

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

In re

Klausner Lumber Two LLC,

Debtor.¹

Chapter 11

Case No. 20-11518-KBO

Ref. D.I. 421

**NOTICE OF PROPOSED SALE OF ASSETS, BIDDING
PROCEDURES, AUCTION, AND SALE HEARING**

PLEASE TAKE NOTICE that the above-captioned debtor and debtor-in-possession (the “Debtor”) filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), on June 10, 2020 (the “Petition Date”), in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). The Debtor is seeking to sell (the “Sale”) the Assets free and clear of all liens, claims, encumbrances, and other interests.

PLEASE TAKE FURTHER NOTICE that by order dated November 19, 2020 [D.I. 421] (the “Bidding Procedures Order”),² the Bankruptcy Court approved certain “Bidding Procedures” that govern the Sale. All interested parties should carefully read the Bidding Procedures Order and the Bidding Procedures. Copies of the Bidding Procedures Order and the Bidding Procedures are available upon request to the Debtor’s claims and noticing agent Donlin, Recano & Company, Inc., 6201 15th Avenue, Brooklyn, NY 11219, and are available for download at <https://www.donlinrecano.com/Clients/k2/Index> (the “Case Website”) or by calling Donlin Recano & Company, Inc. at 1 (800) 903-3727. A separate notice will be provided to counterparties to executory contracts and unexpired leases with the Debtor that may be assumed and assigned in connection with the Sale. **Any interested bidder should contact the Debtor’s investment banking advisor, Cypress Associates, LLC, 52 Vanderbilt Avenue, Suite 501, New York, NY 10017, Attn: J.T. Atkins (jta@cyprs.com).**

- The deadline to submit any bid for any Assets is **December 4, 2020 at 5:00 p.m. (ET).**
- Any objections to the Sale or the relief requested in connection with the Sale (a “Sale Objection”), other than a Contract Objection, which shall be governed by the Assumption and Assignment Procedures, must: (a) be in writing; (b) comply with the Bankruptcy Rules and the Local Rules; (c) set forth the specific basis for the Sale Objection; (d) be filed with the Clerk of this Court, 824 N. Market Street, 3rd Floor, Wilmington, Delaware 19801, together with proof of service, **on or before 4:00 p.m. (ET) on December 14, 2020** (the “Sale Objection Deadline”); and (e) be served, upon the Objection Notice Parties. The “Objection Notice Parties” are as follows: (i) counsel to the Debtor, Westerman Ball Ederer Miller Zucker & Sharfstein, LLP, 1201 RXR Plaza, Uniondale, NY 11556 (Attn: Thomas A. Draghi, Esq. (tdraghi@westermanllp.com), and Alison M. Ladd, Esq. (aladd@westermanllp.com); and Morris, Nichols, Arsht & Tunnell LLP, 1201 North Market Street, Wilmington, DE 19801, Attn: Daniel B. Butz, Esq. (dbutz@mnat.com), and Nader Amer, Esq.; (ii) counsel to the Committee, Elliott Greenleaf, P.C., 1105 Market Street, Ste 1700, Wilmington, DE 19801, Attn: Eric M. Suttly

¹ The last four digits of the Debtor’s federal EIN are 4897. The Debtor’s mailing address is P.O. Box C, Redding Ridge, CT 06876.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Bidding Procedures Order.

(ems@elliottgreenleaf.com), (iii) counsel to the DIP Lender, Legalist DIP SPV I, LP, 10120 West Flamingo Road, Suite 4, Box 3015, Las Vegas, NV 89147, Attn: Brian T. Rice (Brian.rice@legalist.com); (iv) the Office of the United States Trustee for the District of Delaware, 855 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801 (Attn: Rosa Sierra (rosa.sierra@usdoj.gov)); and (v) counsel to the Stalking Horse Purchaser, Hogan Lovells US LLP, 390 Madison Avenue, New York, NY 10017 (Attn: Christopher R. Bryant (chris.bryant@hoganlovells.com)).

- An auction for the Assets, unless cancelled or adjourned in accordance with the Bidding Procedures Order, will be held on **December 10, 2020 at 10:00 a.m. (ET)** virtually (by videoconference and/or audioconference, in the Debtor's sole discretion). Only the Debtor, the Auction Bidders, the Consultation Parties, the U.S. Trustee and creditors of the Debtor, together with the professional advisors to each of the foregoing parties, may attend the Auction; provided that any such creditors provide counsel for the Debtor one (1) day's prior written notice of their intent to attend the Auction.
- Unless adjourned in accordance with the Bidding Procedures Order, the Bankruptcy Court will conduct a hearing (the "**Sale Hearing**") to consider the Sale on **December 17, 2020 at 10:00 a.m. (ET) at the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 6th Floor, Courtroom #3, Wilmington Delaware 19801.**

PLEASE TAKE FURTHER NOTICE THAT IF A SALE OBJECTION IS NOT FILED AND SERVED ON OR BEFORE THE SALE OBJECTION DEADLINE IN ACCORDANCE WITH THE BIDDING PROCEDURES ORDER, THE OBJECTING PARTY MAY BE BARRED FROM OBJECTING TO THE SALE AND BEING HEARD AT THE SALE HEARING, AND THE BANKRUPTCY COURT MAY ENTER THE SALE ORDER WITHOUT FURTHER NOTICE TO SUCH PARTY.

Dated: November 20, 2020
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/Nader A. Amer

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