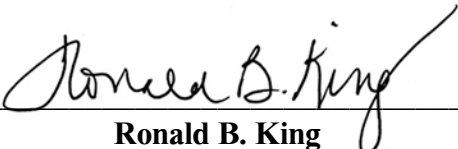




The relief described hereinbelow is **SO ORDERED**.

Signed July 28, 2022.

  
\_\_\_\_\_  
**Ronald B. King**  
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
WACO DIVISION**

IN RE: § CHAPTER 11  
§  
DARYL GREG SMITH and, § CASE NO. 21-60162-RBK-11  
CANADIAN RIVER RANCH, LLC § CASE NO. 21-60163-RBK-11  
§ Jointly Administered Under  
§ Case No. 21-60162-rbk  
Debtors. §

**ORDER APPROVING (A) BID PROCEDURES,  
INCLUDING APPROVAL OF STALKING HORSE BIDDER, AND  
(B) NOTICE OF AUCTION AND SALE HEARING, AND (C) RELATED RELIEF**

Came on for consideration the motion (the “*Motion*”)<sup>1</sup> of Gregory S. Milligan, chapter 11 trustee in the above-captioned bankruptcy cases (the “*Trustee*”) for an order pursuant to sections 105, 363, and 503 of title 11 of the United States Code (the “*Bankruptcy Code*”) and Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”), (i) approving the bid procedures (the “*Bid Procedures*,” attached hereto as **Exhibit 1**) for the sale of certain real estate set forth in the Broach Contract owned by Sellers (the “*Property*”), including

<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

the approval of the Stalking Horse Bidder and the provision of bid protections to such Stalking Horse Bidder (the “*Bid Protections*”), (ii) establishing a date for an auction (the “*Auction*”) and a final hearing (the “*Sale Hearing*”) to approve the sale of the Property (the “*Sale Transaction*”); and (iii) approving the form and manner of notice of the Auction and Sale Hearing, and (iv) granting related relief, and the Court having determined that notice of the Motion was adequate and sufficient; and all parties having been afforded due process and an opportunity to be heard with respect to the Motion and all the relief requested therein; and the Court having reviewed and considered: (i) the Motion; (ii) the objections and responsive pleadings filed in connection with the Motion, if any; and (iii) the representations of counsel made and the evidence proffered at the hearing to approve the Motion (the “*Bid Procedures Hearing*”); and the Bid Procedures Hearing having been held, and after due deliberation and sufficient cause appearing therefor, hereby finds and determines that:

A. This Court has jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the consideration of the Motion and the relief requested therein is a core proceeding pursuant to 28 U.S.C. § 157(b), and venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

B. The statutory predicates for relief sought in the Motion are sections 105(a), 363, and 503 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, and 6006.

C. The legal and factual bases set forth in the Motion establish just cause for the relief granted herein. The entry of this Order is in the best interests of the Debtors, their estates and creditors, and other parties in interest.

D. The notice of the Motion, the Bid Procedures Hearing, and the proposed entry of this Order was adequate and sufficient under the circumstances of these Chapter 11 Cases, and such

notice complied with all applicable requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules. Accordingly, no further notice of the Motion, the Bid Procedures Hearing, or this Order is necessary or required.

E. The Trustee has articulated good and sufficient reasons for the Court to (i) approve the Bid Procedures for the sale of the Property, (ii) approve Roger C. Broach or assigns (“**Broach**” or the “**Stalking Horse Bidder**”) as the stalking horse bidder for the Property and the provision of the Bid Protections, (iii) establish a date for the Auction and the Sale Hearing, (v) approve the form and manner of notice of the Auction and Sale Hearing, and (vi) grant related relief. Such good and sufficient reasons were set forth in the Motion and on the record at the Bid Procedures Hearing, are incorporated by reference herein and, among other things, form the basis for the findings of fact and conclusions of law set forth herein.

F. The proposed *Notice of Auction and Sale Hearing* (the “**Sale Notice**,”) substantially in the form attached hereto as **Exhibit 2** is calculated to provide adequate notice concerning the proposed sale of the Property, and will provide due and adequate notice of the relief sought in the Motion.

G. The Trustee has demonstrated that the Bid Procedures are fair, reasonable, and appropriate and are designed to maximize the value of the Smith estate.

H. The findings of fact and conclusions of law herein constitute the Court’s findings of fact and conclusions of law for the purposes of Bankruptcy Rule 7052, made applicable pursuant to Bankruptcy Rule 9014. To the extent any findings of facts are conclusions of law, they are adopted as such. To the extent any conclusions of law are findings of fact, they are adopted as such.

**NOW, THEREFORE, IT IS HEREBY ORDERED THAT:**

1. The Motion is **GRANTED** to the extent set forth herein.

2. All objections to the relief requested in the Motion, if any, that have not been withdrawn, waived, settled or ruled upon as announced to the Court at the Bid Procedures Hearing are denied and overruled in their entirety except as otherwise set forth herein.

3. The Bid Procedures are hereby approved in their entirety in the form attached hereto as **Exhibit 1**. Notwithstanding the foregoing, the consummation of the Sale Transaction shall remain subject to the entry of the Sale Order.

4. The Trustee may proceed with the Sale Transaction in accordance with the Bid Procedures and is authorized to take any and all actions necessary or appropriate to implement the Bid Procedures. Furthermore, the Trustee, in his sole discretion, may elect to remove the Property from the market.

5. The process for submitting Qualified Bids (as defined in the Bid Procedures) is fair, reasonable and appropriate and is designed to maximize recoveries for the benefit of the Smith estate, its creditors, and other parties in interest. Any disputes as to the selection of a Qualified Bid, Initial Topping Bid and/or Successful Bid (all as defined in the Bid Procedures) shall be resolved by this Court.

6. The Trustee is authorized to conduct the Auction in the event it receives one or more timely and acceptable Qualified Bids. The Auction is necessary to ensure that the Trustee receives the highest or best purchase offer for the Property, thus maximizing value to the Smith estate and resulting distributions to its creditors.

7. Broach and the Broach Contract are each approved as the Stalking Horse Bidder and the Stalking Horse Bid, respectively, for the Property. The Court finds that the Bid Protections as described in the Bid Procedures are reasonable and necessary and are hereby approved.

8. The form of Sale Notice attached hereto as **Exhibit 2** is hereby approved.

9. Within three (3) business days after the Court enters this Order, the Trustee (or his agents) shall serve the Sale Notice by first class United States mail on (i) the Office of the United States Trustee for the Western District of Texas; (ii) all entities known by the Trustee to have asserted any lien, claim, encumbrance, or other interest in the Property (for whom identifying information and addresses are available to the Trustee); (iii) any Governmental Authority known to have a claim in the bankruptcy cases; (iv) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002; (v) all of the Debtors' known creditors; and (vii) all other Persons known to Trustee that have expressed an interest in purchasing the Property and as directed by the Court (for whom identifying information and addresses are available to the Trustee) (collectively, the "***Sale Notice Parties***").

10. Service of the Sale Notice as approved and set forth herein shall be deemed proper, due, timely, good, and sufficient notice of, among other things, the entry of this Order, the Bid Procedures, the Auction, the Sale Hearing, the deadline to object to the Motion, and the proposed Sale Transaction, including the transfer of the Sellers' right, title and interest in, to and under the Property free and clear of any and all liens, claims, encumbrances, and other interests, and no other or further notice is necessary.

11. Any and all objections, if any, to any Sale Transaction, including objections to the Auction and the selection of any Successful Bidder(s), must be filed by 5:00 p.m. (prevailing Central Time) on September 7, 2022 (the "***Sale Objection Deadline***") and be served on (i) the Office of the United States Trustee for the Western District of Texas, (ii) counsel to the Trustee, Waller Lansden Dortch & Davis, LLP, Morris D. Weiss, 100 Congress Avenue, 18th Floor, Austin, Texas 78701, morris.weiss@wallerlaw.com, and (iii) the Stalking Horse Bidder, Roger Broach, roger@broach.com (the "***Objection Recipients***").

12. Any party failing to timely file an<sup>18</sup> objection to any Sale Transaction shall be forever barred from objecting and shall be deemed to have consented to any Sale Transaction, including the transfer of the Sellers' right, title, and interest in, to and under the Property free and clear of any and all liens, claims, encumbrances, and other interests in accordance with a definitive agreement for a Sale Transaction.

13. Any party desiring to submit a bid for the Sellers' right, title and interest in, to and under the Property must comply with the Bid Procedures.

14. To the extent that one or more timely and acceptable Qualified Bid(s) is received, an auction on September 9, 2022 at 11:30 a.m. shall be conducted in open Court, presided over by the Judge. The Trustee may adjourn or cancel the Auction at or prior to the Auction in the event no Qualified Bids are received.

15. The Trustee may request Court authority to alter the Bid Procedures, including changes so as to modify deposit amounts and to modify or eliminate the requirements with respect to Back-Up Bidders. The Trustee may terminate discussions with any and all prospective acquirers at any time and without specifying the reasons therefor, but only to the extent not materially inconsistent with the Bid Procedures.

16. The **Sale Hearing shall be held on September 9, 2022 at 11:30 a.m. LIVE in Courtroom #1, 3rd Floor, 615 E. Houston Street, San Antonio, Texas, or via WEBEX <https://us-courts.webex.com/meet/King>**. If no other Qualified Bids are received, the Trustee, in his sole discretion, may request the Court set a Sale Hearing at any time following the expiration of the Bid Deadline.

17. Notwithstanding Bankruptcy Rule 6004 or otherwise, this Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing. To the extent applicable, the stays described in Bankruptcy Rule 6004(h) are hereby waived.

18. The terms of this Order shall control to the extent of any conflict with the Motion.

19. The Court shall retain jurisdiction over any matter or dispute arising from or relating to the implementation of this Order.

###

ORDER SUBMITTED BY:  
Waller Lansden Dortch & Davis LLP  
Morris D. Weiss  
State Bar No. 21110850  
100 Congress Avenue, Suite 1800  
Austin, Texas 78701  
(512) 685-6400  
(512) 685-6417 (FAX)  
[morris.weiss@wallerlaw.com](mailto:morris.weiss@wallerlaw.com)

COUNSEL FOR TRUSTEE

**Exhibit 1**  
**Bid Procedures**



UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
WACO DIVISION

IN RE: § CHAPTER 11  
§  
DARYL GREG SMITH and, § CASE NO. 21-60162-RBK-11  
CANADIAN RIVER RANCH, LLC § CASE NO. 21-60163-RBK-11  
§ Jointly Administered Under  
§ Case No. 21-60162-rbk  
Debtors. §

**BID PROCEDURES FOR THE SALE OF THE PROPERTY**

Gregory S. Milligan, chapter 11 trustee in the above-captioned bankruptcy cases (the “Trustee”), sets forth the following bid procedures (the “*Bid Procedures*”) to be employed in connection with an auction, if the Trustee receives one or more timely Qualified Bids (the “*Auction*”), for the sale of certain real estate set forth in the Broach Contract (the “*Property*”) owned by (i) the estate of Daryl Greg Smith and (ii) Darren Keith Reed (together, the “*Sellers*”). At a hearing following the Auction (the “*Sale Hearing*”), the Trustee will seek the entry of an order (the “*Sale Order*”) from the United States Bankruptcy Court for the Western District of Texas, Waco Division (the “*Court*”) authorizing and approving the sale of the Property among the Sellers and the Qualified Bidder(s) (as defined herein) that the Trustee determines to have made the highest or otherwise best bid (a “*Successful Bidder(s)*”). These Bid Procedures have been approved and authorized pursuant to the *Order Approving (A) Bid Procedures, Including Approval of Stalking Horse Bidder, (B) Notice of Auction and Sale Hearing, and (C) Related Relief* (the “*Bid Procedures Order*”) entered by the Court on [DATE], 2022.<sup>1</sup>

**A. Approvals**

The proposed sale(s) shall in all respects be subject to approval by the Court and in compliance with: (i) the applicable provisions of chapter 11 of title 11 of the United States Code (the “*Bankruptcy Code*”); (ii) the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”); and (iii) other applicable rules and law, including, without limitation, the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Western District of Texas (the “*Local Rules*”) and Orders of the Court.

**B. Assets to Be Sold**

The Auction shall consist of the Property.

**C. Preliminary Diligence**

Any prospective competing bidder (each, a “*Potential Bidder*”) identified by the Trustee or the Broker as reasonably likely to be a Qualified Bidder (as defined herein) shall be provided a copy

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<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Bid Procedures Order.

of the Broach Contract and current title commitment for the Property (and any updates thereto along with any documents reflected in the title commitment). Potential Bidders may conduct additional, non-destructive diligence at their own option and expense, including tours of the Property and the engagement of customary engineers and contractors.

All bidders must complete their due diligence prior to the Bid Deadline. There shall be no other provision for the completion of due diligence after the Bid Deadline.

**D. Bid Deadline**

Any person or entity interested in participating in the Auction must submit a Qualified Bid (as defined below) on or before September 2, 2022 by 5:00 p.m. (prevailing Central Time) in writing, to (i) the Trustee, Gregory Milligan, 8911 N. of Capital Texas Highway, Suite 2120, Austin, TX 78759, gmilligan@harneypartners.com; (ii) the Broker, Land Doctors, Inc., Attn: Kelly Hurt, 29848 Co Rd 1480, Allen, OK 74825, kelly@landdoctors.com; and (iii) attorneys for the Trustee, Waller Lansden Dortch & Davis LLP, Attn: Morris Weiss, 100 Congress Avenue, 18th Floor, Austin, Texas 78701, morris.weiss@wallerlaw.com (collectively, the “*Trustee Notice Parties*”).

**E. Stalking Horse Bid**

The Trustee has entered into a sales contract with Roger C. Broach (“*Broach*” or the “*Stalking Horse Bidder*”) for the sale of the Property for a purchase price of \$658,500 (the “*Broach Contract*” or the “*Stalking Horse Bid*”). The Broach Contract provides, in summary, as follows<sup>2</sup>:

- a) Purchase Price: \$658,500
- b) \$65,850 deposit.
- c) Buyer Protections: 2.0% Break Up Fee; \$10,000 expense reimbursement
- d) Conditions: None.
- e) Closing: On or before September 27, 2022.

The Court has approved Broach as the Stalking Horse Bidder and the Broach Contract as the Stalking Horse Bid.

**F. Qualified Bids**

To participate in the bidding process and be deemed a “*Qualified Bidder*,” each Potential Bidder must submit a “*Qualified Bid*” by the Bid Deadline. To constitute a Qualified Bid, a bid must:

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<sup>2</sup> The summary below is qualified in its entirety by the Broach Contract.

- (a) be in writing;
- (b) identify the Property;
- (c) fully disclose the legal identity of each entity that will be bidding or otherwise participating in connection with such bid;
- (d) fully disclose any connections or agreements with the Debtors or Trustee, any other known Potential Bidder or Qualified Bidder, and/or any officer or director of the foregoing;
- (e) provide an irrevocable offer in the form of an executed copy of a Modified Sales Contract, including all exhibits and schedules contemplated thereby;
- (f) include a marked copy of the Modified Sales Contract reflecting the differences between the Modified Sales Contract and the Broach Contract;
- (g) demonstrate that such bidder is financially capable of consummating the transactions contemplated by (i) the Modified Sales Contract and (ii) any additional bids, overbids, or modifications to the Modified Sales Contract such Potential Bidder may make during the Auction, and detail the source(s) of funds that will be used to consummate the transaction;
- (h) include satisfactory evidence of committed financing or other financial ability to consummate the transactions contemplated by the Modified Sales Contract in a timely manner;
- (i) expressly acknowledge and represent that the Potential Bidder (i) has had an opportunity to conduct any and all due diligence relating to the Property prior to making its bid, (ii) has relied solely upon its own independent review, investigation, and/or inspection of the Property in making its Bid, and (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied, by operation of law, or otherwise, regarding the Property, except as expressly stated in the representations and warranties contained in the Modified Sales Contract ultimately accepted and executed by the Trustee;
- (j) not contain any financing contingencies of any kind;
- (k) not contain any condition to closing of the transaction on the receipt of any third party approvals (excluding required Court approval and any required governmental and/or regulatory approval, if any);
- (l) include evidence of authorization and approval from the bidder's board of directors (or comparable governing body), if applicable, with respect to the submission, execution, delivery and closing of the Modified Sales Contract;
- (m) be able to close the transaction by September 27, 2022; and

- (n) include a good faith deposit (the “*Good Faith Deposit*”) in the form of a certified or bank check (or other form acceptable to the Trustee in its sole and absolute discretion) deposited with the title company in an amount equal to \$65,850.00. All Good Faith Deposits shall be held in a segregated account by the Trustee until no later than ten (10) days after the Sale Hearing and thereafter returned to the respective bidders in accordance with these Bid Procedures, unless the bidder has been selected as the Back-Up Bidder (as defined herein).

The Trustee shall make a determination regarding whether a bid is a Qualified Bid and shall notify bidders whether their bids have been determined to be Qualified Bids by no later than September 6, 2022 at 5:00 p.m. (prevailing Central Time). The Stalking Horse Bidder will be deemed a Qualified Bidder, and the Broach Contract will constitute a Qualified Bid for all purposes.

**G. Auction, Auction Procedures, and Overbids**

In the event that the Trustee receives one or more timely Qualified Bids, the Trustee shall conduct the Auction. The Auction, if required, will be conducted in open Court at the United States Bankruptcy Court, 615 East Houston Street, Courtroom 1, San Antonio, Texas 78205 on September 9, 2022 at 11:30 a.m. The Trustee has the sole right to adjourn or cancel the Auction at or prior to the Auction if no competing Qualified Bids are received.

The Auction shall be governed by the following procedures, subject to modification by the Trustee at the Auction, with the approval of the Court:

- (a) The Qualified Bidders shall appear in person, via telephone or via Webex<sup>3</sup> at the Auction, or through a duly authorized representative.
- (b) Only the Qualified Bidders shall be entitled to make any subsequent bids at the Auction.
- (c) Each Qualified Bidder shall be required to confirm that it has not engaged in any collusion with respect to the bidding or the sale.
- (d) Bidding shall commence at the amount of the Stalking Horse Bid plus an amount necessary to pay the buyer protection (the “*Initial Topping Bid*”). For the elimination of doubt, because the Stalking Horse Bid is for \$658,500, with a break-up fee of 2.0% (equal to \$13,710) plus \$10,000 in expense reimbursement, that would require the Initial Topping Bid to be in the amount of \$707,210 ( $658,500 + 13,710 + 10,000 + 25,000$ ).
- (e) Qualified Bidders may then submit successive bids higher than the previous bid, based on and increased from the Initial Topping Bid, in increments of at

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<sup>3</sup> Parties may attend (1) in person at the address listed above, (2) via telephone by calling (650) 479-3207 and entering access code 160-686-6761 when prompted or (3) via Webex video at <https://us-courts.webex.com/meet/King>. Additional instructions and information on attending telephonically or using Webex may be found on the Court’s website at <https://www.txwb.uscourts.gov/txwbvirtualhearings>.

least \$25,000. All Qualified Bidders shall have the right to submit additional bids and make additional modifications to their respective Modified Sales Contracts, as applicable, at the Auction to improve such bids. The Auction may include negotiations with the Qualified Bidders and open bidding in the presence of all other Qualified Bidders

- (f) The Auction among Qualified Bidders shall continue according to these procedures until the Trustee determines, subject to Court approval, that the Trustee has received the Successful Bid. In making this decision, the Trustee may consider, without limitation, the amount of the purchase price, the form of consideration being offered, the likelihood of the Qualified Bidder's ability to close a given transaction, the proposed timing thereof, and rights of such Qualified Bidder and the Trustee with respect to the termination thereof, the number, type and nature of any changes reflected in the Modified Sales Contract requested by each Qualified Bidder, and the net benefit to the Smith estate. The Qualified Bidder submitting the Successful Bid(s) for the Property shall become the Successful Bidder(s) and shall have such rights and responsibilities of a purchaser, as set forth in the Modified Sales Contract or Broach Contract, as applicable.

Bids made after the close of the Auction shall not be considered by the Trustee. All Qualified Bidders at the Auction shall be deemed to have consented to the exclusive jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction.

On or before September 13, 2022, the Trustee shall cause the results of the Auction, including a copy of the Successful Bid, the identity of the Successful Bidder and Back-Up Bidder (defined below), and the Successful Bidder's proposed form of adequate assurance of future performance, to be filed with the Bankruptcy Court.

#### **H. Back-Up Bidder and Return of Good Faith Deposits**

If an Auction is conducted, the Qualified Bidder with the next highest or otherwise best Qualified Bid for the Property at the Auction (the "***Back-Up Bid***") shall be required to serve as the back-up bidder (the "***Back-Up Bidder***") for the Property and keep such Back-Up Bid open and irrevocable until the first to occur of (i) ninety (90) days after the completion of the Auction, (ii) consummation of the transaction with the Successful Bidder, or (iii) the Back-Up Bidder's receipt of notice from the Trustee of the release by the Trustee of the Back-Up Bidder's obligations. Following the Sale Hearing, if the Successful Bidder fails to consummate an approved Sale Transaction because of a breach or failure to perform on the part of such Successful Bidder or otherwise, the Back-Up Bidder will be deemed to be the new Successful Bidder, and the Trustee will be authorized, but not required, to consummate the sale with the Back-Up Bidder without further order of the Court.

Except as provided herein, Good Faith Deposits shall be returned without interest to each bidder not selected by the Trustee as the Successful Bidder or the Back-Up Bidder by no later than the tenth (10th) business day following the conclusion of the Auction. The Good Faith Deposit of

the Back-Up Bidder shall be held by the Trustee until ten (10) business days after the closing of the Sale Transaction with the Successful Bidder or termination of the Back-Up Bid as provided above.

**I. Reservation of Rights**

The Trustee reserves the right to request Court authority to alter the Bid Procedures. The Trustee may terminate discussions with any and all prospective acquirers at any time and without specifying the reasons therefor, but only to the extent not materially inconsistent with the Bid Procedures.

**J. Sale Hearing**

The Successful Bid(s) will be subject to approval by the Bankruptcy Court. The Sale Hearing will take place at the United States Bankruptcy Court, 615 East Houston Street, Courtroom 1, San Antonio, Texas 78205 on September 9, 2022 at 11:30 a.m. Parties may attend in person, via telephone or via Webex video (see fn. 3 above). The Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open Court on the date scheduled for the Sale Hearing or on the Court's docket. If no other Qualified Bids are received, the Trustee, in his sole discretion, may request the Court set a Sale Hearing at any time following the expiration of the Bid Deadline.

The Trustee's presentation to the Bankruptcy Court for approval of a Successful Bid does not constitute the Trustee's acceptance of the bid. The Trustee will be deemed to have accepted a bid only when the bid has been approved by order of the Bankruptcy Court.

Respectfully submitted,

WALLER LANSDEN DORTCH & DAVIS, LLP

By: /s/ Morris D. Weiss

Morris D. Weiss  
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Courtney K. Stone  
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COUNSEL TO GREGORY S. MILLIGAN,  
CHAPTER 11 TRUSTEE

**Exhibit 2**

**Sale Notice**



UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
WACO DIVISION

IN RE: § CHAPTER 11  
§  
DARYL GREG SMITH and, § CASE NO. 21-60162-RBK-11  
CANADIAN RIVER RANCH, LLC § CASE NO. 21-60163-RBK-11  
§ Jointly Administered Under  
§ Case No. 21-60162-rbk  
Debtors. §

**NOTICE OF AUCTION AND SALE HEARING**

PLEASE TAKE NOTICE that on April 9, 2021 (the “*Petition Date*”), Daryl Greg Smith (“*Smith*”) and Canadian River Ranch, LLC (“*CRR*” and together with Smith, the “*Debtors*”) each filed a voluntary petition for relief under the Bankruptcy Code filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code. On June 29, 2021, the United States Bankruptcy Court for the Western District of Texas, Austin Division (the “*Bankruptcy Court*”) approved the appointment of Gregory S. Milligan as chapter 11 trustee for the Debtors (the “*Trustee*”).

PLEASE TAKE NOTICE that on [DATE], 2022, the Bankruptcy Court entered an order (the “*Bid Procedures Order*”) approving the *Trustee’s Motion for (I) Order Approving (A) Bid Procedures, Including Approval of Stalking Horse Bidder, (B) Notice of Auction and Sale Hearing, and (C) Related Relief; and (II) Order (A) Approving the Sale of Real Estate Free and Clear of All Liens, Claims, Encumbrances and Other Interests Pursuant to Bankruptcy Code Sections 105, 363(b), (f), (h) and (m), and 503; and (B) Granting Related Relief* (the “*Sale Motion*”<sup>1</sup>), filed by the Trustee. The Sale Motion and Bid Procedures Order also sought to establish (i) an auction (the “*Auction*”) and (ii) a final hearing (the “*Sale Hearing*”) to approve the sale of certain real estate set forth in the Broach Contract (the “*Property*”) owned by (i) the estate of Daryl Greg Smith and (ii) Darren Keith Reed (together, the “*Sellers*”), all as more fully described in the Sale Motion.

PLEASE TAKE FURTHER NOTICE that pursuant to the Bid Procedures Order, the Trustee is authorized to enter into the Broach Contract with the Stalking Horse Bidder for the Property.

PLEASE TAKE FURTHER NOTICE that pursuant to the Bid Procedures Order, if the Trustee receives one or more timely and acceptable Qualified Bids (as defined in the Bid Procedures Order) for the Property, the Auction shall take place on **September 9, 2022 at 11:30 a.m. (prevailing Central Time)** in open Court at the United States Bankruptcy Court, 615 East Houston Street, Courtroom 1, San Antonio, Texas 78205, or such other location as designated by the Trustee in a notice to all Qualified Bidders. Parties may appear in person, via telephone or via Webex<sup>2</sup> video.

<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Sale Motion.

<sup>2</sup> Parties may attend (1) in person at the address listed above, (2) via telephone by calling (650) 479-3207 and entering access code 160-686-6761 when prompted or (3) via Webex video at <https://us-courts.webex.com/meet/King>. Additional instructions and information on attending telephonically or using Webex may be found on the Court’s website at <https://www.txwb.uscourts.gov/txwbvirtualhearings>.



Only parties that have submitted a Qualified Bid, as set forth in the Bid Procedures Order, by no later than **September 2, 2022 at 5:00 p.m. (prevailing Central Time)** (the “***Bid Deadline***”) may bid at the Auction. Any party that wishes to take part in this process and submit a bid for the Property must submit their competing bid prior to the Bid Deadline and in accordance with the Bid Procedures.

PLEASE TAKE FURTHER NOTICE that the Sale Hearing to consider approval of the sale of the Property to the winning bidder at the Auction, free and clear of all liens, claims, encumbrances and other interests, will be held before the Honorable Ronald B. King at the United States Bankruptcy Court, 615 East Houston Street, Courtroom 1, San Antonio, Texas 78205 on **September 9, 2022 at 11:30 a.m.**, or at such other time as the Court is available. Parties may appear in person, via telephone, or via Webex video (see fn. 2 above).

PLEASE TAKE FURTHER NOTICE that objections to the sale, if any, must be filed with the Bankruptcy Court and served so as to be actually received by the Objection Recipients no later than **September 7, 2022 at 5:00 p.m. (prevailing Central Time)**.

PLEASE TAKE FURTHER NOTICE that the Objection Recipients are (i) the Office of the United States Trustee for the Western District of Texas, (ii) counsel to the Trustee, Waller Lansden Dortch & Davis, LLP, Morris D. Weiss, 100 Congress Avenue, 18th Floor, Austin, Texas 78701, [morris.weiss@wallerlaw.com](mailto:morris.weiss@wallerlaw.com) and (iii) the Stalking Horse Bidder, Roger Broach, [roger@broach.com](mailto:roger@broach.com).

**PLEASE TAKE FURTHER NOTICE THAT UNLESS AN OBJECTION IS TIMELY SERVED AND FILED IN ACCORDANCE WITH THIS NOTICE, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT, AND THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED IN THE SALE MOTION WITHOUT FURTHER HEARING AND NOTICE.**

PLEASE TAKE FURTHER NOTICE that this Notice of Auction and Sale Hearing is subject to the fuller terms and conditions of the Sale Motion and the Bid Procedures Order, with such Bid Procedures Order controlling in the event of any conflict, and the Trustee encourage parties in interest to review such documents in their entirety. Parties interested in receiving more information regarding the sale of the Property and/or copies of any related document, including the Sale Motion, the Broach Contract filed in connection with the Sale Motion, or the Bid Procedures Order, may make a written request to Waller Lansden Dortch & Davis, LLP, Morris D. Weiss, 100 Congress Avenue, 18th Floor, Austin, Texas 78701, [morris.weiss@wallerlaw.com](mailto:morris.weiss@wallerlaw.com). In addition, copies of the Sale Motion, the Bid Procedures Order and this Notice may be examined by interested parties on the Court’s electronic docket for the Debtors’ chapter 11 cases, which is posted on the Internet at PACER for a fee (a PACER login and password are required and can be obtained through the PACER Service Center at [www.pacer.psc.uscourts.gov](http://www.pacer.psc.uscourts.gov)).

Dated: \_\_\_\_\_, 2022  
Austin, Texas

Respectfully submitted,

WALLER LANSDEN DORTCH & DAVIS, LLP

By: /s/ Morris D. Weiss

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CHAPTER 11 TRUSTEE