

Exhibit C

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

IN RE:)	
)	
TRUSTEES OF CONNEAUT LAKE PARK, INC.,)	Bankruptcy Case No. 14-11277-JAD
)	
Reorganized Debtor.)	Chapter 11
_____)	
)	
TRUSTEES OF CONNEAUT LAKE PARK, INC.,)	Document No. _____
)	
Movant,)	
)	
v.)	
)	<u>Hearing Date & Time:</u>
CONNEAUT LAKE JOINT MUNICIPAL AUTHORITY, DONALD G.)	March 2, 2021 at 10:00 a.m. via ZOOM
KALTENBAUGH, JOSEPH J. PRISCHAK AND ISABEL J. PRISCHAK, MERCER COUNTY STATE BANK, QUINN, BUSECK, LEMHUIS, TOOHEY & KROTO, U.S. FOODSERVICE, ECONOMIC PROGRESS ALLIANCE OF CRAWFORD COUNTY, NORTHWEST PENNSYLVANIA REGIONAL PLANNING AND DEVELOPMENT COMMISSION, THE COMMONWEALTH OF PENNSYLVANIA, AND ALL UNNAMED HOLDERS OF LIENS, CLAIMS, OR ENCUMBRANCES,)	<u>Responses Due:</u> February 17, 2021
)	
Respondents.)	

**NOTICE OF BID PROCEDURES,
AUCTION DATE, AND SALE HEARING**

PLEASE TAKE NOTICE that on January 21, 2021, the above-captioned reorganized debtor and debtor in possession, the Trustees of Conneaut Lake Park, Inc. (the “Debtor”) filed the Motion (the “Procedures Motion”) of Debtor for an Order (a) designating the Stalking Horse Bidder; (b) authorizing and approving the Bid Protections for the sale of substantially all of the Debtor’s Assets; (c) approving the proposed Bid Procedures; (d) authorizing and scheduling the Auction; and (e) approving certain deadlines and the form, manner, and sufficiency of notice.

On January 26, 2021, the Bankruptcy Court entered an order (the “*Bid Procedures Order*”) granting the Procedures Motion and approving the Bid Procedures attached hereto as Exhibit 1 to be used in connection with the sale of substantially all of the Debtor’s Assets.

The Debtor is seeking to sell substantially all of its assets under chapter 11 of the United States Bankruptcy Code. The Debtor believes the sale of the Debtor’s Assets is in the best interest of the Debtor’s estate and will provide the highest and best value for the Debtor’s Assets.

If the Debtor receives Qualified Bids from other Qualified Bidders in accordance with the Bid Procedures, the Debtor’s Assets will be sold at the Auction. The Bid Procedures afford the Debtor the opportunity to subject the Debtor’s Assets to competitive bidding.

Bid Procedures

A copy of the Bid Procedures is attached hereto as Exhibit 1. The Bid Procedures describe, *inter alia*, the terms of the bidding process, the requirements and deadlines for participation therein, required terms of any bids, and the time, location, and conduct of the Auction. In the event of any inconsistency or conflict between this Notice, the Bid Procedures, and the Procedures Order, the Procedures Order shall control.

The Auction and Sale Hearing

PLEASE TAKE FURTHER NOTICE that the Bankruptcy Court will conduct the Auction and Sale Hearing in accordance with the Bid Procedures to determine the highest and best bid with respect to the Debtor’s Assets and to approve the successful bid and confirm the sale of all or substantially all of the Debtor’s Assets.

Only Qualified Bidders may bid and participate in the Auction.

The Auction shall commence at March 2, 2021 at 10:00 a.m. (**prevailing Eastern time**), before Judge Jeffery A. Deller via the Zoom Video Conference Application (“Zoom”). To participate in and join a Zoom Hearing, please initiate and use the following link at least ten (10) minutes prior to the scheduled Zoom Hearing time: <https://www.zoomgov.com/j/16009283473>, or alternatively, you may use the following Meeting ID: 160 0928 3473. All participants are required to appear by Zoom and must comply with the *Notice of Temporary Modification of Procedures Before the Honorable Jeffery A. Deller For Matters Scheduled On or After January 1, 2021* (“Judge Deller’s Zoom Procedures”), which can be found on the Court’s website at <http://www.pawb.uscourts.gov/content/judge-jeffery-deller>. Persons without video conferencing capabilities must immediately contact Chambers staff at (412) 644-4710 to make alternative arrangements. Absent emergency circumstances, such arrangements must be made no later than three (3) business days prior to the hearing.

The Auction and Sale Hearing may be adjourned in open court from time to time, without

further notice.

PLEASE TAKE FURTHER NOTICE that the Bid Procedures attached hereto shall govern the bidding process and any Auction of the Debtor's Assets. Any person that wishes to receive a copy of the Procedures Motion (with all attachments) or the Procedures Order (with all attachments) may request a copy from Debtor's counsel by email to George T. Snyder, Esquire at gsnyder@stonecipherlaw.com or in writing to Stonecipher Law Firm, 125 First Avenue, Pittsburgh, Pennsylvania 15222 (Attn: George T. Snyder).

Objections

Any objection to any of the relief to be requested at the Sale Hearing must be in writing, state the basis of such objection with specificity, and shall be filed with the Court, and shall be served on: (i) counsel to the Debtor: Stonecipher Law Firm, 125 First Avenue, Pittsburgh, Pennsylvania 15222 (Attn: George T. Snyder); (ii) counsel to the Secured Non-Tax Claims Representative: Knox McLaughlin Gornall & Sennett, P.C, 120 W. 10th Street, Erie, PA 16501 (Attn: Guy C. Fustine); and (iii) the Office of the United States Trustee, Liberty Center, 1001 Liberty Avenue, Suite 970, Pittsburgh, Pennsylvania 15222, so as to be received by **February 17, 2021**.

STONECIPHER LAW FIRM

Dated: January 26, 2021

/s/ Jeanne Lofgren

George T. Snyder, Esq.

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Attorneys for Debtor

Exhibit 1

Bid Procedures

I. Key Dates

February 17, 2021	Objection Deadline (Sale Motion)
February 19, 2021 at 4:00 p.m. (prevailing Eastern Time)	Bid Deadline
February 22, 2021	Determination of Qualified Bidder(s) and designation of the Baseline Bid
March 2, 2021 at 10:00 a.m. (prevailing Eastern Time)	Auction and Sale Hearing

II. Stalking Horse Bidder

The Debtor has entered into a Purchase and Sale Agreement (“PSA”) with Keldon Holdings, LLC for the sale of substantially all of its assets, subject to higher and better offers and Bankruptcy Court approval. The Debtor has designated Keldon Holdings, LLC as the Stalking Horse Bidder for the auction of its assets. A true and correct copy of the PSA is attached to the Bid Procedures Motion as Exhibit B and is available upon written request to counsel for the Debtor.

III. Assets to Be Sold

A descriptive list of the Debtor’s business assets (“Assets”) to be sold is provided in Section 16 of the PSA attached to the Bid Procedures Motion as Exhibit B. The Assets include, but are not limited to, the following categories: the Debtor’s Water System, Amusement Park, Water Park, Hotel Conneaut Property, Boat Dock System, Camperland, Contracts, Permits and Assignments, Intangible Assets and post-closing receivables.

The Debtor proposes to sell the Assets in accordance with the terms and conditions set forth in the PSA, with such modifications to the PSA as made by the Successful Bidder (defined below).

Any Potential Bidder (as defined below) may obtain a detailed description of the Debtor’s Assets through the process described herein.

PURSUANT TO SECTION 363 OF THE BANKRUPTCY CODE AND IN ACCORDANCE WITH THESE BID PROCEDURES, THE DEBTOR INTENDS TO SELL ITS ASSETS ON AN “AS IS, WHERE IS” BASIS AND FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS; *EXCEPT THAT*, THE CHARITABLE USE RESTRICTION SHALL NOT BE DIVESTED BY THE SALE.

IV. Assumption of Contracts and Leases

The Debtor’s executory contracts and unexpired leases were assumed or rejected consistent with the terms of its chapter 11 Plan at time of the Plan confirmation. Accordingly,

any contracts or leases subject to the sale are all post-petition agreements or have already been assumed in accordance with the Plan.

V. Due Diligence

Until the Bid Deadline (defined below), the Debtor will afford to each interested party who delivers (A) an executed confidentiality agreement in form and substance satisfactory to the Debtor; and (B) demonstrates financial wherewithal to fund a Qualified Bid to the reasonable satisfaction of the Debtor (each, a “*Potential Bidder*”), reasonable access to information about the Debtor’s Assets.

After providing this initial access to all Potential Bidders, the Debtor will be available to answer questions, to schedule site visits upon reasonable notice, and to provide additional information concerning the Debtor’s Assets through a virtual data room to Potential Bidders determined by the Debtor, in its sole discretion, to be reasonably likely to make a Qualified Bid (defined below). The determination of whether a Potential Bidder is reasonably likely to make a Qualified Bid will be made by the Debtor on the basis of a formal mark of interest from such Potential Bidder and such information as price indication, industry experience, ability to finance the transaction, and outstanding due diligence.

Except as provided by applicable law or Bankruptcy Court order, neither the Debtor nor its representatives shall be obligated to furnish any information of any kind whatsoever relating to the Debtor’s Assets to any person or entity who is not a Potential Bidder and who does not comply with the requirements of these Bid Procedures.

VI. Determination of “Qualified Bidder” Status

Any Potential Bidder desiring to participate in the bidding process must be deemed a “Qualified Bidder.” To be deemed a Qualified Bidder, a Potential Bidder must deliver, via email, to the Debtor’s undersigned counsel financial information evidencing the Potential Bidder’s ability to close the transaction satisfactory to the Debtor, in its sole discretion, or such other information as reasonably determined by the Debtor to support the Potential Bidder’s ability to close the transaction.

VII. Bid Deadline

A Qualified Bidder that desires to make a bid shall deliver copies of such bid **on or before 4:00 p.m. prevailing Eastern Time on February 19, 2021** (the “*Bid Deadline*”), via email, to:

Stonecipher Law Firm
125 First Avenue
Pittsburgh, Pennsylvania 15222
Attn: George Snyder (gsnyder@stonecipherlaw.com); and
Jeanne Lofgren (jlofgren@stonecipherlaw.com)

VIII. Requirements of a “Qualified Bid”

To be deemed a “Qualified Bid” that may be considered at the Auction, a bid must:

- a. be in writing;
- b. be submitted timely by a Qualified Bidder;
- c. be for all, or substantially all, of the Debtor’s Assets;
- d. propose to pay, in cash, at least \$1,300,000 for the purchase of the Debtor’s Assets;
- e. be: (a) definitive and binding, not subject to due diligence or any conditions other than Court approval; (b) accompanied by evidence of financial wherewithal of the proposed buyer acceptable to the Debtor in its sole discretion; (c) accompanied by a deposit of \$50,000 in immediately available funds; (d) accompanied by a proposed purchase and sale agreement marked to show changes from the PSA attached to the Bid Procedures Motion as Exhibit B; and (e) the proposed purchase and sale agreement must be on substantially the same terms as the PSA, including:
 - o Agreement to purchase all of the Debtor’s Assets;
 - o Payment of the purchase price in cash in full at closing;
 - o Payment of \$450,000 of the purchase price into escrow within three (3) days before the scheduled sale hearing;
 - o Agreement to accept the Debtor’s assets subject to the charitable use restriction
- f. be irrevocable until the earlier of (i) the Qualified Bidder’s bid being determined by the Debtor not to be a Qualified Bid or (ii) another Qualified Bidder’s bid for the same assets being approved by the Bankruptcy Court, subject to the Reserve Bidder Provision hereof;
- g. provide that the Qualified Bidder is obligated to perform as the Reserve Bidder (defined below) in the event the Qualified Bidder is not the Successful Bidder, but is the second highest bidder for all or some of the Debtor’s Assets; and
- h. be accompanied by an affirmative statement from the Qualified Bidder that: (i) it has and will continue to comply with these Bid Procedures; (ii) its bid does not entitle such Qualified Bidder to any break-up fee, termination fee, expense reimbursement, or similar type of payment or reimbursement; and (iii) it waives any substantial contribution administrative expense claims under section 503(b) of the Bankruptcy Code related to bidding for the Debtor’s Assets.

The Debtor shall file a Notice of Qualified Bidders who have submitted Qualified Bids on or before **February 22, 2021**. The Debtor reserves the right to reject any bid on any grounds or extend this deadline if clarifying information is necessary.

IX. Stalking Horse Bidder Fees

The Debtor has designated a Stalking Horse Bidder for the Debtor's Assets, together with certain Bid Protections that have been approved by the Bankruptcy Court at the hearing on the Bid Procedures Motion. In the event the Stalking Horse Bidder is not the Successful Bidder for the Debtor's Assets, the Bid Protections payable to the Stalking Horse Bidder include a \$20,000 breakup fee payable only out of the proceeds of the sale as a cost of sale.

X. Auction Process

In the event that the Debtor receives more than one Qualified Bid, the Bankruptcy Court will conduct an auction (the "*Auction*") for the Debtor's Assets. The Auction will take place on via Zoom Video Conference on **March 2, 2021 at 10:00 a.m. (prevailing Eastern Time)** before Judge Jeffery A. Deller via the Zoom Video Conference Application ("Zoom").

The Bankruptcy Court will have the right to enact detailed procedures for the conduct of the Auction at any time prior to the start of the Auction so long as such procedures are consistent with the Bid Procedures Order. All bids in the Auction with respect to any set of assets will be made and received in one room, on an open basis, and all other Qualified Bidders participating in the Auction will be entitled to be present for all bidding on assets on which they have made a qualified bid with the understanding that the true identity of each Qualified Bidder will be fully disclosed to all other Qualified Bidders participating in the Auction and that all material terms of each Qualified Bid submitted in response to the Baseline Bid (defined below) or to any Subsequent Overbid (defined below) made at the Auction will be fully disclosed to all other Qualified Bidders throughout the entire Auction. All bids shall be placed on the record, which shall either be transcribed or videotaped.

Parties entitled to participate in the Auction shall include the Debtor, the designated Stalking Horse Bidder, the Qualified Bidders, and each of those respective parties' representatives. The Stalking Horse Bidder and each Qualified Bidder shall appear at the Auction via Zoom and shall comply with the rules of the Court concerning use of Zoom. To participate in and join a Zoom Hearing, please initiate and use the following link at least ten (10) minutes prior to the scheduled Zoom Hearing time: <https://www.zoomgov.com/j/16009283473>, or alternatively, you may use the following Meeting ID: 160 0928 3473. All participants are required to appear by Zoom and must comply with the *Notice of Temporary Modification of Procedures Before the Honorable Jeffery A. Deller For Matters Scheduled On or After January 1, 2021* ("Judge Deller's Zoom Procedures"), which can be found on the Court's website at <http://www.pawb.uscourts.gov/content/judge-jeffery-deller>. Persons without video conferencing capabilities must immediately contact Chambers staff at (412) 644-4710 to make alternative arrangements. Absent emergency circumstances, such arrangements must be made no later than three (3) business days prior to the hearing.

Only a Qualified Bidder that submitted a timely Qualified Bid and the designated Stalking Horse Bidder shall be entitled to make bids at the Auction.

On or before February 22, 2021, the Debtor will share with all Qualified Bidders the highest and best bid received at the Bid Deadline for the assets on which such Qualified Bidders have made a Qualified Bid (each, a "*Baseline Bid*"). Qualified Bidders will be permitted to revise, increase, and/or enhance their bids at the Auction based upon the terms of the Baseline Bid.

The Auction will be conducted in rounds and in any order the Court determines. At the end of every round, the Debtor shall declare the highest and best bid or bids at that time for the Debtor's Assets. Each Qualified Bidder shall have the right to continue to improve its respective bid at the Auction. The bidding increments shall be the Stalking Horse Bid plus \$100,000 (the "*Initial Overbid*"). Thereafter, a Qualified Bidder may increase its Qualified Bid in any manner that it deems fit; provided however, that each subsequent bid above the Initial Overbid (each, a "*Subsequent Overbid*") must have a purchase price that exceeds the purchase price of the previous highest bid by at least \$50,000 of additional consideration in terms of net value to the Debtor for the Debtor's Assets.

The Initial Overbid and Subsequent Overbids must continue to meet each of the criteria of a Qualified Bid (other than the requirement that such bids be submitted by the Bid Deadline). The Debtor and the Court reserves the right to approach any Qualified Bidder and seek clarification to bids at any time.

The Auction will continue until the Debtor determines, subject to Bankruptcy Court approval, that it has received the highest and best offer for the Debtor's Assets (each, a "*Successful Bid*") and the next highest and best Qualified Bid for such assets, if any, as the next highest and best offer for such assets (each, a "*Reserve Bid*"). The Qualified Bidder submitting the Successful Bid shall be the "*Successful Bidder*" and the Qualified Bidder submitting the Reserve Bid shall be the "*Reserve Bidder*."

XI. The Sale Hearing

At the Sale Hearing, the Debtor will seek entry of an order authorizing and approving the sale to the Successful Bidder and, on a contingent basis, the Reserve Bidders. No later than **February 17, 2021**, all objections to the relief requested at the Sale Hearing shall be filed and served in the manner prescribed in the notice of the motion to approve the sale of the Debtor's Assets. The Sale Hearing may be adjourned or rescheduled from time to time.

XII. Failure to Consummate Purchase

Following the Sale Hearing, if the Successful Bidder fails to consummate the closing of the sale because of a breach or failure to perform on the part of such Successful Bidder, the Debtor will be authorized, but not required, to consummate the sale with the Reserve Bidder without further order of the Bankruptcy Court. In such instance, the defaulting Successful Bidder's deposit shall be forfeited to the Debtor. Additionally, the

Debtor shall be entitled to seek all available damages from the defaulting Successful Bidder.

XIII. Return of Deposit

The deposits of the Successful Bidder shall be applied to the Successful Bidder's obligations under the Successful Bid upon closing of the transactions contemplated thereby. If a Successful Bidder fails to close the transactions contemplated by the Successful Bidder then such Successful Bidder shall forfeit its deposit.

The deposit of the Reserve Bidder shall be returned to the Reserve Bidder upon the closing of the transaction to the Successful Bidder; provided, however, that if a Successful Bidder fails to close the transaction when and as provided in the Successful Bid, then the deposit of the Reserve Bidder shall be applied to the Reserve Bidder's obligations under the Reserve Bid upon closing of the transactions contemplated thereby. If a Reserve Bidder fails to close the transactions contemplated by a Reserve Bid, then such Reserve Bidder shall forfeit its deposit.

All other deposits of Qualified Bidders who are not the Successful Bidder or the Reserve Bidder shall be returned within three (3) business days after the conclusion of the Auction. The Debtor reserves all of their rights regarding any return of deposits, and the failure by the Debtor to timely return any deposits shall not serve as a claim for breach of any Qualified Bids or create any default in favor of any Qualified Bidders.

For the sake of clarity, the Earnest Money Deposit equal to \$50,000 shall be subject to forfeiture as provided above. Any additional funds remitted into escrow prior to the Sale Hearing shall be returned to the Qualified Bidders consistent with the terms of these Bid Procedures and their respective purchase and sale agreement.

XIV. Modification of Bid Procedures

The Debtor may amend any non-material terms of these Bid Procedures, in its reasonable business judgment, at any time in any manner that will best promote the goals of the bidding process, including but not limited to extending or modifying any of the dates described herein.

STONECIPHER LAW FIRM

Dated: January 26, 2021

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