

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

LEISURE INVESTMENTS HOLDINGS LLC,
et al.,¹

Debtors.

Chapter 11

Case No. 25-10606 (LSS)

Ref. Docket Nos. 298 & 299

DECLARATION OF JAKUB MLECZKO IN SUPPORT
OF (I) DEBTORS' MOTION FOR ENTRY OF AN ORDER ESTABLISHING
BIDDING PROCEDURES, AND (II) DEBTORS' MOTION FOR ENTRY OF AN
ORDER ESTABLISHING MISCELLANEOUS ASSET SALE PROCEDURES

I, Jakub Mleczko, hereby state and declare as follows:

1. I am a Managing Director at Greenhill & Co., LLC ("**Greenhill**"), an investment banking and financial advisory firm with principal offices located at 1271 Avenue of the Americas, New York, New York 10020. Greenhill has been retained as investment banker to Debtor Leisure Investments Holdings LLC ("**LIH**"), and its affiliated debtors and debtors in possession (collectively, the "**Debtors**") in the above-captioned chapter 11 cases (collectively, the "**Chapter 11 Cases**").

2. I submit this declaration ("**Declaration**") on behalf of the Debtors in support of the *Debtors' Motion for an Order Establishing Procedures for Sales of Certain Miscellaneous Assets Outside of the Ordinary Course of Business Free and Clear of All Liens, Claims, Interests and Encumbrances Pursuant to Section 363 of the Bankruptcy Code* [Docket No.

¹ Due to the large number of Debtors in these chapter 11 cases a complete list of the Debtors is not provided herein. A complete list of the Debtors along with the last four digits of their tax identification numbers, where applicable, may be obtained on the website of the Debtors' noticing and claims agent at <https://veritaglobal.net/dolphinco>, or by contacting counsel for the Debtors. For the purposes of these chapter 11 cases, the address for the Debtors is Leisure Investments Holdings LLC, c/o Riveron Management Services, LLC, 600 Brickell Avenue, Suite 2550, Miami, FL 33131.



298] (the “**Miscellaneous Asset Sale Motion**”) and the *Debtors’ Motion for (I) An Order Establishing Bidding Procedures and Granting Related Relief and (II) An Order or Orders Approving the Sale of the Assets* [Docket No. 299] (the “**Bidding Procedures Motion**”).²

3. Unless otherwise stated herein, all statements set forth in this Declaration are based upon (i) my and Greenhill’s experiences in other similar chapter 11 cases; (ii) Greenhill’s analyses regarding the proposed bidding procedures in these and other chapter 11 cases; (iii) discussions with certain other professionals at Greenhill and with the Debtors’ other advisors; and/or (vi) my opinions based upon my experience and knowledge.

4. I am over the age of eighteen (18) and authorized to submit this Declaration on behalf of the Debtors. I am not being specifically compensated for this testimony other than through payments received by Greenhill, as a professional retained by the Debtors. If called upon to testify, I could and would testify as to the facts set forth herein.

5. The Debtors engaged Greenhill to market all or substantially all of the Debtors’ assets (the “**Assets**”), including certain Miscellaneous Assets, and otherwise explore transactions that would provide the Debtors with much needed liquidity and maximize value for all stakeholders. As further described in the Bidding Procedures Motion, the geographical range and diversity of the Debtors’ Assets will require a dynamic sale process, and Greenhill is prepared to pursue a variety of potential transactions to accomplish an effective sale process.

6. As further explained below, based on my experience in other chapter 11 cases, current market conditions, and the Debtors’ unique circumstances, I believe the marketing and sale processes described in the Bidding Procedures and Miscellaneous Asset Sale Procedures

² Capitalized terms used but not defined herein shall have the meanings set forth in the Bidding Procedures Motion or the Miscellaneous Asset Sale Motion as applicable.

are appropriate to facilitate the Debtors' efforts to achieve the greatest feasible value for their Assets.

BACKGROUND AND QUALIFICATIONS

7. Greenhill and its senior professionals have extensive expertise providing investment banking services to financially distressed companies, creditors, committees, equity holders, asset purchasers, and other constituencies in reorganization proceedings and complex financial restructurings, both in and out of court. Notably, Greenhill and its professionals are providing or have provided investment banking, financial advisory and other services to debtors or creditors in connection with the following cases, among others: Akorn, Inc., American Commercial Lines Inc., American Roads LLC, AMR Corporation, Answers Corporation, Ascena Retail Group, Atlantic Express Transportation Group, Avaya Inc., BearingPoint, Inc., Bethlehem Steel Corp., Blockbuster Inc., Cable Satisfaction International Inc., CARBO Ceramics, Inc., Cengage Learning, Inc., Cenveo, Inc., Chrysler, LLC, Circuit City Stores, Inc., Cirque du Soleil Canada Inc., City of Detroit, Clover Technologies Group, LLC, Constar International Inc., David's Bridal, Inc., Delphi Corp., Destination Maternity Corporation, Eclipse Aviation Corp., Electrical Components International Inc., Energy Future Holdings, EXCO Resources, Inc., Fairpoint Communications, Inc., Fairway Group Holdings, Franchise Group, Inc., Fusion Connect, Inc., Genco Shipping & Trading Limited, General Growth Properties, Inc., Global Eagle Entertainment Inc., Global Geophysical Services, Inc., GT Advanced Technologies Inc., The Gymboree Corporation, Harry & David Holdings, Inc., Hawker Beechcraft, Inc., Inner City Media Corporation, Innovative Communication Corporation, ION Geophysical Corporation, LATAM Airlines Group S.A., LifeCare Holdings LLC, Lyondell Chemical Company, M&G USA Corporation, Milacron Holdings Inc., Momentive Performance Materials, Motor Coach Industries

International, Inc., MTE Holdings LLC, Nassau Broadcasting Partners, L.P., New World Pasta Company, NPC International, Inc, Performance Sports Group, PGX Holdings, Inc., Quebecor World, Inc., Refco Inc., rue21, Inc., The Roman Catholic Diocese of Rockville Centre, Sbarro, Inc., Skillsoft Corporation, Sports Authority Holdings, Inc., Trident Resources Corp., Trump Entertainment Resorts, Inc., U.S. Shipping Partners L.P., VeraSun Energy Corp., Werner Co., and WestPoint Stevens Inc.

8. I graduated from Emory University with a B.A. and earned an M.B.A. from the University of Chicago Booth School of Business. I have over seventeen years of corporate finance and investment banking experience, the past fourteen of which have been spent advising on and executing financing and restructuring transactions as well as regular-way and distressed mergers and acquisitions, including sales under section 363 of the bankruptcy code.

THE BIDDING PROCEDURES AND SALE PROCESS TIMELINE

9. The Debtors' Assets are diverse in location and character, consisting of, among other things, live animals, theme and adventure parks, marinas, excursion equipment, and commercial real estate, all spread across the Debtors' extensive international operations. In my opinion, the scope of the Debtors' business and the variety of Assets to be sold requires a bespoke sale and marketing process to maximize the value realized in any potential transaction; the relative rigidity of a typical 363 sale process is unsuited to the Debtors' unique circumstances.

10. As such, rather than establishing a single deadline for bids, under the proposed Bidding Procedures the Debtors allow parties approximately forty-five (45) to ninety (90) days following a given Bid Procedures Trigger Date to conduct diligence and submit a bid. I believe this flexibility is necessary to extract optimal value from the greatest extent of the Debtors' Assets while minimizing any burden on Debtors' estates. . Absent the ability to establish multiple bid timelines, I believe that the chapter 11 case would require even more time and expense due to the volume of work needed to prepare for and execute a simultaneous marketing process for all of the Debtor's various properties. In my opinion, these Bidding Procedures will allow the Debtors to a balance their need to both run a timely sale process and maximize value for their creditors, all while providing the estates with much needed liquidity in the near term.

11. I have reviewed the Bidding Procedures. Generally speaking, the Bidding Procedures establish, among other things:

- a. a robust due diligence process for potential bidders;
- b. the deadlines and requirements for submitting competing bids and the method and criteria by which such competing bids will be deemed to be "Qualified Bids" sufficient to trigger an Auction, including the terms and conditions that must be satisfied and the deadline that must be met by any bidder to be considered a "Qualified Bidder" and to participate in said Auction;
- c. the Debtors' authority to designate one or more Stalking Horse Bidders, and, subject to Court approval, to seek Bid Protections for such Stalking Horse Bids;
- d. the manner in which Qualified Bids will be evaluated by the Debtors;
- e. the conditions for holding an Auction and procedures for said Auction, if any; and
- f. various other matters relating to the sales and marketing process generally, including the designation of the Next-Highest Bid.

12. The Bidding Procedures propose the following key dates and deadlines:

<u>Date</u>	<u>Event</u>
Discretionary with the consent ³ of the Prepetition First Lien Noteholders and DIP Lenders ⁴ (together, the “ Lenders ”) and in consultation with the Committee (collectively with the DIP Lenders and Prepetition First Lien Noteholders, the “ Consultation Parties ”)	Launch marketing and sale process for an Asset
Discretionary with the consent of the Lenders and in consultation with the Consultation Parties	Establish Deadline for Stalking Horse Bids
Discretionary with the consent of the Lenders and in consultation with the other Consultation Parties	Selection of Stalking Horse Bidder
Day 0 - Bid Procedures Trigger Date (the period of time prior to the Bid Procedures Trigger Date, the “ Pre-Trigger Date Period ”) ⁵	Debtors File Either (A) Notice Identifying Terms of Stalking Horse Bid, Sale Process Dates and Bidding Procedures (including overbid amounts and auction rules) (the “ Stalking Horse Notice ”), or (B) If No Stalking Horse Bid is Selected, Notice Commencing the Auction Process (the “ Sale Notice ”)
Day 7 – 14	Assumption and Assignment Notice
Day 14 – 21	Assumption and Assignment Objection Deadline
Day 15 – 60	Sale Objection Deadline
Day 30 – 75	Bid Deadline
Day 35 – 80	Auction
Three business days following the Auction (approximately Day 38 – 86)	Auction Objection Deadline
4:00 p.m. prevailing Eastern Time the day prior to the deadline for filing the agenda for the Sale Hearing	Reply Deadline

³ Any reference to any consent rights granted to any party herein and in any order granting the relief requested herein is qualified that such consent shall not be unreasonably withheld or delayed.

⁴ As defined in the *Declaration of Steven Robert Strom in Support of the Debtors’ Chapter 11 Petitions and First Day Pleadings* [Docket No. 10].

⁵ The timeline and deadlines from Day 0 through Day 95 to be determined in consultation with the Lenders; *provided, however*, that any timeline and deadlines set forth in these Bidding Procedures shall not modify any Milestones provided for in the Fourth DIP Order or any such milestones as may be agreed to in any further order approving post-petition financing and/or use of cash collateral.

(approximately Day 43 – 91)	
No Later Than 2 Days Prior to Sale Hearing	File Declaration in Support of Sale Detailing Auction Process (or, at the Debtors' discretion, a proffer or live testimony at the Sale Hearing)
Day 45 – 95	Sale Hearing

13. The Debtors are also requesting authority, in the exercise of their business judgment and in accordance with the Bidding Procedures (including the consent and consultation provisions therein), to offer a Stalking Horse Bidder one or more of: (i) a break-up fee in an incremental amount to be determined by the Debtors, in consultation with the Consultation Parties, in amount no greater than 3% of the Qualified Bid (the “**Break-Up Fee**”); (ii) reimbursement of the Stalking Horse Bidder’s reasonable fees and expenses not to exceed 1% of the Qualified Bid in the discretion of the Debtors, in consultation with the Consultation Parties (the “**Expense Reimbursement**”); and/or (iii) initial overbid protection (the “**Minimum Overbid Increment**” and, together with the Break-Up Fee and the Expense Reimbursement, the “**Bid Protections**”). I believe that the proposed Bid Protections, which will be subject to the notice periods set forth in the Bid Procedures Order, will help the Debtors to maximize the realizable value of the Assets for the benefit of the Debtors’ estates, their creditors, and other parties in interest, and that such Bid Protections are reasonable under the circumstances and consistent with market practices.

14. Based on my experience, I believe that the Bidding Procedures, including the Bid Protections, are designed to seek the maximum value available for the Assets by facilitating a fair and competitive bidding process where potential bidders are encouraged to participate and submit competing bids within the specified time frame. The Bidding Procedures seek to balance the Debtors’ interests in consummating a sale transaction on a reasonable timeline while simultaneously preserving the opportunity to attract the highest or otherwise best offer available under the circumstances. At a given Auction, as set forth in the proposed Bidding Procedures, the

Debtors will have an opportunity to consider all competing offers and to select the offers that they deem to be the highest or otherwise best offer for the Assets under consideration. Accordingly, it is my view, based on my experience, that the proposed postpetition sales and marketing process set forth in the Bidding Procedures is reasonable and appropriate under the circumstances.

THE MISCELLANEOUS ASSET SALE PROCEDURES

15. As set forth in both the Bidding Procedures Motion and the Miscellaneous Asset Sale Motion, the Debtors are seeking approval, concurrent with the Bidding Procedures, of Miscellaneous Asset Sale Procedures that will allow for a parallel sale process to that described in the Bidding Procedures. As further described in the Miscellaneous Asset Sale Motion, the Debtors possess a large contingent of Assets that are not necessary to the Debtors' ongoing operations but incur significant care and maintenance costs that are a drain on the estates' limited resources. It is my belief that the Miscellaneous Asset Sale Procedures represent the most efficient method for the Debtors to dispose of these Miscellaneous Assets, cutting unnecessary costs and unlocking liquidity for the Debtors.

16. Also, certain Animals are located at parks that may be closed as the Debtors pursue a sale of their businesses. The safety and humane treatment of these Animals is paramount, and the cost of caring for such Animals is exceedingly high while the Debtors' liquidity remains constrained. Therefore, not only will the sale and transfer of these Animals bring value to the Debtors' estates, it will also aid in the Animals' welfare and safety.

17. Further, I believe the thresholds below which a Miscellaneous Asset Sale may be consummated without further hearing or Court order are appropriate given the nature of the Miscellaneous Assets, specifically in the context of the Debtors' operations during the sale process being effected in these Chapter 11 Cases.

18. Accordingly, it is my opinion that the Miscellaneous Asset Sale Procedures are in the best interests of the Debtors' estates and creditors, as they have been structured to establish a uniform process in which interested parties can participate and to facilitate sales of the Miscellaneous Assets in a manner that I believe balances the need for swift transactions given liquidity constraints with the need to attain maximum value for such Miscellaneous Assets and promote animal welfare.

CONCLUSION

19. As described herein, it is my belief that the proposed Bidding Procedures and Miscellaneous Asset Sale Procedures, and the terms and conditions thereof, taken as a whole, are fair, reasonable, and well-suited to the unique nature of these Chapter 11 Cases. Also, I believe that the terms of the proposed Bidding Procedures and Miscellaneous Asset Sale Procedures should (i) encourage bidding for the Debtors' assets, (ii) allow for an efficient marketing and sales process, and (iii) maximize the value for the Debtors' assets. Accordingly, I respectfully submit that the terms of the proposed Bidding Procedures and Miscellaneous Asset Sale Procedures are necessary, reasonable, and appropriate.

I declare under penalty of perjury that, to the best of my knowledge and after reasonable inquiry, the foregoing is true and correct.

Dated: July 21, 2025

/s/ Jakub Mleczko
Jakub Mleczko
Managing Director
Greenhill & Co., LLC