

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

In re

KLAUSNER LUMBER ONE, LLC

Debtor.¹

Chapter 11

Case No. 20-11033 (KBO)

Ref. Docket No. 52, 130, 140

**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 April 30, 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”) all or substantially all of its assets (the “Assets”), free and clear of all liens, claims, encumbrances, and other interests.

PLEASE TAKE FURTHER NOTICE that by order dated June 8, 2020 [D.I. 140] (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., at klausnerinfo@donlinrecano.com, and are available for download at <https://www.donlinrecano.com/Clients/klo/Index> (the “Case Website”) or by calling the Debtor’s claims and noticing agent, 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 Advisers, LLC, 52 Vanderbilt Avenue, Suite 501, New York, NY 10017, Attn: J.T. Atkins (jta@cyprs.com).**

- The deadline to submit a stalking horse bid for any Assets is **June 18, 2020 at 5:00 p.m. (ET)**, provided that the Debtor, with the agreement of the Consultation Parties, may extend the Stalking Horse Bid Deadline through June 22, 2020, without further order of the Court.
- The deadline to submit any other bid for any Assets is **July 13, 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, and the Stalking Horse Objection 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 July 16, 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 A. Amer, Esq.; (ii) proposed counsel to the

¹ The last four digits of the Debtor’s federal EIN are 9109. The Debtor’s mailing address is Klausner Lumber One LLC, P.O. Box 878, Middleburg, VA 20118.

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

Committee, Foley & Lardner LLP, 90 Park Avenue, New York, NY 10016, Attn: Richard J. Bernard, Esq. (rbernard@foley.com) and Alissa M. Nann, Esq. (anann@foley.com) and Morris James LLP, 500 Delaware Avenue, Suite 1500, Wilmington, DE 19801, Attn: Eric J. Monzo, Esq. (emonzo@morrisjames.com) and Brya M. Keilson, Esq. (bkeilson@morrisjames.com); (iii) counsel to the DIP Lender, Vedder Price, P.C., 222 North LaSalle Street, Chicago, IL, Attn: Michael M. Eidelman, Esq. (meidelman@vedderprice.com), and David L. Kane, Esq. (dkane@vedderprice.com), and Potter Anderson & Corroon LLP, 1313 N. Market Street, 6th Floor, Wilmington, DE 19801, Attn: Jeremy W. Ryan, Esq. (jryan@potteranderson.com), and D. Ryan Slaugh, Esq. (rslaugh@potteranderson.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, if any.

- An auction for the Assets, unless cancelled or adjourned in accordance with the Bidding Procedures Order, will be held on **July 17, 2020 at 10:00 a.m. (ET)**, at the offices of Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, Wilmington, DE 19801. 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 **July 23, 2020 at 10:30 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: June 15, 2020
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Daniel B. Butz

Robert J. Dehney (No. 3578)

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