



Honorable Mike K. Nakagawa
United States Bankruptcy Judge



Entered on Docket
November 06, 2020

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re

RED ROSE, INC.,

- Affects Beachhead Roofing and Supply, Inc.
- Affects California Equipment Leasing Association, Inc.
- Affects Fences 4 America, Inc.
- Affects James Petersen Industries, Inc.
- Affects PD Solar, Inc.
- Affects Petersen Roofing and Solar LLC
- Affects Petersen-Dean, Inc.
- Affects PetersenDean Hawaii LLC
- Affects PetersenDean Roofing and Solar Systems, Inc.
- Affects PetersenDean Texas, Inc.
- Affects Red Rose, Inc.
- Affects Roofs 4 America, Inc.
- Affects Solar 4 America, Inc.
- Affects Sonoma Roofing Services, Inc.
- Affects TD Venture Fund, LLC
- Affects Tri-Valley Supply, Inc.
- Affects All Debtors

Case No. BK-S-20-12814-mkn

- Jointly Administered with
- Case No. BK-S-20-12815-mkn
 - Case No. BK-S-20-12816-mkn
 - Case No. BK-S-20-12818-mkn
 - Case No. BK-S-20-12819-mkn
 - Case No. BK-S-20-12820-mkn
 - Case No. BK-S-20-12821-mkn
 - Case No. BK-S-20-12822-mkn
 - Case No. BK-S-20-12823-mkn
 - Case No. BK-S-20-12824-mkn
 - Case No. BK-S-20-12825-mkn
 - Case No. BK-S-20-12826-mkn
 - Case No. BK-S-20-12827-mkn
 - Case No. BK-S-20-12829-mkn
 - Case No. BK-S-20-12831-mkn
 - Case No. BK-S-20-12833-mkn

Chapter 11

ORDER PURSUANT TO SECTIONS 105(a), 363, 365, 503 AND 507 OF THE BANKRUPTCY CODE AND RULES 2002, 6004, 6006, 9007, 9008 AND 9014 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE APPROVING AND AUTHORIZING (A) BIDDING PROCEDURES IN CONNECTION WITH THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS; (B) FORM AND

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MANNER OF NOTICE OF THE SALE HEARING; AND (C) RELATED RELIEF

Hearing Date: November 5, 2020
Hearing Time: 1:30 p.m.

The Court, having reviewed and considered the motion (“**Motion**”)¹ of Beachhead Roofing & Supply, Inc.; California Equipment Leasing Association, Inc.; Fences 4 America, Inc.; James Petersen Industries, Inc.; PD Solar, Inc.; Petersen Roofing and Solar LLC; Petersen-Dean, Inc.; PetersenDean Hawaii LLC; PetersenDean Roofing and Solar Systems, Inc.; PetersenDean Texas, Inc.; Red Rose, Inc.; Roofs 4 America, Inc.; Solar 4 America, Inc.; Sonoma Roofing Services, Inc.; TD Venture Fund, LLC; and Tri-Valley Supply, Inc. (collectively, the “**Debtors**”), debtors and debtors in possession in the above-referenced cases (the “**Chapter 11 Cases**”), pursuant to sections 105(a), 363, 365, 503 and 507 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rules 2002, 6004, 6006, 9007, 9008 and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rules 2002, 6004, 6006 and 9014 of the Local Rules of Bankruptcy Practice for the United States District Court for the District of Nevada (the “**Local Rules**”); for an order (the “**Order**”) approving and authorizing (a) bidding procedures (the “**Bidding Procedures**”) in connection with the sale of substantially all of the operating assets of Debtors (the “**Assets**”), (b) stalking horse bid protections; (c) the form and manner of notice of the Sale Hearing (the “**Sale Notice**”), and (d) other related relief, all as more fully described in the Motion; the Court has determined that it has jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; that consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion was provided under the circumstances of the Chapter 11 Cases, and it appearing that no other or further notice need be provided; that a hearing was held on the Motion on November 5, 2020, and the Court heard and considered all declarations filed in support of the Motion as well as argument presented at the hearing

¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the Motion.

1 and having determined that the relief sought in the Motion is in the best interests of the Debtors, their
2 creditors, and all parties in interest; and the Court having determined that the legal and factual bases
3 set forth in the Motion establish just cause for the relief granted herein; and upon all of the
4 proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

5 **THE COURT FINDS AND DETERMINES THAT:²**

6 A. **Bidding Procedures.** The Debtors have articulated good and sufficient reasons for
7 authorizing and approving the Bidding Procedures attached as **Exhibit 1** hereto (the “**Bidding**
8 **Procedures**”), which are fair, reasonable and appropriate under the circumstances and represent the
9 best method for maximizing the recovery on, and realizable value of, some or substantially all of the
10 Debtors’ assets, other than certain Excluded Assets (as defined in the Motion) (the “**Assets**”).

11 B. **Assumption and Assignment and Notice of Proposed Cure Payments.** The
12 Motion, this Order, the Contract Notice attached hereto as **Exhibit 2** and the assumption and/or
13 assumption and assignment procedures set forth herein are reasonably calculated to provide
14 counterparties to the Assigned Contracts and Assigned Leases with proper notice of the intended
15 assumption and/or assumption and assignment of their executory contracts or unexpired leases, any
16 Cure Amounts relating thereto and the assumption and/ or assumption and assignment procedures;
17 provided that the mere listing of any Contract or Lease on the Contract Notice does not require or
18 guarantee that such Contract or Lease will be assumed and assigned, and all rights of the Debtors
19 with respect to such Contracts and Leases are reserved.

20 C. **Sale Notice.** The Sale Notice, substantially in the form attached hereto as **Exhibit 3**
21 is reasonably calculated to provide all interested parties with timely and proper notice of the proposed
22 Sale, including, without limitation: (i) the date, time and place of the Auction (if one is held); (ii) the
23 Bidding Procedures and the dates and deadlines related thereto; (iii) the objection deadline for the
24 sale motion and the date, time and place of the Sale Hearing; (iv) reasonably specific identification

25 _____
26 ² The findings and conclusions set forth herein constitute the Court’s findings of fact and
27 conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to
28 Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions
of law, they are adopted as such. To the extent that any of the following conclusions of law constitute
findings of fact, they are adopted as such.

1 of the Acquired Assets; (v) instructions for promptly obtaining a copy of the Stalking Horse
2 Agreement; (vi) representations describing the sales as being subject to the DIP Factoring and DIP
3 Liens, but otherwise free and clear of liens, claims, interests and other encumbrances, with all such
4 liens, claims, interests and other encumbrances attaching with the same validity and priority to the
5 sale proceeds; (vii) the commitment, subject to the closing of the Sale by the Stalking Horse Bidder
6 (or another Successful Bidder (or Successful Bidders) arising from the Auction, if any) to assume
7 certain specified liabilities of the Debtors; and (viii) notice of the proposed assumption and
8 assignment of Contracts and Leases to the Stalking Horse Bidder pursuant to the Stalking Horse
9 Agreement (or to another Successful Bidder (or Successful Bidders) arising from the Auction, if any),
10 the proposed cure amounts relating thereto and the procedures and deadlines for objecting thereto,
11 and no other or further notice of the Sale is necessary or shall be required.

12 D. The proposed sale of the Assets is consistent with section 363 of the Bankruptcy Code.

13 **NOW, THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED THAT:**

- 14 1. The Motion is GRANTED.
- 15 2. All objections to the relief requested in the Motion that have not been withdrawn,
16 waived or settled as announced to the Court at the hearing on the Motion or by stipulation filed with
17 the Court, are overruled; except for the Objections filed by Zions Bancorporation, N.A. ("ZBNA")
18 which are resolved by the inclusion of Paragraph 21 in this Order below."

19 **I. Important Dates and Deadlines**

- 20 3. **Sale Hearing. December 22, 2020 at 9:30 p.m. (PST)**, is the date and time the sale
21 hearing (the "Sale Hearing") will be held via Zoom before the Honorable Mike K. Nakagawa, United
22 States Bankruptcy Judge for the District of Nevada, in Courtroom 2 at the U.S. Bankruptcy Court for
23 the District of Nevada, located at 300 S. Las Vegas Blvd, Las Vegas, Nevada 89101. At the Sale
24 Hearing, the Debtors will seek the entry of an order of this Court approving and authorizing the Sale
25 to the Stalking Horse Bidder or the Successful Bidder (or Successful Bidders) (if other than the
26 Stalking Horse Bidder), as applicable. Any obligations of the Debtors set forth in the Stalking Horse
27 Agreement that are intended to be performed prior to the Sale Hearing and/or entry of the Sale Order
28 pursuant to the Stalking Horse Agreement are authorized as set forth herein and are fully enforceable

1 as of the date of entry of this Order.

2 4. The Sale Hearing (or any portion thereof) may be adjourned by this Court or the
 3 Debtors from time to time without further notice other than by announcement in open court, on this
 4 Court’s calendar or through the filing of a notice or other document on this Court’s docket. If there
 5 is no Auction, the Debtors and the Stalking Horse Bidder may proceed to the consummation of the
 6 transaction contemplated by the Stalking Horse Agreement.

7 5. **Sale Objection Deadline**. **December 18, 2020 at 11:00 p.m. (PST)**, is the deadline
 8 to object to the relief requested in the Motion, including as to how the Auction was conducted and
 9 the ability of the Successful Bidder (other than the Stalking Horse Bidder) to provide adequate
 10 assurance of future performance (the “**Sale Objection Deadline**”). Objections, if any, must: (i) be
 11 in writing; (ii) conform to the applicable provisions of the Bankruptcy Rules and the Local Rules;
 12 (iii) state with particularity the legal and factual basis for the objection and the specific grounds
 13 therefor; and (iv) be filed with this Court and served so actually received no later than the Sale
 14 Objection Deadline by (A) all parties that have requested or that are required to receive notice
 15 pursuant to Bankruptcy Rule 2002 and (B) the following parties (the “**Notice Parties**”):

Debtors	Counsel to Debtors
Petersen-Dean, Inc. 4309 Hacienda Drive, Suite 350 Pleasanton CA 94588	Brett A. Axelrod, Esq. FOX ROTHSCHILD LLP 1980 Festival Plaza Drive, Suite 700 Las Vegas, Nevada 89135 Facsimile: (702) 597-5503 Email: baxelrod@foxrothschild.com
Stalking Horse Bidder	Counsel to Stalking Horse Bidder
ACF FinCo I, LP 560 White Plains Road, Suite 400 Tarrytown NY 10591	Gregory E. Garman, Esq. GARMAN TURNER GORDON 7251 Amigo Street, Suite 210 Las Vegas, NV 89119 Facsimile: (725) 777-3112 Email: ggarman@gtg.legal
DIP Factor	Counsel to DIP Factor
LS DE LLC and LSQ Funding Group, L.C. 315 E. Robinson St., Suite 200 Orlando FL 32801 Attn: Douglas Goldin, General Counsel Email: dgoldin@lsq.com	Steven N. Kurtz, Esq. LEVINSON ARSHONSKY & KURTZ, LLP Ventura Blvd., Suite 1650, Sherman Oaks, CA 91403 Email: skurtz@laklawyers.com

Office of United States Trustee	Counsel to Committee
Edward M. McDonald, Jr. Trial Attorney for Tracy Hope Davis 300 Las Vegas Blvd. So., Suite 4300 Las Vegas, NV 89101 Facsimile: (702) 388-6658 Email: Edward.M.McDonald@usdoj.gov	Max Schlan, Esq. BROWN RUDNICK LLP Seven Times Square New York, NY 10036 Facimile: (212) 938-2939 Email: mschlan@brownrudnick.com

6. The failure to timely file an objection by the Sale Objection Deadline shall forever bar the assertion of any objection to the Motion, entry of the Sale Order and/or consummation of the Sale, and the failure to timely file an objection shall be deemed to constitute any such party’s consent to entry of the Sale Order and consummation of the Sale and all transactions related thereto.

7. **Sale Brief Deadline. December 16, 2020 at 11:00 p.m. (PST)**, is the deadline for the Debtors to file any brief in support of the Sale.

8. **Sale Reply Deadline. December 21, 2020 at 4:00 p.m. (PST)**, is the deadline for the Debtors, the Stalking Horse Bidder and other parties in interest to file replies to any timely-filed objection to entry of the Sale Order with this Court.

9. **Competitive Bidding.** The following dates and deadlines regarding competitive bidding are hereby established (subject to modification as needed):

a. **Bid Deadline: December 11, 2020 at 4:00 p.m. (PST)**, is the deadline by which all “Qualified Bidders” (as defined in the Bidding Procedures) must submit Bids so as to be actually received by the parties specified in the Bidding Procedures (the “**Bid Deadline**”); and

b. **Auction: December 14, 2020 at 9:00 a.m. (PST)**, is the date and time of the Auction, if one is needed, which will be held via Zoom at the offices of counsel to the Debtors: Fox Rothschild LLP, 1980 Festival Plaza Drive, Suite 700, Las Vegas, Nevada 89135.

II. Bidding Procedures and Related Relief

10. The Bidding Procedures, substantially in the form annexed hereto as Exhibit 1 and incorporated by reference as though fully set forth herein, are hereby approved in their entirety. The Bidding Procedures shall govern the submission, receipt and analysis of all bids relating to the proposed Sale, and any party desiring to submit a higher or better offer for the Assets shall do so strictly in accordance with the terms of the Bidding Procedures and this Order. The Debtors are

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1 authorized to take any and all actions necessary or appropriate to implement the Bidding Procedures.

2 11. No person or entity shall, pursuant to the Bidding Procedures or otherwise, be entitled
3 to any expense reimbursement, break-up fees, “topping,” termination or other similar fee or payment
4 in connection with the sale of the Acquired Assets pursuant to the terms of this Order.

5 12. The Stalking Horse Bidder is a Qualified Bidder and the Stalking Horse Agreement
6 constitutes a Qualified Bid. As described in the Bidding Procedures, if the Debtors do not receive
7 any Qualified Bids other than from the Stalking Horse Bidder pursuant to its Stalking Horse
8 Agreement, the Debtors will not hold the Auction, the Stalking Horse Bidder will be named the
9 Successful Bidder and the Debtors will seek approval of the Stalking Horse Agreement in connection
10 with the Sale Hearing. If one or more Qualified Bidders timely submits a Qualified Bid (other than
11 the Stalking Horse Bidder) in accordance with the Bidding Procedures, the Debtors may conduct the
12 Auction as set forth herein.

13 13. If the Auction is conducted, each Qualified Bidder participating in the Auction shall
14 be required to confirm that it has not engaged in any collusion with respect to the bidding process or
15 the Sale, the Auction will be conducted openly and the Auction shall be transcribed or videotaped.

16 14. By midnight prevailing Pacific Time on the date that the Auction concludes, the
17 Debtors will file with the Bankruptcy Court a notice of the Debtors’ selection of the Successful
18 Bidder(s).

19 **III. Assumption and Assignment Procedures**

20 15. The following procedures regarding the assumption and assignment of certain
21 executory contracts and unexpired leases in connection with the Sale are hereby approved to the
22 extent set forth herein, and shall govern the assumption and assignment of all executory contracts and
23 unexpired leases proposed to be assumed by the Debtors pursuant to section 365(b) of the Bankruptcy
24 Code or assumed and assigned to the Stalking Horse Bidder (or other Successful Bidder (or
25 Successful Bidders) following the Auction, if any) pursuant to section 365(f) of the Bankruptcy Code
26 under the Stalking Horse Agreement (collectively, the “Assigned Contracts” and “Assigned
27 Leases”):
28

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1 a. **Designation Deadline.** In its discretion by written notice to the Debtors, (i) the
2 Stalking Horse Bidder, in accordance with the Stalking Horse Agreement, may add any Contracts or
3 Leases as assigned Contracts or Leases, and such Contracts or Leases shall constitute Assigned
4 Contracts or Assigned Leases provided that the Stalking Horse Bidder shall, subject to the closing of
5 the Sale, be responsible for any cure related to the addition of those Assigned Contracts or Assigned
6 Leases, pursuant to Bankruptcy Code section 365 and (ii) each Qualified Bidder at any time no later
7 than 4:00 p.m. (prevailing Pacific Time) on December 11, 2020 shall identify the Contracts and
8 Leases to be Assigned Contracts and Assigned Leases. Until the closing of the Sale, any Contract or
9 Lease may be removed from the list of designated Assigned Contracts and Assigned Leases with the
10 consent or at the direction of the Stalking Horse Bidder or any other Successful Bidder, and thereafter
11 such Contract or Lease may be rejected by the Debtors.

12 b. **Notices for Assigned Contracts and Assigned Leases.** As soon as practicable, the
13 Debtors shall serve on all non-Debtor counterparties (the “Contract Notice Parties”) to any Contract
14 or Lease that is capable of being assumed and assigned to a Successful Bidder, a “Contract Notice”
15 in the form attached hereto as Exhibit D that identifies, to the extent applicable (a) the Contract or
16 Lease that may be an Assigned Contract or Assigned Lease, (b) the name of the counterparty to such
17 Contract or Lease, (c) any applicable cure amount for such Contract or Lease if it becomes an
18 Assigned Contract or Assigned Lease, and (d) the deadline of **5:00 p.m. on November 30, 2020**
19 (prevailing Pacific Time) (the “Contract Objection Deadline”) by which any such Contract or Lease
20 counterparty must file a “Contract Objection” to the proposed assumption and assignment, including
21 any objection to the ability of the Stalking Horse Bidder to provide adequate assurance of future
22 performance; *provided, however*, that the presence of a Contract or Lease on a Contract Notice does
23 not constitute an admission that such Contract or Lease is an executory contract and does not bar any
24 Qualified Bidder from excluding any such Contract or Lease from its list of Contracts and Leases to
25 be assumed and assigned. By midnight of the day the Auction concludes, the Debtors shall file with
26 the Court a notice (the “Assignment Notice”) identifying the Successful Bidder and stating which
27 Contracts or Leases will be Assigned Contracts and Assigned Leases, and no other or further notice
28 will be required with respect to the Assigned Contracts and Assigned Leases.

1 16. In the event that any Contract Notice Party does not timely file a Contract Objection
2 by the Contract Objection Deadline, such Contract Notice Party shall be (a) forever barred and
3 estopped from (i) objecting to the assumption and assignment of the Contracts and Leases, other than
4 objecting to the ability of a Successful Bidder, other than the Stalking Horse Bidder, to provide
5 adequate assurance of future performance, or (ii) asserting that any conditions to the assumption and
6 assignment of any Contract or Lease must be satisfied under such Contract or Lease before such
7 Contract or Lease may be assumed and assigned, or that any required consent to any such assignment
8 has not been given, (b) deemed to have consented to the applicable Cure Amount, if any, and be
9 bound to such corresponding Cure Amount, and (c) deemed to have agreed that all defaults under the
10 applicable Contract or Lease arising or continuing prior to the effective date of the assignment have
11 been cured.

12 17. In the event a Contract Notice Party fails to object (a) at or prior to the Contract
13 Objection Deadline with respect to the Stalking Horse Bidder's ability to provide adequate assurance
14 of future performance, or (b) at or prior to the Sale Objection Deadline with respect to any other
15 Successful Bidder to such Bidder's ability to provide adequate assurance of future performance, the
16 Contract Notice Party shall be forever barred and estopped from asserting that the Stalking Horse
17 Bidder or a Successful Bidder, as applicable, has failed to provide adequate assurance of future
18 performance.

19 18. If any Contract Notice Party timely files a Contract Objection that cannot be resolved
20 by the Debtors and the Contract Notice Party, the Court shall resolve such Contract Objection at the
21 Sale Hearing, and upon entry of an order by the Court resolving such Contract Objection, the
22 assumption or assumption and assignment shall be deemed effective in accordance with the Sale
23 Order.

24 **IV. Sale Hearing Notice and Related Relief**

25 19. The Sale Notice, substantially in the form annexed hereto as **Exhibit 3**, is hereby
26 approved. Within two (2) business days of entry of this Order, the Debtors shall cause the Sale Notice
27 to be served upon, without limitation, (i) the Office of the United States Trustee; (ii) counsel to the
28 Committee; (iii) counsel to ACF; (iv) the DIP Factor; (v) all taxing authorities having jurisdiction

1 over any of the Assets, including the Internal Revenue Service; (vi) all parties that have requested or
2 that are required to receive notice pursuant to Bankruptcy Rule 2002; (vii) all parties that are known
3 or reasonably believed to have expressed an interest in acquiring all or a substantial portion of the
4 Assets; (viii) all parties that are known or reasonably believed to have asserted any lien, encumbrance,
5 claim or other interest in the Assets; (ix) all governmental agencies that are an interested party with
6 respect to the Sale and transactions proposed thereunder; (x) all non-debtor parties to the Assigned
7 Contracts and Assigned Leases; and (xi) all other known creditors of the Debtors.

8 20. Compliance with the foregoing notice provisions shall constitute sufficient notice to
9 all parties in interest, including those whose identities are unknown to the Debtors, of the Sale of the
10 Assets, the contemplated assumption and assignment of the Assigned Contracts and Assigned Leases
11 and the cure amounts, and no additional notice of such contemplated transactions need be given.

12 **V. Miscellaneous**

13 21. Nothing contained in this Order, the Sale Motion, the Sale Procedures Motion, the
14 Asset Purchase Agreement, and/or any Sale Order ultimately entered in connection with any sale of
15 the Debtors' assets contemplated by the Motion, or other filings made in connection therewith
16 (collectively, "Sale Filings"), shall cause, result in, or have the effect of causing, or are intended to
17 have the effect of causing, a sale "free and clear" of any lien or liens held by ZBNA or any of its
18 affiliates ("Zions Liens") on any (i) deposit accounts, (ii) time certificates of deposit, or (iii) other
19 funds on deposit at ZBNA or any affiliate of ZBNA, pledged by the Debtors, or any of them,
20 including those of any non-debtor affiliated entities (collectively, "Pledged Accounts") as security
21 for the obligations of any Debtor, or any Debtor affiliate, to ZBNA. Furthermore nothing included in
22 any of the Sale Filings shall have the effect, or are intended to have the effect, of (1) granting, creating,
23 and/or perfecting any lien that is senior or equal to any pre-petition or post-petition lien and/or right
24 of subrogation held by ZBNA; (2) changing, reducing, restricting, and/or otherwise modifying any
25 and all statutory, contractual and/or common law lien, setoff, and/or similar rights of ZBNA in and
26 to any Pledged Accounts or any of them or of any non-debtor affiliated entities, and/or any funds on
27 deposit in any Pledged Accounts at any time whatsoever, or (3) modifying any of the rights and/or
28 privileges of ZBNA under any orders of the Court, including the Cash Management Order (Dkt. 93),

1 the Final DIP Factoring Order (Dkt. 914), and/or any applicable federal and/or state law, if and to the
2 extent that any such rights would exist absent this Order.

3 22. The Debtors are authorized to execute and deliver all instruments and documents, and
4 take such other action as may be necessary or appropriate to implement and effectuate the transactions
5 contemplated by this Order.

6 23. The Court finds that the requirements set forth in Local Rule 6004 are hereby satisfied
7 or waived.

8 24. Notwithstanding any applicability of Bankruptcy Rule 6004(h), 6006(d), 7062 or
9 9014, the terms and conditions of this Order shall be immediately effective and enforceable upon
10 entry of this Order. All time periods set forth in this Order shall be calculated in accordance with
11 Bankruptcy Rule 9006(a).

12 25. This Court shall retain jurisdiction with respect to any matters, claims, rights or
13 disputes arising from, based upon or related to this Order.

14 **IT IS SO ORDERED.**

15 Prepared and respectfully submitted by:

16 **FOX ROTHSCHILD LLP**

17
18 By: /s/Brett A. Axelrod
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and Taylor Morrison Services, Inc.

10
11 **CERTIFICATION OF COUNSEL PURSUANT TO LOCAL RULE 9021**

12 In accordance with Local Rule 9021, counsel submitting this document certifies as follows:

- 13 The Court has waived the requirement of approval in LR 9021(b)(1).
- 14 No party appeared at the hearing or filed an objection to the motion
- 15 I have delivered a copy of this proposed order to all counsel who appeared
- 16 at the hearing, any unrepresented parties who appeared at the hearing, and
- 17 each has approved or disapproved the order, or failed to respond, as
- indicated below:

18 *Jorge A. Gaitan* Approved
Trial Attorney
19 Office of the United States Trustee

20 Cathrine M. Castaldi, Esq. Approved
21 Max D. Schlan, Esq.
BROWN RUDNICK LLP

22 Samuel A. Schwartz, Esq.
23 SCHWARTZ LAW, PLLC
24 *Counsel of The Official*
Committee of Unsecured Creditors

25 William M. Noall, Esq. Approved
26 GARMAN TURNER GORDON
Counsel for ACF FinCo I LP

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Pamela (Pam) J. Scholefield, Esq., Approved
SCHOLEFIELD, P.C

Monique D. Jewett-Brewster, Esq.
HOPKINS & CARLEY
*Counsel for Independent Electric Supply
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Lori E. Eropkin, Esq.
LEVINSON ARSHONSKY
& KURTZ, LLP
*Counsel for LS DE LLC and
LSQ Funding Group, LC*

Robert R. Kinas, Esq. Approved
SNELL & WILMER
*Attorneys for Taylor Morrison Communities,
Inc., Taylor Morrison of California, LLC and
Taylor Morrison Services, Inc.*

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FRANDZEL ROBINS BLOOM
& CSATO, L.C.
*Attorneys for ZIONS BANCORPORATION,
N.A., a national banking association dba
California Bank & Trust*

Bart Larsen, Esq. Approved
SHEA LARSON
Counsel for SolarWorld Americas

I certify that this is a case under Chapter 7 or 13, that I have served a copy of this order with the motion pursuant to LR 9014(g), and that no party has objected to the form or content of the order.

###

EXHIBIT 1
Bidding Procedures

Set forth below are the bidding procedures (the “**Bidding Procedures**”) to be employed with respect to the sale (the “**Sale**”) of all or substantially all of the assets (the “**Assets**”) of Beachhead Roofing & Supply, Inc.; California Equipment Leasing Association, Inc.; Fences 4 America, Inc.; James Petersen Industries, Inc.; PD Solar, Inc.; Petersen Roofing and Solar LLC; Petersen-Dean, Inc.; PetersenDean Hawaii LLC; PetersenDean Roofing and Solar Systems, Inc.; PetersenDean Texas, Inc.; Red Rose, Inc.; Roofs 4 America, Inc.; Solar 4 America, Inc.; Sonoma Roofing Services, Inc.; TD Venture Fund, LLC; and Tri-Valley Supply, Inc. (collectively, the “**Debtors**”), debtors and debtors in possession in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”) pending in the United States Bankruptcy Court for the District of Nevada (the “**Bankruptcy Court**”).

On October 19, 2020, the Debtors filed a motion (the “**Motion**”)³ pursuant to 11 U.S.C. §§ 105(a), 363, 365, 503, and 507 and Rules 2002, 6004, 6006, 9007, 9008 and 9014 of the Federal Rules of Bankruptcy Procedure: (a) approving and authorizing (i) bidding procedures in connection with the sale of substantially all of the assets of the Debtors; (ii) form and manner of notice of the sale hearing and (iii) related relief; and (b) (i) authorizing and approving the sale of substantially all of Debtors’ assets free and clear of all liens, claims, and encumbrances other than the DIP Factoring and DIP Liens held by LS DE LLC and LSQ Funding Group, L.C. (collectively, the “**DIP Factor**”); (ii) authorizing and approving the assumption and assignment of executory contracts and unexpired leases identified by the Successful Bidder (defined below); and (iii) related relief. On _____, 2020, the Bankruptcy Court entered an order approving the Bidding Procedures set forth herein (the “**Bidding Procedures Order**”). The Bidding Procedures Order also set **December 22, 2020, at 9:30 a.m. (prevailing Pacific time)** as the date the Bankruptcy Court will conduct the Sale Hearing (as defined below). At the Sale Hearing, the Debtors will seek entry of an order from the Bankruptcy Court authorizing and approving the Sale of selected Assets to ACF Finco I LP or its assignee (the “**Stalking Horse Bidder**”) or another Qualified Bidder (as defined below) that the Debtors determine to have made the highest or best Bid for such Assets. At the Sale Hearing, the Debtors will seek resolution of all timely objections and the approval of (a) the sale of the Assets to the Successful Bidder free and clear of liens, claims, and interests other than the DIP Factoring and DIP Liens pursuant to the Stalking Horse Agreement (or similar agreement entered into with an alternate Successful Bidder) as described in the Motion, and (b) the assumption and assignment of executory contracts and unexpired leases to the Successful Bidder.

Assets to be Sold

The Debtors are offering for sale all of their (the “**Assets**”). The Assets consist, generally, of the Debtors’ commercial and consumer solar businesses, which can be purchased separately, or together. The Assets for sale include all claims and causes of action, including commercial tort claims, that constitute property of Debtors’ bankruptcy estates under Section 541 of Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “**Bankruptcy Code**”), and all claims and causes of action under Chapter 5 of the Bankruptcy Code and/or any other applicable federal or state law, (including all avoidance actions and claims, preference actions) and all proceeds and rights to proceeds therefrom.

³ Capitalized terms used but not otherwise defined herein have the terms ascribed to them in the Motion.

1 **Bid Deadline**

2 All offers, solicitations, or proposals (each, a “**Bid**”) must be submitted in writing so that they
 3 are actually **received** no later than **4:00 p.m. (Pacific Time) on December 11, 2020** (the “**Bid**
 4 **Deadline**”). To properly submit a Bid, a Qualified Bidder (as defined below) must deliver written
 5 copies of its Bid by the Bid Deadline to the following parties (collectively, the “**Notice Parties**”): (a)
 6 counsel to the Debtors, Fox Rothschild, LLP, 1980 Festival Plaza Drive, Suite 700, Las Vegas,
 7 Nevada 89135 (Attention: Brett A. Axelrod, Esq.), Facsimile: (702) 597-5503, Email:
 8 baxelrod@foxrothschild.com; (b) the Debtors, Petersen-Dean, Inc., 4309 Hacienda Drive, Suite 350,
 9 Pleasanton, CA 94588 (Attention: Jeffrey Perea), Email: jperea@conwaymackenzie.com; (c) counsel
 10 to the Committee, Brown Rudnick LLP, Seven Times Square, New York, NY 10036 (Attention: Max
 11 Schlan, Esq.), Facimile: (212) 938-2939, Email: mschlan@brownrudnick.com; (d) counsel to ACF
 12 FinCo I LP, Garman Turner Gordon, 7251 Amigo Street, Suite 210, Las Vegas, NV 89119 (Attention:
 13 Gregory E. Garman, Esq.), Facsimile: (725) 777-3112, Email: ggarman@gtg.legal; (e) counsel to LS
 14 DE LLC and LSQ Funding Group, L.C., Levinson Arshonsky & Kurtz, LLP, 15303 Ventura Blvd.,
 15 Suite 1650, Sherman Oaks, CA 91403 (Attention: Steven N. Kurtz, Esq.), Email:
 16 skurtz@laklawyers.com; and (f) the Office of the United States Trustee, 300 Las Vegas Blvd. So.,
 17 Suite 4300, Las Vegas, NV 89101 (Attention Edward M. McDonald, Jr.), Facsimile: (702) 388-6658,
 18 Email: edward.m.mcdonald@usdoj.gov. A Bid delivered after the Bid Deadline shall not constitute
 19 a Qualified Bid. The Stalking Horse Bid shall be deemed to be a Qualified Bid.

20 **Participant Requirements**

21 To participate in the process detailed by the Bidding Procedures and to otherwise be
 22 considered for any purpose hereunder, each Bid and each bidder submitting a Bid (a “**Bidder**”) must
 23 be determined by the Debtors, in consultation with the Committee, to have satisfactorily provided the
 24 Debtors with each of the following on or before the Bid Deadline (the “**Participant Requirements**”):

25 Identification of Bidder. (i) Identification of the Bidder or any Joint Bidder or sponsors with
 26 respect to the Bid, and/or any of the Principals (defined below), corporate officers or other
 27 representatives that are authorized to appear for and act on behalf of each such party with respect to
 28 the contemplated transaction; (ii) the contact information for such persons identified in (i) above, and
 (iii) full disclosure of any pre-petition or post-petition affiliation that the Bidder may have with any
 of the: (a) the Debtors or their retained professionals; (b) major creditors of the Debtors or such parties’
 retained professionals; (c) equity security holders of the Debtors or such parties’ retained
 professionals; (d) any of the Debtors’ former or current officers or directors or other insiders; or (e)
 any affiliates of the Debtors, or any insiders of the Debtors;

Corporate Authority. Written evidence reasonably acceptable to the Debtors and their counsel
 of the Bidder’s authority to enter into the contemplated transaction and submit a Bid as well as the
 Bidder’s acknowledgement and acceptance of the terms set forth in the Bidding Procedures. In the
 event that the Bidder is an entity specially formed for the purpose of effectuating the contemplated
 transaction (an “**Acquisition Entity**”), then the Bidder must furnish written evidence reasonably
 acceptable to the Debtors and their counsel of the approval of the contemplated transaction by the
 equity holder(s) or members of such Bidder (the “**Principals**”) in addition to proof of its ability to
 perform as described herein;

Acknowledgement Letter. An executed letter (a) acknowledging receipt of a copy of the
 Bidding Procedures, and (b) agreeing to accept and be bound by the Bidding Procedures and (c) stating

1 that such Bidder is not entitled to any expense reimbursement, break-up fee or similar type of payment
2 in connection with its bid.

3 Confidentiality Agreement. An executed confidentiality agreement (the “**Confidentiality**
4 **Agreement**”) in form and substance acceptable to the Debtors and their counsel, to the extent one has
5 not already been entered into; and

6 Proof of Financial Ability to Perform. Written evidence reasonably acceptable to the Debtors
7 that the Bidder has the necessary financial ability to close the contemplated transaction and provide
8 adequate assurance of future performance of all obligations to be assumed in such contemplated
9 transaction, reasonably acceptable to the Debtors. Such information may include, among other things,
10 the following:

- 11 i. the Bidder’s or, in the case of an Acquisition Entity, the Principals’, current financial
12 statements (audited if they exist);
- 13 ii. contact names and numbers for verification of financing sources;
- 14 iii. evidence of the Bidder’s or Principals’ internal resources and written evidence of a
15 commitment for debt or equity funding that is needed to close the contemplated transaction;
- 16 iv. guarantees from such Bidder’s Principal’s or sponsors, additional deposits, letters of
17 credit or other financial support; and
- 18 v. any such other form of financial disclosure or credit-quality support information or
19 enhancement reasonably acceptable to the Debtors demonstrating that such Bidder has the ability to
20 close the contemplated transaction; *provided, however,* that the Debtors shall determine, in their
21 reasonable discretion, whether the written evidence of such financial wherewithal is reasonably
22 acceptable, and shall not unreasonably withhold acceptance of a Bidder’s financial qualifications.

23 Counsel to the Committee shall have the right to review all documents provided to satisfy
24 Participant Requirements. For the avoidance of doubt, the Stalking Horse Bidder is deemed to have
25 satisfied all of the Participant Requirements prior to the date hereof.

26 **Designation as Qualified Bidder**

27 A “**Qualified Bidder**” is a Bidder that satisfies the Participant Requirements and that the
28 Debtors, in consultation in the Committee, determine has submitted by the Bid Deadline a bona fide
offer. The Stalking Horse Bidder is deemed to be a Qualified Bidder. A Bidder may submit a Bid for
the Assets substantially in accordance with the terms and conditions of the Stalking Horse Agreement.
Any Qualified Bidder that has submitted a Qualified Bid for substantially all of the Assets, including,
without limitation, the Stalking Horse Bidder, shall have the right to submit Qualified Bids at the
Auction if it elects to do so.

As soon as practicable after the Debtors receive from a Bidder the information required with
respect to the Participation Requirements described above, the Debtors, in consultation with the
Committee, shall determine whether the Bidder is a Qualified Bidder and advise the Bidder of such
determination. The Stalking Horse Bidder is deemed a Qualified Bidder for all purposes.

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1 **Access to Due Diligence Materials**

2 The Debtors reserve the right not to provide due diligence access to any Bidder that the
 3 Debtors, in consultation with the Committee, conclude in their reasonable business judgment is not
 4 likely to become a Qualified Bidder. The Debtors will designate an employee or other representative
 5 to coordinate all reasonable requests for additional information and due diligence access from such
 6 Qualified Bidders. The Debtors shall not be obligated to furnish any due diligence information after
 7 the Bid Deadline. The Debtors are not responsible for, and will bear no liability with respect to, any
 8 information obtained by Bidders in connection with the sale of the Debtors' Assets. If the Debtors
 9 furnish any material information related to the Debtors not theretofore given to the Stalking Horse
 10 Bidder, then the Debtors shall place such information in one of the data rooms and inform the Stalking
 11 Horse Bidder that additional material information has been added to one of the data rooms.
 12 Notwithstanding anything herein to the contrary, the Debtors, in consultation with the Committee,
 13 shall withhold information or restrict access to certain materials in any data room if providing such
 14 information or materials to a Qualified Bidder would, in the Debtors' business judgment, put the
 15 Debtors at a competitive disadvantage.

16 **Due Diligence From Bidders**

17 Each Bidder shall comply with all reasonable requests for information from the Debtors
 18 regarding such Bidder and its contemplated transaction. Failure by a Bidder to provide such
 19 information will be a basis for the Debtors, in consultation with the Committee, to deem that Bidder
 20 not to be a Qualified Bidder and to prohibit that Bidder from participating in any Auction.

21 **Bidding Process**

22 The Debtors, in consultation with the Committee, shall: (a) determine whether a Bidder is a
 23 Qualified Bidder; (b) coordinate the efforts of Bidders in conducting their due diligence investigations,
 24 as permitted by the provisions herein; (c) receive offers from Qualified Bidders; and (d) negotiate any
 25 offers made to purchase the Debtors' Assets. Subject to the Bidding Procedures Order, the Debtors,
 26 in consultation with the Committee, shall have the right to adopt such other rules for the Bidding
 27 Procedures (including rules that may depart from those set forth herein, with the consent of the
 28 Stalking Horse), that, in the Debtors' reasonable discretion, upon consultation with the Committee,
 will better promote the goals of the Bidding Procedures.

29 **Bid Requirements**

30 To participate in the Auction (as defined below), a Qualified Bidder must submit a Bid by the
 31 Bid Deadline and the Debtors, in consultation with the Committee, shall determine that such Bid
 32 satisfies each of the following conditions (each such Bid, a "**Qualified Bid**") *provided that* the
 33 Stalking Horse Bid shall be deemed to be a Qualified Bid for all purposes:

34 **Written Submission of APA and Commitment to Close.** Each Bid must be in writing and
 35 include: (i) a duly authorized and executed purchase agreement, together with all exhibits and
 36 schedules thereto (a "**Purchase Agreement**"), and, to the extent required, any ancillary documents
 37 required by the Purchase Agreement, with all exhibits and schedules thereto; (ii) a blackline reflecting
 38 the Qualified Bidder's proposed changes to the Stalking Horse Agreement, and (iii) a written
 commitment demonstrating that the Qualified Bidder will be able to close the transaction proposed in
 its purchase agreement on or before December 31, 2020;

1 Identification of Employees. Each Bid must identify if it will offer employment to substantially
all of the Debtors’ employees;

2 Own Due Diligence. Each Bidder shall include an acknowledgement and representation that
3 the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or
4 inspection of any documents and/or the Assets in making its bid; and (ii) did not rely upon any written
5 or oral statements, representations, promises, warranties or guaranties whatsoever, whether express
or implied (by operation of law or otherwise), regarding the Assets of the completeness of any
information provided in connection therewith or the Auction;

6 Executory Contracts. Each Bid must list the executory contracts and unexpired leases that the
7 Qualified Bidder requires be assumed and assigned in connection with the sale of the Assets (or
8 identifies with particularity which of such contracts and leases of the Debtors that the Qualified Bidder
wishes not to assume), include a representation that the Qualified Bidder will assume the Debtors’
9 obligations under such executory contracts and unexpired leases after the closing date of the sale of
the Assets, contain full details of the Qualified Bidder’s proposal for the treatment of related cure
10 costs, and identify with particularity any executory contract or unexpired lease the assumption and
assignment of which is a condition to closing;

11 Evidence of Compliance with 11 U.S.C. §365. Each Qualified Bidder’s proposal shall include
12 evidence of the Qualified Bidder’s ability to comply with Section 365 of the Bankruptcy Code (to the
13 extent applicable), including providing adequate assurance of such Qualified Bidder’s ability to
14 perform in the future the contracts and leases proposed in its bid to be assumed by the Debtors and
assigned or subleased to the Qualified Bidder, in a form that will permit the immediate dissemination
of such evidence to the counterparties to such contracts and leases;

15 Irrevocable. With the exception of the Bid submitted by the Stalking Horse Bidder, each Bid
16 must be irrevocable until five (5) business days after the Assets have been sold pursuant to the closing
of the sale approved by the Bankruptcy Court in an order that has not been stayed (the **“Termination
17 Date”**);

18 Contingencies. No Qualified Bid shall be subject to any contingencies including with respect
19 to obtaining financing. Sale is subject to Bankruptcy Court approval;

20 Disclosure of Purchase Price. Each Qualified Bidder’s proposal must (i) include a disclosure
of the proposed purchase price, which must be in cash and equal to at least the Purchase Price offered
21 by the Stalking Horse Bidder plus \$100,000.00 on a basis substantially similar to, and no less
22 favorable than the Stalking Horse Agreement, and (ii) must specifically identify all assets being
purchased and all assets being excluded;

23 Financing Sources. Each Qualified Bid must contain written evidence of a firm irrevocable
24 commitment for financing or other evidence of the financial wherewithal of such Qualified Bidder,
and/or provision of such credit-support (as discussed above) that the Debtors reasonably believe
25 provides the ability to consummate the sale on the terms and conditions of such Qualified Bidder’s
proposal and satisfy the standards to provide adequate assurance of future performance under
26 Bankruptcy Code section 365, with appropriate contact information for such financing sources;

27 No Fees Payable to Qualified Bidder/Financing Conditions. No Bid may request or entitle a
28 Qualified Bidder to any break-up fee, expense reimbursement fee or similar type of payment. Further,
by submitting a Bid, a Qualified Bidder shall be deemed to waive its right to pursue a substantial

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1 contribution claim under section 503 of the Bankruptcy Code or in any way related to the submission
2 of its Bid or the Bidding Procedures;

3 No Due Diligence. Each Qualified Bid must state that it is not conditioned on (i) the outcome
4 of unperformed due diligence by the Qualified Bidder (and include an acknowledgement and
5 representation that the Qualified Bidder has had an opportunity to conduct any and all required due
6 diligence regarding the Assets prior to making its offer);

7 Good-Faith Deposit. Each Qualified Bid (other than the Stalking Horse Bid) must be
8 accompanied by a deposit (the “**Good Faith Deposit**”) in the form of a certified or official bank check
9 or federal funds wire transfer in cash payable to the order of First American Title Insurance Company
10 in the amount of not less than **ten percent (10%)** of the purchase price in such Bid to be held until
11 the Termination Date. The wire transfer should be sent to [TBD] Account Number [TBD], with
12 reference to Escrow No. [TBD]. The Potential Bidder shall forfeit the Deposit if the Potential Bidder
13 is the Successful Bidder (as defined below) and: (a) modifies or withdraws the bid without the
14 Debtors’ consent before the consummation of the Sale to such Potential Bidder; or (b) breaches the
15 terms of the agreement pursuant to which the Potential Bidder has agreed to purchase the Assets. The
16 Deposit shall be returned to the Potential Bidder within three (3) business days after the Termination
17 Date: (a) if the Potential Bidder is determined by the Debtors not to be a Qualified Bidder; or (b) under
18 the circumstances contemplated elsewhere herein;

19 Minimum Initial Overbid. Each Qualified Bid must offer to the Debtors aggregate cash
20 consideration of at least the sum of **\$100,000.00** more than the “Purchase Price” from the Stalking
21 Horse Bidder as defined in the Stalking Horse Agreement (the “**Minimum Initial Overbid**”);

22 Privacy Policies. Each Qualified Bid must provide that the Qualified Bidder will adhere to the
23 Debtors’ prepetition privacy policies regarding personally identifiable information.

24 Each Qualified Bidder’s proposal shall include other information reasonably requested by the
25 Debtors upon consultation with the Committee.

26 For purposes hereof, the Stalking Horse Agreement shall constitute a Qualified Bid. A
27 Qualified Bid shall be considered such Qualified Bidder’s “Baseline Bid.”

28 If any Bid is determined by the Debtors, in consultation with the Committee, not to be a
Qualified Bid, the Bidder shall be refunded its Good Faith Deposit within three (3) business days after
that determination.

Any Bid that is not deemed a Qualified Bid shall not be considered or evaluated by the Debtors,
and the Bidder submitting that Bid will not be permitted to participate in the Auction (as defined
below).

Auction

Only if a Qualified Bidder submits a Qualified Bid (other than the Bid submitted by the
Stalking Horse Bidder) that is received by the Bid Deadline shall the Debtors conduct an auction (the
“**Auction**”). The Auction shall commence on **December 14, 2020, at 9:00 a.m. (Pacific Time)**, via
Zoom at the offices of Fox Rothschild, 1980 Festival Plaza Drive, Suite 700, Las Vegas, Nevada
89135.

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1 If no Qualified Bid other than the Qualified Bid submitted by the Stalking Horse Bidder is
2 received by the Bid Deadline, then (i) the Auction will not be held, (ii) the Stalking Horse Bidder will
3 be deemed the Successful Bidder, (iii) the Stalking Horse Agreement will be the Successful Bid, and
4 (iv) at the Sale Hearing on **December 22, 2020, at 9:30 a.m. (Pacific Time)**, the Debtors will seek
5 Bankruptcy Court resolution of any disputes as to the Cure Amounts of Assigned Contracts and
6 Assigned Leases.

7 The Auction shall be conducted according to the following procedures:

8 a) ***Participation at the Auction***

9 Only a Qualified Bidder that submits a Qualified Bid is eligible to participate at the Auction.
10 Only the authorized representatives and respective counsel and advisors of each of the Qualified
11 Bidders, the Debtors, the Committee, the UST and creditors of the Debtors shall be permitted to attend
12 the Auction, provided, however, the Debtors, in consultation in the Committee, may exclude parties
13 who the Debtors deem to be detrimental to the sale process. During the Auction, bidding shall begin
14 initially with the highest Qualified Bid, as determined by the Debtors, in consultation with the
15 Committee (the **“Opening Bid”**), and subsequently continue in minimum increments of at least fifty
16 thousand dollars (**\$50,000.00**) (or such other amount that the Debtors, in consultation with the Stalking
17 Horse Bidder, determine appropriate to facilitate the Auction). The Debtors shall provide copies of
18 the Opening Bid to the Stalking Horse Bidder and all Qualified Bidders prior to the Auction.

19 b) ***The Debtors Shall Conduct the Auction***

20 The Debtors and their professionals shall direct and preside over the Auction. The
21 determination of which Qualified Bid constitutes the Opening Bid shall take into account any factors
22 the Debtors, in consultation with the Committee, determine are relevant to the value of the Qualified
23 Bid to the estates, including, among other things, the following: (i) the amount and nature of the
24 consideration; (ii) the proposed assumption of any liabilities; (iii) the ability of the Qualified Bidder
25 to close the proposed transaction on or before December 31, 2020, and any conditions to closing
26 outside the Debtors’ control; (iv) any purchase-price adjustments; (v) the impact of the contemplated
27 transaction on any actual or potential litigation; (vi) the net economic effect of any changes from the
28 Stalking Horse Agreement, if any, contemplated by the contemplated transaction documents (the
29 **“Contemplated Transaction Documents”**); (vii) the net after-tax consideration to be received by the
30 Debtors’ estates; (viii) the impact of the transaction on the employees and other creditors of the
31 Debtors estates, including creditors with administrative claims; (ix) such other considerations the
32 Debtors, in the exercise of their business judgment, deem relevant; (x) the extent of representations
33 and warranties and any negative or affirmative covenants; and (xi) valuation by the Debtors of
34 excluded assets whether the aggregate consideration of the Qualified Bid will result in greater value
35 than the value the Debtors would receive under the Stalking Horse Agreement plus the Minimum
36 Overbid (as defined below) after comparing the Qualified Bids in the totality of the circumstances
37 (collectively, the **“Bid Assessment Criteria”**). All Bids made thereafter shall be Overbids (as defined
38 below) and shall be made and received on an open basis, and all material terms of each Overbid shall
39 be fully disclosed to all other Qualified Bidders. The Debtors shall arrange for the actual bidding at
40 the Auction to be transcribed or videotaped. Each Qualified Bidder participating in the Auction will
41 be required to confirm that it has not engaged in any collusion regarding the Bidding Procedures, the
42 Auction or the proposed transaction, either prior to or during the Auction.

43 c) ***Terms of Overbids***

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1 An “Overbid” is any Bid made at the Auction subsequent to the Debtors’ announcement of
2 the Opening Bid. To submit an Overbid for purposes of this Auction, a Qualified Bidder must comply
3 with the following conditions:

4 • **Minimum Overbid Increment**

5 Any Overbid after the Opening Bid shall be made in increments of at least \$50,000.00. If the
6 bid protections have been approved, for avoidance of doubt, the Initial Minimum Overbid must be
7 \$100,000.00.

8 • **Credit Bids**

9 The Stalking Horse Purchaser shall be entitled to credit bid its outstanding loan due from the
10 Debtors; *provided* that such credit bid does not exceed Fifteen Million Dollars (\$15,000,000.00).
11 Other Qualified Bidders shall be permitted to credit bid the amount, if any, of their allowed secured
12 claims or the collateral for which they are bidding.

13 • **DIP Factoring must be Paid in Full at Closing**

14 Any Qualified Bid other than the Stalking Horse Purchaser must provide that the DIP
15 Factoring (of up to Fifteen Million Dollars (\$15,000,000.00)) and all Secured Obligations connected
16 therewith (including the Roll-Up Amount and DIP Liens) will be paid in full at Closing.

17 • **Remaining Terms are the same as for Qualified Bids**

18 Except as modified herein, an Overbid must comply with the conditions for a Qualified Bid
19 set forth above, *provided, however*, that the Bid Deadline and the Initial Minimum Overbid Increment
20 shall not apply. Any Overbid made by a Qualified Bidder must remain open and binding on the
21 Qualified Bidder until and unless (A) the Debtors, in consultation with the Committee, accept a higher
22 Qualified Bid as an Overbid and (B) such Overbid is not selected as the Back-up Bid (as defined
23 below).

24 To the extent not previously provided (which shall be determined by the Debtors, in
25 consultation with the Committee), a Qualified Bidder submitting an Overbid must submit, as part of
26 its Overbid, its ability to comply with the financial requirements described herein with respect to its
27 Overbid, including, if necessary, any financial support, including without limitation, written evidence
28 (in the form of financial disclosure or credit-quality support information or enhancement reasonably
acceptable to the Debtors) demonstrating such Qualified Bidder’s ability to close the transaction
proposed by such Overbid and any additional conditions applicable thereto, which the Debtors, in
consultation with the Committee, shall consider in their reasonable discretion.

• **Consideration of Overbids**

Notwithstanding anything to the contrary in the foregoing, the Debtors, in consultation with
the Committee, reserve the right, in their reasonable business judgment, to make one or more
adjournments in the Auction to, among other things: (A) facilitate discussions between the Debtors
and individual Qualified Bidders; (B) allow individual Qualified Bidders to consider how they wish
to proceed; (C) consider and determine the current highest and best Overbid at any given time during
the Auction; and (D) give Qualified Bidders the opportunity to provide the Debtors with such
additional evidence as the Debtors in their reasonable business judgment, in consultation with the

1 Committee, may require that the Qualified Bidder (other than Stalking Horse Bidder) has sufficient
2 internal resources, or has received sufficient non-contingent debt and/or equity funding commitments,
to consummate the proposed transaction at the prevailing Overbid amount.

3 d) ***Additional Procedures***

4 The Debtors, with the consent of the Stalking Horse and in consultation with the Committee,
5 may adopt rules for the Auction at or prior to the Auction that will better promote the goals of the
6 auction and that are not inconsistent with any of the provisions of the Bidding Procedures, the Bidding
Procedures Order or the Bankruptcy Code.

7 e) ***Closing the Auction***

8 Upon conclusion of the bidding, the Debtors, in consultation with the Committee, shall (i)
9 immediately review the final Overbid of each Qualified Bidder on the basis of financial and
10 contractual terms and the factors relevant to the sale process, including those factors affecting the
11 speed and certainty of consummating the proposed sale, and (ii) identify the highest, best, and/or
12 otherwise financially superior offer for the Assets (the **“Successful Bid,”** which might be that
13 submitted by the Stalking Horse Bidder, and the entity submitting such Successful Bid, the
14 **“Successful Bidder,”** which might be the Stalking Horse Bidder), which highest, best and/or
15 otherwise financially superior offer will provide the greatest amount of net value to the Debtors, and
the next highest or otherwise best offer after the Successful Bid (the **“Back-up Bid,”** which might be
that submitted by the Stalking Horse Bidder only if approved in its sole and absolute discretion), and
(iii) advise the Qualified Bidders and Notice Parties of such determination. At this point, the Auction
shall be closed. No additional bids may be considered following the closing of the Auction. The
Qualified Bidder that submits (or Qualified Bidders that submit) the highest and best Bid at the
conclusion of the Auction will be the Successful Bidder(s), and such Bid, the Successful Bid(s).

16 Immediately upon the closing of the Auction, the Debtors shall file with the Bankruptcy Court
17 and serve upon all Qualified Bidders and entities that have requested notice in the Bankruptcy Cases
18 a notice identifying the Successful Bidder(s).

19 f) ***Consent to Jurisdiction as Condition to Bid.***

20 All Qualified Bidders at the Auction shall be deemed to have consented to the jurisdiction of
21 the Bankruptcy Court and waived any right to a jury trial in connection with any disputes relating to
22 the Auction, and the construction and enforcement of the Bidder’s Contemplated Transaction
Documents, as applicable.

23 **Acceptance of Successful Bid**

24 The Debtors shall sell the Assets to the Successful Bidder upon the approval of the Successful
25 Bid by the Bankruptcy Court. The Debtors’ presentation of a particular Qualified Bid to the
26 Bankruptcy Court for approval does not constitute the Debtors’ acceptance of the Bid. The Debtors
will be deemed to have accepted a Bid only when the Bid has been approved by the Bankruptcy Court.

27 **“As Is, Where Is”**

28 The sale of the Assets shall be on an “as is, where is” basis and without representations or
warranties of any kind, nature, or description by the Debtors, their agents or estates except to the

1 extent set forth in the Stalking Horse Agreement or other Purchase Agreement. The Stalking Horse
2 Bidder and each Qualified Bidder shall be deemed to acknowledge and represent that it has had an
3 opportunity to conduct any and all due diligence regarding the Assets prior to making its offer, that it
4 has relied solely on its own independent review, investigation, and/or inspection of any documents
5 and/or the Assets in making its Bid, and that it did not rely on any written or oral statements,
6 representations, promises, warranties, or guaranties whatsoever, whether express, implied, by
7 operation of law or otherwise, regarding the Assets, or the completeness of any information provided
8 in connection therewith or the Auction, except as expressly stated in these Bidding Procedures and (a)
9 as to the Stalking Horse Bidder, the terms of the transaction as set forth in the Stalking Horse
10 Agreement, or (b) as to another Successful Bidder, the terms of the sale of the Assets set forth in the
11 applicable purchase agreement.

12 **Free of Any and All Encumbrances**

13 Except with respect to the DIP Factoring and DIP Liens or as otherwise provided in the
14 Stalking Horse Agreement or another Successful Bidder’s purchase agreement, all of the Debtors’
15 right, title, and interest in and to the Assets thereunder shall be sold free and clear of all pledges, liens,
16 security interests, encumbrances, claims, charges, options, and interests thereon and there against
17 (collectively, the **“Encumbrances”**) in accordance with 11 U.S.C. § 363, with such Encumbrances to
18 attach to the net proceeds of the sale of the Assets.

19 **Sale Hearing**

20 A hearing to approve the sale of the Assets to the Successful Bidder shall be conducted via
21 Zoom by the Bankruptcy Court on **December 22, 2020, at 9:30 a.m. (Pacific Time)**, located at Foley
22 Federal Building and U.S. Courthouse, 300 Las Vegas Blvd South, Las Vegas, NV 89101 (the **“Sale
23 Hearing”**). Following the approval of the sale of the Assets to the Successful Bidder at the Sale
24 Hearing, if such Successful Bidder fails to consummate an approved sale by January 7, 2021, the
25 Debtors shall be authorized, but not required, to deem the Back-up Bid(s), as disclosed at the Sale
26 Hearing, the Successful Bid(s) and the Debtors shall be authorized, but not required, to consummate
27 the sale with the Qualified Bidder(s) submitting such Back-up Bid(s) without further notice or orders
28 of the Bankruptcy Court. The Back-Up Bid(s) must remain open until the Termination Date. The Sale
Hearing may be adjourned or rescheduled without notice other than by announcement of the adjourned
date at the Sale Hearing.

Return of Good Faith Deposit

The Good Faith Deposit of the Successful Bidder(s) (other than the Stalking Horse Bidder)
shall be applied to the purchase price of such transaction at closing. Good Faith Deposits of all other
Qualified Bidders shall be held by the Debtors until five (5) business days after closing of the
transactions contemplated by the Successful Bid, and thereafter returned to the respective Qualified
Bidders. If a Successful Bidder fails (or Successful Bidders fail) to consummate an approved sale
because of a breach or failure to perform on the part of such Successful Bidder(s), the Debtors shall
be entitled to retain the Good Faith Deposit as part of their damages resulting from the breach or
failure to perform by the Successful Bidder.

Modifications and Reservations

The Debtors, in consultation with the Committee, may (a) determine which Qualified Bid, if
any, is the highest, best, and/or otherwise financially superior offer; and (b) reject at any time before

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1 entry of orders of the Bankruptcy Court approving a Qualified Bid, any Bid that is (i) inadequate or
2 insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bidding
3 Procedures, or the terms and conditions of the Sale, or (iii) contrary to the best interests of the Debtors,
4 their estates and creditors.

5 At or before the Sale Hearing, the Debtors, with the consent of the Stalking Horse Bidder and
6 in consultation with the Committee, may impose such other terms and conditions as the Debtors may
7 determine to be in the best interests of their estate and creditors and other parties in interest thereof
8 that are not inconsistent with the Bidding Procedures Order, the Bidding Procedures or the Bankruptcy
9 Code.

10 The Bidding Procedures may be materially modified only upon the express written consent of
11 the Debtors and the Stalking Horse Bidder or by order of the Bankruptcy Court.

12 **Reservation of Rights**

13 Subject to the Bidding Procedures Order, the Debtors, reserve the right as they may, in
14 consultation with the Committee, determine to be in the best interests of their estates to: (a) determine
15 which Bidders are Qualified Bidders (provided that the Stalking Horse Bidder shall be deemed to be
16 a Qualified Bidder for all purposes hereunder); (b) determine which Bids are Qualified Bids (provided
17 that the Stalking Horse Bid shall be deemed to be a Qualified Bid for all purposes hereunder); (c)
18 determine which Qualified Bid is the highest and best proposal and which is the next highest and best
19 proposal; (d) reject any Bid that is (i) inadequate or insufficient, (ii) not in conformity with the
20 requirements of the Bidding Procedures Order or the requirements of the Bankruptcy Code or any
21 other orders entered by the Bankruptcy Court, (iii) includes the purchase of Assets which are excluded
22 by the Debtors; (iv) contains conditions or releases which, in the reasonable business judgement of
23 the Debtors are not in the best interests of the estates; or (v) contrary to the best interests of the Debtors
24 and their estates or stakeholders, as applicable; (e) impose additional terms and conditions with respect
25 to any or all Bidders other than the Stalking Horse Bidder; (f) adjourn the Auction and/or Sale Hearing
26 in open court without further notice; (g) with the consent of the Stalking Horse Bidder, remove a
27 portion of the Assets from the Auction; and (h) consider or accept Bids for the Debtors' Assets
28 excluded by the Stalking Horse Bidder, so long as the Bids, on a comparable basis, in the Debtors'
reasonable business judgment, exceed the minimum overbid threshold. Without limiting the
foregoing, the Debtors may determine to distribute or not distribute copies of other Qualified Bids to
other Qualified Bidders (apart from the Stalking Horse) prior to or during the Auction other than with
respect to the distribution of the Bid submitted by the Stalking Horse Bidder as set forth above.

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**EXHIBIT 2
Contract Notice**

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re

RED ROSE, INC.,

- Affects Beachhead Roofing and Supply, Inc.
- Affects California Equipment Leasing Association, Inc.
- Affects Fences 4 America, Inc.
- Affects James Petersen Industries, Inc.
- Affects PD Solar, Inc.
- Affects Petersen Roofing and Solar LLC
- Affects Petersen-Dean, Inc.
- Affects PetersenDean Hawaii LLC
- Affects PetersenDean Roofing and Solar Systems, Inc.
- Affects PetersenDean Texas, Inc.
- Affects Red Rose, Inc.
- Affects Roofs 4 America, Inc.
- Affects Solar 4 America, Inc.
- Affects Sonoma Roofing Services, Inc.
- Affects TD Venture Fund, LLC
- Affects Tri-Valley Supply, Inc.
- Affects All Debtors

Case No. BK-S-20-12814-mkn

Jointly Administered with
 Case No. BK-S-20-12815-mkn
 Case No. BK-S-20-12816-mkn
 Case No. BK-S-20-12818-mkn
 Case No. BK-S-20-12819-mkn
 Case No. BK-S-20-12820-mkn
 Case No. BK-S-20-12821-mkn
 Case No. BK-S-20-12822-mkn
 Case No. BK-S-20-12823-mkn
 Case No. BK-S-20-12824-mkn
 Case No. BK-S-20-12825-mkn
 Case No. BK-S-20-12826-mkn
 Case No. BK-S-20-12827-mkn
 Case No. BK-S-20-12829-mkn
 Case No. BK-S-20-12831-mkn
 Case No. BK-S-20-12833-mkn

Chapter 11

**NOTICE OF (I) ENTRY INTO
 STALKING HORSE AGREEMENT AND
 (II) POTENTIAL ASSUMPTION AND
 ASSIGNMENT OF CERTAIN
 EXECUTORY CONTRACTS AND
 UNEXPIRED LEASES IN
 CONNECTION WITH THE SALE OF
 THE DEBTORS' ASSETS**

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On October 19, 2020, Beachhead Roofing & Supply, Inc.; California Equipment Leasing Association, Inc.; Fences 4 America, Inc.; James Petersen Industries, Inc.; PD Solar, Inc.; Petersen Roofing and Solar LLC; Petersen-Dean, Inc.; PetersenDean Hawaii, LLC; PetersenDean Roofing and Solar Systems, Inc.; PetersenDean Texas, Inc.; Red Rose, Inc.; Roofs 4 America, Inc.; Solar 4 America, Inc.; Sonoma Roofing Services, Inc.; TD Venture Fund, LLC; and Tri-Valley Supply, Inc. (collectively, the “Debtors”), debtors and debtors in possession in the above-referenced

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1 cases (the “Chapter 11 Cases”), filed a motion (the “Motion”) ⁴ with the United States Bankruptcy
2 Court for the District of Nevada (the “Court”) seeking among other things, entry of an order: (a)
3 approving and authorizing (i) bidding procedures in connection with the sale of substantially all of the
4 Debtors’ assets (the “Debtors’ Assets”); (ii) stalking horse bid protections; (iii) the form and manner
5 of notice of the sale hearing (the “Sale Hearing”) and (iv) other related relief; and (b)(i) authorizing
6 and approving the sale of the Assets free and clear of all liens, claims, and encumbrances other than
7 the DIP Factoring and DIP Liens; (ii) approving the asset purchase agreement; (iii) authorizing and
8 approving the assumption and assignment of executory contracts and unexpired leases (the
9 “Contracts” and “Leases”); and (iv) related relief.

10 2. On _____, 2020, the Court entered an order (the “Bidding Procedures Order”)
11 approving, among other things, (a) ACF Finco I, LLP (“ACF”) as the stalking horse bidder (the
12 “Stalking Horse Bidder”) for the Assets as set forth more fully in that certain asset purchase agreement
13 between the Stalking Horse Bidder and the Debtors and (b) procedures for the assumption and
14 assignment of the Contracts and Leases (the “Assumption Procedures”).

15 3. An auction (the “Auction”), if necessary, of the Debtors’ assets is currently scheduled
16 to be held on **December 14, 2020 at 9:00 a.m. (PST)**.

17 4. The Sale Hearing is currently scheduled to be held on **December 22, 2020 at 9:30 a.m.**
18 **(PST)** via Zoom at the United States Bankruptcy Court for the District of Nevada Foley Federal
19 Building and U.S. Courthouse, 300 Las Vegas Blvd South, Courtroom 2, Las Vegas, Nevada 89101,
20 before the Honorable Mike K. Nakagawa, United States Bankruptcy Judge. The Sale Hearing may be
21 adjourned or rescheduled without further notice except as announced at the Sale Hearing.

22 5. The Debtors may seek to assume and assign the Contracts and Leases identified on
23 **Exhibit 1** attached hereto (the “Potential Assignment Schedule”) in connection with the sale of the
24 Assets. The Potential Assignment Schedule identifies, among other things, the amount, if any,
25 determined by the Debtors to be necessary to be paid to cure any existing default under each Contract
26 and Lease (the “Cure Amount”). In certain instances the Debtors and the counterparty to a Contract
27 or Lease have, or will have agreed, or are in negotiations to reach an agreement with respect to a
28 reduced Cure Amount as part of the process. Such agreed amounts are listed as Proposed Cure
Amounts on the attached Potential Assignment Schedule. With respect to Contracts or Leases that
continue to be subject to negotiations, the Proposed Cure Amount is scheduled as “Under
Negotiation.” Until the closing of the Sale, any Contract or Lease may be removed from the Potential
Assignment Schedule with the consent or at the direction of the Stalking Horse Bidder or any other
Successful Bidder, and thereafter such Contract or Lease may be rejected by the Debtors.

6. Other than objecting to the ability of a Successful Bidder (or Successful Bidders) [other
than the Stalking Horse Bidder] to provide adequate assurance of future performance, objections, if
any, to the proposed assumption and assignment of any of the Assigned Contracts or Assigned Leases
(including the ability of the Stalking Horse Bidder to provide adequate assurance of future
performance), must: (a) be in writing, (b) set forth the basis for the objection as well as any Cure
Amount that the objector asserts to be due (in all cases with appropriate documentation in support
thereof), and (c) be filed with the Clerk of the Court, the United States Bankruptcy Court for the
District of Nevada, Foley Federal Building, 4th Floor, 300 Las Vegas Boulevard South, Las Vegas,

⁴ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the
Motion.

1 Nevada 89101-5833, and served on the following parties **so as to be actually received no later than**
 2 **5:00 p.m. (PST) on November 30, 2020** (the “Contract Objection Deadline”): (a) counsel to the
 3 Debtors, Fox Rothschild, LLP, 1980 Festival Plaza Drive, Suite 700, Las Vegas, Nevada 89135
 4 (Attention: Brett A. Axelrod, Esq.), Facsimile: (702) 597-5503, Email: baxelrod@foxrothschild.com;
 5 (b) the Debtors, Petersen-Dean, Inc., 4309 Hacienda Drive, Suite 350, Pleasanton, CA 94588
 6 (Attention: Jeffrey Perea), Email: jperea@conwaymackenzie.com; (c) counsel to the Committee,
 7 Brown Rudnick LLP, Seven Times Square, New York, NY 10036 (Attention: Max Schlan, Esq.),
 8 Facimile: (212) 938-2939, Email: mschlan@brownrudnick.com; (d) counsel to ACF FinCo I LP,
 9 Garman Turner Gordon, 7251 Amigo Street, Suite 210, Las Vegas, NV 89119 (Attention: Gregory E.
 10 Garman, Esq.), Facsimile: (725) 777-3112, Email: ggarman@gtg.legal; (e) counsel to LS DE LLC
 11 and LSQ Funding Group, L.C., Levinson Arshonsky & Kurtz, LLP, 15303 Ventura Blvd., Suite 1650,
 12 Sherman Oaks, CA 91403 (Attention: Steven N. Kurtz, Esq.), Email: skurtz@laklawyers.com; and (f)
 13 the Office of the United States Trustee, 300 Las Vegas Blvd. So., Suite 4300, Las Vegas, NV 89101
 14 (Attention Edward M. McDonald, Jr.), Facsimile: (702) 388-6658, Email:
 15 edward.m.mcdonald@usdoj.gov (collectively, the “Notice Parties”).

16 7. Upon receipt of any Qualified Bid Containing a Minimum Initial Overbid, Debtors
 17 shall notify all Notice Parties and all counterparties to additional Contracts, that such contracts may
 18 be assumed by such Bidder.

19 8. As soon as practicable after the conclusion of the Auction, the Debtors will file with
 20 the Court a notice identifying the Successful Bidder (or Successful Bidders) and stating which
 21 Contracts or Leases will be assumed and assigned (the “Assignment Notice”).

22 9. Objections to the ability of a Successful Bidder (or Successful Bidders) other than the
 23 Stalking Horse Bidder to provide adequate assurance of future performance shall be filed with the
 24 Clerk of the Court and served on the Notice Parties **so as to be actually received no later than**
 25 **11:00 p.m. (PST) on December 18, 2020** (the “Sale Objection Deadline”). For the avoidance of
 26 doubt, objections to the ability of the Stalking Horse Bidder to provide adequate assurance of future
 27 performance must be filed and served on the Notice Parties as set forth above in paragraph 6, so as to
 28 be received by the Contract Objection Deadline.

10. To the extent that any entity does not timely object as set forth above, such entity shall
 be (a) forever barred from objecting to the assumption and assignment of any of the Contracts or
 Leases identified on the Assignment Notice, including, without limitation, asserting any additional
 cure payments or requesting additional adequate assurance of future performance, (b) deemed to have
 consented to the applicable Cure Amount, if any, and to the assumption and assignment of the
 applicable Contract or Lease, (c) bound to such corresponding Cure Amount, if any, (d) deemed to
 have agreed that the Stalking Horse Bidder or any other Successful Bidder has (or Successful Bidders
 have) provided adequate assurance of future performance within the meaning of section 365(b)(1)(C)
 of the Bankruptcy Code, (e) deemed to have agreed that all defaults under the applicable Contract or
 Lease arising or continuing prior to the effective date of the assignment have been cured as a result or
 precondition of the assignment, such that the Stalking Horse Bidder or any other Successful Bidder
 (or Successful Bidders) or the Debtors shall have no liability or obligation with respect to any default
 occurring or continuing prior to the assignment, and from and after the date of the assignment the
 applicable Contract or Lease shall remain in full force and effect for the benefit of the Stalking Horse
 Bidder or any other Successful Bidder (or Successful Bidders) and such entity in accordance with its
 terms, (f) deemed to have waived any right to terminate the applicable Contract or Lease or designate
 an early termination date under the applicable Contract or Lease as a result of any default that occurred

1 and/or was continuing prior to the assignment date, and (g) deemed to have agreed that the terms of
the Sale Order shall apply to the assumption and assignment of the applicable Contract or Lease.

2 11. Any request for adequate assurance information regarding the Successful Bidder (or
3 Successful Bidders) (a “Request for Adequate Assurance”) must include an email address, postal
4 address and/or facsimile number to which a response to such request will be sent. Upon receiving a
Request for Adequate Assurance, the Debtors shall promptly provide such party with any non-
5 confidential information reasonably related to adequate assurance by email.

6 12. Failure of any entity to timely file or raise any objection as set forth herein shall be
7 deemed to constitute consent to the sale of the Debtors’ Assets to the Stalking Horse Bidder or any
8 other Successful Bidder and other relief requested in the Motion, and be a bar to any objection to the
9 Motion, the sale of the Acquired Assets, assumption and assignment of the applicable Contracts and
10 Leases and acceptance of the Proposed Cure Amount, or the Debtors’ consummation and
performance of the terms of the term sheet summary of material terms to be included in the asset
11 purchase agreement entered into with the Stalking Horse Bidder or any other Successful Bidder (or
12 Successful Bidders), if authorized by the Court.

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CONSUMER CONTRACT NOTICE

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re

RED ROSE, INC.,

- Affects Beachhead Roofing and Supply, Inc.
- Affects California Equipment Leasing Association, Inc.
- Affects Fences 4 America, Inc.
- Affects James Petersen Industries, Inc.
- Affects PD Solar, Inc.
- Affects Petersen Roofing and Solar LLC
- Affects Petersen-Dean, Inc.
- Affects PetersenDean Hawaii LLC
- Affects PetersenDean Roofing and Solar Systems, Inc.
- Affects PetersenDean Texas, Inc.
- Affects Red Rose, Inc.
- Affects Roofs 4 America, Inc.
- Affects Solar 4 America, Inc.
- Affects Sonoma Roofing Services, Inc.
- Affects TD Venture Fund, LLC
- Affects Tri-Valley Supply, Inc.
- Affects All Debtors

Case No. BK-S-20-12814-mkn

Jointly Administered with
 Case No. BK-S-20-12815-mkn
 Case No. BK-S-20-12816-mkn
 Case No. BK-S-20-12818-mkn
 Case No. BK-S-20-12819-mkn
 Case No. BK-S-20-12820-mkn
 Case No. BK-S-20-12821-mkn
 Case No. BK-S-20-12822-mkn
 Case No. BK-S-20-12823-mkn
 Case No. BK-S-20-12824-mkn
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 Case No. BK-S-20-12826-mkn
 Case No. BK-S-20-12827-mkn
 Case No. BK-S-20-12829-mkn
 Case No. BK-S-20-12831-mkn
 Case No. BK-S-20-12833-mkn

Chapter 11

**NOTICE OF (I) ENTRY INTO
 STALKING HORSE AGREEMENT AND
 (II) POTENTIAL ASSUMPTION AND
 ASSIGNMENT OF CERTAIN
 EXECUTORY CONTRACTS AND
 UNEXPIRED LEASES IN
 CONNECTION WITH THE SALE OF
 THE DEBTORS' ASSETS**

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On October 19, 2020, Petersen-Dean, Inc., and certain affiliates (collectively, the "Debtors"), debtors and debtors in possession in the above-referenced bankruptcy cases, filed a motion (the "Motion")¹ with the United States Bankruptcy Court for the District of Nevada (the "Court") seeking entry of an order approving and authorizing: (a) bidding procedures in connection

¹ Capitalized terms used but not defined herein have the meanings ascribed to them in the Motion.

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1 with the sale (the “Sale”) of substantially all of the Debtors’ assets (the “Assets”); and (b) the
2 assumption and assignment of executory contracts and unexpired leases (the “Contracts” and
“Leases”) in connection with the Sale.

3 2. On _____, 2020, the Court entered an order (the “Order”) approving, among
4 other things, (a) ACF Finco I, LLP as the stalking horse bidder (the “Stalking Horse Bidder”) for
the Assets and (b) procedures for the assumption and assignment of the Contracts and Leases.

5 3. An Auction, if necessary, of the Debtors’ Assets is currently scheduled to be held on
6 **December 14, 2020 at 9:00 a.m. (PST)**.

7 4. The Sale Hearing is currently scheduled to be held on **December 22, 2020 at 9:30**
8 **a.m. (PST)** via Zoom at the United States Bankruptcy Court for the District of Nevada Foley
9 Federal Building and U.S. Courthouse, 300 Las Vegas Blvd South, Courtroom 2, Las Vegas,
Nevada 89101, before the Honorable Mike K. Nakagawa, United States Bankruptcy Judge.

10 5. The Debtors may seek to assume and assign the Contracts and Leases identified on
11 **Exhibit 1** attached hereto (the “Potential Assignment Schedule”) in connection with the sale of the
12 Assets. The Potential Assignment Schedule identifies, among other things, the amount, if any,
13 determined by the Debtors to be necessary to be paid to cure any existing default under each
14 Contract and Lease (the “Cure Amount”). In certain instances, the Debtors and the counterparty to
15 a Contract or Lease have, or will have agreed, or are in negotiations to reach an agreement with
16 respect to a reduced Cure Amount as part of the process. Such agreed amounts are listed as
Proposed Cure Amounts on the attached Potential Assignment Schedule. With respect to Contracts
or Leases that continue to be subject to negotiations, the Proposed Cure Amount is scheduled as
“Under Negotiation.” Until the closing of the Sale, any Contract or Lease may be removed from the
Potential Assignment Schedule with the consent or at the direction of the Stalking Horse Bidder or
any other Successful Bidder, and thereafter such Contract or Lease may be rejected by the Debtors.

17 6. Objections to the proposed assumption and assignment of any of the Contracts or
18 Leases (including the ability of the Stalking Horse Bidder to provide adequate assurance of future
performance under such Contracts or Leases), must:

- 19 (a) be in writing,
- 20 (b) set forth the basis for the objection as well as any Cure Amount that the objector asserts
to be due (in all cases with appropriate documentation in support thereof), and
- 21 (c) be filed with the Clerk of the Court, the United States Bankruptcy Court for the District
of Nevada, Foley Federal Building, 4th Floor, 300 Las Vegas Boulevard South, Las Vegas,
22 Nevada 89101-5833, and served on the following parties **so as to be actually received no**
later than 5:00 p.m. (PST) on November 30, 2020 (the “Contract Objection Deadline”):
 - 23 (i) counsel to the Debtors, Fox Rothschild, LLP, 1980 Festival Plaza Drive, Suite
700, Las Vegas, Nevada 89135 (Attention: Brett A. Axelrod, Esq.), Facsimile: (702)
24 597-5503, Email: baxelrod@foxrothschild.com;
 - 25 (ii) the Debtors, Petersen-Dean, Inc., 4309 Hacienda Drive, Suite 350, Pleasanton,
CA 94588 (Attention: Jeffrey Perea), Email: jperea@conwaymackenzie.com;
 - 26 (iii) counsel to the Committee, Brown Rudnick LLP, Seven Times Square, New
27 York, NY 10036 (Attention: Max Schlan, Esq.), Facimile: (212) 938-2939, Email:
mschlan@brownrudnick.com;

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Las Vegas, Nevada 89135
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(702) 597-5503 (fax)

1 (iv) counsel to ACF FinCo I LP, Garman Turner Gordon, 7251 Amigo Street, Suite
 2 210, Las Vegas, NV 89119 (Attention: Gregory E. Garman, Esq.), Facsimile: (725)
 3 777-3112, Email: ggarman@gtg.legal;
 4 (v) counsel to LS DE LLC and LSQ Funding Group, L.C., Levinson Arshonsky &
 5 Kurtz, LLP, 15303 Ventura Blvd., Suite 1650, Sherman Oaks, CA 91403 (Attention:
 6 Steven N. Kurtz, Esq.), Email: skurtz@laklawyers.com; and
 7 (vi) the Office of the United States Trustee, 300 Las Vegas Blvd. So., Suite 4300,
 8 Las Vegas, NV 89101 (Attention Edward M. McDonald, Jr.), Facsimile: (702) 388-
 9 6658, Email: edward.m.mcdonald@usdoj.gov
 10 (collectively, the “Notice Parties”).

11 7. Upon receipt of any Qualified Bid Containing a Minimum Initial Overbid, Debtors
 12 shall notify all Notice Parties and all counterparties to additional Contracts and Leases, that such
 13 Contracts and Leases may be assumed by such Bidder.

14 8. As soon as practicable after the conclusion of the Auction, the Debtors will file with
 15 the Court a notice identifying the Successful Bidder (or Successful Bidders) and stating which
 16 Contracts or Leases will be assumed and assigned.

17 9. Objections to the ability of a Successful Bidder other than the Stalking Horse Bidder
 18 to provide adequate assurance of future performance under any of the Contracts or Leases shall be
 19 filed with the Clerk of the Court and served on the Notice Parties **so as to be actually received no**
 20 **later than 11:00 p.m. (PST) on December 18, 2020** (the “Sale Objection Deadline”). For the
 21 avoidance of doubt, objections to the ability of the Stalking Horse Bidder to provide adequate
 22 assurance of future performance must be filed and served on the Notice Parties as set forth above in
 23 paragraph 6, so as to be received by the Contract Objection Deadline.

24 10. Any request for adequate assurance information regarding the Successful Bidder (or
 25 Successful Bidders) (a “Request for Adequate Assurance”) must include an email address, postal
 26 address and/or facsimile number to which a response to such request will be sent. Upon receiving a
 27 Request for Adequate Assurance, the Debtors shall promptly provide such party with any non-
 28 confidential information reasonably related to adequate assurance by email.

1 Failure of any entity to timely file or raise any objection as set forth herein shall be
 2 deemed to constitute consent to the sale of the Debtors’ Assets to the Stalking Horse Bidder or any
 3 other Successful Bidder and other relief requested in the Motion, and be a bar to any objection to
 4 the Motion, the sale of the Assets, assumption and assignment of the applicable Contracts and
 5 Leases and acceptance of the Proposed Cure Amount, or the Debtors’ consummation and
 6 performance of the terms included in the asset purchase agreement entered into with the Stalking
 7 Horse Bidder or any other Successful Bidder (or Successful Bidders), if authorized by the Court.

**SPECIAL NOTICE TO CONSUMERS: IF YOU CONTRACTED WITH PETERSEN
 DEAN OR ITS AFFILIATES FOR THE INSTALLATION AND/OR PURCHASE OF
 SOLAR PANELS FOR YOUR HOME, THE PROPOSED SALE OF THE DEBTORS’
 ASSETS MAY RESULT IN THE ASSIGNMENT OF YOUR CONTRACT TO A
 SUCCESSFUL PURCHASER AT AUCTION, OR MAY OTHERWISE IMPACT YOUR
 RIGHTS UNDER YOUR CONTRACT.**

FOX ROTHSCHILD LLP
 1980 Festival Plaza Drive, Suite 700
 Las Vegas, Nevada 89135
 (702) 262-6899
 (702) 597-5503 (fax)

**EXHIBIT 3
Sale Notice**

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re

RED ROSE, INC.,

- Affects Beachhead Roofing and Supply, Inc.
- Affects California Equipment Leasing Association, Inc.
- Affects Fences 4 America, Inc.
- Affects James Petersen Industries, Inc.
- Affects PD Solar, Inc.
- Affects Petersen Roofing and Solar LLC
- Affects Petersen-Dean, Inc.
- Affects PetersenDean Hawaii LLC
- Affects PetersenDean Roofing and Solar Systems, Inc.
- Affects PetersenDean Texas, Inc.
- Affects Red Rose, Inc.
- Affects Roofs 4 America, Inc.
- Affects Solar 4 America, Inc.
- Affects Sonoma Roofing Services, Inc.
- Affects TD Venture Fund, LLC
- Affects Tri-Valley Supply, Inc.
- Affects All Debtors

Case No. BK-S-20-12814-mkn

Jointly Administered with
 Case No. BK-S-20-12815-mkn
 Case No. BK-S-20-12816-mkn
 Case No. BK-S-20-12818-mkn
 Case No. BK-S-20-12819-mkn
 Case No. BK-S-20-12820-mkn
 Case No. BK-S-20-12821-mkn
 Case No. BK-S-20-12822-mkn
 Case No. BK-S-20-12823-mkn
 Case No. BK-S-20-12824-mkn
 Case No. BK-S-20-12825-mkn
 Case No. BK-S-20-12826-mkn
 Case No. BK-S-20-12827-mkn
 Case No. BK-S-20-12829-mkn
 Case No. BK-S-20-12831-mkn
 Case No. BK-S-20-12833-mkn

Chapter 11

**NOTICE OF BID DEADLINE, AUCTION,
AND SALE APPROVAL HEARING IN
CONNECTION WITH THE SALE OF
THE DEBTORS' ASSETS FREE AND
CLEAR OF LIENS, CLAIMS AND
ENCUMBRANCES OTHER THAN THE
DIP FACTORING**

Hearing Date: December 22, 2020
Hearing Time: 9:30 a.m.

Beachhead Roofing & Supply, Inc.; California Equipment Leasing Association, Inc.; Fences 4 America, Inc.; James Petersen Industries, Inc.; PD Solar, Inc.; Petersen Roofing and Solar LLC; Petersen-Dean, Inc.; PetersenDean Hawaii, LLC; Petersen Dean Roofing and Solar Systems, Inc.; PetersenDean Roofing and Solar Systems, Inc.; PetersenDean Texas, Inc.; Red Rose, Inc.; Roofs 4 America, Inc.; Solar 4 America, Inc.; Sonoma Roofing Services, Inc.; TD Venture Fund, LLC; and Tri-Valley Supply, Inc. (collectively, the "Debtors"), debtors and debtors in possession in the above-referenced cases (the "Chapter 11 Cases"), seek to sell substantially all of their assets (the "Assets") subject to the debtor-in possession financing (the "DIP Factoring") and related liens (the "DIP Liens") provided by LS DE LLC and LSQ Funding Group, L.C. (collectively, the "DIP Factor"), but free and clear of any and all other liens, claims, and encumbrances.

2. On October 19, 2020, the Debtors filed a motion (the “Motion”) with the United States Bankruptcy Court for the District of Nevada (the “Court”) seeking, among other things, entry of an order (the “Bidding Procedures Order”) (a) approving and authorizing (i) bidding procedures in connection with the sale of the Assets of the Debtors (the “Bidding Procedures”), (ii) stalking horse bid protections, (iii) form and manner of notice of the sale hearing (the “Sale Hearing”) and (iv) other related relief; and (b) (i) authorizing and approving the sale of substantially all of Debtors’ assets free and clear of all liens, claims, and encumbrances other than the DIP Factoring and DIP Liens; (ii) approving the asset purchase agreement; (iii) authorizing and approving the assumption and assignment of executory contracts and unexpired leases identified by the Successful Bidder (defined below); and (iv) related relief.⁵

3. On _____, 2020, the Court entered the Bidding Procedures Order approving, among other things, ACF FinCo I, LP or its Assignee (“Purchaser”) as the stalking horse bidder (the “Stalking Horse Bidder”) for the Assets as set forth more fully in that certain asset purchase agreement between the Stalking Horse Bidder and the Debtors (as amended, the “Stalking Horse Agreement”).

4. All interested parties are invited to make offers to purchase the Assets in accordance with the Bidding Procedures and the Bidding Procedures Order. Copies of the Bidding Procedures, Bidding Procedures Order, and Stalking Horse Agreement may be obtained by: (i) written request to the Debtors’ counsel, Fox Rothschild LLP, 1980 Festival Plaza Drive, Suite 700, Las Vegas, Nevada 89135, Attention: Brett A. Axelrod, Esq., email: baxelrod@foxrothschild.com; (ii) accessing the Court’s website at <http://www.nvb.uscourts.gov/> (please note that a PACER password is needed to access documents on the court’s website); (iii) viewing the docket of these cases at the Clerk of the Court, United States Bankruptcy Court for the District of Nevada, Foley Federal Building and U.S. Courthouse, 300 Las Vegas Blvd South, Las Vegas, NV 89101; or (iv) accessing the Debtors’ claims agent’s website at <https://dm.epiq11.com/PetersenDean>. **All interested parties should carefully read the Bidding Procedures.**

5. The deadline to submit offers to purchase the Acquired Assets is **December 11, 2020 at 4:00 p.m. (PST)** (the “Bid Deadline”). Purchaser shall be served by Debtors with any and all offers to purchase Assets. Pursuant to the Bidding Procedures and Bidding Procedures Order, if two or more Qualified Bids (as defined in the Bidding Procedures) are received on or before the Bid Deadline, the Debtors will conduct an auction (the “Auction”) commencing on **December 14, 2020, at 9:00 a.m. (PST)**, via Zoom at the offices of Fox Rothschild LLP, 1980 Festival Plaza Drive, Suite 700, Las Vegas, Nevada 89135, to determine the highest or otherwise best bid for the Assets (the “Successful Bid”). Only Purchaser and an entity that has submitted a Qualified Bid (a “Qualified Bidder”) to: (a) counsel to the Debtors, Fox Rothschild, LLP, 1980 Festival Plaza Drive, Suite 700, Las Vegas, Nevada 89135 (Attention: Brett A. Axelrod, Esq.), Facsimile: (702) 597-5503, Email: baxelrod@foxrothschild.com; (b) the Debtors, Petersen-Dean, Inc., 4309 Hacienda Drive, Suite 350, Pleasanton, CA 94588 (Attention: Jeffrey Perea), Email: jperea@conwaymackenzie.com; (c) counsel to the Committee, Brown Rudnick LLP, Seven Times Square, New York, NY 10036 (Attention: Max Schlan, Esq.), Facimile: (212) 938-2939, Email: mschlan@brownrudnick.com; (d) counsel to ACF FinCo I LP, Garman Turner Gordon, 7251 Amigo Street, Suite 210, Las Vegas, NV 89119 (Attention: Gregory E. Garman, Esq.), Facsimile: (725) 777-3112, Email: ggarman@gtg.legal; (e) counsel to LS DE LLC and LSQ Funding Group, L.C., Levinson Arshonsky & Kurtz, LLP, 15303 Ventura Blvd., Suite 1650, Sherman Oaks, CA 91403 (Attention: Steven N. Kurtz, Esq.), Email:

⁵ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

1 skurtz@laklawyers.com; and (f) the Office of the United States Trustee, 300 Las Vegas Blvd. So.,
2 Suite 4300, Las Vegas, NV 89101 (Attention Edward M. McDonald, Jr.), Facsimile: (702) 388-6658,
3 Email: edward.m.mcdonald@usdoj.gov, by the Bid Deadline, is eligible to participate in the Auction.

4 6. The sale of the Assets to the Successful Bidder (or Successful Bidders) (the “Sale”) shall be presented for authorization and approval by the Bankruptcy Court at the Sale Hearing, which
5 is currently scheduled to be held on **December 22, 2020 at 9:30 a.m. (PST)** via Zoom at the United
6 States Bankruptcy Court for the District of Nevada, Foley Federal Building, Courtroom 2, 300 Las
7 Vegas Boulevard South, Las Vegas, Nevada 89101; before the Honorable Mike K. Nakagawa, United
8 States Bankruptcy Judge. The Sale Hearing may be adjourned or rescheduled without further notice
9 by announcing the adjourned date at the Sale Hearing. The Debtors must file any brief in support of
10 the Sale no later than **December 16, 2020 at 11 p.m. (PST)**.

11 7. Objections, if any, to approval of the sale of the Assets to the Successful Bidder (or
12 Successful Bidders), including any objections to the proposed assumption and assignment of certain
13 Contracts and Leases pursuant to the Assumption and Assignment Procedures, and objections to how
14 the Auction was conducted, must (i) be in writing, (ii) set forth the basis for the objection as well as
15 any Cure Amount that the objector asserts to be due (in all cases with appropriate documentation in
16 support thereof), and (iii) be filed with the Clerk of the Court, Nevada Bankruptcy Court, United
17 States Bankruptcy Court for the District of Nevada, Foley Federal Building, 4th Floor, 300 Las Vegas
18 Boulevard South, Las Vegas, Nevada 89101; and served on the following parties so as to be actually
19 received no later than **December 18, 2020 at 11:00 p.m. (PST)** (the “Sale Objection Deadline”): (a)
20 counsel to the Debtors, Fox Rothschild, LLP, 1980 Festival Plaza Drive, Suite 700, Las Vegas,
21 Nevada 89135 (Attention: Brett A. Axelrod, Esq.), Facsimile: (702) 597-5503, Email:
22 baxelrod@foxrothschild.com; (b) the Debtors, Petersen-Dean, Inc., 4309 Hacienda Drive, Suite 350,
23 Pleasanton, CA 94588 (Attention: Jeffrey Perea), Email: jperea@conwaymackenzie.com; (c) counsel
24 to the Committee, Brown Rudnick LLP, Seven Times Square, New York, NY 10036 (Attention: Max
25 Schlan, Esq.), Facimile: (212) 938-2939, Email: mschlan@brownrudnick.com; (d) counsel to ACF
26 FinCo I LP, Garman Turner Gordon, 7251 Amigo Street, Suite 210, Las Vegas, NV 89119 (Attention:
27 Gregory E. Garman, Esq.), Facsimile: (725) 777-3112, Email: ggarman@gtg.legal; (e) counsel to LS
28 DE LLC and LSQ Funding Group, L.C., Levinson Arshonsky & Kurtz, LLP, 15303 Ventura Blvd.,
Suite 1650, Sherman Oaks, CA 91403 (Attention: Steven N. Kurtz, Esq.), Email:
skurtz@laklawyers.com; and (f) the Office of the United States Trustee, 300 Las Vegas Blvd. So.,
Suite 4300, Las Vegas, NV 89101 (Attention Edward M. McDonald, Jr.), Facsimile: (702) 388-6658,
Email: edward.m.mcdonald@usdoj.gov.

8. Failure of any entity to file an objection on or before the Sale Objection Deadline shall
be deemed to constitute consent to the sale of the Assets to the Successful Bidder (or Successful
Bidders) and other relief requested in the Motion, and be a bar to the assertion, at the Sale Hearing or
thereafter, of any objection to the Motion, the Auction, the sale of the Assets, or the Debtors’
consummation and performance of the terms of the asset purchase agreement(s) entered into with the
Successful Bidder (or Successful Bidders), if authorized by the Court.

10. If an Auction is conducted, the Debtors shall identify the highest, best, and/or otherwise
financially superior offer for the Assets (the “Successful Bid” and the entity or entities submitting
such Successful Bid, the “Successful Bidder”), and the next highest or otherwise best offer after the
Successful Bid (the “Back-up Bid”), which in no event shall be the Bid submitted by the Stalking
Horse Bidder unless it agrees to such in its sole and absolute discretion.

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1 10. Following the approval of the sale of the Assets to the Successful Bidder at the Sale
2 Hearing, if such Successful Bidder fails to consummate an approved sale by January 7, 2021, the
3 Debtors shall be authorized, but not required, to deem the Back-up Bid(s), as disclosed at the Sale
4 Hearing, the Successful Bid(s) and the Debtors shall be authorized, but not required, to consummate
5 the sale with the Qualified Bidder(s) submitting such Back-up Bid(s) without further notice or orders
6 of the Bankruptcy Court. The Back-Up Bid(s) must remain open until five (5) business days after the
7 Assets have been sold pursuant to the closing of the Sale approved by the Bankruptcy Court in an
8 order that has not been stayed. For the avoidance of doubt, the Bid submitted by the Stalking Horse
9 Bidder shall not be deemed the Back-up Bid, unless the Stalking Horse Bidder agrees to such in its
10 sole and absolute discretion.

11 11. This notice is subject to the full terms and conditions of the Motion, the Bidding Procedures,
12 and the Bidding Procedures Order, and the Debtors encourage any interested parties to review such
13 documents in their entirety. To the extent that this notice is inconsistent with the Bidding Procedures
14 Order, the terms of the Bidding Procedures Order shall govern.
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