

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

In re:

AAC HOLDINGS, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 20-11648 (JTD)

(Jointly Administered)

**Re: Docket No. 100**

**ORDER: (I) APPROVING BID PROCEDURES FOR SALE TRANSACTION,  
PLAN SPONSORSHIP PROPOSAL AND/OR PARTIAL SALE; (II) APPROVING  
CERTAIN BID PROTECTIONS; (III) APPROVING FORM AND MANNER  
OF NOTICE OF BID PROCEDURES AND RELATED DEADLINES;  
AND (IV) SCHEDULING THE BID DEADLINE AND THE AUCTION**

Upon the *Motion of the Debtors for Entry of an Order: (I) Approving Bid Procedures for Sale Transaction, Plan Sponsorship Proposal and/or Partial Sale; (II) Approving Certain Bid Protections; (III) Approving Form and Manner of Notice of Bid Procedures and Related Deadlines; and (IV) Scheduling the Bid Deadline and the Auction* [Docket No. 100] (the “Motion”),<sup>2</sup> for entry of an order, pursuant to sections 105(a) and 363 of the Bankruptcy Code, Bankruptcy Rules 2002

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Recovery First of Florida, LLC (3005); Fitrx, LLC (5410); Oxford Treatment Center, LLC (7853); Oxford Outpatient Center, LLC (0237); Concorde Treatment Center, LLC (6483); New Jersey Addiction Treatment Center, LLC (7108); ABTTC, LLC (7601); Laguna Treatment Hospital, LLC (0830); AAC Las Vegas Outpatient Center, LLC (5381); Greenhouse Treatment Center, LLC (4402); AAC Dallas Outpatient Center, LLC (6827); Forterus Health Care Services, Inc. (4758); Solutions Treatment Center, LLC (8175); San Diego Addiction Treatment Center, Inc. (1719); River Oaks Treatment Center, LLC (0640); Singer Island Recovery Center LLC (3015); B&B Holdings Intl LLC (8549); The Academy Real Estate, LLC (9789); BHR Oxford Real Estate, LLC (0023); Concorde Real Estate, LLC (7890); BHR Greenhouse Real Estate, LLC (4295); BHR Ringwood Real Estate, LLC (0565); BHR Aliso Viejo Real Estate, LLC (2910); Behavioral Healthcare Realty, LLC (2055); Clinical Revenue Management Services, LLC (8103); Recovery Brands, LLC (8920); Referral Solutions Group, LLC (7817); Taj Media LLC (7047); Sober Media Group, LLC (4655); American Addiction Centers, Inc. (3320); Tower Hill Realty, Inc. (0039); Lincoln Catharine Realty Corporation (5998); AdCare Rhode Island, Inc. (2188); Green Hill Realty Corporation (4951); AdCare Hospital of Worcester, Inc. (3042); Diversified Healthcare Strategies, Inc. (3809); AdCare Criminal Justice Services, Inc. (1653); AdCare, Inc. (7005); Sagenex Diagnostics Laboratory, LLC (7900); RI - Clinical Services, LLC (6291); Addiction Labs of America, LLC (1133); AAC Healthcare Network, Inc. (0677); AAC Holdings, Inc. (6142); San Diego Professional Group, P.C. (9334). Grand Prairie Professional Group, P.A. (2102); Palm Beach Professional Group, Professional Corporation (7608); Pontchartrain Medical Group, A Professional Corporation (1271); Oxford Professional Group, P.C. (8234); and Las Vegas Professional Group - Calarco, P.C. (5901). The location of the Debtors’ corporate headquarters is 200 Powell Place, Brentwood, TN 37027.

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

and 6004, and Local Rule 6004-1, (a) approving the proposed bid procedures attached hereto as **Exhibit 1** (the “Bid Procedures”), (b) approving the break-up fee and expense reimbursement that may be offered by the Debtors to a stalking horse bidder, (c) approving the Noticing Procedures and the form of notice attached hereto as **Exhibit 2** (the “Form of Notice”), and (d) scheduling the bid deadline and the auction; and the Court having found that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the 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 the Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and the Court having found that the Debtors provided appropriate notice of the Motion and the opportunity for a hearing on the Motion under the circumstances; and the Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing, if any, before the Court; and the Court having determined that the legal and factual bases set forth in the Motion and at the hearing establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is hereby GRANTED as set forth herein.
2. All responses or objections to the relief requested in the Motion that have not been withdrawn, waived or settled as announced to the Court at the hearing on the Motion or by stipulation filed with the Court are overruled.
3. The Bid Procedures are approved, and the Debtors are authorized to take any and all actions necessary or appropriate to implement the Bid Procedures. The terms of the Bid Procedures, attached hereto as **Exhibit 1**, are incorporated herein by reference as if set forth in full herein.

4. Any potential Bidder interested in pursuing a Sale Transaction, a Plan Sponsorship Proposal, or a Partial Sale may, but is not required, to submit a written non-binding indication of interest to the Debtors and CF&CO on or before **August 14, 2020 at 5:00 p.m. (Eastern time)**

5. The Bid Deadline shall be **September 11, 2020 at 5:00 p.m. (Eastern time)**.

6. The Debtors, in consultation with the Committee and the Requisite Consenting lenders, may elect to designate one or more Bidders as a stalking horse bidder on or prior to the Bid Deadline, and to offer certain bid protections to the stalking horse bidders. If the Debtors designate one or more Bidders as a stalking horse bidder, the Debtors shall (i) file a motion (the “Stalking Horse Approval Motion”) seeking approval of such a Bidder as a stalking horse bidder together with its Sale Process Documents disclosing any bid protections in connection therewith, no later than the Bid Deadline, and (ii) serve the Stalking Horse Approval Motion on (a) counsel to the Requisite Consenting Lenders, (b) counsel to the Committee, and (c) the Office of the United States Trustee (collectively, the “Notice Parties”). Any objection to the Stalking Horse Approval Motion must be filed by 4:00 p.m. (prevailing Eastern Time) on the date that is seven calendar days after service of the Stalking Horse Approval Motion and served on counsel for the Debtors and the Notice Parties. If no objection to the Stalking Horse Approval Motion is timely filed and served, the Debtors shall file a certificate of no objection, and the Court may enter an order approving the Stalking Horse Approval Motion without a hearing. If an objection to the Stalking Horse Approval Motion is timely filed and served and the Debtors are unable to resolve the objection, the Debtors shall request a hearing on the Stalking Horse Approval Motion, subject to the Court’s calendar. Notwithstanding the foregoing, the Debtors reserve the right to seek an expedited hearing on the Stalking Horse Approval Motion, if necessary under the circumstances, and any party in interest may object to such expedited hearing.

7. Provided that a Bid proposes to pay the Senior Claims and Syndicated Facilities Claims in full in cash, the Debtors retain the right to seek entry of an order of this Court approving such stalking horse bidder and related bid protections without consent of the Consenting Lenders.

8. If the Debtors receive a Qualified Bid that provides for cash consideration sufficient to pay in full all of the Senior Claims and Syndicated Facility Claims, the Debtors may proceed with that Qualified Bid, including, if there is more than one competing Qualified Bid, to conduct the Auction (as defined herein). If the Debtors do not receive a Qualified Bid that provides for cash consideration sufficient to pay in full all of the Senior Claims and Syndicated Facility Claims, then on or before **September 16, 2020**, the Requisite Consenting Lenders shall deliver a notice to the Debtors concerning whether the Debtors should proceed with one or more of the Qualified Bids or should instead proceed solely with confirmation of the Plan. Subject to their fiduciary out as provided in the RSA, the Debtors shall comply with the foregoing notice and, in the event it indicates that the Debtors should proceed solely with confirmation of the Plan, the Debtors shall do so and shall file a notice with the Court indicating that the bidding process has been terminated, the Auction has been canceled, and the Debtors are proceeding solely with confirmation of the Plan.

9. Pursuant to section 363(k) of the Bankruptcy Code, Holders of DIP Facility Claims, Holders of Priming Facility Claims, Holders of Syndicated Facility Claims, and Ankura Trust Company, LLC (in its capacity as (i) administrative agent and collateral agent under that certain Senior Secured Super-Priority Debtor-in-Possession Credit Agreement (in such capacity, the “DIP Agent”), at the direction of the Required DIP Lenders, (ii) administrative agent and collateral agent under the Prepetition Priming Facility Agreement (in such capacity, the “Priming Facility Agent”), at the direction of the Required Lenders, or (iii) administrative agent and collateral agent under Prepetition Syndicated Credit Agreement (in such capacity, the “Syndicated Facility Agent”), at the

direction of the Required Lenders) may make a Bid that is in the form of a credit bid after the Bid Deadline through **September 18, 2020**.

10. On or before **September 19, 2020**, the Debtors will designate which Bidders constitute Qualified Bidders and which Bids constitute Qualified Bids, and shall notify each Bidder whether it is a Qualified Bidder and whether its Bid is a Qualified Bid.

11. Subject to Paragraph 9 of this Order, the Debtors will conduct an auction (the "**Auction**") to determine the Winning Bidder(s). The Auction shall take place on **September 21, 2020 at 10:00 a.m. (Eastern time)** by telephone and/or video conference with the details to be provided to those persons participating in the Auction.

12. The Auction will be conducted openly, and (a) all creditors of the Debtors who provide written notice via email that they intend to attend the Auction by no later than 24 hours prior to the start of the Auction to Sandy Bratton at BrattonS@gtlaw.com and (b) a representative of the Office of the United States Trustee for the District of Delaware shall be permitted to attend the Auction.

13. Each Qualified Bidder participating at the Auction will be required to confirm that (i) it has not engaged in any collusion with respect to its Bid Submission (though Qualified Bidders are permitted to make joint bids) and that the Qualified Bidder will not engage in any collusion with respect to any Bids, the Auction, or the sale process, and (ii) its Qualified Bid is a good faith, bona fide offer and it intends to consummate the proposed transaction if selected as the Winning Bidder.

14. Bidding at the Auction shall be transcribed or videotaped. On or before **September 22, 2020**, the Debtors will file a notice of the Winning Bidder(s) and the Backup Bidder(s), if any, with the Court and publish such notice on the Case Information Website.

15. Upon selection of a Winning Bid, if the Winning Bid is a Sale Transaction or a Partial Sale, then on or before **September 24, 2020** the Debtors will file the Sale Process Documents with their Plan supplement. If the Winning Bid is a Plan Sponsorship Proposal, then the Debtors will

amend the chapter 11 plan to incorporate the terms of the Winning Bid. Approval of any such Transaction will be considered at the hearing on confirmation of the Plan. Any such confirmation hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court.

16. The Form of Notice attached hereto as **Exhibit 2** is hereby approved.

17. Within five (5) days after entry of the Bid Procedures Order, the Debtors shall serve the Form of Notice by first class or overnight mail upon the following: (i) the Office of the United States Trustee for the District of Delaware; (ii) counsel to the Creditors' Committee; (iii) counsel to the ad hoc committee of certain Senior Lenders and Junior Lenders and the Initial DIP Lenders; (iv) counsel to the Prepetition Agents; (v) the Internal Revenue Service; (vi) the Securities and Exchange Commission; (vii) the office of the attorneys general for the states in which the Debtors operate; (viii) the Office of the United States Attorney for the District of Delaware; (ix) all parties that have filed a notice of appearance and request for service of papers pursuant to Bankruptcy Rule 2002; (x) all state and local taxing authorities in the State(s) where the assets are located; (xi) all parties that have asserted liens against the assets and (xii) the Contact Parties or other persons who have expressed an interest in a Transaction.

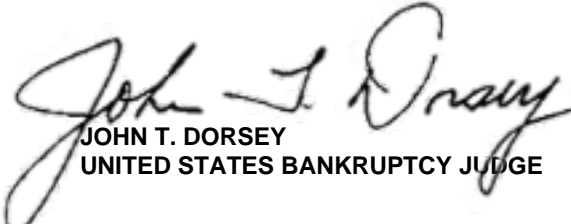
18. The failure to include or reference a particular provision of the Bid Procedures specifically in this Order shall not diminish or impair the effectiveness or enforceability of such a provision, it being the intention that the Bid Procedures are approved in their entirety.

19. The requirements set forth in Local Rules 6004-1, 9006-1, and 9013-1 are hereby satisfied or waived.

20. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014, or otherwise, this Court, for good cause shown, orders that the terms and conditions of this Order shall be immediately effective and enforceable upon its entry. This Court shall retain jurisdiction

with respect to all matters arising from or related to the implementation or interpretation of this Order, including, but not limited to, any matter, claim, or dispute arising from or relating to the Bid Procedures, the approved bid protections, and the implementation of this Order.

Dated: July 23rd, 2020  
Wilmington, Delaware



JOHN T. DORSEY  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit 1**

**Bid Procedures**



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

In re:

AAC HOLDINGS, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 20-11648 (JTD)

(Jointly Administered)

**Re: Docket No. 100**

**BID PROCEDURES**

By the *Motion of the Debtors for Entry of an Order (I) Approving the Bid Procedures for Sale Transaction, Plan Sponsorship Proposal and/or Partial Sale, (II) Approving Certain Bid Protections, (III) Approving Form and Manner of Notice of Bid Procedures and Related Deadlines, and (IV) Scheduling the Bid Deadline and the Auction* [Docket No. \_\_\_\_] (the “Bid Procedures Motion”),<sup>2</sup> the above-captioned debtors and debtors in possession (collectively, the “Debtors” or “AAC”) sought approval of, among other things, the procedures through which they will determine the highest or otherwise best transaction (for the avoidance of doubt, including a sale of substantially all assets, a partial sale, and a plan sponsorship), to be consummated pursuant to a chapter 11 plan.

On June 20, 2020 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and

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<sup>2</sup> Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Bid Procedures Motion or the Bid Procedures Order (defined below), as applicable.

managing their properties as debtors in possession pursuant to section 1107(a) and 1108 of the Bankruptcy Code. On June 23, 2020, the United States Bankruptcy Court for the District of Delaware (the “Court”) entered an order authorizing the joint administration and procedural consolidation of the chapter 11 cases pursuant to Bankruptcy Rule 1015(b).

On July [●], 2020, the Court entered an order (the “Bid Procedures Order”) authorizing the Debtors to, among other things, solicit offers for a sale transaction (for the avoidance of doubt, including a sale of substantially all assets, a partial sale, and a plan sponsorship) through the process and procedures set forth below (the “Bid Procedures”).

### **Marketing Process**

#### ***Contact Parties***

The Debtors, in consultation with Cantor Fitzgerald & Co. (“CF&CO”), the Debtors’ investment banker, have developed a list of parties whom they believe may be interested in, and whom the Debtors reasonably believe would have the financial resources to consummate, a sale transaction (for the avoidance of doubt, including a sale of substantially all assets, a partial sale, and a plan sponsorship) (a “Transaction”), which list includes both strategic investors and financial investors (each, individually, a “Contact Party”, and collectively, the “Contact Parties”). The Debtors and CF&CO will contact the Contact Parties to explore their interest in pursuing a Transaction. The Contact Parties may include parties whom the Debtors or their advisors have previously contacted regarding a transaction, regardless of whether such parties expressed any interest at such time in pursuing a transaction. The Debtors will continue to discuss and may supplement the list of Contact Parties throughout the marketing process, as appropriate.

The Debtors may distribute to each Contact Party and any other interested party or potential bidder an information package consisting of: (i) a copy of the Bid Procedures and Bid Procedures Order; (ii) a form confidentiality agreement; and (iii) such other materials as the Debtors and CF&CO deem appropriate under the circumstances, including but not limited to preliminary “teaser” information appropriate to enable each Contact Party or other potential bidder to evaluate the proposed Transaction. The Debtors will continue to discuss and may supplement the list of Contact Parties throughout the marketing process, as appropriate.

#### ***Access to Diligence Materials***

To participate in the bidding process and receive access to due diligence information (the “Diligence Materials”), a party must submit to the Debtors (i) an executed confidentiality agreement in the form and substance reasonably satisfactory to the Debtors, and (ii) evidence demonstrating a reasonable likelihood to close on a Transaction by October 23, 2020 and to receive any and all necessary governmental, licensing, regulatory, or other approvals.

A party who qualifies for access to the Diligence Materials shall be deemed a “Bidder.” All due diligence requests must be directed to CF&CO.

For any Bidder who is a competitor of the Debtors or is affiliated with any competitor of the Debtors, the Debtors reserve the right to withhold, or to delay providing, any Diligence

Materials that the Debtors, in their reasonable discretion, determine are business-sensitive or otherwise inappropriate for disclosure to such Bidder at such time.

### ***Due Diligence from Bidders***

Each Bidder and Qualified Bidder (as defined herein) shall comply with all reasonable requests for additional information, documents, and other due diligence by the Debtors or their advisors regarding such Bidder and its contemplated transaction, whether requested by the Debtors before or after the Bid Deadline (as defined herein).

### **Auction Qualification Process**

#### ***Submission of Non-Binding Indications of Interest***

Any potential Bidder interested in pursuing a Sale Transaction, a Plan Sponsorship Proposal, or a Partial Sale is encouraged to submit a written non-binding indication of interest to the Debtors and CF&CO on or before **August 14, 2020 at 5:00 p.m. (Eastern time)** (each an “Indication of Interest”). Each Indication of Interest should identify the assets in which they are expressing such interest, the proposed purchase price, and proposed closing conditions. The Debtors will provide copies of all Indications of Interest to counsel for the Consenting Lenders. Submission of an Indication of Interest does not obligate such potential Bidder to submit a formal bid, nor does it exempt such party from having to submit a Qualified Bid by the Bid Deadline.

#### ***Qualified Bids***

To be eligible to participate in the Auction (as defined herein), a Bidder must deliver, so as to be received by the Recipient Parties (as defined herein) on or before **September 11, 2020 at 5:00 p.m. (Eastern time)** (the “Bid Deadline”), a proposal, solicitation, or offer to effectuate a Transaction (each, a “Bid”) that meets the following requirements (collectively, the “Bid Conditions”). Each such Bid shall constitute a “Qualified Bid,” and such Bidder submitting such Bid shall be a “Qualified Bidder”:

- a. Purpose. Each Bidder must state that the Bid includes an offer by the Bidder to effectuate a Transaction.
- b. Deposit. Each Bid must be accompanied by a deposit in the amount equal to 5% of the Bidder’s proposed purchase price in the case of a Sale Transaction or Partial Sale or, in the case of a Plan Sponsorship Proposal, an amount equal to 5% of the amount to be contributed by the Bidder to the Debtors under the contemplated chapter 11 plan (as applicable, the “Purchase Price”) in cash to an escrow account to be identified and established by the Debtors (the “Deposit”).<sup>3</sup>

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<sup>3</sup> For the avoidance of doubt, in no event shall the holders of the DIP Facility Claims, the Priming Facility Claims, or the Syndicated Facility Claims be required to provide a Deposit.

- c. Minimum Bid. Any bid for a Sale Transaction or Plan Sponsorship Proposal) must satisfy in full, in cash, (x) all allowed administrative claims, other priority claims, Other Secured Claims,<sup>4</sup> DIP Facility Claims,<sup>5</sup> Priming Facility Claims<sup>6</sup> (collectively, the “Senior Claims”) and (y) all Syndicated Facility Claims<sup>7</sup> (or such lesser amount of Syndicated Facility Claims, including any Non-Cash Consideration, as is acceptable to the Requisite Consenting Lenders<sup>8</sup> in their sole and absolute discretion). There is no minimum bid for a Partial Sale; *provided that* any such Partial Sale requires the consent of the Requisite Consenting Lenders and must otherwise be consistent with the Plan.
- d. Sale Transaction/Partial Sale Process Documents. If the Bid is for a Sale Transaction or Partial Sale, it must include an executed asset purchase agreement, together with the exhibits and schedules related thereto and any related transaction documents or other material documents integral to such Bid, signed by an authorized representative of such Bidder, pursuant to which the Bidder proposes to effectuate the sale (such documents, the “Sale Documents”). Sale Documents must include (i) the Purchase Price, (ii) a description of the assets to be purchased, (iii) a description of the liabilities to be assumed, and (iv) a list of the executory contracts and unexpired leases to be assumed and assigned. The Debtors will prepare and provide to potential Bidders a form asset purchase agreement. Bidders are required to provide with their Bid a redline markup of their executed asset purchase agreement against the Debtors’ form asset purchase agreement. If the Bid is for a Plan Sponsorship Proposal, it must include a mark-up of the RSA (in the form of a plan sponsorship agreement) and the Plan as well as a signed commitment to proceed with such Bid signed by an authorized representative of such Bidder (such documents, the “Plan Documents” and, together with the Sale Documents, the “Sale Process Documents”).

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<sup>4</sup> “Other Secured Claims” are secured claims other than a DIP Facility Claim, a Priming Facility Claim, or a Syndicated Facility Claim.

<sup>5</sup> “DIP Facility Claims” means claims arising under that certain Senior Secured Super-priority Debtor-in-Possession Credit Agreement attached as Exhibit A to the *Final Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364 and 507 (I) Authorizing Debtors to Obtain Senior Secured Priming Superpriority Postpetition Financing, (II) Authorizing Use of Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection, (V) Modifying Automatic Stay, and (VI) Granting Related Relief* [Docket. No. 159].

<sup>6</sup> “Priming Facility Claims” are claims arising under the Prepetition Priming Credit Agreement.

<sup>7</sup> “Syndicated Facility Claims” are claims arising under the Prepetition Syndicated Credit Agreement.

<sup>8</sup> “Requisite Consenting Lenders” means, as of any date of determination, the Consenting Lenders who own or control as of such date at least (i) a majority of the aggregate principal amount of the Prepetition Priming Facility Loans owned or controlled by all of the Consenting Lenders as of such date and (ii) a majority of the aggregate principal amount of the Prepetition Syndicated Facility Loans owned or controlled by all of the Consenting Lenders as of such date. “Prepetition Priming Facility Loans” has the meaning given to the term “Loans” in the Prepetition Priming Credit Agreement. “Prepetition Syndicated Facility Loans” has the meaning given to the term “Loans” in the Prepetition Syndicated Credit Agreement.

- e. Minimum Liquidity. Each Bid must include evidence of committed financing, access to funds or such other financial and other information, documented to the Debtors' satisfaction, such that the Debtors will be able to determine that the Bidder has received sufficient funding commitments to effectuate the Transaction (and such funding commitments or other financing shall not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals, and shall have covenants and conditions reasonably acceptable to the Debtors).
- f. Identity. Each Bid must fully disclose the identity of each entity that will be bidding or otherwise participating in connection with such Bid (including any equity holder or other financial backer if the Bidder is an entity formed for the purpose of consummating the proposed Transaction), and the complete terms of any such participation.
- g. No Collusion. Each Bid must include a representation that the Bidder has not engaged in any collusion with respect to its Bid submission (though Qualified Bidders are permitted to make joint bids) and that the Bidder will not engage in any collusion with respect to any Bids, the Auction, or the sale process.
- h. Contingencies; No Financing or Diligence Outs. No Bid may be conditioned on (i) the obtaining or the sufficiency of financing or any internal approval, (ii) the outcome or review of due diligence, or (iii) any tax contingency.
- i. As Is, Where Is Representation. Each Bid must include representations and warranties that (a) the Bidder has had an opportunity to conduct any and all due diligence regarding the applicable assets prior to submitting its Bid and (b) the Bidder has relied solely upon its own independent review, investigation, and/or inspection of any relevant documents and the assets in making its Bid and did not rely on any of the Debtors' or their advisors' written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express or implied, by operation of law or otherwise, regarding the assets or the completeness of any information provided in connection therewith, except as expressly stated in the representations and warranties included in the Bidder's proposed asset purchase agreement ultimately accepted and executed by the Debtors.
- j. Adequate Assurance of Future Performance. Each Bid must demonstrate, in the Debtors' reasonable business judgment, that the potential Bidder (or, in the case of a Plan Sponsorship Proposal, the reorganized Debtors with the backing of the plan sponsor) can provide adequate assurance of future performance under all executory contracts and unexpired leases to be assumed pursuant to a proposed Transaction.

- k. Offer Irrevocable. Each Bid must state that the offer by the Bidder set forth in the Sale Process Documents is irrevocable until (i) the closing of the proposed Transaction if such Bidder is the Winning Bidder (as defined herein), (ii) the earlier of the closing of the proposed Transaction and October 23, 2020 (the “Outside Date”), if such Bidder is the Backup Bidder (as defined herein), or (iii) the conclusion of the Auction, if such Bidder is not the Winning Bidder or the Backup Bidder. Each Bid must state that the Bidder agrees to serve as the Backup Bidder if the Debtors select the Bid of that Bidder as the Backup Bid.
  
- l. Bid Protections. The Debtors, in consultation with the Committee and the Requisite Consenting lenders, may elect to designate one or more Bidders as a stalking horse bidder on or prior to the Bid Deadline, and to offer certain bid protections to the stalking horse bidders. If the Debtors designate one or more Bidders as a stalking horse bidder, the Debtors shall (i) file a motion (the “Stalking Horse Approval Motion”) seeking approval of such a Bidder as a stalking horse bidder together with its Sale Process Documents disclosing any bid protections in connection therewith, no later than the Bid Deadline, and (ii) serve the Stalking Horse Approval Motion on (a) counsel to the Requisite Consenting Lenders, (b) counsel to the Committee, and (c) the Office of the United States Trustee (collectively, the “Notice Parties”). Any objection to the Stalking Horse Approval Motion must be filed by 4:00 p.m. (prevailing Eastern Time) on the date that is seven calendar days after service of the Stalking Horse Approval Motion and served on counsel for the Debtors and the Notice Parties. If no objection to the Stalking Horse Approval Motion is timely filed and served, the Debtors shall file a certificate of no objection, and the Court may enter an order approving the Stalking Horse Approval Motion without a hearing. If an objection to the Stalking Horse Approval Motion is timely filed and served and the Debtors are unable to resolve the objection, the Debtors shall request a hearing on the Stalking Horse Approval Motion, subject to the Court’s calendar. Notwithstanding the foregoing, the Debtors reserve the right to seek an expedited hearing on the Stalking Horse Approval Motion, if necessary under the circumstances, and any party in interest may object to such expedited hearing. Provided that a Bid proposes to pay the Senior Claims and Syndicated Facilities Claims in full in cash, the Debtors retain the right to seek entry of an order of this Court approving such stalking horse bidder and related bid protections without consent of the Consenting Lenders. Other than a stalking horse bidder solely with respect to the break-up fee and expense reimbursement approved by the Court, no other Bidder will be entitled to any expense reimbursement, break-up or “topping” fee, termination fee, contribution, or similar type of payment, and their Bids must expressly disclaim the right to the foregoing. Subject to the right of a stalking horse bidder to receive the break-up fee and expense reimbursement approved by the Court, in submitting its Bid, each Bidder must also expressly disclaim any and all administrative expense claims it may have for making a “substantial contribution” pursuant to section

503(b)(3)(D) or 503(b)(5) of the Bankruptcy Code relating to the increased value to the Debtors' estates directly or indirectly resulting from such Bid.

- m. Authorization. Bids must contain evidence that is satisfactory to the Debtors that the Bidder has obtained authorization or approval from its board of directors (or comparable governing body) with respect to the submission of its Bid, and the submission, execution and delivery of the Sale Process Documents.
- n. Government Approvals. Each Bid must include a description of all governmental, licensing, regulatory, or other approvals or consents that are required to close the proposed Transaction, together with evidence satisfactory to the Debtors of the ability to obtain such consents or approvals in a timely manner, as well as a description of any material contingencies or other conditions that will be imposed upon, or that will otherwise apply to, the obtainment or effectiveness of any such consents or approvals.
- o. Government Approvals Timeframe. Each Bid must set forth an estimated timeframe for obtaining any required internal, governmental, licensing, regulatory or other approvals or consents for consummating the proposed Transaction.
- p. Acknowledgment. Each Bid must include a written acknowledgement that the Bidder agrees to all of the terms set forth in these Bid Procedures.
- q. Bid Deadline. Each Bid must be transmitted on or before the Bid Deadline via email (in .pdf or similar format) to the following individuals (collectively, the "Recipient Parties"): (i) Debtors' counsel: (a) Greenberg Traurig, LLP, The Nemours Building, 1007 North Orange Street, Suite 1200, Wilmington, Delaware 19801, Attn: Dennis A. Meloro, Esq. (melorod@gtlaw.com) and (b) Greenberg Traurig, LLP, Terminus 200, 3333 Piedmont Road, NE, Suite 2500, Atlanta, Georgia 30305, Attn: David B. Kurzweil, Esq. (kurzweild@gtlaw.com) and Alison Elko Franklin, Esq. (franklinae@gtlaw.com); (ii) Consenting Lenders' counsel: (a) Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, New York 10038, Attn. Sayan Bhattacharyya, Esq. (sbhattacharyya@stroock.com) and Daniel A. Fliman, Esq. (dfliman@stroock.com) and (b) Young Conaway Stargatt & Taylor, LLP 1000 N. King Street, Wilmington, Delaware 19801, Attn. Matthew Lunn, Esq. (mlunn@ycst.com) and Robert Poppiti, Esq. (rpoppiti@ycst.com); (iii) U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Rosa Sierra (rosa.sierra@usdoj.gov), (iv) counsel to the Creditors' Committee, (a) Cole Schotz P.C., 1325 Avenue of the Americas, 19th Floor, New York, New York 10019, Attn: Seth Van Aalten, Esq. (svanaalten@coleschotz.com), Michael Trentin, Esq. (mtrentin@coleschotz.com), and Anthony De Leo, Esq. (adeleo@coleschotz.com) and (b) Cole Schotz P.C., 500 Delaware Avenue, Suite 1410, Wilmington, Delaware 19801, Attn: Justin R. Alberto,

Esq. (jalberto@coleschotz.com) and Andrew Roth-Moore, Esq. (aroth-moore@coleschotz.com); and (vi) counsel for the U.S. Securities and Exchange Commission, Atlanta Regional Office, 950 East Paces Road, N.E., Suite 900, Atlanta, Georgia 30326-1382, Attn: David W. Baddley (baddleyd@sec.gov).

On or before **September 19, 2020**, the Debtors will designate which Bidders constitute Qualified Bidders and which Bids constitute Qualified Bids, and shall notify each Bidder whether it is a Qualified Bidder and whether its Bid is a Qualified Bid.

The Debtors reserve the right to work with any Bidder in advance of the Auction to cure any deficiencies in a Bid that is not initially deemed to be a Qualified Bid. For the avoidance of doubt, the Bid by a stalking horse bidder shall be deemed a Qualified Bid. In the event that any Bid is determined by the Debtors not to be a Qualified Bid, the Debtors shall cause such Bidder to be refunded its Deposit on or before the scheduled start time of the Auction.

Pursuant to section 363(k) of the Bankruptcy Code, Holders of DIP Facility Claims, Holders of Priming Facility Claims, Holders of Syndicated Facility Claims, the DIP Agent (at the direction of the Required DIP Lenders), the Priming Facility Agent (at the direction of the Required Lenders), and the Syndicated Facility Agent (at the direction of the Required Lenders) shall have the right to credit bid all or a portion of their claims and shall be deemed Qualified Bidders, and any such credit bid shall be deemed to be a Qualified Bid. Moreover, holders of DIP Facility Claims, Priming Facility Claims and Syndicated Facility Claims may make a Bid that is in the form of a credit bid after the Bid Deadline through **September 18, 2020**.

### ***Consenting Lender Election***

If the Debtors receive a Qualified Bid that provides for cash consideration sufficient to pay in full all of the Senior Claims and Syndicated Facility Claims, the Debtors may proceed with that Qualified Bid, including, if there is more than one competing Qualified Bid, to conduct the Auction (as defined herein). If the Debtors do not receive a Qualified Bid that provides for cash consideration sufficient to pay in full all of the Senior Claims and Syndicated Facility Claims, then on or before **September 16, 2020** the Requisite Consenting Lenders shall deliver a notice to the Debtors concerning whether the Debtors should proceed with one or more of the Qualified Bids or should instead proceed solely with confirmation of the Plan. Subject to their fiduciary out as provided in the RSA, the Debtors shall comply with the foregoing notice and, in the event it indicates that the Debtors should proceed solely with confirmation of the Plan, the Debtors shall do so and shall file a notice with the Court indicating that the bidding process has been terminated, the Auction has been canceled, and the Debtors are proceeding solely with confirmation of the Plan.

### ***Baseline Bid***

To the extent that the Debtors receive Qualified Bids, the Debtors shall determine which Qualified Bid(s) represent the then highest or otherwise best bid (the “**Baseline Bid**”). The determination of which Qualified Bid(s) constitute the Baseline Bid and which Qualified Bid(s) constitute the Winning Bid (as defined herein) shall take into account any factors the Debtors



reasonably deem relevant to the value of the Qualified Bid(s) to their estates, including, *inter alia*: (a) the amount and nature of the consideration; (b) certainty of closing; (c) the net economic effect of any changes to the value to be received by the Debtors' creditors from the proposed Transaction; and (d) tax consequences of such Qualified Bid(s) (collectively, the "Bid Assessment Criteria").

On or before **September 19, 2020**, in conjunction with the Debtors' designation of the Qualified Bid(s) and Qualified Bidder(s), the Debtors shall further designate which Qualified Bid(s) are Baseline Bid(s) and provide such Baseline Bid(s) to all other Qualified Bidders.

### **Auction**

If more than one Qualified Bid is received by the Bid Deadline, the Debtors will conduct an auction (the "Auction") to determine the Winning Bidder(s). The Auction shall take place on **September 21, 2020 at 10:00 a.m. (Eastern time)** by telephone and/or video conference with the details to be provided to those persons participating in the Auction.

### ***Auction Procedures***

The Debtors and their professionals shall direct and preside over the Auction. Qualified Bidders shall appear in person at the Auction, through a duly authorized representative. The Auction will be conducted openly, and (a) all creditors of the Debtors who provide written notice via email that they intend to attend the Auction by no later than 24 hours prior to the start of the Auction to Sandy Bratton at BrattonS@gtlaw.com and (b) a representative of the Office of the United States Trustee for the District of Delaware shall be permitted to attend the Auction. At the start of the Auction, the Debtors shall describe the terms of the Baseline Bid(s). All incremental bids made thereafter shall be Overbids (as defined herein) and shall be made and received on an open basis, and all material terms of each Overbid shall be fully disclosed to all other Qualified Bidders. Bidding at the Auction shall be transcribed and/or videotaped.

### ***Overbids***

All Qualified Bidders shall have the right to submit an Overbid. An "Overbid" is any Bid made at the Auction subsequent to the Debtors' announcement of the Baseline Bid. To submit an Overbid at the Auction, a Qualified Bidder must comply with the following conditions:

- a. Minimum Overbid Increment. Any Overbid after the Baseline Bid for a Sale Transaction or a Plan Sponsorship Proposal shall be made in increments of at least \$1,000,000, and any Overbid after the Baseline Bid for a Partial Sale shall be made in increments to be determined by the Debtors in consultation with the Consultation Parties (as applicable, the "Overbid Increments"), *provided, that*, if the Baseline Bid is a stalking horse bid, the initial Overbid Increment shall be increased by an amount equal to the break-up fee and expense reimbursement to which the stalking horse bidder would be entitled if not the Winning Bidder.
- b. Credit Bid. A Qualified Bidder who is a stalking horse bidder may as part of any Overbid "credit bid" the break-up fee and expense reimbursement to which the stalking horse bidder would be entitled if not the Winning Bidder.

- c. Closing Evidence. To the extent not previously provided on or before the Bid Deadline, a Qualified Bidder submitting an Overbid must submit, as part of its Overbid, evidence reasonably acceptable to the Debtors demonstrating such Qualified Bidder's ability to close the Transaction proposed by such Overbid.

The Debtors shall announce at the Auction the material terms of each Overbid, the basis for calculating the total consideration offered in each such Overbid, and the resulting benefit to the Debtors' estates based on, *inter alia*, the Bid Assessment Criteria.

During the course of the Auction, the Debtors shall, after the submission of each Overbid, promptly inform each participant which Overbid reflects, in the Debtors' view, the highest or otherwise best offer. The Auction may include individual negotiations between the Debtors and Qualified Bidders and/or open bidding in the presence of all other Qualified Bidders.

The Debtors reserve the right, in their reasonable business judgment, to adjourn the Auction one or more times to, among other things: facilitate discussions between the Debtors and Qualified Bidders; allow Qualified Bidders to consider how they wish to proceed; and provide Qualified Bidders the opportunity to provide the Debtors with such additional evidence as the Debtors, in their reasonable business judgment, may require to demonstrate that the Qualified Bidder has sufficient internal resources, or has received sufficient non-contingent funding commitments, to consummate the proposed Transaction contemplated by its Overbid.

#### ***Other Auction Procedures***

The Debtors may announce at the Auction additional procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction provided such additional rules are not inconsistent with these Bid Procedures.

All Qualified Bidders at the Auction shall be deemed to have consented to the jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction or the construction and enforcement of these Bid Procedures.

Each Qualified Bidder participating at the Auction will be required to confirm that (i) it has not engaged in any collusion with respect to its Bid Submission (though Qualified Bidders are permitted to make joint bids) and that the Qualified Bidder will not engage in any collusion with respect to any Bids, the Auction, or the sale process, and (ii) its Qualified Bid is a good faith, bona fide offer and it intends to consummate the proposed Transaction if selected as the Winning Bidder.

***The Winning Bid***

The Auction shall continue until there is only one Qualified Bid (or multiple Qualified Bids if for non-competing Partial Sales) that the Debtors determine in their reasonable business judgment is the highest or otherwise best Qualified Bid (such Qualified Bid, the “Winning Bid”, and such Qualified Bidder, the “Winning Bidder”), and that further bidding is unlikely to result in a higher or otherwise better Bid, at which point, the Auction will be closed. The Auction shall not close unless and until all Qualified Bidders have been given a reasonable opportunity to submit a higher or otherwise better Bid at the Auction. In selecting the Winning Bid, the Debtors may consider all factors, including, the Bid Assessment Criteria. Unless the Winning Bid(s) in the aggregate provide for cash consideration sufficient to pay in full all of the Senior Claims and Syndicated Facility Claims, the terms of the Winning Bid(s) must be acceptable to the Requisite Consenting Lenders. Notwithstanding the foregoing, all Winning Bid(s) that are Partial Bids must be on terms acceptable to the Requisite Consenting Lenders.

Such acceptance by the Debtors of the Winning Bid is conditioned upon the confirmation and effectiveness of the Plan incorporating such Winning Bid, if the Winning Bid is a Sale Transaction or a Partial Sale, and, if the Winning Bid is a Plan Sponsorship Proposal, the confirmation and effectiveness of an alternative chapter 11 plan of reorganization to be filed following the Auction that incorporates that Plan Sponsorship Proposal.

The Debtors shall not consider any Bids or Overbids submitted after the conclusion of the Auction and any and all such Bids and Overbids shall be deemed untimely.

The Debtors may require that within two (2) days after adjournment of the Auction the Winning Bidder complete and execute all Sale Process Documents, instruments, or other documents evidencing and containing the terms and conditions upon which the Winning Bid was made.

The Deposits of each Qualified Bidder shall be returned (other than with respect to the Winning Bidder and the Backup Bidder) within three (3) business days after the Auction. If the Winning Bidder (including the Backup Bidder if the Backup Bidder is deemed the Winning Bidder post-Auction) timely closes the Transaction, its Deposit shall be credited towards its Purchase Price.

***The Backup Bidder***

The Qualified Bidder with the second highest or otherwise best Bid at the Auction, as determined by the Debtors in the exercise of their reasonable business judgment, shall be required to serve as the backup bidder (the “Backup Bidder”). The identity of the Backup Bidder and the amount and material terms of the final Bid of the Backup Bidder (the “Backup Bid”) shall be announced by the Debtors at the conclusion of the Auction at the same time the Debtors announce the Winning Bid. Unless a Backup Bid provides for cash consideration sufficient to pay in full all of the Senior Claims and Syndicated Facility Claims, the terms of that Backup Bid must be acceptable to the Requisite Consenting Lenders. Notwithstanding the foregoing, all Backup Bid(s) that are Partial Bids must be on terms acceptable to the Requisite Consenting Lenders. The Backup Bidder shall keep its Backup Bid open and irrevocable until the earlier of (i) the closing of the Transaction with the Winning Bidder, and (ii) the Outside Date. The Deposit of the Backup Bidder shall be returned by the Debtors within three (3) days after the earlier of (i) closing of the Transaction with the Winning Bidder, and (ii) the Outside Date.

Following the hearing to confirm the chapter 11 plan incorporating the terms of the Winning Bid (the “Confirmation Hearing”), if the Winning Bidder fails to consummate the Winning Bid or if the Winning Bidder engages in an anticipatory breach before the Confirmation Hearing, the Debtors may select the Backup Bid as the Winning Bid. In such case, the defaulting Winning Bidder’s Deposit shall be forfeited to the Debtors, and the Debtors specifically reserve the right to seek all available damages from the defaulting Winning Bidder.

**Consultation with Consenting Lenders and with Creditors’ Committee**

The Debtors are to undertake their sale process in good faith consultation with the Consenting Lenders, the Creditors’ Committee, the DIP Agent, the Priming Facility Agent, and the Syndicated Facility Agent (collectively, the “Consultation Parties”). The Consultation Parties and their advisors shall have the right to review all information, diligence, and materials provided by the Debtors’ investment banker to any bidder or prospective bidder with respect to any potential Transaction; provided that, to the extent necessary, confidentiality agreements and/or business associates agreement (for purposes of HIPAA protections) are in place. The Debtors are to consult the advisors for the Consultation Parties in good faith regarding the sale process, any diligence and other information requested by the Consultation Parties, including the Requisite Consenting Lenders, and their advisors with respect thereto, and the Debtors are to provide to the advisors for the Consultation Parties comprehensive weekly reports concerning the sale process, including parties contacted, buyer feedback, copies of all letters of intent, drafts of definitive agreements and updates on proposals. For the avoidance of doubt, the Debtors shall consult with the Consultation Parties on the selection of the Baseline Bid(s) (as defined herein), how the Auction (as defined herein) is conducted, any additional Auction procedures, adjourning the Auction, and selecting the Winning Bidder(s) (as defined herein) and the Backup Bidder(s) (as defined herein). As a condition to the Creditors’ Committee being a Consultation Party and being part of the consultation process with the Debtors, the Creditors’ Committee must first execute an acceptable, customary non-disclosure agreement with the Debtors. If any Consenting Lender has submitted a Bid pursuant to the Bid Procedures, such Consenting Lender from that point forward shall not be a Consultation Party.

### **Post-Auction Procedures**

Upon selection of a Winning Bid, if the Winning Bid is a Sale Transaction or a Partial Sale, then on or before **September 24, 2020** the Debtors will file the Sale Process Documents with their Plan supplement, and then proceed to the Confirmation Hearing. If the Winning Bid is a Plan Sponsorship Proposal, then the Debtors will amend the chapter 11 plan to incorporate the terms of the Winning Bid and shall proceed to the Confirmation Hearing. Any such Confirmation Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court.

### **Reservation of Rights**

Solely in connection with the exercise of the Debtors' fiduciary obligations, the Debtors reserve their rights, following consultation with the Consultation Parties, to modify the Bid Procedures or impose, at or prior to the Auction, additional customary terms and conditions, including, without limitation, extending the deadlines set forth in the Bid Procedures, modifying bidding increments, adjourning or canceling the Auction and/or adjourning the disclosure statement hearing or Confirmation Hearing in open court without further notice, refusing to sell any or all of the Debtors' assets at any time prior to or during the Auction, and rejecting all Qualified Bids if, in the Debtors' business judgment, no such bid is for a fair and adequate price; provided that any such modifications or changes are (i) not inconsistent with these Bid Procedures, the Bankruptcy Code, the Bid Procedures Order or any other order of the Bankruptcy Court entered in the Chapter 11 Cases.

### **No Impairment Under the Restructuring Support Agreement**

Nothing in these Bid Procedures shall (or otherwise be deemed to) amend, modify, supplement, supersede, impair, replace, or otherwise alter any of the rights and obligations of the Debtors or any of the counterparties under the RSA or the deadlines provided therein.

**Exhibit 2**

**Notice of Bid Procedures**

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

In re:

AAC HOLDINGS, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 20-11648 (JTD)

(Jointly Administered)

**NOTICE OF BID PROCEDURES AND RELATED DEADLINES**

**PLEASE TAKE NOTICE** that the above-captioned debtors and debtors in possession (collectively, the “Debtors”) each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware (the “Court”) on June 20, 2020.

**PLEASE TAKE FURTHER NOTICE** that, on July 3, 2020 the Debtors filed a motion (the “Bid Procedures Motion”) with the Court seeking entry of an order: (a) approving the proposed bid procedures attached hereto as **Exhibit 1** (the “Bid Procedures”) for a Sale Transaction (as defined therein), a Plan Sponsorship Proposal (as defined therein) and/or a Partial Sale (as defined therein), (b) approving certain bid protections, namely a break-up fee and expense reimbursement, that may be offered by the Debtors to one or more stalking horse bidder, (c) approving the Noticing Procedures (as defined therein) and (d) scheduling the bid deadline and the auction.

**PLEASE TAKE FURTHER NOTICE** that, on July [●], 2020, the Court entered an

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Recovery First of Florida, LLC (3005); Fitrx, LLC (5410); Oxford Treatment Center, LLC (7853); Oxford Outpatient Center, LLC (0237); Concorde Treatment Center, LLC (6483); New Jersey Addiction Treatment Center, LLC (7108); ABTTC, LLC (7601); Laguna Treatment Hospital, LLC (0830); AAC Las Vegas Outpatient Center, LLC (5381); Greenhouse Treatment Center, LLC (4402); AAC Dallas Outpatient Center, LLC (6827); Forterus Health Care Services, Inc. (4758); Solutions Treatment Center, LLC (8175); San Diego Addiction Treatment Center, Inc. (1719); River Oaks Treatment Center, LLC (0640); Singer Island Recovery Center LLC (3015); B&B Holdings Intl LLC (8549); The Academy Real Estate, LLC (9789); BHR Oxford Real Estate, LLC (0023); Concorde Real Estate, LLC (7890); BHR Greenhouse Real Estate, LLC (4295); BHR Ringwood Real Estate, LLC (0565); BHR Aliso Viejo Real Estate, LLC (2910); Behavioral Healthcare Realty, LLC (2055); Clinical Revenue Management Services, LLC (8103); Recovery Brands, LLC (8920); Referral Solutions Group, LLC (7817); Taj Media LLC (7047); Sober Media Group, LLC (4655); American Addiction Centers, Inc. (3320); Tower Hill Realty, Inc. (0039); Lincoln Catharine Realty Corporation (5998); AdCare Rhode Island, Inc. (2188); Green Hill Realty Corporation (4951); AdCare Hospital of Worcester, Inc. (3042); Diversified Healthcare Strategies, Inc. (3809); AdCare Criminal Justice Services, Inc. (1653); AdCare, Inc. (7005); Sagenex Diagnostics Laboratory, LLC (7900); RI - Clinical Services, LLC (6291); Addiction Labs of America, LLC (1133); AAC Healthcare Network, Inc. (0677); AAC Holdings, Inc. (6142); San Diego Professional Group, P.C. (9334). Grand Prairie Professional Group, P.A. (2102); Palm Beach Professional Group, Professional Corporation (7608); Pontchartrain Medical Group, A Professional Corporation (1271); Oxford Professional Group, P.C. (8234); and Las Vegas Professional Group - Calarco, P.C. (5901). The location of the Debtors’ corporate headquarters is 200 Powell Place, Brentwood, TN 37027.

order (the “Bid Procedures Order”) approving, among other things, the Bid Procedures, which establish certain key deadlines, a copy of which is attached hereto as **Exhibit 2**. All parties interested in bidding should carefully read the Bid Procedures Order and the Bid Procedures in their entirety.<sup>2</sup>

### **Contact Persons for Parties Interested in Submitting a Bid**

The Bid Procedures set forth the requirements for submitting a Qualified Bid, and any person interested in making an offer must comply strictly with the Bid Procedures. Only Qualified Bids will be considered by the Debtors, in accordance with the Bid Procedures. [●] may be contacted with any questions concerning the Bid Procedures and related deadlines.

### **Important Dates and Deadlines**<sup>3</sup>

<b>Deadline</b>	<b>Description</b>
August 14, 2020 at 5:00 p.m. (Eastern time)	Deadline for potential Bidders to submit non-binding indications of interest
September 11, 2020 at 5:00 p.m. (Eastern time)	(1) Bid Deadline (2) Deadline for Debtors to designate one or more non-competing Bidders as a “stalking horse bidder” and grant certain bid protections to the stalking horse bidder
September 16, 2020	Deadline for the Consenting Lenders to elect whether to proceed with one or more Qualified Bid(s) or with the Plan
September 18, 2020	Deadline for holders of DIP Facility Claims, Priming Facility Claims and Syndicated Facility Claims to make a Bid that is in the form of a credit bid
September 19, 2020	Deadline for Debtors to designate Qualified Bidders and Baseline Bid(s)
September 21, 2020 at 10:00 a.m. (Eastern time)	(1) Auction (if any) <sup>4</sup> (2) Deadline for Debtors to return Deposits of Bidders who are not Qualified Bidders
September 22, 2020	Deadline for Debtors to file notice of Winning Bidder(s) and Backup Bidder(s)

<sup>2</sup> To the extent of any inconsistencies between the Bid Procedures and the summary descriptions of the Bid Procedures in this notice, the terms of the Bid Procedures shall control in all respects.

<sup>3</sup> Capitalized terms set forth in the chart have the meanings set forth in the Bid Procedures.

<sup>4</sup> The Auction will be conducted openly, and (a) all creditors of the Debtors who provide written notice via email that they intend to attend the Auction by no later than 24 hours prior to the start of the Auction to Sandy Bratton at BrattonS@gtlaw.com and (b) a representative of the Office of the United States Trustee for the District of Delaware shall be permitted to attend the Auction.



September 24, 2020	Deadline for the Debtors to file the Sale Process Documents of the Winning Bidder(s) with the Plan supplement
TBD <sup>5</sup>	Deadline to file objections to the Winning Bid

**Obtaining Additional Information**

Copies of all documents filed with the Court, are available free of charge on the Debtors' case information website, located at <https://www.donlinrecano.com/Clients/aac/Index>.

Dated: July \_\_\_, 2020  
Wilmington, Delaware

Respectfully submitted,

**GREENBERG TRAURIG, LLP**

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- and -

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franklinae@gtlaw.com

*Counsel for the Debtors and Debtors in Possession*

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<sup>5</sup> The deadline for filing objections to the Winning Bid shall be the same deadline for filing objections to confirmation of the Plan, which will be established by the Court at a later date.