

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW HAMPSHIRE**

In re:)	Chapter 11
)	
The Prospect-Woodward Home)	Case No. 21-10523-BAH
dba Hillside Village,)	
)	
Debtor. ¹)	
)	

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

PLEASE TAKE NOTICE that on August 30, 2021, The Prospect-Woodward Home, as debtor and debtor-in-possession (the “Debtor”) in the above-captioned case (the “Bankruptcy Case”), filed a *Motion of the Debtor for Entry of (I) an Order (A) Approving Bid Procedures in Connection with the Sale of Substantially All of the Debtor’s Assets, (B) Approving the Form and Manner of Notice thereof, (C) Scheduling an Auction and Sale Hearing, (D) Approving Procedures for the Assumption and Assignment of Contracts, and (E) Granting Related Relief; and (II) an Order (A) Approving the Asset Purchase Agreement Between the Debtor and the Successful Bidder, and (B) Authorizing the Sale of Substantially All of the Debtor’s Assets Free and Clear of Liens, Claims, Encumbrances, and Interests, (C) Authorizing the Assumption and Assignment of Contracts, and (D) Granting Related Relief* [Docket No. 10] (the “Bid Procedures and Sale Motion”).² The Debtor seeks to complete a sale (the “Transaction”) of substantially all its assets (the “Assets”) to a prevailing bidder or bidders (the “Successful Bidder”) at an auction (the “Auction”) free and clear of all liens, claims, encumbrances and other interests pursuant to Bankruptcy Code section 363.

PLEASE TAKE FURTHER NOTICE that, on September 21, 2021 the Bankruptcy Court entered an order [Docket No. 206] (the “Bid Procedures Order”) approving the bidding 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 Debtor’s Assets under the asset purchase agreement with the Successful Bidder. **All interested bidders should carefully read the Bid Procedures.** To the extent that 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. Pursuant to the Bid Procedures Order, the Debtor has entered into an Asset Purchase Agreement (the “Stalking Horse Agreement”) for the sale of substantially all of the Debtor’s assets to Covenant Living Communities and Services (the “Stalking Horse”) subject to competitive bidding as set forth in the Bid Procedures Order.

¹ The last four digits of the Debtor’s federal taxpayer identification are 2146. The address of the Debtor’s headquarters is 95 Wyman Road, Keene, New Hampshire 03431.

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Bid Procedures and Sale Motion.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Bid Procedures, the Debtor must receive a Qualified Bid from interested bidders in writing, on or before October 29, 2021, or such later date as may be agreed to by the Debtor (the “Bid Deadline”). To be considered, Qualified Bids must be sent to the following at or before the Bid Deadline: (a) counsel for the Debtor, (i) Polsinelli PC, 600 Third Avenue, 42nd Floor, New York, New York 10016, Attn: Jeremy R. Johnson (jeremy.johnson@polsinelli.com) and Attn: Stephen J. Astringer (sastringer@polsinelli.com), and (ii) Hinckley, Allen & Snyder LLP, 650 Elm Street, Manchester, New Hampshire 03101, Attn: Daniel M. Deschenes (ddeschenes@hinckleyallen.com) and 28 State Street, Boston, Massachusetts 02109, Attn: Jennifer V. Doran (jdoran@hinckleyallen.com); (b) broker for the Debtor, Grandbridge Real Estate Capital LLC, 1408 North Westshore Boulevard, Suite 910, Tampa, Florida 33607, Attn: David Kliewer (david.kliewer@grandbridge.com); (c) counsel for the Bond Trustee, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, Massachusetts 02111, Attn: Daniel S. Bleck (dsbleck@mintz.com); (d) counsel for the Committee, (i) Perkins Coie LLP, 131 S. Dearborn Street, Suite 1700, Chicago, Illinois 60603, Attn: Eric E. Walker (ewalker@perkinscoie.com), and (ii) McLane Middleton, 900 Elm Street, Manchester, New Hampshire 03101, Attn: Joseph A. Foster (joe.foster@mcclane.com); and (e) counsel for Savings Bank of Walpole, Devine, Millimet & Branch, Professional Association, 111 Amherst Street, Manchester, New Hampshire 03101, Attn: Charles R. Powell (cpowell@devinemillimet.com).

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Bid Procedures, if the Debtor receives one or more Qualified Bids (other than the Credit Bid) by the Bid Deadline, the Auction will be conducted on **November 3, 2021 at 10:00 a.m.** (prevailing Eastern Time) at Hinckley, Allen & Snyder LLP, 28 State Street, Boston, Massachusetts 02109, or at such other place, date and time as may be designated by the Debtor. The Debtor may conduct the Auction remotely to the extent necessary to comply with applicable COVID-19 health guidelines.

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Bid Procedures, the Debtor has designated certain Assigned Contracts that may be assumed or assumed and assigned to the Successful Bidder. By **September 24, 2021**, the Debtor shall send a notice to each counterparty to an Assigned Contract setting forth the Debtor’s calculation of the cure amount, if any, that would be owing to such counterparty if the Debtor decided to assume or assume and assign such Assigned Contract, and alerting such non-debtor party that its contract may be assumed and assigned to the Successful Bidder (the “Cure and Possible Assumption and Assignment Notice”).

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Bid Procedures, any counterparty that objects to the cure amount set forth in the Cure and Possible Assumption and Assignment Notice or the possible assignment of its Assigned Contract(s) must file with the Bankruptcy Court and serve an objection (a “Cure or Assignment Objection”) so that it is actually received on or before **4:00 p.m. ET on October 15, 2021** by (a) counsel for the Debtor, (i) Polsinelli PC, 600 Third Avenue, 42nd Floor, New York, New York 10016, Attn: Jeremy R. Johnson (jeremy.johnson@polsinelli.com) and Attn: Stephen J. Astringer (sastringer@polsinelli.com), and (ii) Hinckley, Allen & Snyder LLP, 650 Elm Street,

Manchester, New Hampshire 03101, Attn: Daniel M. Deschenes (ddeschenes@hinckleyallen.com) and 28 State Street, Boston, Massachusetts 02109, Attn: Jennifer V. Doran (jdoran@hinckleyallen.com); (b) counsel for the Bond Trustee, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, Massachusetts 02111, Attn: Daniel S. Bleck (dsbleck@mintz.com); (c) counsel for the Committee, (i) Perkins Coie LLP, 131 S. Dearborn Street, Suite 1700, Chicago, Illinois 60603, Attn: Eric E. Walker (ewalker@perkinscoie.com), and (ii) McLane Middleton, 900 Elm Street, Manchester, New Hampshire 03101, Attn: Joseph A. Foster (joe.foster@mclane.com); (d) counsel for Savings Bank of Walpole, Devine, Millimet & Branch, Professional Association, 111 Amherst Street, Manchester, New Hampshire 03101, Attn: Charles R. Powell (cpowell@devinemillimet.com); (e) the Office of the United States Trustee for the District of New Hampshire, James C. Cleveland Building, 53 Pleasant Street, Suite 2300, Concord, NH 03301, Attn: Kimberly Bacher (Kimberly.Bacher@usdoj.gov) (d) the Office of the United States Trustee for the District of New Hampshire; and (f) the Clerk of the Bankruptcy Court for the District of New Hampshire (collectively, the “Notice Parties”). Where a counterparty to an Assigned Contract files a timely Cure or Assignment Objection asserting a higher cure amount than the amount listed in the Cure and Possible Assumption and Assignment Notice, or an objection to the possible assignment of that counterparty’s Assigned Contract, and the parties are unable to consensually resolve the dispute, the amount to be paid under Bankruptcy Code section 365 (if any) or, as the case may be, the Debtor’s ability to assign the Assigned Contract to the Successful Bidder will be determined at the Sale Hearing (as defined below).

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Bid Procedures, if a Contract Counterparty does not make an Adequate Assurance Objection prior to or at the Sale Hearing, such party will be forever barred from objecting to the adequacy of the assurance provided by the Successful Bidder. Where a Contract Counterparty makes an Adequate Assurance Objection prior to or at the Sale Hearing, and the parties are unable to consensually resolve the dispute, the adequacy of the assurance provided by the Successful Bidder will be determined at the Sale Hearing.

PLEASE TAKE FURTHER NOTICE that a hearing will be held to approve the sale of the Assets to the Successful Bidder (the “Sale Hearing”) at the Bankruptcy Court on **November 8, 2021 at 9:30 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. Objections to the sale of the Assets to the Successful Bidder must be filed and served so that they are received no later than **October 29, 2021 at 4:00 p.m. (prevailing Eastern Time)** by the Notice Parties. Any Contract Counterparty that objects to the adequacy of the assurance set forth in the Assumption Notice must file an objection (an “Adequate Assurance Objection”) with the Bankruptcy Court prior to the Sale Hearing, or note its Adequate Assurance Objection at the Sale Hearing.

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 Debtor encourages parties in

interest to review such documents in their entirety. A copy of the Bid Procedures and Sale Motion, the Stalking Horse Agreement, the Bid Procedures and the Bid Procedures Order may be obtained (a) upon request to Donlin, Recano & Company, Inc. (the notice and claims agent retained in the Chapter 11 Case) by calling (877) 739-9997; (b) by visiting the website maintained in the Chapter 11 Case at <https://www.donlinrecano.com/hvk> or (c) for a fee via PACER by visiting <https://ecf.nhb.uscourts.gov/>.

Dated September 24, 2021

/s/ *Stephen J. Astringer*

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