



ENTERED
11/26/2018

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:

NEIGHBORS LEGACY HOLDINGS, INC.,
et al.,

Debtors.¹

§
§ Chapter 11
§
§ Case No. 18-33836
§
§ (Jointly Administered)
§

**ORDER ESTABLISHING PROCEDURES FOR SALES OF CERTAIN
MISCELLANEOUS ASSETS OUTSIDE THE ORDINARY COURSE OF BUSINESS
FREE AND CLEAR OF ALL LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES**

[Relates to Doc. No. ____]

The above-referenced debtors and debtors-in-possession (collectively, the “Debtors”) filed their motion (the “Motion”)² (i) seeking authority to establish procedures for the sale of the Miscellaneous Assets free and clear of all liens, claims, interests and encumbrances. The Court has jurisdiction over the Motion and the relief requested in the Motion pursuant to 28 U.S.C. § 1334. The Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(N) and the Court may enter a final order on the Motion. The relief requested by the Motion is in the best interests of the Debtors, their estates, creditors, stakeholders, and other parties in interest and the Debtors gave sufficient and proper notice of the Motion and related hearings. Upon consideration of the Motion and after hearing statements in support of the Motion during proceedings before this Court, the Court finds that good and just cause exists to grant the requested relief.

IT IS HEREBY ORDERED THAT:

¹ Due to the large number of Debtors in these chapter 11 cases, a complete list of the Debtors and the last four digits of their tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at www.kccllc.net/neighbors. The location of Debtors’ principal place of business and the Debtors’ service address is: 10800 Richmond Avenue, Houston, Texas 77042.

² All terms not expressly defined herein shall have the meaning ascribed to them in the Motion.



1. In connection with the sale of the Miscellaneous Assets, the Debtors seek authorization to sell such Miscellaneous Assets (each, a “Proposed Miscellaneous Asset Sale”) pursuant to the following procedures (collectively, the “Miscellaneous Asset Sale Procedures”):

- (i) If the sale consideration from a purchaser of the Miscellaneous Assets does not exceed \$150,000, on a per-transaction basis or in a series of transactions, and if the sale is not to an insider (as defined in section 101(31) of the Bankruptcy Code), the Debtors may sell the assets upon:
 - a. providing written notice of the asset to be sold, the proposed purchase price, and the buyer’s name, via electronic mail or facsimile, to (i) the U.S. Trustee’s office, (ii) Matthew E. Tashman, mtashman@reedsmith.com, and Lloyd Lim, llim@reedsmith.com, counsel to KeyBank National Association in its capacity as Agent and DIP Agent, (iii) Michael D. Warner, mwarner@coleschotz.com, counsel to the Official Committee of Unsecured Creditors; and (iv) all known parties holding or asserting liens, claims, encumbrances or other interests in the assets being sold and their respective counsel, if known (collectively, the “Notice Parties”).
 - b. Such notice will include a description of the Miscellaneous Assets that are the subject and the economic terms of such proposed sale.
 - c. The Notice Parties shall have three (3) business days (unless extended by agreement from the Debtors) from the date of such notice to inform the Debtors in writing that they object to the proposed sale described in this subparagraph; provided, however, that to the extent the aggregate sale consideration for any series of related transactions to a single buyer or group of related buyers, which, on a per-transaction basis, exceeds \$150,000, but is less than \$500,000, the procedures in subparagraph (ii) below shall apply.
 - d. If no timely written objection is received from the Notice Parties, the Debtors are authorized to consummate the Proposed Miscellaneous Asset Sale, including executing any purchase agreements, bills of sale or other documents necessary to consummate the transaction.
 - e. If a timely written objection is received from the Notice Parties, the Debtors shall comply with the procedures set forth in subparagraph (iii) below.
- (ii) If the sale consideration from a purchaser for the Miscellaneous Assets, on a per-transaction basis or in a series of transactions, exceeds \$150,000, but is less than \$500,000, and if the sale is not to an insider (as defined in section 101(31) of the Bankruptcy Code),

- a. the Debtors will file with the Court a notice, substantially in the form attached as **Exhibit 1** to the Proposed Order, of such Proposed Miscellaneous Asset Sale (a “Miscellaneous Asset Sale Notice”); and
 - b. serve such Miscellaneous Asset Sale Notice by email or CM/ECF, if available, on the Notice Parties and those parties, as of the date of such notice, who have filed in these Chapter 11 Cases a notice of appearance and request for service of papers pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure (the “Rule 2002 Parties”).
 - c. The Miscellaneous Asset Sale Notice, to the extent that the Debtors have such information, will include: (i) a description of the Miscellaneous Assets that are the subject of the Proposed Miscellaneous Asset Sale; (ii) the location of the Miscellaneous Assets; (iii) the economic terms of sale; (iv) the identity of any non-Debtor party to the Proposed Miscellaneous Asset Sale ; and (v) the identity of the party, if any, holding liens, claims, encumbrances or other interests in the Miscellaneous Assets.
 - d. The Notice Parties and the Rule 2002 Parties shall have five (5) business days (unless extended by agreement from the Debtors) after the Miscellaneous Asset Sale Notice is filed and served to advise counsel to the Debtors in writing with specific and particular bases that they object to the Proposed Miscellaneous Asset Sale described in such Miscellaneous Asset Sale Notice.
 - e. If no written objection is received by the Objection Deadline, the Debtors are authorized to consummate the Proposed Miscellaneous Asset Sale, including executing any purchase agreements, bills of sale or other documents necessary to consummate the transaction.
- (iii) If a timely written objection to a Proposed Miscellaneous Asset Sale is timely received the Debtors will not proceed with the Proposed Miscellaneous Asset Sale unless: (i) the objection is withdrawn or otherwise resolved; or (ii) the Court approves the Proposed Miscellaneous Asset Sale.
- (iv) All buyers will acquire the Miscellaneous Assets sold by the Debtors pursuant to these Miscellaneous Asset Sale Procedures on an “AS IS-WHERE IS” basis without any representations or warranties from the Debtors as to the quality or fitness of such assets for either their intended or any other purposes; provided, however, that buyers will take title to the Miscellaneous Assets free and clear of all liens, claims, encumbrances and other interests pursuant to section 363(f) of the Bankruptcy Code, with all such liens, claims, encumbrances and other interests, if any, to attach to the proceeds of the sale of the Miscellaneous Assets, with the same validity, force, and effect which they had against such Miscellaneous Assets prior to the sale.

- (v) Good faith purchasers of the Miscellaneous Assets shall be entitled to the protections of section 363(m) of the Bankruptcy Code.
- (vi) The absence of a timely objection to the sale of the Miscellaneous Assets in accordance with the Miscellaneous Asset Sale Procedures shall be "consent" to such sale within the meaning of section 363(f)(2) of the Bankruptcy Code

2. Upon consummation of any Miscellaneous Asset Sale, all cash proceeds of any such sale transferred to the Debtors shall be paid by the Debtors to the DIP Agent and, thereafter, to the Agent, to be applied to the obligations owing under their applicable credit facilities.

3. Notice of any sale of the Miscellaneous Assets in accordance with the Miscellaneous Asset Sale Procedures shall be sufficient notice of the sale of such assets.

4. The form of Miscellaneous Asset Sale Notice attached hereto as Exhibit 1 is hereby approved.

5. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be effective and enforceable immediately upon entry hereof.

6. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

SIGNED: 11/26/18



MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Notice of Proposed Miscellaneous Asset Sale

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

<hr/> In re: NEIGHBORS LEGACY HOLDINGS, INC., et al., Debtors.¹ <hr/>	§ § § § § § §	Chapter 11 Case No. 18-33836 (Jointly Administered)
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NOTICE OF PROPOSED MISCELLANEOUS ASSET SALE

PLEASE TAKE FURTHER NOTICE that on November [], 2018, the United States Bankruptcy Court for the Southern District of Texas (the “Court”) entered that certain *Order Establishing Procedures for Sales of Certain Miscellaneous Assets Outside the Ordinary Course of Business Free and Clear of All Liens, Claims, Interests and Encumbrances* [Docket No.] the (“Miscellaneous Asset Sale Procedures Order”),² whereby the Court authorized the above-captioned debtors and debtors in possession (collectively, the “Debtors”) to sell certain Miscellaneous Assets in accordance with procedures provided for therein.

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Miscellaneous Asset Sale Procedures Order, the Debtors propose to sell (the “Proposed Miscellaneous Asset Sale”) the Miscellaneous Assets as set forth on Exhibit A attached hereto. In accordance with the Miscellaneous Asset Sale Procedures Order, Exhibit A attached hereto provides: (i) a description of the Miscellaneous Assets that are the subject of the Proposed Miscellaneous Asset Sale; (ii) the location of the Miscellaneous Assets; (iii) the economic terms of sale; (iv) the identity of any non-Debtor party to the Proposed Miscellaneous Asset Sale ; and (v) the identity of the party, if any, holding liens, claims, encumbrances or other interests in the Miscellaneous Assets.

PLEASE TAKE FURTHER NOTICE that pursuant to the Miscellaneous Asset Sale Procedures Order, parties shall have until [], 2018 at 4:00 p.m. (Central Time) (the “Objection Deadline”) to advise the undersigned counsel to the Debtors in writing with specific and particular bases that they object to the Proposed Miscellaneous Asset Sale.

PLEASE TAKE FURTHER NOTICE THAT IF NO WRITTEN OBJECTION IS RECEIVED BY THE OBJECTION DEADLINE, THE ABSENCE OF A TIMELY OBJECTION TO THE PROPOSED MISCELLANEOUS ASSET SALE SHALL BE “CONSENT” TO SUCH SALE WITHIN THE MEANING OF SECTION 363(f)(2) OF

¹ ~~Due to the large number of Debtors~~ in these chapter 11 cases, a complete list of the Debtors and the last four digits of their tax identification numbers is not provided herein. A complete list of such information may be obtains on the website of the Debtors’ proposed claims and noticing agent at www.kccllc.net/neighbors. The location of Debtors’ principal place of business and the Debtors’ service address is: 10800 Richmond Avenue. Houston, Texas 77042.

² Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Miscellaneous Asset Sale Procedures Order.

**THE BANKRUPTCY CODE, AND THE DEBTORS MAY CONSUMMATE THE
PROPOSED MISCELLANEOUS ASSET SALE.**

PLEASE TAKE FURTHER NOTICE that if a written objection to the Proposed Miscellaneous Asset Sale is timely received by the Objection Deadline, the Debtors will not proceed with the Proposed Miscellaneous Asset Sale unless: (i) the objection is withdrawn or otherwise resolved; or (ii) the Court approves the Proposed Miscellaneous Asset Sale.

Dated: November [], 2018
Houston, Texas

PORTER HEDGES LLP

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**COUNSEL FOR DEBTORS
AND DEBTORS IN POSSESSION**

Exhibit A to Miscellaneous Asset Sale Notice