

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

In re:

Gorham Paper and Tissue, LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 20-12814 (KBO)

(Jointly Administered)

**NOTICE OF BID PROCEDURES,
AUCTION, HEARING AND DEADLINES RELATING TO THE SALE OF
SUBSTANTIALLY ALL OF THE ASSETS OF THE DEBTORS**

PLEASE TAKE NOTICE that on November 7, 2020, the above-captioned debtors and debtors in possession (the “Debtors”) in the above-captioned case (the “Bankruptcy Case”), filed a *Motion of Debtors for Entry of (I) an Order (A) Approving Bid Procedures in Connection with the Potential Sale of Substantially All of the Debtors’ Assets, (B) Scheduling an Auction and Sale Hearing, (C) Approving the Form and Manner of Notice Thereof, (D) Authorizing the Debtors to Enter Into the Stalking Horse Agreement, (E) Approving Bid Protections, (F) Approving Procedures for the Assumption and Assignment of Contracts and Leases, and (G) Granting Related Relief; and (II) an Order (A) Approving the Sale of Substantially All of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests, (B) Authorizing the Assumption and Assignment of Contracts and Leases, and (C) Granting Related Relief* [Docket No. 53] (the “Bid Procedures and Sale Motion”).² The Debtors seeks to complete a sale (the “Sale”) of substantially all their assets (the “Assets”) to a prevailing bidder or bidders (the “Successful Bidder”) at an auction free and clear of all liens, claims, encumbrances and other interests pursuant to Bankruptcy Code § 363 (the “Auction”).

PLEASE TAKE FURTHER NOTICE that, on November 19, 2020 the Bankruptcy Court entered an order [Docket No. 112] (the “Bid Procedures Order”) approving the Bid Procedures set forth in the Bid Procedures and Sale Motion (the “Bid Procedures”), which set the key dates and times related to the sale of the Debtors’ Assets. **All interested bidders should carefully read the Bid Procedures.** To the extent there are any inconsistencies between the Bid Procedures and the summary description of its terms and conditions contained in this notice, the terms of the Bid Procedures shall control.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Bid Procedures, the Debtors must receive a Qualified Bid from interested bidders in writing, on or before **December 11, 2020**

¹ The last four digits of Gorham Paper and Tissue, LLC’s federal taxpayer identification number are 6533. See 11 U.S.C. § 342(c)(1). The last four digits of White Mountain Tissue, LLC’s federal taxpayer identification number are 0078. See *id.* The principal place of business for Gorham Paper and Tissue, LLC and White Mountain Tissue, LLC is 72 Cascade Flats, Gorham, New Hampshire, 03581.

² Capitalized terms not otherwise defined herein shall have the meanings set forth in the Bid Procedures Order and the Bid Procedures, as applicable.

at 4:00 p.m. (prevailing Eastern Time) or such later date as may be agreed to by the Debtors (the “Bid Deadline”). To be considered, Qualified Bids must be sent to the following at or before the Bid Deadline: (a) proposed counsel for the Debtors, Bernstein Shur Sawyer & Nelson, PA, Attn: Sam Anderson (sanderson@bernsteinshur.com) and Adam Prescott (aprescott@bernsteinshur.com) and Polsinelli PC, 222 Delaware Avenue, Suite 1101, Wilmington, Delaware 19801, Attn: Christopher Ward (cward@polsinelli.com) and Shanti M. Katona (skatona@polsinelli.com), and (b) B. Riley Securities, Attn: Matthew Spain (mspain@brileyfin.com) and Dominic Riley (driley@brileyfin.com).

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Bid Procedures, if the Debtors receive one or more Qualified Bids (other than the Stalking Horse Agreement) by the Bid Deadline, the Auction will be conducted **virtually, via Zoom, on December 15, 2020 at 10:00 a.m. (prevailing Eastern Time)**, or at such other place, date and time as may be designated by the Debtors in accordance with the Bid Procedures and the Bid Procedures Order. In addition to the Debtors, B. Riley, the Stalking Horse Bidder, any Qualified Bidder, and their respective counsel, the following parties and/or their counsel shall be entitled to attend the Auction without the need for any further action or notice to the Debtors: (i) the U.S. Trustee, (ii) the Committee, (iii) Zohar Funds, (iv) ARK II, (v) Bank of New Hampshire, (vi) PPAS, (vii) Ankura, (viii) Zohar III, (ix) the Union, and (x) the State of New Hampshire Department of Environmental Services. Any other parties seeking to attend the Auction shall provide notice of their intent to attend to the Debtors not less than two (2) business days prior to the Auction. The Debtors shall provide to all known attendees instructions for attending the Auction via Zoom not less than 24 hours prior to the Auction.

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Bid Procedures, on **November 20, 2020**, the Debtors served notice via overnight delivery and e-mail (if an e-mail address is known) on the Assumed Contract Counterparties to certain Assumed Contracts (the “Cure and Possible Assumption and Assignment Notice Parties”) that may be assumed by the Debtors and assigned to the Stalking Horse Bidder (or its assignee) or other Successful Bidder after the results of the Auction, a copy of which is attached to the Bid Procedures Order as **Exhibit 3**.

PLEASE TAKE FURTHER NOTICE that objections to the cure amount set forth on the Cure and Possible Assumption and Assignment Notice or the possible assignment of its executory contract or unexpired lease, including as to adequate assurance of performance (each, an “Assumed Contract Objection”), **must** (i) be in writing, (ii) comply with the applicable provisions of the Bankruptcy Rules and the Local Rules, (iii) state with specificity the nature of the objection and, if the objection pertains to the proposed cure amount, the correct cure amount alleged by the objecting counterparty, together with any applicable and appropriate documentation in support thereof, and (iv) be filed with the Bankruptcy Court and served on the following parties so as to be actually received on or before **December 4, 2020 at 4:00 p.m. (prevailing Eastern Time)** (the “Assumed Contract Objection Deadline”): (a) proposed counsel for the Debtors, Bernstein Shur Sawyer & Nelson, PA, Attn: Sam Anderson (sanderson@bernsteinshur.com) and Adam Prescott (aprescott@bernsteinshur.com) and Polsinelli PC, 222 Delaware Avenue, Suite 1101, Wilmington, Delaware 19801, Attn: Christopher Ward (cward@polsinelli.com) and Shanti M. Katona (skatona@polsinelli.com), (b) counsel for the DIP Facility Lender and Stalking Horse

Bidder, (i) Pack Law, P.A., 51 Northeast 24th St. Ste 108, Miami, FL 33137 (Attn: Joseph Pack) or joe@packlaw.com, and (ii) Stevens & Lee, P.C., 919 North Market St., Ste 1300, Wilmington, DE 19801 (Attn: Joseph Huston, Jr. and David Giattino) or jhh@stevenslee.com and dwg@stevenslee.com; (c) counsel to the Zohar Funds, Zohar III, ARK II, PPAS, and Ankura, (i) Gibson Dunn & Crutcher, LLP, 1801 California Street, Denver, CO 80202 (Attn: Monica K. Loseman) or mloseman@gibsondunn.com, and (ii) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801 (Attn: Michael Nestor, Ryan Bartley and Shane Reil) or mnestor@ycst.com, rbartley@ycst.com and sreil@ycst.com, and (iii) Cole Schotz P.C., 1325 Avenue of the Americas, 19th Floor, New York, NY 10019 (Attn: Daniel F.X. Geoghan) or dgeoghan@coleschotz.com, and (iv) Cole Schotz P.C., 500 Delaware Ave, Ste 1410, Wilmington, DE 19801 (Attn: Norman L. Pernick) or npernick@coleschotz.com; (d) counsel to BONH, (i) Murtha Cullina, LLP, 99 High St., 20th Floor, Boston, MA 02110-2320 (Attn: Daniel C. Cohn and Jonathan M. Horne) or dcohn@murthalaw.com and jhorne@murthalaw.com and (ii) Gellert Scali Busenkell & Brown, 1201 N. Orange St., Suite 300, Wilmington, DE 19801 (Attn: Michael Busenkell) or mbusenkel@gbbllaw.com; (e) proposed counsel for the Creditors' Committee, (i) Reed Smith LLP, Three Logan Square, 1717 Arch Street, Ste. 3100, Philadelphia, PA 19103 (Attn: Claudia Springer and Derek Baker) or cspringer@reedsmith.com and dbaker@reedsmith.com, and (ii) Reed Smith LLP, 1201 Market St, Ste 1500, Wilmington, DE 19801 (Attn: Mark Eckard) or meckard@reedsmith.com; (f) counsel for the Union, (i) Cohen, Weiss and Simon LLP, 900 Third Ave., 21st Fl, New York, NY 10036 (Attn: Richard M. Seltzer and Melissa S. Woods) or rseltzer@cwsny.com or mwoods@cwsny.com, and (ii) Law Office of Susan Kaufman, 919 N. Market St., Ste. 460, Wilmington, DE 19801 (Attn: Susan E. Kaufman) or skaufman@skaufmanlaw.com; and (g) counsel to the State of New Hampshire Department of Environmental Services, Andrew Helman, Murray Plumb & Murray, 75 Pearl Street, P.O. Box 9785, Portland, ME 04104-5085 or Ahelman@mpmlaw.com (collectively, the "Notice Parties"). Service to the Notice Parties via e-mail shall constitute adequate service unless otherwise stated in the Bid Procedures Order or the Bid Procedures.

PLEASE TAKE FURTHER NOTICE that if, after the Cure and Possible Assumption and Assignment Notice is served, the Stalking Horse Bidder or another Qualified Bidder identifies any other executory contracts and/or unexpired leases that they desire to assume and assign in connection with the Sale that are not on the Cure and Possible Assumption and Assignment Notice, the Debtors shall, if necessary, file and serve via overnight delivery and e-mail (if an e-mail address is known) a supplemental list no later than **December 12, 2020, at 12:00 p.m.**, that (i) identifies previously omitted executory contracts and/or unexpired leases or (ii) modifies the previously stated cure amount for any Assumed Contract on the Cure and Possible Assumption and Assignment Notice, on each of the effected Assumed Contract Counterparties and their counsel of record, if any (each, a "Supplemental Assumption Notice").

PLEASE TAKE FURTHER NOTICE that any objections to the Supplemental Assumption Notice, including as to the cure amounts or adequate assurance of performance by the Stalking Horse Bidder or any Qualified Bidder, must (i) be in writing, (ii) comply with the applicable provisions of the Bankruptcy Rules and the Local Rules, (iii) state with specificity the nature of the objection and, if the objection pertains to the proposed cure amount, the correct cure amount alleged by the objecting counterparty, together with any applicable and appropriate documentation in support thereof, and (iv) be filed with the Bankruptcy Court and served on the

Notice Parties as to be actually received on or before **December 17, 2020 at 4:00 p.m. (prevailing Eastern Time)**.

PLEASE TAKE FURTHER NOTICE THAT to the extent of any further alterations to the Cure and Possible Assumption and Assignment Notices and Supplemental Assumption Notice, on or before **December 14, 2020, at 4:00 p.m. (prevailing Eastern Time)**, the Stalking Horse Bidder shall file and serve notice of any additional Assumed Contracts, and any other Qualified Bidder except for the Stalking Horse Bidder shall file and serve notice of addition or removal of any other Assumed Contract(s) (the “Final Assumed Contract Notice”). Any objection of an Assumed Contract Counterparty to the Final Assumed Contract Notice **must** (i) be in writing, (ii) comply with the applicable provisions of the Bankruptcy Rules and the Local Rules, (iii) state with specificity the nature of the objection and, if the objection pertains to the proposed cure amount, the correct cure amount alleged by the objecting counterparty, together with any applicable and appropriate documentation in support thereof, and (iv) be filed with the Bankruptcy Court and served on the Notice Parties as to be actually received **on or before five (5) business days after service of the Final Assumed Contract Notice**.

PLEASE TAKE FURTHER NOTICE that objections to the relief requested in the Bid Procedures and Sale Motion relating to the Sale, other than regarding events at the Auction (each, a “Sale Objection”) must: (i) be in writing, (ii) comply with the Bankruptcy Rules and the Local Rules, (iii) be filed with the Bankruptcy Court, and (iv) be served so it is actually received no later than **4:00 p.m. (prevailing Eastern Time) on December 9, 2020** by the Notice Parties.

PLEASE TAKE FURTHER NOTICE that objections regarding any events at the Auction, including as to the selection of the Successful Bidder (each, an “Auction Objection”) must: (i) be in writing, (ii) comply with the Bankruptcy Rules and the Local Rules, (iii) be filed with the Bankruptcy Court, and (iv) be served so it is actually received no later than **4:00 p.m. (prevailing Eastern Time) on December 17, 2020** by the Notice Parties.

PLEASE TAKE FURTHER NOTICE that a hearing will be held to approve the sale of the Assets to the Successful Bidder (the “Sale Hearing”) before the Honorable Karen B. Owens, U.S. Bankruptcy Court for the District of Delaware, via Zoom and telephone, on **December 18, 2020 at 11:00 a.m. (prevailing Eastern Time)**, or at such time thereafter as counsel may be heard or at such other time as the Bankruptcy Court may determine. The Sale 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 on the date scheduled for the Sale Hearing or on the agenda for such Sale Hearing.

PLEASE TAKE FURTHER NOTICE that a party’s failure to timely file a Sale Objection or Auction Objection shall forever bar the assertion, at the applicable Sale Hearing or otherwise, of any objection to the relief requested in the Bid Procedures and Sale Motion, or to the consummation of the Sale and the performance of the related transactions, including the transfer of the Assets to the applicable Successful Bidder(s), free and clear of all liens, claims, interests, and encumbrances pursuant to § 363(f) of the Bankruptcy Code, and shall be deemed to be a “consent” for purposes of § 363(f) of the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE that the Debtors are seeking to waive the fourteen-day stay period under Bankruptcy Rules 6004(h) and 6006(d) in order for the Sale to close immediately upon entry of the Sale Order by this Court.

PLEASE TAKE FURTHER NOTICE that this notice is subject to the full terms and conditions of the Bid Procedures and Sale Motion, the Bid Procedures Order and the Bid Procedures, which shall control in the event of any conflict, and the Debtors encourage parties in interest to review such documents in their entirety. A copy of the Bid Procedures and Sale Motion, the Bid Procedures and the Bid Procedures Order may be obtained for free by accessing the website of the Debtors' noticing agent, Donlin, Recano & Company, Inc., located at <https://www.donlinrecano.com/Clients/gpt/Index>.

Dated: November 23, 2020
Wilmington, Delaware

Respectfully submitted,

POLSINELLI PC

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