filed a voluntary petition under Title 11, Chapter 7 of the United States Bankruptcy Code on December 4, 2014. As a result of that filing, Charles M. Ivey, III was the appointed trustee and has continued to act in such capacity since the filing.

2. The Debtor owns certain real estate and personal property located in Sanford, North Carolina. At the time of filing, the real estate and personal property were being used in the operation of an 85-bed Alzheimer facility and a 50-bed assisted care facility (the "Facilities"). The Facilities have been and are continuing to be operated by Al's Line of Care, Inc. and Lifetime Care, Inc. (hereinafter "Tenants").

3. There are patients in both the assisted care facility and in the Alzheimer facilities. Those patients were receiving care from the Tenants. Based upon the Trustee's investigation, which includes direct conversation with parties associated with North Carolina Department of Health and Human Services, Health Service Regulation Division, and Hunter Derek, on behalf of the Attorney General's Office, the Trustee believes operations are being conducted in a lawful fashion, that no deficiencies are being pursued by applicable regulatory agencies, and said regulatory agencies do not have any issues with the continued operation of the Alzheimer and assisted care facilities by the Tenants.

4. At the time of the hearing of this matter, the first lienholder on the Facility is DCR Mortgage VI Sub I, LLC ("DCR"). It appears at this time the outstanding balance on said indebtedness including all interest, fees and expenses is \$3,666,476.68. The second lienholder on the Facilities is Magnolia House Retirement Center, Inc. There also appear to be claims of tax liens filed by the Internal Revenue Service and the North Carolina Department of Revenue. The Schedules filed in this Chapter 7 proceeding indicate that \$1,078,000 is owed to the Internal Revenue Service and \$41,000 is owed to the North Carolina Department of Revenue for payroll taxes, and \$27,000 is owed to the State of North Carolina for Employment Security Commission charges. These tax liens are subject to subordination pursuant to 11 U.S.C. § 724(b). As hereinafter stated, the settlement contemplates that the second lienholder will buy the position of the first lienholder. At the time of the hearing, it was reported to the Court that this has in fact occurred, and at the time of the sale of the assets as contemplated in mediation the total amount which will be owed on the first and second liens will be \$4,650,000.

5. On December 19, 2014, the Trustee filed a Motion Seeking Authority to Enter into an Interim Lease and Operating Agreement. The matter was heard by the Court on January 6, 2015, and the Trustee was authorized to enter into an Interim Lease and Operating Agreement with Tenants and continued the hearing until February 10, 2015. The hearing was subsequently continued to February 24, 2015, and the Court continued the Trustee's authorization to continue operating under said Lease through May 2015, with the Court to reconsider the same on May 12, 2015, in conjunction with this Court's hearing to approve the sale of the Facilities as hereinafter set forth.

6. On February 3, 2015, the Trustee filed a Motion to Approve and Authorize Mediation Settlement Agreement. That matter was heard on February 24, 2015, and was approved by the Court. As a part of the terms and conditions of the Mediated Settlement Agreement, the parties thereto agreed that the Trustee would seek authority to conduct a sale pursuant to 11 U.S.C. § 363 by means of auction upon the terms and conditions which are set forth in this Order.

7. It is in the best interest of the estate for this Court to authorize an auction sale of the Debtor's assets upon the following terms and conditions and sales procedure. The terms and conditions of the sale procedure are attached hereto and incorporated herein by reference as if set forth verbatim and identified as Exhibit A, "Sales Procedure."

8. Consistent with the Sales Procedure as identified herein, all liens are transferred to proceeds of sale including any claim of lien by the United States of America by and through and for the benefit of the Internal Revenue Service, any claim of lien by the State of North Carolina by and through and for the benefit of the North Carolina Department of Revenue and/or the Employment Security Commission, and Lee County, North Carolina on behalf of property taxes. The Trustee shall be and hereby is directly authorized at the time of closing to pay the outstanding and unpaid Lee County property taxes from rent proceeds held by the Trustee.

9. It is in the best interest of the Chapter 7 estate, secured creditors, unsecured creditors and all other parties in interest and pursuant to 11 U.S.C. § 363(b)(1) for this Court to authorize the Trustee to conduct the sale pursuant to the terms and conditions set forth herein.

Based upon the foregoing findings of fact and conclusions of law,

**IT IS, THEREFORE, ORDERED, ADJUDGED and DECREED and NOTICE IS HEREBY GIVEN:**

1. The Trustee shall be and hereby is authorized and directed to conduct an auction sale pursuant to 11 U.S.C. § 363 upon the terms and conditions set forth herein and, in particular, pursuant to the Sales Procedures as attached to this Order.

2. The sale shall be conducted by the Trustee at 12:00 Noon on May 1, 2015, in the 341 Creditors' Meeting Room of the U.S. Bankruptcy Court, at 101 South Edgeworth Street, Greensboro, North Carolina 27401.

3. **NOTICE IS FURTHER GIVEN** that a hearing shall be held if necessary on April 28, 2015, at 4:00 p.m. in Courtroom Number 1, U.S. Bankruptcy Court, 101 South Edgeworth Street, Greensboro, North Carolina 27401, for the purpose of resolving any dispute by and between the Trustee, the estate and any party claiming to be an Acceptable Bidder.

4. **NOTICE IS FURTHER GIVEN** that a final hearing on this sale shall be held at 9:30 a.m. on May 12, 2015, in Courtroom Number 1, U.S. Bankruptcy Court, 101 South Edgeworth Street, Greensboro, North Carolina 27401, for the purposes of confirming that the procedures set forth in the Sale Order have been followed by the Debtor and the auction sale conducted is in accordance with the same, to approve the sale of the Sale Assets as set forth and described herein, and to make such additional findings as necessary to provide the Purchaser with proper title in accordance with the terms and conditions of this Order.

5. The Trustee shall be and hereby is directed to use reasonable efforts to obtain the addresses of other assisted care facilities or similar facilities to the ones described herein for the purpose of mailing to said facilities a copy of this Order and notification of this sale and to file a certificate of mailing with this Court identifying those parties who have received this Order.

END OF DOCUMENT

Parties to be Served  
14-11410

William P. Miller, Esq.  
U.S. Bankruptcy Administrator  
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Via CM/ECF

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Nina G. Gibson, President  
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Jamestown, NC 27282

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Summerfield, NC 27358

Rebecca T. Garcia  
117 Southern C. Trail  
Summerfield, NC 27358

Brookstone Rest Home & Retirement Center, Inc.  
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1410 Elm Street  
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Sabre Capital, Inc.- Mergers, Acquisitions,  
Business Brokers  
ATTN: Vernon Powell  
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Raleigh, NC 27615

Ashewood Estates  
(f/k/a "Magnolia House Retirement Center")  
1115 Carthage Street  
Sanford, NC 27330

Victorian Manor  
(f/k/a "Royal Oaks Assisted Living Community")  
1107 Carthage Street  
Sanford, NC 27330

AL's Line of Care, Inc.  
ATTN: Alfreda Robinson  
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Matthews, NC 28105

BB&T  
PO Box 580340  
Charlotte, NC 28258-0340

Branch Banking & Trust Company  
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Wilson, NC 27893

Christopher W. Jones  
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DCR Mortgage  
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Saint Petersburg, FL 33701-3899

Direct Supply  
6767 North Industrial Rd  
Milwaukee, WI 53223

Energy Mizer  
PO Box 10124  
Greensboro, NC 27404

Halifax Linen Service  
PO Box 129  
Roanoke Rapids, NC 27870

HOPPER, HICKS AND WRENN  
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Oxford, NC 27565

Sabre Capital of Greensboro, Inc.  
2100-F W. Cornwallis Dr.  
Greensboro, NC 27429-9169

Internal Revenue Service  
PO Box 7346  
Philadelphia, PA 19101-7346

Lee County Tax Administration  
3rd Floor Government Center  
105 Hillcrest Drive  
Sanford, NC 27331

Medicine Park Pharmacy  
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Sanford, NC 27330

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North Carolina Department of Commerce  
Department of Employment Security  
PO Box 26504  
Raleigh, NC 27611

North Carolina Department of Revenue  
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Raleigh, NC 27640

Patricia Kaufman  
ESTATE OF GAYNELLE S. PATTERSON  
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Wilmington, NC 28405-4267

Pete's Heating and AC  
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Sanford, NC 27331

PSNC  
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Columbia, SC 29202-3256

Raleigh Time Recorder  
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Raleigh, NC 27610-1039

SummitBridge National Investments II LLC  
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Denver, CO 80203

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ATTN: Teresa Matos  
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Matthews, NC 28105

Tam's Enterprises, Inc.  
ATTN: Teresa Matos  
1801 Lord Foxley Drive  
Greensboro, NC 27405

US Food Service  
PO Box 602211  
Charlotte, NC 28260-2211

Windstream; Acct. No. 061106462  
PO Box 9001908  
Louisville, KY 40290-1908

Windstream; Acct. No. 062358543  
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EXHIBIT A  
SALES PROCEDURE

- A. Assets to be Sold (“Sale Assets”). The Sale Assets consist of all of the real and personal property of the Debtor associated with the operation of the Facilities unless otherwise identified as an Excluded Asset. These Assets include the real estate located at 1107, 1111 and 1115 Carthage Street, Sanford, Lee County, North Carolina. The personal property associated with the operation of the Facilities from said real estate include all beds, bedside tables, chests, chairs, couches, dining tables, dining chairs, two pianos, and any and all other associated furniture, kitchen and restaurant equipment, and all other machinery and equipment associated with and located at the premises identified herein. This sale also includes all rights the Debtor has as it relates to the operation of the 50-bed assisted living facility and the 85-bed Alzheimer’s facility. It is acknowledged that the Debtor is not the owner of the license for the operation of the Facilities, however, the holder of said licenses will cooperate with the highest bidder to obtain for the benefit of said Highest Bidder the license as necessary to operate the Facilities.
- B. Excluded Assets. The following are not included as a Sale Asset. All avoidance actions and the rights associated therewith that are allowed by the United States Bankruptcy Code for the benefit of the estate pursuant to 11 U.S.C. §§ 510, 542-553 and 724, a 1997 Buick LaSabre Ltd., 11 U.S.C. § 541 causes of action for the benefit of Debtor. As a part of this sale, certain assets which are currently part of the operation are excluded as a result of the same being property of the Tenants, and said assets therefore are not part of the sale. These would include, at the time of closing, any and all funds in bank accounts maintained by the Tenants and derived from the operation of the Facilities, and any and all accounts receivable due from

Medicare, Medicaid, insurance or other third party payees for services provided by the Tenants to residents up to the time of closing.

- C. Purchase Price. The Purchase Price for the Assets shall be \$4,650,000. This Purchase Price will result from a credit bid which has been submitted by Magnolia House Retirement Center, Inc. or its assigns, and said bid will represent the full amount owing on the first and second liens attached to the real estate and personal property, excluding property tax lien.
  
- D. Rejection of Executory Contracts. This sale is subject to the acknowledgement that the Trustee has not assumed any executory contracts associated with the Facilities and, therefore, none will be assumed by the buyer. However, as a part of the agreement of cooperation by the current Tenants, said Tenants will assign all of their rights to any and all contracts for care of the residents at the Facilities that they have entered into as of the closing date.
  
- E. Court Approval. These procedures have been approved by the United States Bankruptcy Court for the Middle District of North Carolina.
  
- F. Closing. All closing shall take place promptly following entry of the Final Order but no later than sixty (60) days after the auction date unless otherwise agreed to by the Trustee, the Highest Bidder and approved by the Court.
  
- G. No Financing Contingency. This sale is not subject to the buyer's ability to obtain financing.
  
- H1. Free of Liabilities and Liens. The Sale Assets shall be sold without assumption of liabilities and free of liens. The Sale Assets shall be sold pursuant to and to the full extent permitted by 11 U.S.C. § 363(f) and all

other applicable laws, free and clear of any and all liens, security interests, encumbrances, and claims including, but not limited to, any claims as defined in 11 U.S.C. § 105. Any party holding a secured claim shall have the right to credit bid pursuant to 11 U.S.C. § 363(k), however, the party making such a bid must make the credit bid in the context of a bid of all of the Sale Assets in accordance with the terms and conditions of this Sale Procedure.

- H2. Lee County Property Taxes. At closing, the estate shall be responsible for paying the outstanding property taxes owed to Lee County through the 2014 Tax Year (which are estimated to be \$44,499.86 for 2014. Said funds will be available from the prior amounts received from Tenants as rent payments.
  
- I. Sale Means. The auction sale shall be an absolute auction subject only to confirmation of the Court at the final hearing that the Auction and Sale Procedures Order was followed and that an Acceptable Bidder was the highest bidder.
  
- J. Time and Date of Auction. This auction shall commence at 12:00 Noon on May 1, 2015.
  
- K. Location of Auction. The auction shall take place in the Section 341 Creditor Room of the United States Bankruptcy Court for the Middle District of North Carolina located at 101 South Edgeworth Street, Greensboro, North Carolina, or at such other place as may be ordered by the Court.
  
- L. No Due Diligence Contingency. The proposed sale is not subject to further due diligence by any bidder. Any investigation into the assets shall be

conducted by any Acceptable Bidder prior to the Sale Date and based upon whatever due diligence said party deems necessary.

M. Acceptable Bidder. An Acceptable Bidder is the party who has provided all of the following to the Trustee on or before 4:00 p.m. on Friday, April 24, 2015.

i. A deposit to the Trustee in the amount of \$50,000. Said deposit shall be held by the Trustee pending the auction sale. The Trustee then will be authorized to retain said deposit and credit it towards the highest bid of the Highest Bidder. Any other deposits received by the Trustee shall be promptly returned to any Acceptable Bidder. It is the obligation of any Acceptable Bidder to provide the Trustee with written instructions as to how said deposit shall be refunded in terms of wiring instructions, payee description, or other necessary instructions to ensure the Trustee refunds the deposit as requested by an Acceptable Bidder.

ii. Establishing to the Trustee's satisfaction that a prospective Acceptable Bidder has the financial ability to consummate the sale in a timely manner if such bidder becomes the Highest Bidder at the auction sale.

iii. Provide a written acknowledgement directed to the Trustee that said party has read the Sale Order, understands the same and agrees to be bound by the same and acknowledges that participating in said sale makes the party subject to the jurisdiction of the United States Bankruptcy Court for the Middle District of North Carolina as it relates to any issues and/or disputes that may arise concerning said Acceptable Bidder and the bankruptcy proceeding.

iv. Trustee shall promptly, but no later than three (3) days after receipt of all documents and deposit requirements as identified above, inform the prospective Acceptable Bidder whether the Trustee designated the prospective bidder as an Acceptable Bidder or takes the position, based upon evidence presented, that said party should not be so designated.

- N. Acceptable Bidder Dispute Resolution. The Court shall hold a hearing on April 28, 2015 ( or at such time set by the Court) to hear and resolve any disputes which may exist between a prospective Acceptable Bidder and the Trustee as to whether said prospective Acceptable Bidder should be designated as an Acceptable Bidder. The Court retains jurisdiction to determine such other times and dates as it deems appropriate to hear any dispute relative to a prospective Acceptable Bidder, and said hearing may be held upon an emergency notice as deemed appropriate in the sole discretion of the Court.
- O. No Auction if No Acceptable Bidder Other than Magnolia. If there is no Acceptable Bidder other than Magnolia, then the bid/offer by Magnolia as set out herein shall be deemed the highest and best offer for the Sale Assets and there shall be no auction sale. In such event, Magnolia shall be deemed the Highest Bidder as defined herein.
- P. Opening Bid. The Opening Bid shall be deemed to be the highest acceptable qualifying bid. The Opening Bid shall be in the amount of which represents the full amount owed on the first and second secured liens. (*See* paragraph 7C above for further explanation, amount is \$4,650,000.)
- Q. Upset Bids. At the auction sale, an Acceptable Upset Bid may be made by any Acceptable Bidder. The first Acceptable Upset Bid must be in an amount equal to or greater than \$50,000 in excess of the Opening Bid.

Thereafter, Acceptable Upset Bids must exceed the previous Acceptable Upset Bid by an amount equal to or greater than \$10,000. The ultimate Highest Bidder shall be referred to as the Highest Bidder, and its bid, the Highest Upset Bid.

- R. How to Make an Upset Bid. A valid Upset Bid may be made only by a person who satisfies the conditions set forth in these Auction and Sale Procedures to qualify as an Acceptable Bidder and set out in paragraph 7M.
- S. Irrevocable Nature of Bids. The Acceptable Upset Bid made by the Highest Bidder shall remain open and be irrevocable through the Final Hearing, and if the Highest Bid is determined at such hearing to be approved as the Final Acceptable Bid then the Highest Bid shall remain open and irrevocable through the closing date.
- T. Finality of Auction Process. The Highest Upset Bid of the Highest Bidder is not subject to any upset bid after the close of the Auction Sale or at the Final Hearing.
- U. Highest Bid Deposit. The Highest Bidder shall cause to be deposited with the Trustee an amount in addition to the Acceptable Bidder Deposit such that the total amount of such deposit is equal to ten percent (10%) of the Highest Bid (the "Highest Bidder Deposit"). The Highest Bidder Deposit shall be subject to and shall represent good funds on deposit with the Trustee on or before Noon of the first day following the auction. If the highest bidder is Magnolia, it is not required to make an Acceptable Bidder Deposit.
- V. Final Hearing. The final hearing will be held on May 12, 2015 (or such other date as set by the Court) at 9:30 a.m. (the "Final Hearing"). It shall be the purpose of the Final Hearing to confirm that the procedures set forth in Sale Order have been followed by the Debtor and the Auction Sale

conducted in accordance with the same, to approve the sale of the Sale Assets, and to make such findings as are necessary to provide the purchaser with proper title in accordance with the terms and conditions of the Asset Purchase Agreement and Sale Procedures Order.

- W. Closing Date. The Closing Date shall be deemed to be the date upon which the consideration is paid and all closing documents are signed. This may take place immediately after the Final Hearing but must occur within sixty (60) days of the entry of the Sale Approval Order, unless the Sale Approval Order is subject to a stay, in which case a closing shall occur within five (5) days after such stay is terminated and the Sale Approval Order remains effective.
- X. Failure of Highest Bidder to Close. In the event there is an auction sale and the Highest Bidder defaults or fails to close the sale transaction, then the Acceptable Upset Bid that is the prior high bid for the Sale Assets shall be deemed the new Highest Bidder and the Purchase Price shall be the amount of such prior high bid. The new Highest Bid shall be required to comply with a deposit requirement as outlined herein and shall be bound through the closing at its prior high bid with the deposit to remain on hand. This allowance of an alternative Highest Bid shall in no way be deemed a waiver or release by the Trustee of the Highest Bidder from any and all liability that would result from such a default and failure to close.
- Y. Break-Up Fee/License Transfer. There is no Break-Up Fee contemplated by this sale due to any party, however, if the Highest Bidder is an entity other than Magnolia, the Trustee shall pay to Alfreda Robinson, or her assigns, a License Transfer Fee. The fee shall equal fifty percent (50%) of any bid in excess of the Opening Bid up to, but not exceeding, \$250,000.

- Z. License Transfer Cooperation. Al's Line of Care, Inc. and Lifetime Care, Inc., and their managers, officers, directors, agents, including, but not limited to, Alfreda Robinson and Willie Robinson, have agreed and shall cooperate with the Highest Bidder to facilitate the issuance of an appropriate license to the Highest Bidder to operate the Facilities. This cooperation includes, but is not limited to, providing such documentation and such consent as may be necessary to transfer their existing license to the Highest Bidder, and of any assignments, if necessary, of existing resident contracts that have been entered into by the Robinson entities prior to the closing date. This requirement of cooperation will not be necessary if the Highest Bidder is Magnolia in that Magnolia and the Robinson Entities have entered into a separate agreement as it relates to their arrangement, and that agreement shall control between those two parties.
- AA. Operations Pending Closing. Pending the sale and closing, the Trustee shall continue to lease the Facilities to the current Tenants and the terms of said Lease shall continue to be governed by the Interim lease and Operating Agreement as previously approved by the Court.
- BB. Medical Records. The control and possession of all medical records shall be transferred at closing to the Highest Bidder, and said Highest Bidder does thereby assume all obligation associated with the records to maintain and preserve the same in accordance with all federal and state laws and related regulations.
- CC. Absolute Sale. The Court, pursuant to Bankruptcy Rule 6004(h), will authorize the Trustee to close the sale of the Sale Assets immediately upon entry of the Sale Approval Order following the Final Hearing.
- DD. Necessary Findings by Purchaser. A sale conducted pursuant to the procedures set forth herein shall result in the Sale Assets being sold to the



Highest Bidder as a good faith purchaser. Said purchaser shall acquire all rights as can be conveyed pursuant to 11 U.S.C. § 363(f) including, but not limited to, the right of a good faith purchaser pursuant to 11 U.S.C. § 363(n), and a finding based upon sworn representation of the Highest Bidder that the bidding was not pursuant to any improper collusive bidding practices, which will allow for the sale to be avoided for reasons which would include 11 U.S.C. § 363(n).

- EE. Dispute Resolution. The Court shall retain exclusive jurisdiction to resolve any disputes which may arise concerning this Auction Sale Procedure and other issues relevant to the Trustee's sale of the Sale Assets as set forth herein.
- FF. Business Judgment. The Trustee may exercise his reasonable business judgment in conducting the auction sale and allowing a reasonable time for bids by Acceptable Bidders once the auction sale has commenced. However, it is intended that once commenced, the auction sale shall proceed to its conclusion without being continued to a subsequent day and the Trustee may determine, in his business judgment, when to close the auction sale, declare the Highest Bid, and conclude further bids. The Trustee may exercise his reasonable business judgment to recommend to the Court the Highest Bid.
- GG. Emergency Court Hearing with Notice thereof. The Court may hold emergency hearings to resolve any disputes that may arise prior to the auction sale. These emergency hearings would include, but not be limited to, any hearing as to whether a party should be designated as an Acceptable Bidder. All such emergency hearings shall be held on notice and hearing as determined by the Court to be necessary under the circumstances and may include limited notice and/or telephonic notice to the designated parties.

Where deemed necessary, the Court may issue ex parte orders to aid and assist in the consummation of the auction sale.

HH. **No Representations or Warranties. The Sale Assets are being sold “as is” and “where is” and Magnolia, or any ultimate Highest Bidder, hereby acknowledges and agrees that, except as otherwise expressly provided in the Asset Purchase Agreement, the Trustee makes no representations or warranties whatsoever, express or implied, with respect to any matter relating to the Sale Assets. Without in any way limiting the foregoing, the Trustee hereby disclaims any warranty, expressed or implied, of merchantability or fitness for any particular purpose as to any portion of the Sale Assets. Magnolia and/or any ultimate Highest Bidder further acknowledges that said party has conducted (or will have conducted prior to the Auction Date) an independent inspection and investigation of the physical condition of the Sale Assets and all such matters relating to or affecting the Sale Assets as said party deems necessary or appropriate to the extent that they desire such. Magnolia or the Highest Bidder will accept the Sale Assets at closing “as is” and “where is.”**

II. License Authority of North Carolina: The Trustee recognizes the Highest Bidder must be appropriately licensed by the State of North Carolina to operate the facilities. Nothing contained in the Sale Procedures is intended to alter or interfere with the States authority. Any Acceptable Bidder will therefore need to take such action it deems appropriate and necessary to obtain all needed licenses to operate. As indicated in Paragraph 7 Z the current license holder has agreed to cooperate in this process.