

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

In re: : Chapter 11
:
SPECTRUM ALLIANCE, LP, :
:
Debtor. :
: Bankruptcy No. 17-14250(JKF)

MOTION OF SPECTRUM ALLIANCE, LP FOR AN ORDER PURSUANT TO 11 U.S.C. §§ 105(A) AND 363 AND FEDERAL RULES OF BANKRUPTCY PROCEDURE 2002, 6004 AND 9013 (I) APPROVING FORM, MANNER AND NOTICE OF BIDDING PROCEDURES, INCLUDING A BREAK-UP FEE AND EXPENSE REIMBURSEMENT, (II) AUTHORIZING THE SALE OF ASSETS FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES, (III) SCHEDULING AN EXPEDITED HEARING AND REDUCING THE NOTICE PERIOD, AND (IV) GRANTING RELATED RELIEF

Spectrum Alliance, LP (the “Debtor”) by and through undersigned, proposed counsel, Ciardi Ciardi & Astin, hereby submits this motion for the entry of an order (I) approving the form, manner and notice of bidding procedures, including a break-up fee and expense reimbursement, (II) authorizing the sale of assets, described herein, free and clear of liens, claims and encumbrances, (III) scheduling an expedited hearing and reducing the notice period, and (IV) granting related relief (the “Motion”), and, in support thereof, respectfully avers as follows:

JURISDICTION

1. The Court has jurisdiction over this proceeding pursuant to 28 U.S.C. §§ 157 and 1334. This is a “core” proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (M), (N) and (O). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief requested herein are §§105 and 363 of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure 2002, 6004 and 9013.

BACKGROUND

2. On June 20, 2017 (the “Filing Date”), the Debtor filed a voluntary petition for reorganization pursuant to chapter 11 of title 11 of the United States Code, as amended (the “Bankruptcy Code”).

3. Since the Filing Date, the Debtor has remained in possession of its assets and continued management of its business as a debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

4. An official committee of unsecured creditors (the “Committee”) was appointed by the Office of the United States Trustee on July 7, 2017. See Docket Item 36.

5. An official committee of equity security holders (the “Equity Security Committee”) was appointed by the Office of the United States Trustee on September 8, 2017. See Docket Item 120.

6. Formed in 2001, the Debtor is a private, open-ended investment fund comprising both stabilized and developmental real estate assets located in New Jersey, Pennsylvania, and Delaware. The Debtor focuses on two property types: Class A suburban office and suburban retail. Spectrum is a Pennsylvania limited partnership, with each of its properties separately owned by a limited liability company or limited partnership in accordance with institutional financing requirements. Ownership interests in the Debtor are structured as limited partnership interests, denominated in “Units”.

7. The Debtor owns all or a portion of various subsidiary entities that hold real estate. The entities income-producing entities owned by Debtor are set forth below:

(a) **Cedar Hill Shopping Center:** VSC-EE, LLC owns Units 2A, 2B, 3 and 4 and VSC-5, LLC owns Unit 5 in the Cedar Hill Shopping Center Condominium in Voorhees Township,

Camden County, New Jersey. The property is a retail power center comprised of nearly 400,000 rentable square feet (approximately 360,000 constructed, with additional development pending). Shem Creek Cedar Hill, LLC has a first lien on Units 2A, 2B, 3 and 4. MAREIF has a first lien on Unit 5.

(b) **Hillcrest Shopping Center:** HC Spectrum Partners, LP owns a 78.38% tenant-in-common interest in this approximately 133,797 square foot community shopping center located in the Borough of Lansdale, Montgomery County, Pennsylvania. Malvern Federal Savings Bank has a first lien on the property.

(c) **Towamencin Corporate Center:** CB Spectrum Partners, LP (“CB”) owns this approximately 77,000 square foot, three-story office building and a 550 car parking garage located at 1690 Sunneytown Pike, Kulpsville, Montgomery County, Pennsylvania, also known as Unit 4 in the Kulpsville Business Campus, a Condominium. The Debtor owns a 51.1% limited partnership interest in CB and 1690 Partners, LLC owns a 48.9% limited partnership interest in CB.

(d) **Mount Laurel Corporate Center:** ML Spectrum Partners DE, LLC owns a 33.39% tenant-in-common interest in an approximately 87,011 square foot office building located at the intersection of Route 73 and Howard Boulevard in Mount Laurel, Burlington County, New Jersey. Wells Fargo Commercial Mortgage Servicing services the first lien CMBS loan on this property.

(e) **Gwynedd Corporate Center:** GCC Building Associates, LP owns a 75.03% tenant-in-common interest in Buildings 1 and 2, and 100% of Building 3, in this three-building, approximately 122,803 square foot office complex located on PA Route 63 (Welsh Road) in North Wales, Montgomery County, Pennsylvania. The property is formed as a condominium known as the Gwynedd Corporate Center, a Condominium. Shem Creek GCC, LLC has a first lien on each of the

condominium units comprising the property.

The Debtor also owns all or a portion of four (4) entities that own title to undeveloped land assets as follows:

(a) **Lehighton**. Spectrum 209 Partners, LP owns approximately 9.3 acres of undeveloped land in Carbon County, Pennsylvania. Harleysville National Bank has a first mortgage on this property.

(b) **Hawthorne Court**. Hawthorne Court Associates, LP owns two condominium units on this approximately 13 acre parcel of undeveloped land in North Wales, Montgomery County, Pennsylvania. Wohlsen Construction holds a first lien on the condominium units and appurtenances owned by the Debtor.

(c) **Cedar Lake**. MVI Spectrum Partners, LLC owns approximately 10 acres of undeveloped land in Voorhees, Camden County, New Jersey. MAREIF holds a first mortgage on this land. Luciano DiVentura has a preferred equity interest in MVI Spectrum Partners, LLC.

(d) **Pond Building**. PB Spectrum Partners, LP owns an approximately 2.23 acre tract (also known as Unit 6 of the Kulpsville Business Campus, a Condominium) in Kulpsville, Montgomery County, Pennsylvania. The International Union of Operating Engineers of Eastern Pennsylvania and Delaware Pension Fund holds a \$10,000,000 preferred equity position in PB Spectrum Partners, LP and has executed on a pledge of the Debtor's Limited Partnership interest in PB Spectrum Partners, LP.

8. Through the Debtor's efforts, the Debtor secured a Letter of Intent to purchase the "Spectrum 5 Building Portfolio Limited Partnerships" (the "Letter of Intent") attached as Exhibit "A" for the sale of, "Spectrum Alliance's five (5) property portfolio partnerships and any general partnership interest associated therewith (referred to as the "Stabilized Portfolio" in Griffin's

memorandum), specifically all of Spectrum Alliance's limited partnership interests in VSC-EE, LLC, VSC-5, LLC, HC Spectrum Partners, LP, CB Spectrum Partners, LP, ML Spectrum Partners DE, LLC and GCC Building Associates, LP, along with their respective General Partnership interest in SAS-CB, LLC, Spectrum Alliance Services GCC, LLC, SAS-HC, LLC, ML Spectrum Partners, LLC and Spectrum Alliance Services ML, LLC and SAS-EE, LLC; MVI Spectrum Partners, LLC, along with its respective General Partnership and Managing Member interest in that entity; the Debtor's profit sharing and development rights in the CSC Project to be identified. This shall also include all fixtures, furniture, computers, records, files, websites, approvals, permits plans and all personal property of any nature or kind, except fund level cash for Spectrum Alliance, L.P. For purposes of this proposal, we will refer to this portfolio of limited partnership interests, general partnership interests, membership interests and managing membership interest as the "Property" or "Purchased Assets" as context requires. The Property shall include all claims that Seller or its General Partner may have against all related tenants in common ("TIC") or other members, partners or owners, for money owed for unpaid capital calls or capital contributions from other limited partners of companies in the Stabilized Portfolio, as set forth on the attached schedule hereto. Buyer shall also assume the existing liabilities in the approximate amount of Sixty Million Seven Hundred and Seventy-One Thousand (\$60,771,000.00) Dollars currently existing within VSC-EE, LLC, HC Spectrum Partners, LP, CB Spectrum Partners, LP, ML Spectrum Partners DE, LLC, and GCC Building Associates, LP. The Letter of Intent was negotiated at arm's length by the Debtor and QuickLiquidity, LLC (the "Buyer")¹ including the purchase price of \$5,500,000 in cash and the assumption of the debt in

¹ On September 19, 2017, the Bankruptcy Court approved, via Final Order, a Post-Petition Debtor-in-Possession

the amount of \$60,771,000.000 (the "Purchase Price"). A formal agreement of sale will be executed prior to the hearing on the Debtor's proposed bid procedures. Closing under the sale may be as early as the Sale Hearing but no later than December 31, 2017.

9. The Letter of Intent contemplates the sale of the Property to the Buyer for the Purchase Price. Specifically, the Debtor is *only* selling its member or partnership interest in the listed entities comprising the definition of "Property" herein. The Buyer is unrelated to the Debtor or any of the Debtor's affiliates, officers, or agents. The Buyer is affiliated with the DIP Lender and also affiliated with the 49% limited partner in CB Spectrum Partners, LP. The Buyer has reserved all of its rights to work with or hire members of the Debtor's current management team if it is the successful bidder. There are no current agreements, understandings, or arrangements, formal or informal, oral or written, promising any such transaction or future employment. The Debtor intends to negotiate and finalize a sale agreement prior to the Bid Procedures Hearing requested herein and submit the same for approval.

10. The Debtor will file a Plan setting forth the manner and amount of the distribution of the sale proceeds to the Debtor's creditors.

11. The Letter of Intent was actively negotiated by the Debtor, the Committee, and the Debtor's investment bankers, Griffin Financial Group, LLC.

12. The Debtor avers that, with the sale of the Property, as set forth in the Letter of Intent and eventual sale agreement, the contemplated sale provides the best-case scenario for a reasonable payment to the Debtor's unsecured creditors.

Loan from an affiliate of the Buyer (the "DIP Lender") to the Debtor in the amount of \$1,150,000. See Docket Item

BIDDING PROCEDURES

13. The Debtor also seeks to sell the Property subject to higher and better offers.

14. Accordingly, the Debtor requests authority to continue to market the Property and solicit bids pursuant to certain written procedures (the “Bidding Procedures”) in order to entertain higher and better offers and confirm the highest and best offer at the Sale Hearing.

15. Any party, who complies with the bidding procedures, wishing to submit a higher or better offer for the Property, may do so at the time of the hearing on the Motion.

16. As of the date of the filing of this Motion, the Debtor is unaware of other potential bidders for the Assets other than those parties who have signed Confidentiality Agreements and participated in due diligence, and, therefore, will entertain all bids it receives pursuant to the Bid Procedures Order.

THE BASIS FOR RELIEF AND THE REASONS THEREFOR

17. By this Motion, the Debtor seeks the entry of three (3) orders by the Court:

- a) an order establishing an expedited hearing within 7 to 10 days on bidding procedures and a sale hearing on or before November 30, 2017;
- b) an order to be entered outlining the procedure for entertaining higher and better offers at the Sale Hearing (the “Bidding Procedures Order”); and
- c) an order to be entered at the Sale Hearing pursuant to section 363 of the Bankruptcy Code approving the sale of the Property free and clear of liens, claims, encumbrances and interests (the “Sale Approval Order”).

132. This DIP Loan will be repaid from the sale proceeds at closing.

18. The orders requested by the Debtor, as well as the reasons and authority for the entry thereof, are discussed in detail in the Motion.

THE MARKETING PROCESS

19. Commencing in September 2016, the Debtor retained Griffin Financial Group, LLC to assist with a refinancing or sale of its assets.

20. Griffin Financial Group, LLC prepared analyses of both the Debtor's stabilized and developed portfolios for a possible sale or refinancing scenario.

21. From January 2017 to May 2017, the Debtor and Griffin Financial Group, LLC populated a data room, approached approximately 285 potential lenders and investors, and provided access to approximately 30 entities upon the execution of a confidentiality agreement.

22. During this period of time, prior to the Petition Date, the Debtor received five tentative offers, including one from the Buyer, each of which was withdrawn by the respective bidders, or the Debtor decided not to pursue.

23. The five proposals were generally for the following consideration:

- a) A \$5 million offer plus the assumption of first mortgage debt for Spectrum's ownership interest in the five stabilized properties ("Stabilized Portfolio").
- b) A \$12 million offer plus the assumption of the first mortgage debt to acquire 100% interest in the Stabilized Portfolio, requiring the waiver of claims from all existing Tenants in Common.
- c) A \$65 million senior loan used to repurchase all Stabilized Portfolio outstanding debt, secured by first mortgages on all properties at an interest rate of LIBOR + 800 bps with a 12% lookback IRR. The loan had a 3 year term.

d) A \$6 million fund level subordinated loan that would be used to repay existing subordinated debt holders at a substantial discount.

e) A \$10 million fund level subordinated loan that would be used to repurchase Tenant in Common interest and fund property level expenses. The loan assumed that the existing subordinated debt would be converted to equity.

24. The Debtor subsequently began negotiating with the ad hoc creditor and limited partner committees with regard to the concept of a restructuring plan.

25. At this time in March 2017, the Debtor's projected cash flow showed a deficit in August 2017 and the need for a sale, borrowing, or other cash infusion at that time.

26. While the Debtor hoped to file for bankruptcy protection in March 2017, the Debtor was unable to acquire the requisite approvals from its limited partners until June 19, 2017.

27. The Debtor, upon the filing of its bankruptcy proceeding, prepared and circulated a Plan of Reorganization incorporating the terms of the pre-petition, previously circulated, plan negotiated with the ad hoc committees.

28. The Debtor also sought proposals for financing to meet its cash flow requirements in July 2017. At this time, Griffin Financial Group, LLC solicited potential lenders from a list of more than one hundred prospective sources.

29. The DIP Lender provided one financing proposal. Griffin Financial Group, LLC obtained a second proposal from a third party potential lender which was more expensive than the offer submitted by the DIP Lender. Of the 27 parties contacted by Griffin for the financing only one submitted a proposal and it was much more expensive than the proposal of the DIP Lender.

30. The Debtor and the Committee actively negotiated the DIP Lender's Proposal.

31. Upon information and belief, the Debtor avers the Committee also sought alternative financing proposals at this time.

32. Ultimately, the Debtor-in-Possession Financing from the DIP Lender was approved and the DIP Loan closed in August 2017.

33. The Debtor and the Committee continued to negotiate a potential Plan of Reorganization but, given the six month delay since the start of negotiations, several roadblocks to confirmation became apparent:

- a) The Committee and current management of the Debtor could not reach an arrangement for future post-confirmation management services. Current management of the Debtor agreed to step aside upon confirmation and provide an orderly transition. However, no substitute guarantors were located or nominated by the Committee which creates an immediate default situation upon the transition out of current management.
- b) Two of the Debtor's stabilized property mortgages, representing approximately 50% of the roughly \$60,000,000 in first mortgages on the stabilized portfolio, reach maturity within twelve months.
- c) The retail leasing environment continues to deteriorate with approximately two dozen major retailers having declared bankruptcy within the past year, highlighted most recently by the Toys "R" Us bankruptcy.
- d) The Debtor required financing for tenant fit out and improvements at two stabilized properties. However, without a guarantor, such financing is in doubt.

34. The Debtor had been simultaneously marketing its portfolio for sale as a result of objections it received to its filed Disclosure Statement regarding the manner in which the Debtor valued its assets.

35. Again, Griffin Financial Group, LLC went to market and again it reached out to approximately 120 parties. Twenty three of those parties provided signed confidentiality agreements and 14 of those parties providing signed confidentiality agreements actually entered the data room and performed extensive due diligence.

36. The Debtor received two bids: the Buyer and one other. The Buyer's bid was initially rejected because it was too low. However, the Buyer's bid had no contingencies. The second bid was substantially higher (\$8,500,000) but had contingencies and due diligence concerns.

37. The Debtor and Griffin Financial Group, LLC provided significant additional due diligence to the second bidder in the hope of addressing its concerns. Unfortunately, that bidder ultimately withdrew its bid entirely.

38. Griffin Financial Group and the Debtor were able to negotiate a higher price from the Buyer coupled with a very short closing window.

39. The Committee has been actively involved in the negotiation of the Letter of Intent.

40. Given the concerns the Debtor has regarding a restructuring plan and the ability of the Buyer to close quickly, the Debtor submits the offer from the Buyer and outlined in the Letter of Intent is the best offer available to it as a result of the foregoing marketing process.

41. Continued marketing and sales efforts prior to the Sale Hearing will determine if there are any other potential bidders.

THE BIDDING PROCEDURES ORDER

42. The Debtor seeks entry of an order approving bidding procedures for the Auction and Sale Hearing to encourage only serious offers for the Property and promote a productive and business-like Auction and Sale Hearing.

43. The proposed bidding procedures provide that, in order to be considered higher and better than the offer of the Buyer ("Pending Offer") pursuant to the Letter of Intent, competing bids made at the Sale Hearing must satisfy all of the following criteria (any such bid hereinafter referred to as a "Qualified Bid"):

a. Only Buyer and a party who has submitted a Qualified Bid may bid at the Sale Hearing;

b. A Qualified Bid must meet the following conditions:

(i) Any party desiring to make a bid for the Property shall submit a bid in writing by 5:00 p.m. at least 24 hours prior to the Sale Hearing to (i) counsel for the Debtor, Ciardi, Ciardi & Astin, 2005 Market Street, Suite 3500, Philadelphia, PA 19103, Attn: Albert A. Ciardi, III, Esquire and Jennifer C. McEntee, Esquire, with a copy to (ii) Office of the United States Trustee, 833 Chestnut Street, Ste. 500, Philadelphia, PA 19103, (iii) counsel for the Committee, and (iv) counsel for the Equity Committee. The minimum bid will be \$5,950,000. Such bid shall include an execution ready sale agreement which shall fully delineate all terms of the offer with any financing or due diligence contingency waived as of the Sale Hearing.

(ii) the maker of such bid must provide to counsel for the Debtor reasonably satisfactory evidence of financial capability and good faith intent

to fulfill all of the terms and conditions of any submitted sale agreement on a timely basis, accompanied by payment of an initial deposit in available funds in the amount of the \$750,000 which shall be refunded to any unsuccessful bidder, as soon as practicable after the conclusion of the Sale Hearing and proof of ability to assume the \$60,000,000 in first mortgage debt; and

(iii) any dispute as to any bidder's intent or ability shall be resolved by

the Court at the Sale Hearing;

- c. Prior to the Sale Hearing and after any auction, the Debtor, after consulting with the Committee and the Equity Committee, shall decide which of the bids is the highest and best offer and shall submit that Bid to the Court at the Sale Hearing.
- d. Any initial counter bid for the Property must exceed the Purchase Price by \$450,000 and all bid increments shall be in multiples of no less than \$250,000.
- e. Any offer that fails to meet any of the aforementioned factors shall not be deemed a higher and better offer.
- f. No bidder is required to submit a bid in the same format as any other bidder. This proposed process is designed to encourage bidders to make the best offer possible without restricting such bidder to another bidder's format. However, if bids in other formats are submitted (i.e., bids for other property other than the Property), then the Debtor, for purposes of considering "Qualified Bids," shall compare what portion of the new bid relates to the Property as compared to the Purchase Price.
- g. The Property is being conveyed "as is."
- h. As set forth in the Letter of Intent, to the extent the Debtor (1) ultimately contracts to sell the Property to a competing bidder, (2) cancels the agreement of sale or Letter of

Intent, (3) withdraws the Sale Motion, or (4) files a Plan which withdraws the Sale Motion, the Debtor recognizes the Buyer as a “stalking horse” and thus has agreed to a break-up fee in the amount of \$175,000 (the “Break-Up Fee”) and an expense reimbursement to cover all legal fees, due diligence costs, and the Buyer’s out-of-pocket expenses incurred in connection with the proposed transaction outlined in the Letter of Intent in the amount of \$125,000 (the “Expense Reimbursement”) payable to the Buyer within 15 days of closing on a competing transaction subject to Court approval. The amount of the Break-Up Fee and the Expense Reimbursement is .45 % of the total amount of consideration of \$66,271,000 provided by the Buyer under the Letter of Intent and was calculated based upon the expenses that the Buyer has incurred and is incurring in negotiating, documenting and consummating the transaction.

- i. Closing may occur as early as the day of the Sale Hearing and must occur no later than December 31, 2017.

44. The offer made by the Buyer is deemed a Qualified Bid and nothing shall prevent the Buyer from making additional bids for the Property at the Sale Hearing. The Buyer shall be entitled to a credit in the aggregate amount of the Break-Up Fee and the Expense Reimbursement as part of any additional bid by the Buyer.

45. The Bid Procedures allow the Debtor to conduct the Sale Hearing in a controlled, fair, and open fashion that will encourage participation by financially capable bidders, thereby increasing the likelihood that the Debtor will receive the best possible consideration for the Property. Bid procedures should be approved when they provide a benefit to the estate by maximizing the value of the assets and enhance competitive bidding. Calpine Corp. v. O’Brien Envtl. Energy, Inc., 181 F.3d

527, 535-37 (3d Cir. 1999) (detailing situations where bidding incentives are appropriate in bankruptcy because they provide a benefit to the estate). The Debtor asserts that the Bid Procedures are consistent with other procedures previously approved in other bankruptcy courts in this circuit.

46. Although the Debtor believes that the value to be provided pursuant to the current Letter of Intent (and the eventual Sale Agreement) is fair and reasonable, the Debtor submits that the Bid Procedures and the Sale Hearing will ensure that the Debtor's estate receives the highest or best value available by allowing the market to test the Purchase Price for the Property. The Debtor hereby requests this Court's approval of the process and procedures set forth in the Bid Procedures for the submission and consideration of competing bids from other interested parties for the Property.

THE SALE APPROVAL ORDER

47. Finally, and most importantly, the Debtor seeks the entry of an order pursuant to section 363 of the Bankruptcy Code, approving any Sale Agreement and the sale of the Property in all respects, free and clear of any and all liens, claims, encumbrances and interests in or on the Property. The Sale Approval Order reflect the terms of the current Letter of Intent but will ultimately reflect the terms of the Sale Agreement contemplated by the Letter of Intent.

48. Pursuant to section 541 of the Bankruptcy Code, the property to be sold to the Buyer under the Letter of Intent (the "Sale"), consists of assets of the Debtor's bankruptcy estate.

49. In accordance with sections 363, 1107 and 1108 of the Bankruptcy Code, debtors-in-possession are authorized to sell property of the estate and maximize recoveries for their creditors.

50. Section 363(b) of the Bankruptcy Code authorizes a debtor or a trustee to sell its assets outside of the ordinary course of business. See 11 U.S.C. § 363(b)(1).

51. Section 363(f) of the Bankruptcy Code provides, in pertinent part, as follows:

(f) [t]he trustee may sell property under subsection (b) or (c) of this section free and clear of any interest in such property of an entity other than the estate, only if –

(1) applicable nonbankruptcy law permits sale of such property free and clear of such interest;

(2) such entity consents;

(3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;

(4) such interest is in bona fide dispute; or

(5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f).

52. Generally, a debtor must show that each of the following elements have been met before a section 363(b) sale may be approved: (i) that a sound business reason exists for the proposed transaction; (ii) that the sale has been proposed in good faith; (iii) that the sale price is fair and reasonable; and (iv) that accurate and reasonable notice has been provided of the transaction. See In re WDH Howell, LLC, 298 B.R. 527, 534 (D. N.J. 2003); In re Stroud Ford, Inc., 163 B.R. 730 (Bankr. M.D. Pa. 1993).

53. Although section 363 of the Bankruptcy Code does not specify a standard for determining when it is appropriate for a court to authorize the use, sale or lease of property of the estate, bankruptcy courts routinely authorize sales of a debtor's assets if such sale is based upon the sound business judgment of the debtor. In re Dura Automotive, 2007 Bankr. LEXIS 2764 at *258, (citing Myers v. Martin (In re Martin), 91 F.3d 389, 395 (3d Cir. 1996)); Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063, 1070 (2d Cir. 1983); In re Abbotts Dairies of Penn., Inc., 788 F.2d 143 (3d Cir. 1986) (implicitly adopting the “sound business judgment” test of Lionel Corp. and requiring good faith); In re Del. And Hudson Ry. Co., 124 B.R.

169 (D. Del. 1991) (concluding that the Third Circuit adopted the “sound business judgment” test in the Abbotts Dairies decision); In re Montgomery Ward Holding Corp., 242 B.R. 147, 153 (D. Del. 1991) (same).

54. Courts have made it clear that a debtor’s showing of a sound business justification need not be exhaustive, but rather a debtor or trustee is “simply required to justify the proposed disposition with sound business reasons.” In re Baldwin-United Com., 43 B.R. 888, 906 (Bankr. S.D. Ohio 1984).

55. Whether or not there are sufficient business reasons to justify a sale depends upon the facts and circumstances of each case. In re Lionel Com., 722 F.2d 1063, 1071 (2d Cir. 1983).

56. In the circumstances of valid business justifications, applicable principles of law attach to a debtor’s decision a strong presumption “that in making a business decision[,] the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company.” Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.), 147 B.R. 650, 656 (S.D.N.Y. 1990) (holding that the Delaware business judgment rule has “vitality by analogy” in chapter 11), (quotations omitted).

57. Therefore, the Debtor submits that the decision to sell the Property is based upon its sound business judgment and should be approved. The Debtor worked diligently to explore alternatives to the proposed sale. However, the current economic climate resulted in the Debtor’s determination that the sale of the Property is a necessary step toward a distribution to the Debtor’s creditors. The Debtor thus believes that the sale of the Assets will provide the best result for its estate and creditors.

58. Once a court is satisfied that there is a sound business justification for the proposed sale, the court should then determine whether (i) the debtor in possession has provided the interested

parties with adequate and reasonable notice, (ii) the sale price is fair and reasonable, and (iii) the purchaser is proceeding in good faith. In re Del. and Hudson Ry. Co., 124 B.R. at 166; accord In re Decora Indus., Inc., Case No. 00-4459, 2002 WL 32332749, at *3 (Bankr. D. Del. May 20, 2002.).

59. “The requirement that a purchaser act in good faith . . . speaks to the integrity of his conduct in the course of the sale proceedings.” In Re Abbotts Dairies of Pennsylvania, Inc., 788 F.2d 142, 147 (3d Cir. 1986). “Typically, the misconduct that would destroy a purchaser’s good faith status at a judicial sale involves fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.” Id.

60. Here, the Letter of Intent and, ultimately, the agreement of sale was negotiated at arm’s length after a marketing process conducted by the Debtor over the last nine (9) months.

61. The Buyer, is not controlled by, or acting on behalf of any insider of the Debtor.

62. Moreover, the proposed Letter of Intent (and eventual Sale Agreement) is to be submitted subject to the receipt of higher and better offers. Thus, the Debtor submits that the proposed sale to Buyer constitutes a sale in good faith and for fair value within meaning of Section 363 of the Bankruptcy Code and, specifically, should be afforded the benefits and protections provided by section 363(m) of the Bankruptcy Code in connection with the sale of the Property. See id.

63. Section 363(m) of the Bankruptcy Code protects the sale of a debtor’s property to a good faith purchaser. Section 363(m) provides,

The reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

11 U.S.C. §363(m).

64. Although the Bankruptcy Code does not define “good faith,” the Third Circuit has noted that the phrase “encompasses one who purchases in ‘good faith’ and ‘for value.’” In re Abbotts Dairies of Pa., Inc., 788 F.2d 143, 147 (3d Cir. 1986). Further, the Third Circuit has recognized that the type of misconduct that would destroy a purchaser’s good faith status involves ‘fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.’ Id. (remanding case involving insider transaction back to the bankruptcy court for further consideration of good faith where there was evidence that the sale had been orchestrated between insiders and some of the sale conditions were not disclosed to the debtor’s creditors) (quoting In re Rock Indus. Machine Corp., 572 F.2d 1195, 1198 (7th Cir. 1978)). Due to the absence of a bright-line test for good faith, the determination is based on the facts of each case, concentrating on the “integrity of [an actor’s] conduct during the sale proceedings.” See, e.g., In re Stroud Ford, Inc., 163 B.R. 730, 732-33 (Bankr. M.D. Pa. 1993); In re Pisces Leasing Corp., 66 B.R. 671, 673 (E.D.N.Y. 1986) (quoting In re Rock Indus. Machine Corp., 572 F.2d at 1198).

65. As will be further demonstrated at the Sale Hearing, the sale of the Property was proposed in good faith as a result of arms’-length negotiations between the Debtor and the Buyer. In addition, the sale of the Property to the Buyer is subject to higher or better offers pursuant to the Bid Procedures which are designed not only to solicit potential competing bidders, but to ensure that no party is able to exert undue influence over the process. Under such circumstances, the Debtor submits that the Buyer (or successful bidder, if not the Buyer) should be afforded the protections that section 363(m) of the Bankruptcy Code provides to a good faith purchaser.

66. The Debtor believes that the prompt sale of the Property, as proposed, is in the best interests of the creditors and the estate. The Debtor believes that the Purchase Price is fair and reasonable under the circumstances.

67. In the interest of attracting the best offers, the Sale of the Property should be free and clear of any and all liens, claims, and encumbrances in accordance with section 363(f) of the Bankruptcy Code, with holders of any such liens, claims and encumbrances being paid from the proceeds of the Sale of the Property and/or being given replacement liens, claims, and encumbrances attaching to the proceeds of the Sale of the Property.

68. Pursuant to section 363(f) of the Bankruptcy Code, a debtor in possession may sell property of the estate “free and clear of any interest in such property of an entity other than the estate” if any one of the following conditions is satisfied:

- (a) applicable nonbankruptcy law permits sale of such property free and clear of such interest;
- (b) such entity consents;
- (c) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (d) such interest is in bona fide dispute; or
- (e) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. §363(f).

69. The Debtor requests that the Court authorize the Sale of the Property free and clear of all liens, claims, encumbrances, and other interests (collectively, the “Liens and Claims”). The Sale of the Property pursuant to the Bid Procedures will satisfy section 363(f) of the Bankruptcy Code because any entities holding liens and claims will have received notice of this Motion and the Sale

Notice. All parties in interest will be given sufficient opportunity to object to the relief requested herein and any such entity that does not object to the Sale of the Property should be deemed to have consented. See Futuresource LLC v. Reuters Ltd., 312 F.3d 281, 285-86 (7th Cir. 2002) (“It is true that the Bankruptcy Code limits the conditions under which an interest can be extinguished by a bankruptcy sale, but one of those conditions is the consent of the interest holder, and lack of objection (provided of course there is notice) counts as consent. It could not be otherwise; transaction costs would be prohibitive if everyone who might have an interest in the bankrupt’s assets had to execute a formal consent before they could be sold.”) (internal citations omitted); Hargrave v. Twp. of Pemberton (In re Tabone, Inc.), 175 B.r. 855, 858 (Bankr. D.N.J. 1994) (failure to object to sale free and clear of liens, claims and encumbrances satisfies section 363(f)(2)). As such, to the extent that no party holding a lien or claim objects to the relief requested in the Sale Order, the Sale of the Assets free and clear of all liens and claims satisfies section 363(f)(2) of the Bankruptcy Code. To the extent a party holding a lien or claim objects to the relief requested in the Sale Order, the Sale of the Property free and clear of such liens and claims satisfies one or more of sections 363(f)(1) or (3)-(5), as applicable.

70. Accordingly, the Debtor requests that the Assets be transferred to the Buyer (or other successful bidder, if not the Buyer) free and clear of all liens, claims, encumbrances, and interests with the same to attach to the net sale proceeds of the Assets.

71. Finally, the Debtor submits that bidding incentives, such as the Break-Up Fee and the Expense Reimbursement, encourage a potential purchaser to invest the requisite time, money, and effort to negotiate with a debtor and perform the necessary due diligence attendant to the acquisition of a debtor’s assets, despite the inherent risks and uncertainties of the chapter 11 process. “Agreements to provide breakup fees or reimbursement of fees and expenses are meant to

compensate the potential acquirer who serves as a catalyst or ‘stalking horse’ which attracts more favorable offers.” See e.g., In re Magic Brands, LLC, 2010 WL 3493041 (Bankr. D. Del. 2010); In re Holley Performance Products, Inc., 2009 WL 7215691 (Bankr. D. Del. 2009); In re S.N.A. Nut Co., 186 B.R. 98, 101 (Bankr. N.D. Ill. 1995); see also In re 995 Fifth Ave. Assoc. L.P., 96 B.R. 24, 28 (Bankr. S.D.N.Y. 1992) (bidding incentives may “be legitimately necessary to convince a white knight to enter the bidding by providing some form of compensation for the risks it is undertaking”) (citation omitted).

72. A proposed bidding incentive to be paid to a “stalking horse” such as the Break-Up Fee, should be approved when it is in the best interests of the estate. S.N.A. Nut Co., 186 B.R. at 104. Typically, this requires that the bidding incentive provide some benefit to the debtor’s estate. Calpine Corp. v. O’Brien Env’tl. Energy, Inc., (In re O’Brien Env’tl. Energy, Inc.), 181 F.3d 527, 533 (3d Cir. 1999) (holding even though bidding incentives are measured against a business judgment standard in non-bankruptcy transactions the administrative expense provisions of Bankruptcy Code section 503(b) govern in the bankruptcy context) (hereinafter, “O’Brien”). The O’Brien standard was more recently employed and approved by the Third Circuit in In re Reliant Energy Channelview LP, 594 F.3d 200 (3d Cir. 2010).

73. The Third Circuit Court of Appeals in O’Brien has identified at least two instances in which bidding incentives may benefit the estate. First, a break-up fee or expense reimbursement may be necessary to preserve the value of the estate if assurance of the fee “promote[s] more competitive bidding, such as by inducing a bid that otherwise would not have been made and without which bidding would have been limited.” Id.; see also In re ASARCO, L.L.C., 650 F.3d 593 (5th Cir. 2011) (approving break-up fee that promoted increased bidding by reimbursing for due diligence expenses). Second, if the availability of break-up fees and expense reimbursement were to induce a bidder to

research the value of the debtor and convert that value to a dollar figure on which other bidders can rely, the bidder may have provided a benefit to the estate by increasing the likelihood that the price at which the debtor is sold will reflect its true worth. Id.

74. In O'Brien, the Third Circuit reviewed nine factors set forth by the lower court as relevant in deciding whether to award a break-up fee. Such factors are as follows:

- (a) the presence of self-dealing or manipulation in negotiating the break-up fee;
- (b) whether the fee harms, rather than encourages, bidding;
- (c) the reasonableness of the break-up fee relative to the purchase price;
- (d) whether the unsuccessful bidding placed the estate property in a “sales configuration mode” to attract other bidders to the auction;
- (e) the ability of the request for a break-up fee to attract or retain a potentially successful bid, establish a bid standard or minimum for other bidders, or attract additional bidders;
- (f) the correlation of the fee to a maximization of value of the debtor’s estate;
- (g) the support of the principal secured creditors and creditors’ committees of the break-up fee;
- (h) the benefits of the safeguards to the debtor’s estate; and
- (i) the substantial adverse impact of the break-up fee on unsecured creditors where such creditors are in opposition to the break-up fee.

O'Brien, 181 F.3d at 536.

75. The Break-Up Fee and Expense Reimbursement requested herein allow the Debtor to set a floor for the Property and, thus, insist that competing bids be materially higher or otherwise better than the Letter of Intent, a clear benefit to the Debtor’s estate. Moreover, and of critical importance, the Buyer would not have agreed to act as a stalking horse bidder without the Break-Up Fee and the Expense Reimbursement. Without the benefit of the Buyer as a stalking horse bidder, the bids received at Auction for the Property could be substantially lower than that offered by the Buyer.

76. In the present case, for example, potential purchasers of the Property will be provided with the Letter of Intent or subsequent Sale Agreement reflecting the terms already negotiated by the Buyer, will have the opportunity to propose changes to those terms, and thereafter will have the opportunity to outbid the Buyer for the Property. In this way, potential purchasers will have the benefit of the negotiations and due diligence already undertaken by the Buyer and will thus be more likely to bring their own competing bid and increase competition, and potentially, value to the estate, at the Auction. Further, it is appropriate and reasonable to compensate the Buyer for undertaking the efforts and expenditures to establish a “floor” bid for the Property, as well as establishing the terms for the sale and assignment of such assets in the event a sale is made to another purchaser. For these reasons, extending bid protections to the Buyer as proposed in the Letter of Intent is an exercise of the Debtor’s sound business judgment.

77. In addition, “[a] break-up fee should constitute a fair and reasonable percentage of the proposed purchase price, and should be reasonably related to the risk, effort, and expenses of the prospective purchaser. When reasonable in relation to the bidder’s efforts and to the magnitude of the transaction, break-up fees are generally permissible.” Id. (internal citation omitted).

78. The Break-Up Fee and the Expense Reimbursement, combined, in this case is \$300,000, calculated as .45% of the Purchase Price provided by the Buyer pursuant to the Letter of Intent. Under the circumstances and in light of the amount of the total purchase price, the Debtor asserts that the requested Break-Up Fee and Expense Reimbursement are reasonable and requests that they are approved. Specifically, the Debtor notes that the contemplated transaction involves the valuation, by the Buyer, of the Debtor’s entire makeup and sixteen-year history as a land fund. Therefore, the Break-Up Fee and the Expense Reimbursement are fair and reasonable given the amount of time, work and money the Buyer has devoted to this Sale.

**THE SALE COMPLIES WITH FEDERAL RULE OF
BANKRUPTCY PROCEDURE 6004(f)(1).**

79. Pursuant to Bankruptcy Rule 6004(f)(1), sales of property outside the ordinary course of business may be by private sale or by public auction.

80. The Debtor believes a sale of the Property pursuant to a public Auction governed by the proposed Bid Procedures will maximize the sale proceeds received by the estate, which is the paramount goal in any proposed sale of property of the estate. In re Dura Automotive Sys., Inc., Case No. 06-11202(KJC), 2007 Bankr. LEXIS 2764, *253 (Bankr. D. Del. Aug. 15, 2007) (“The paramount goal in any proposed sale of property of the estate is to maximize the proceeds received by the estate.”).

APPROVAL OF THE AGREEMENT OF SALE IS WARRANTED

81. The applicable principle of law with respect to the approval of asset sales in bankruptcy is stated in the case of In re Lionel Corp., 722 F.2d 1063 (2d Cir. 1983). The Court in Lionel held that approval of a sale is appropriate if the court finds the transaction represents a reasonable business judgment on the part of the debtor. See also, Stephens Industries v. McClung, 789 F.2d 3863 (6th Cir. 1986); In re Coastal Industries, Inc., 63 B.R. 361 (Bankr. N.D. Ohio 1986), In re Baldwin United Corp., 43 B.R. 888 (Bankr. S.D. Ohio 1984).

82. In light of the foregoing, the Debtor has determined that the Sale to Buyer on the terms and conditions set forth in the Letter of Intent and Agreement of Sale (to be submitted) are appropriate and in the best interest of its estate and all parties in interest.

83. The Sale will enable the Debtor to provide a distribution to unsecured creditors that likely would not be available absent the Sale.

WAIVER UNDER RULE 6004(h)

84. The Debtor has set forth herein and will demonstrate at the sale hearing on the Motion, the potential harm of any delay.

85. The Debtor requests a waiver of the stay as provided under Rule 6004(b) to allow for a closing within the fourteen (14) day period referenced in Rule 6004(h).

REQUEST FOR EXPEDITED CONSIDERATION

86. The Debtor requests two expedited hearings: (1) an expedited hearing for approval of the Debtor's proposed bid procedures, and (2) a hearing for approval of the sale to the Buyer.

87. The Debtor requests a hearing, within 7 to 10 days of the filing of the Motion, to determine bidding procedures, approve the Break-Up Fee, and approve the Expense Reimbursement.

88. The Debtor requests a sale hearing on or before November 30, 2017.

89. One of the Debtor's subsidiaries has a partnership agreement which has an increase in buyout option which occurs after November 30, 2017.

90. A sale hearing on or before November 30, 2017 will permit Griffin Financial Group, LLC to market the property with an option to close at a lower buyout price.

91. The Debtor and the Committee support the request for an expedited hearings.

92. The Debtor has contacted the Office of the United States Trustee regarding the request for expedited consideration.

WHEREFORE, the Debtor respectfully request that this Court (i) enter an Order approving the Bidding Procedures and the sale of the Property in a form substantially similar to the attached proposed form of Order, (ii) enter an Order approving the sale of the Property free and clear of liens, claims, encumbrances and interest, (iii) scheduling an expedited hearing and reducing the notice period, and (iv) granting such other and further relief as this Court deems just.

CIARDI CIARDI & ASTIN

Dated: 11/3/17

By: 

Albert A. Ciardi, III, Esquire
Jennifer C. McEntee, Esquire
One Commerce Square
2005 Market Street, Suite 3500
Philadelphia, PA 19103
Attorneys for the Debtor and
Debtor-In-Possession

EXHIBIT A

QuickLiquidity, LLC

November 3, 2017
Mr. James Wrigley
Spectrum Alliance, L.P.

RE: SPECTRUM 5 BUILDING PORTFOLIO LIMITED PARTNERSHIPS

Dear Mr. Wrigley,

I (the "Buyer") am pleased to submit to you the following offer to purchase the above noted property.

The following terms and conditions (this "LOI"), dated November 3, 2017, represents certain terms for an acquisition through a sale (a "Sale") of the assets specified below pursuant to Section 363 of title 11 of the United States Code (the "Bankruptcy Code"). The transactions contemplated in this LOI are referred to herein as the "Proposed Transaction." This LOI will not be construed as a solicitation under the Bankruptcy Code and is and will remain subject to the approval of the United States Bankruptcy Court (the "Bankruptcy Court") presiding over the anticipated chapter 11 case of Spectrum Alliance, L.P. (the "Seller" or the "Debtor") filed on June 20, 2017 (the "Petition Date").

This LOI and the contents hereof are confidential. The undersigned, intending to be legally bound, hereby agree that the definitive documentation for the Proposed Transaction will reflect the following terms, as well as other customary terms and conditions for a transaction of this nature:

1. Description: Spectrum Alliance's five (5) property portfolio partnerships and any general partnership interest associated therewith (referred to as the "Stabilized Portfolio" in Griffin's memorandum), specifically all of Spectrum Alliance's limited partnership interests in VSC-EE, LLC, VSC-5, LLC, HC Spectrum Partners, LP, CB Spectrum Partners, LP, ML Spectrum Partners DE, LLC and GCC Building Associates, LP, along with their respective General Partnership interest in SAS-CB, LLC, Spectrum Alliance Services GCC, LLC, SAS-HC, LLC, ML Spectrum Partners, LLC and Spectrum Alliance Services ML, LLC and SAS-EE, LLC; certain undeveloped land assets presently owned and held by MVI Spectrum Partners, LLC, along with its respective General Partnership and Managing Member interest in that entity; and development rights in a certain Delaware Project to be identified. This shall also include all fixtures, furniture, computers, records, files, websites, approvals, permits plans and all personal property of any nature or kind, except fund level cash for Spectrum Alliance, L.P. For purposes of this proposal, we will refer to this portfolio of limited partnership interests, general partnership interests, membership interests and managing membership

interest as the "Property" or "Purchased Assets" as context requires. The Property shall include all claims that Seller or its General Partner may have against all related tenants in common ("TIC") or other members, partners or owners, for money owed for unpaid capital calls or capital contributions from other limited partners of companies in the Stabilized Portfolio, as set forth on the attached schedule hereto. Buyer shall also assume the existing liabilities in the approximate amount of Sixty Million Seven Hundred and Seventy-One Thousand (\$60,771,000.0) Dollars currently existing against the Stabilized Portfolio. This shall include the Aldi pad site and land lease in Voorhees, New Jersey, previously referenced to in Griffin's memorandum.

2. **Closing & Date:** The closing of the Proposed Transaction (the "Closing") will occur on a date (the "Closing Date") that is no later than five (5) days after the satisfaction or waiver of all conditions precedent to the closing of the Proposed Transaction in accordance with the terms and conditions of the Purchase Agreement, unless otherwise agreed to by Buyer and Seller and approval from the Bankruptcy Court.
3. **Purchase Price:** Five Million Five Hundred Thousand Dollars (\$5,500,000) above existing first (1st) mortgage debt currently secured by the Property, all cash, without any financing contingencies.
4. **Acquired and Excluded Assets:** The Buyer will acquire, and the Seller will sell, all of the Seller's interest, right and title in and to the Property, including, but not limited to, all accounts receivable, cash and cash equivalents, customer account information, contracts, leases, licenses, permits, approvals, improvements, assets and equity of certain of Seller's direct and indirect subsidiaries, ground leases, personal and intellectual property, and avoidance actions (collectively, the "Purchased Assets"), except those assets and contracts that are specifically designated in the Purchase Agreement as excluded assets (the "Excluded Assets") and those contracts that are specifically designated by the Buyer as excluded contracts (the "Excluded Contracts"). The cure amounts for any contracts and leases that constitute Purchased Assets will be liabilities of the Buyer. Excluded Assets will include, without limitation, cash/assets for funding of wind down expenses in accordance with any DIP budget, refunds and credits for pre-closing taxes that are not related to the Purchased Assets, equity interests in entities not related to the Business, Excluded Contracts, and all causes of action not included in the Purchased Assets.

The Buyer will have the right, through the date 10 business days prior to the Closing Date, to designate any executory contracts or unexpired leases as Excluded Contracts, so that the obligations or liabilities for such contracts and leases will remain liabilities of the bankruptcy estate of the Seller.

All Purchased Assets will be transferred to the Buyer, pursuant to section 363(f) of the Bankruptcy Code, free and clear of all claims, liens, encumbrances, interests and other restrictions of any kind or nature whatsoever, including, without limitation, any and all pre-petition and post-petition adequate protection liens of the Seller's pre-petition lenders, in each case, as set forth in the Sale Order. Any such liens existing at the time of the consummation of the Proposed Transaction will attach to the sale proceeds according to their relative priorities.

5. Assumed and Excluded Liabilities

The Buyer will not assume any liabilities or obligations of Seller, except for the following:

- (i) liabilities related to the Purchased Assets arising on and after the Closing Date, as expressly set forth in the Purchase Agreement;
- (ii) any cure amounts under assumed contracts;
- (iii) accounts payable arising from the Business in normal course after the date of Closing;
- (iv) other specified liabilities to be agreed, including certain permitted senior liens as set forth herein; and
- (v) first (1st) lien position mortgages outstanding to Sherm Creek Capital and Malvern Federal Savings Bank.

6. Break Up Fee and Reimbursement:

Contemporaneously with seeking approval of the Bidding Procedures (as that term is defined below), the Seller will seek approval by the Bankruptcy Court of a fee (the "Breakup Fee") equal to One Hundred and Seventy-Five Thousand (\$175,000.00) Dollars, and an Expense Reimbursement to cover all legal fees, due diligence costs and Buyer's out-of-pocket expenses incurred in connection with the Proposed Transaction (the "Expense Reimbursement") in an amount of One Hundred Twenty-five (\$125,000.00) Dollars. Upon Bankruptcy Court approval, the Breakup Fee and Expense Reimbursement each shall be entitled to allowed administrative expense status pursuant to sections 105(a) and 503(b) of the Bankruptcy Code with priority over any and all administrative expenses of the kind specified in Sections 503(b) and 507 of the Bankruptcy Code and shall be senior to all other superpriority administrative expenses in the Bankruptcy Cases and shall be payable the later of: (i) Bankruptcy Court approval; (ii) within fifteen (15) days of the Closing of a Competing Transaction or (iii) within fifteen (15) days of a Termination Event as defined herein.

Subject to Bankruptcy Court approval, the Seller will pay to the Buyer the Break-Up Fee and Expense Reimbursement if the LOI

is terminated and is not consummated by Seller due to the Seller's consummation of, a Competing Transaction. Additionally and subject to Bankruptcy Court approval, the Seller will pay to the Buyer the Break-Up Fee and Expense Reimbursement even if (i) the Seller voluntarily withdraws the sale motion for any reason other than in connection with the Seller's termination of the Purchase Agreement for an uncured material breach of the Purchase Agreement by the Buyer or (ii) Seller fails to obtain Bankruptcy Court. Buyer may, but shall not be obligated to, waive its right to receive the Break-Up Fee at any time, including if it determines, in its sole discretion, that such a waiver is reasonably likely to result in greater net proceeds for the estate and its lenders.

"Competing Transaction" means any of the following, other than the Proposed Transaction: (a) a plan of reorganization or other financial and/or corporate restructuring of any Seller that substantially prohibits or impairs the Proposed Transaction; (b) the sale or disposition by Seller of all or a material portion of the outstanding equity interests of any Seller, or the sale or disposition of all or a material portion of the Purchased Assets, in either case which substantially prohibits or impairs the Proposed Transaction; (c) a merger, consolidation, business combination, liquidation or recapitalization of any or all Seller that substantially prohibits or impairs the Proposed Transaction; or (d) any similar transaction involving any or all of either the Seller or any of the undersigned entities.

7. Investigation Period: Within ten (10) days of the execution of this LOI but contingent upon Bankruptcy Court approval of this LOI, Seller shall forward to Buyer all information in its possession pertaining to the Property including, but not limited to: all appraisal reports, permits, plats, surveys, building plans, environmental studies (including but not limited to Phase I, Phase II Phase III and/or closure reports), site plans, CAM reconciliations, Lease, history of tenants, tenant applications, complete tenant files, expenses for the past 36 months within thirty (30) days from receipt of Seller's information for review and inspection of the Property including, but not limited to, engineering studies, environmental audits, review of survey, title and deed, septic system, roof and structure of building, copies of all documents relating to the existing mortgages and Tenants in common partners. Buyer shall be entitled to additional fifteen (15) days extensions of the Investigation Period if additional information is requested from Seller, and such information is not provided by Seller within the Investigation Period. This shall include requests from Seller, or Seller's agents, including Griffin Financial. If the Buyer, in its sole discretion, determines that the results of its investigations are unsatisfactory, then Buyer may withdraw the LOI or Purchase Agreement with prejudice, on or before the expiration of the Investigation Period, and neither party shall have any further

obligation or liability to one another. Buyer has completed substantial due diligence with respect to the corporate structure and liabilities with respect to the Purchased Assets, however, all legal due diligence with respect to the Purchased Assets and the ability to assume the outstanding debt pursuant to the terms set forth herein still remains outstanding. As a concession to Seller, upon the execution of the LOI, Buyer shall make best efforts to assume the debt owed to Shem Creek Capital and Malvern Federal Savings Bank, and obtain releases from same for Seller but Buyer's failure to obtain such releases shall not relieve Buyer from its obligations provided for in Section 5 hereof.

8. Contingencies:
- a. The title to the Purchased Assets shall be good and marketable, free and clear of all liens, encumbrances, restrictions and easements, insurable by a reputable title company at regular rates, only subject to the first position mortgage liens on the properties.
 - b. Clean environmental reports on all properties related to the Purchased Assets, requiring no remedial action.
 - c. Buyer's satisfaction with its inspections, appraisals, tests, surveys, plans and investigations made during the Investigation Period or Due Diligence Period as defined in the Purchase Agreement.
 - d. Seller shall turnover all documents related to the Purchased Assets, including without limitation, all financials, tax returns, rent rolls, approvals, copies of old leases, new leases, completed and proposed improvements to the properties related to the Purchased Assets, communications with officials or agents for the State or Commonwealth, County or Municipality officials or agents, including applications, site plans, permits, development proposals, variances and any documents related to the properties related to the Purchased Assets, lien searches and copies of security documents related to the properties related to the Purchased Assets.
 - e. Buyer's satisfaction with all representations and warranties of Seller with respect to the Purchased Assets as fully set forth in the Purchase Agreement in writing to be signed by all parties.
 - f. Each of the Seller shall not transfer any funds from their respective accounts to Spectrum Alliance, L.P.'s account after the execution of this LOI on account of past loans, distributions or advances.
 - g. Buyer's warranties and representation shall include all such representations made by Seller or any of its agents, including without limitation, Griffin Financial Group, James Wrigley and any other agent on behalf of Spectrum Alliance, L.P.
 - h. Neither Seller nor any of the undersigned shall not undertake any major decisions with respect to the real estate owned by each, without prior notice or approval from Buyer after execution of the LOI, including without limitation, leasing a property for less than fair market value rent or appropriate

term, acceptance of pre-paid rent for any months in advance of November 2017, or make any large infrastructure or repair expenses on any of the subject properties owned by each Seller.

9. Conditions Precedent: The obligations of the parties to consummate the Proposed Transaction will be subject to satisfaction of customary conditions precedent (each, a "Condition Precedent"), each of which may be waived in writing by the parties in their respective sole and absolute discretion including, but not limited to, the following:

(i) the Sale Order shall be final and non-appealable in all respects and shall not be subject to any stay, reversal, modification or amendment;

(ii) the other party shall have complied with its covenants in all material respects, and all of the other party's representations shall be true in all material respects as of the date of the Purchase Agreement and the Closing Date;

(iii) each party will provide the other party on the Closing Date a certificate, which will be executed by a duly authorized officer, which will certify that the prior two conditions regarding covenants and representations are satisfied;

(iv) no law or order shall be in effect which has the effect of making illegal or otherwise restricting, preventing or prohibiting the consummation of the Proposed Transaction;

(v) the parties shall have obtained any other consent, approval, order or authorization of, or registration, declaration or filing with, any federal, state, local or foreign governmental or regulatory authority required in connection with the execution and delivery of the Purchase Agreement or consummation of the Proposed Transaction.

The obligations of Buyer to consummate the Proposed Transaction will be subject to satisfaction of the following additional Conditions Precedent, each of which may be waived in writing by Buyer in its sole and absolute discretion; provided that Buyer and Seller agree to cooperate in good faith to provide additional specificity regarding these conditions, as applicable, and to satisfy the requirements of these conditions as promptly as practicable:

(i) the Seller shall have obtained all material third party consents required to consummate the Proposed Transaction (to be identified on an agreed upon schedule);

(ii) there shall exist no pending claim, action, suit, investigation, litigation or proceeding that (a) seeks to prohibit the Buyer or the Seller from consummating the Proposed Transaction or (b) would, if determined adversely to the Buyer or the Seller, subject the Buyer to material damage claims, penalties, lawsuits,

litigation or the like as a result of the consummation of the Proposed Transaction;

(iii) the Seller shall have delivered to Buyer a good standing certificate for each of the undersigned entities dated not more than 30 days prior to the Closing Date (provided that Seller will use its reasonable best efforts to deliver good standing certificates for each of the undersigned entities dated not more than 10 days prior to the Closing Date);

(iv) the Seller shall have assumed and assigned to Buyer certain specified material agreements, in each case pursuant to Section 365 of the Bankruptcy Code and the Sale Order, and the aggregate cure costs associated with such agreements shall not exceed a cap to be calculated based on the estimated cure costs for such agreements plus a reasonable cushion; and

(v) the accounts payable to be assumed by Buyer at Closing shall not exceed an amount to be disclosed in the Purchase Agreement.

10. Termination Events:

The obligations of the Buyer and Seller under the Transaction Documents will terminate and all of the obligations of the parties thereto (other than the obligations of Seller to pay the Break-Up Fee and Expense Reimbursement, if applicable) will be of no further force or effect, upon the giving of written notice of termination by the Buyer to the Company or Seller to the Buyer, as applicable, upon the occurrence of any of the following:

(i) by Buyer or Seller, if the Closing has not occurred by December 31, 2017 (the "Outside Date"); provided, however, that if the Closing shall not have occurred on or before the Outside Date due to a material breach of representations, warranties or covenants by the terminating party then that party may not terminate the Transaction Documents due to the occurrence of the Outside Date;

(ii) by Buyer, if the Debtor shall not have commenced the auction for the Sale of the assets (if such auction is necessary) on or before December 8, 2017;

(iii) by Buyer, if the Sale Order shall not have been entered by the Bankruptcy Court in form and substance satisfactory to the Buyer within five (5) days following the Sale hearing;

(iv) by Buyer, if the Sale Order shall not have become a "final" order on or before the 15th day after the Sale hearing or, to the extent an appeal of the Sale Order has been filed, a stay of the Sale Order has not been entered by either the Bankruptcy Court or by any other court of competent jurisdiction;

(v) by Buyer if any secured creditor identified on a specified schedule obtains relief from the automatic stay provided by section 362 of the Bankruptcy Code to foreclose on any of the equity interests held by the Seller that are Purchased Assets or if any secured creditor takes any adverse action (including, without limitation, the imposition of any non-consensual liens or security

interests) with respect to any of the assets of any subsidiary, affiliate or other entity being acquired hereunder;

(vi) by Buyer or Seller, if there shall be a breach by the other party of any representation, warranty, covenant or obligation which would result in a failure of one or more of the Conditions Precedent and which breach cannot be cured or has not been cured by the earlier of (i) 20 calendar days after the giving of written notice by the Buyer or the Seller, as applicable, and (ii) the Outside Date;

(vii) by Buyer or Seller, if (A) the Bankruptcy Court enters an order appointing a trustee, examiner with expanded powers or responsible officer in the Bankruptcy Cases, (B) the Bankruptcy Cases are converted to a case under chapter 7 of the Bankruptcy Code or (C) the Bankruptcy Cases are dismissed;

(viii) subject to the terms of the Bidding Procedures (including with respect to alternative bids from qualified bidders), by Buyer, if the Seller consummates a Competing Transaction, or the Bankruptcy Court approves, or authorizes the Seller or any of their affiliates to enter into, a Competing Transaction (other than a Competing Transaction with the winning bidder(s) at the auction for the Sale of the assets); and

(ix) by Buyer, if there shall be an Event of Default under the DIP Loan from QuickLiquidity XXIV, LLC.

The Seller and the Buyer shall also be able to terminate the Transaction Documents by mutual consent, including in the event that the parties determine that it would be of greater value to the Seller's estate to engage in an alternative reorganization/sale process.

11. Closing Costs:

All adjustments shall be made as of the closing date and will be further defined in the Purchase Agreement. Recordation and transfer taxes will be appointed as per local custom.

12. Bankruptcy Court Approval:

A Motion seeking Bankruptcy Court approval to purchase the Purchased Assets and fixing Buyer's Break-Up Fee shall be filed and is required within two (2) days following the execution of this LOI. Seller shall file the motion, in a form reasonably satisfactory to Buyer, seeking Bankruptcy Court approval of the sale of all right, title and interest in and to the Purchased Assets (the "Sale Motion"). The Sale Motion shall incorporate this LOI. A separate Motion to approve the bidding procedures contained in this LOI shall also be filed simultaneously or contemporaneously with the Sale Motion in a form satisfactory to Buyer. The Sale Motion and Bid Procedure Motion shall request hearing, upon proper notice, and shall contain provisions relative to the payment of the Breakup Fee and the Expense Reimbursement in the event: (i) an entity other than Buyer purchases the Purchased Assets; (ii) if the Seller closes on a

Competing Transaction; or (iii) a Termination Event (as defined herein) has occurred.

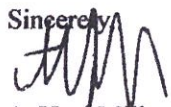
13. Bidding Procedures: At the earlier of the expiration of the (i) Inspection Period as defined in the Purchase Agreement, or (ii) ten (10) days after receipt of Bankruptcy Court approval, Seller shall have a marketing period to solicit other offers for twenty (20) days. No other offer for the Purchased Assets shall be considered unless the initial offer is at least in the amount of Five Million Nine Hundred and Fifty Thousand (\$5,950,000.00) Dollars or more with proof of all cash available at the time the offer is submitted. If the Seller receives an offer of \$5,950,000.00 or more, the maker of such bid must provide to counsel for the Debtor reasonably satisfactory evidence of financial capability and good faith intent to fulfill all of the terms and conditions of any submitted sale agreement on a timely basis, accompanied by payment of an initial deposit in available funds in the amount of the \$750,000 which shall be refunded to any unsuccessful bidder, as soon as practicable after the conclusion of the a sale hearing and proof of ability to assume the \$60,000,000 in first mortgage debt, within the deadline established by the Bankruptcy Court, such "bid" will be considered to be a Qualified Bid and an Auction will be held. At the Auction, Buyer (and any third party who submits a Qualified Bid) will be allowed to submit higher or better offers than any offer Seller has previously received at increments of \$250,000.00, and such parties shall continue to be able to submit additional bids up to and including the conclusion of the Auction
14. Brokerage Commissions: Seller shall be exclusively responsible Broker's commissions, if any.
15. Term of Agreement: This offer is only valid if accepted within 3 days.
16. Assignment: QuickLiquidity, LLC has the right to assign this to any special purpose entities at its sole discretion.
17. Agreement: Buyer and Seller agree that they shall negotiate exclusively and in good faith with each other in order to reach a mutually acceptable Purchase Agreement reflecting the terms outlined in this letter and other mutually acceptable terms and conditions.

This Letter is a statement of Buyer and Seller's intent and is solely for the purpose of outlining the present terms in order to facilitate negotiations. It shall have no binding force or effect nor confer any rights or impose any obligations upon any party until the execution of a Purchase Agreement by the Buyer and delivery of an executed duplicate original thereof to the Seller or its representative.

Please do not hesitate to contact me with any questions or comments you may have regarding this matter. This offer shall be outstanding for consideration until 8:30 PM EST on Friday, November 3, 2017, unless extended by me in writing..

November 3, 2017

Sincerely,

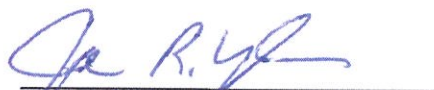


A. Yoni Miller, on behalf of Quickliquidity Management, LLC.


Ja R. Wrigley 11-3-2017 on behalf of Spectrum Alliance, LP
Seller Date

I/We hereby acknowledged and accept the terms and conditions set forth in this Letter of Intent on this ____ day of November, 2017:


Spectrum Alliance, L.P.


Name: James R. Wrigley
Title: President


VSC-EE, LLC


Name: James R. Wrigley
Title: President

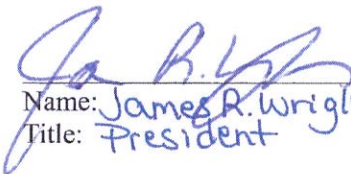
VSC-5, LLC


Name: James R. Wrigley
Title: President

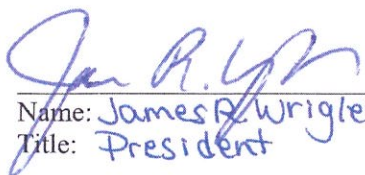
HC Spectrum Partners, LP


Name: James R. Wrigley
Title: President

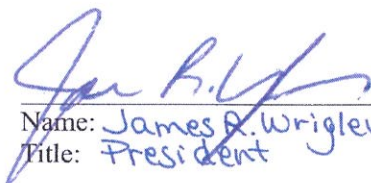
CB Spectrum Partners, LP


Name: James R. Wrigley
Title: President

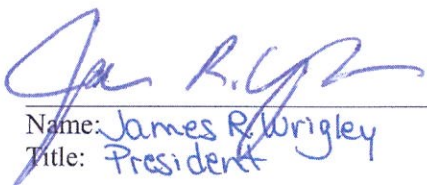
ML Spectrum Partners DE, LLC


Name: James R. Wrigley
Title: President

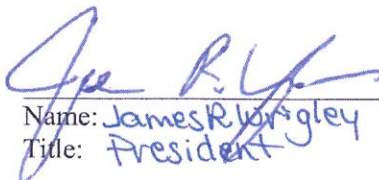
GCC Building Associates, LP


Name: James R. Wrigley
Title: President

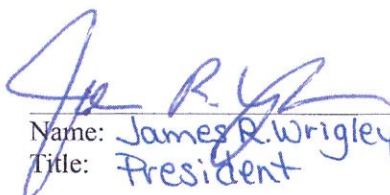
SAS-CB, LLC


Name: James R. Wrigley
Title: President

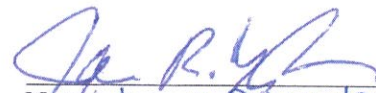
ML Spectrum Partners, LLC


Name: James R. Wrigley
Title: President


Spectrum Alliance Services ML, LLC


Name: James R. Wrigley
Title: President

SAS-EE, LLC


Name: James R. Wrigley
Title: President

MVI Spectrum Partners, LLC


Name: James R. Wrigley
Title: President

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

In re: : **Chapter 11**
:
SPECTRUM ALLIANCE, LP, :
:
:
Debtor. :
: **Bankruptcy No. 17-14250(JKF)**

ORDER (I) APPROVING PROCEDURES FOR THE SUBMISSION OF BIDS FOR THE PROPOSED SALE OF ASSETS FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES; AND (II) SCHEDULING AN AUCTION

Upon consideration of the Motion of Spectrum Alliance, LP (the “Debtor”) for orders (I) approving the form, manner and notice of bidding procedures, (II) authorizing the sale of assets, described herein, free and clear of liens, claims and encumbrances, (III) granting expedited consideration, and (IV) granting related relief, (the "Motion")¹; and the Court having considered the Certifications of Service evidencing service of Motion papers on the persons and in the manner required thereby; and the Court having conducted the Bidding Procedures Hearing and considered any objections to the Motion related thereto; proper notice under the circumstances having been given and due deliberation having been had and good and sufficient cause appearing therefore,

1. The Motion is GRANTED only to the extent set forth herein.
2. The procedures set forth below for submission of competing bids for the proposed sale pursuant to the Letter of Intent dated November 3, 2017 (the “Stalking Horse Agreement”) by and between the Debtor and QuickLiquidity, LLC (the “Buyer”), (the “Bid Procedures”) are hereby approved. The Debtor is authorized to take any and all actions necessary and/or appropriate to implement the Bid Procedures.

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

3. As provided in the Bid Procedures, if competing bids are received, an auction (the “Auction”) shall be held at the offices of Ciardi Ciardi & Astin located at One Commerce Square, 2005 Market Street, Suite 3500, Philadelphia, Pennsylvania 19103, on _____, 2017 at ___ a./p.m. prevailing Eastern Time

4. The Debtor shall afford each Prospective Bidder (as defined below) due diligence access to the Property. Due diligence access may include management presentations as may be scheduled by the Debtor, access to the data room, onsite inspections and such other matters which a Prospective Bidder may request. Prospective Bidders will be required to execute a confidentiality agreement with the Debtor before obtaining due diligence information.

5. The proposed sale shall be subject to the following Bid Procedures:

a. Except as otherwise specifically set forth herein, no party submitting any competing bid (“Prospective Bidder”) for the Property shall be entitled to any expense reimbursement or any breakup or termination payments.

b. A Prospective Bidder will not be considered by the Seller as qualified to participate in the Auction, unless as part of its bid (the “Bid”), such Prospective Bidder meets the following requirements:

i. Any party desiring to make a bid for the Property shall submit a bid in writing by 5:00 p.m. at least 24 hours prior to the Sale Hearing to (i) counsel for the Debtor, Ciardi, Ciardi & Astin, 2005 Market Street, Suite 3500, Philadelphia, PA 19103, Attn: Albert A. Ciardi, III, Esquire and Jennifer C. McEntee, Esquire, with a copy to (ii) Office of the United States Trustee, 833 Chestnut Street, Ste. 500, Philadelphia, PA 19103, (iii) counsel for the Committee, and (iv) counsel for the Equity

Committee. The minimum bid will be \$5,950,000. Such bid shall include an execution ready sale agreement which shall fully delineate all terms of the offer with any financing or due diligence contingency waived as of the Sale Hearing.

ii. the maker of such bid must provide to counsel for the Debtor reasonably satisfactory evidence of financial capability and good faith intent to fulfill all of the terms and conditions of any submitted sale agreement on a timely basis, accompanied by payment of an initial deposit in available funds in the amount of the \$750,000 which shall be refunded to any unsuccessful bidder, as soon as practicable after the conclusion of the Sale Hearing and proof of ability to assume the \$60,000,000 in first mortgage debt; and

iii. any dispute as to any bidder's intent or ability shall be resolved by the Court at the Sale Hearing;

- c. Prior to the Sale Hearing and after any auction, the Debtor, consulting with the Committee and Equity Committee, shall decide which of the bids is the highest and best offer and shall submit that Bid to the Court at the Sale Hearing.
- d. Any initial counter bid for the Property must exceed the Purchase Price by \$450,000 and all bid increments shall be in multiples of no less than \$250,000.
- e. Any offer that fails to meet any of the aforementioned factors shall not be deemed a higher and better offer.
- f. No bidder is required to submit a bid in the same format as any other bidder. This proposed process is designed to encourage bidders to make the best offer possible

without restricting such bidder to another bidder's format. However, if bids in other formats are submitted (i.e., bids for other property other than the Property), then the Debtor, for purposes of considering "Qualified Bids," shall compare what portion of the new bid relates to the Property as compared to the Purchase Price.

- g. The Property is being conveyed "as is."
- h. As set forth in the Letter of Intent, to the extent the Debtor (1) ultimately contracts to sell the Property to a competing bidder, (2) cancels the agreement of sale or Letter of Intent, (3) withdraws the Sale Motion, or (4) files a Plan which withdraws the Sale Motion, the Debtor recognizes the Buyer as a "stalking horse" and thus has agreed to a break-up fee in the amount of \$175,000 (the "Break-Up Fee") and an expense reimbursement to cover all legal fees, due diligence costs, and the Buyer's out-of-pocket expenses incurred in connection with the proposed transaction outlined in the Letter of Intent in the amount of \$125,000 (the "Expense Reimbursement") payable to the Buyer within 15 days of closing on a competing transaction subject to Court approval.
- i. Closing may occur as early as the day of the Sale Hearing and must occur no later than December 15, 2017.
- j. The Prospective Bidder must provide the following to Debtor's counsel on or before _____, 2017: (i) reasonably satisfactory evidence of financial capability and good faith intent to fulfill all of the terms and condition of the proposed Letter of Intent and, ultimately, the agreement of sale, on a timely basis (which Debtor's counsel shall share with counsel for the Committee, counsel for the Equity Committee and, if requested, the Office of the United

States Trustee); and (ii) payment of an initial cash deposit in available funds in the amount of the \$750,000 (the "Deposit") together with reasonable evidence of the Prospective Bidder's ability to assume the \$60,000,000 in first mortgage debt. Any dispute as to any Prospective Bidder's intent or ability shall be resolved by the Court at the Final Sale Hearing, as defined below.

- k. Prospective Bidders who meet the requirements set forth in Sections (i) through (iv) above shall be determined to be a "Qualified Bidder" and the Bid submitted by such Qualified Bidder shall be considered a "Qualified Bid".
- l. If two or more Qualified Bids are submitted in accordance with the Bid Procedures, the parties will proceed with the Auction. At the commencement of the Auction, the Debtor shall announce the highest and best bid (the "Pending Offer"). Thereafter, any initial overbid must exceed the Pending Offer by at least \$250,000. The Debtor may employ and announce at the Auction other procedural rules that are reasonable under the circumstances for conducting the Auction; provided, however, that such rules are (i) not materially inconsistent with these Auction Procedures, the Bankruptcy Code, or any order of the Court and (ii) disclosed to each Qualified Bidder at the Auction. When no Qualified Bidder has submitted an overbid within a reasonable time after the last bid, as determined by the Debtor, the Debtor shall have the right to select the highest or otherwise best offer from an Qualified Bidder (the "Winning Bid") and shall request that the Bankruptcy Court approve a sale on the terms of the Winning Bid at the Sale Hearing (as defined below).

- m. After a Winning Bidder is selected, the second highest bidder who has submitted a Qualified Bid shall register its bid as a second bid (the "Second Registered Bid"). In the event that the holder of the Winning Bid fails to consummate the sale of the Property or otherwise defaults, then the Second Registered Bid shall become the Winning Bid. In the event that the Debtor determines that the Second Registered Bid has become the Winning Bid, they shall provide notice to parties-in-interest and request a hearing before the Bankruptcy Court to formally recognize the Second Registered Bid as the Winning Bid and approve such sale.
- n. Deposits made by Qualified Bidders (other than the Winning Bidder and the Second Registered Bidder, if any) shall be returned to such Qualified Bidders not later than five (5) business days following the determination of the Winning Bid. The Deposit made by the Winning Bidder, if any, shall be credited against the purchase price paid by the Winning Bidder or, if the Winning Bidder materially breaches the terms of its winning bid, retained by the Debtor. The deposit by the Second Registered Bidder (if any), shall be returned upon the earlier of: (i) closing of the transaction contemplated by the Winning Bid; or (ii) December 31, 2017.
- o. The proposed Break-Up Fee and Expense Reimbursement to the Buyer are hereby approved. If the Buyer attends the Sale Hearing, waives all contingencies and further due diligence, bids for the Property, and the Debtor (1) ultimately contracts to sell the Property to a competing bidder, (2) cancels the agreement of sale or Letter of Intent, (3) withdraws the Sale Motion, or (4) files a Plan which withdraws the Sale Motion, the Buyer is not the Winning Bidder and the Debtor is

hereby authorized to pay the amount of \$300,000 to the Buyer at closing from the cash proceeds of the sale to the Winning Bidder, if any. Or, if the Debtor withdraws the Sale Motion or files a Plan withdrawing the Sale Motion, the Debtor is authorized to pay the Buyer \$300,000 within 15 days of the closing of the sale to the Winning Bidder, if any, subject to Court approval.

7. A hearing (the "Sale Hearing") shall be held before the Honorable Jean K. Fitzsimon on _____, 2017 at _____ .m. prevailing Eastern Time at the United States Bankruptcy Court for the Eastern District of Pennsylvania, 900 Market Street, Courtroom 3, Philadelphia, Pennsylvania 19107. During the Sale Hearing, the Court shall confirm that the Winning Bidder has submitted the highest and best bid for the Property and shall consider approval of the proposed sale to the Winning Bidder. Objections to the selection of the Winning Bidder and approval of the sale to the Winning Bidder must be filed with the clerk of the Court for the Eastern District of Pennsylvania (via CM/ECF) on or before _____ p.m. eastern time on _____, 2017.

8. The offer made by the Buyer is hereby deemed a Qualified Bid and nothing shall prevent the Buyer from making additional bids for the Property at the Sale Hearing.

9. Within three (3) business days after entry of this Order, the Debtor shall provide a copy of the Order to its creditor Matrix.

10. Within three (3) business days after entry of this Order, the Debtor shall serve a copy of this Order on (i) the Office of the United States Trustee; (ii) counsel to the Debtor's Committee and Equity Committee; (iii) counsel for any interested party; and (iv) those parties that request notice of all pleadings pursuant to Federal Rule of Bankruptcy Procedure 2002; as well as (v) any known Prospective Bidders, including but not limited to, those parties that have

previously communicated with the Debtor regarding purchase of the Property, those parties that have previously signed confidentiality agreements during the process by which the Debtor has previously marketed the Property for sale, and any other known parties that the Debtor believes may have any interest in bidding at the Auction. These parties shall be served with a copy of the Notice via overnight delivery, e-mail, or facsimile, as appropriate.

11. Within three (3) business days after entry of this Order, the Debtor shall serve a copy of the Notice and this Order by first class mail on all known creditors of the Debtor.

12. The Court shall retain jurisdiction to resolve any dispute relating to the interpretation of the Bid Procedures and this Order. To the extent any provisions of this Order are inconsistent with the Motion, the terms of this Order shall control.

BY THE COURT:
