

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re

SC HEALTHCARE HOLDING, LLC *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 24-10443 (TMH)

Jointly Administered

Objection Deadline: May 15, 2024 at 4:00 p.m. (ET)

Hearing Date: May 22, 2024 at 10:00 a.m. (ET)

DEBTORS' APPLICATION FOR ENTRY  
OF AN ORDER AUTHORIZING THE DEBTORS  
TO EMPLOY AND RETAIN WALKER & DUNLOP  
INVESTMENT SALES, LLC AS INVESTMENT SALES BROKER

The above-captioned debtors and debtors in possession (each, a “Debtor” and, collectively, the “Debtors”) hereby submit this application (this “Application”) for entry of an order, substantially in the form attached hereto as Exhibit A (the “Proposed Order”), pursuant to sections 327(a), 328(a), and 1107(b) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rules 2014-1 and 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), (i) authorizing the Debtors to employ and retain Walker & Dunlop Investment Sales, LLC (“WD”) to serve as the Debtors’ investment sales broker, in accordance with the terms and conditions of that certain engagement letter between WD and the Debtors, dated March 19, 2024 (the “Engagement Letter”), a copy of which is attached as Exhibit 1 to the Proposed Order and is incorporated herein by reference; (ii) modifying certain

<sup>1</sup> The last four digits of SC Healthcare Holding, LLC’s tax identification number are 2584. The mailing address for SC Healthcare Holding, LLC is c/o Petersen Health Care Management, LLC 830 West Trailcreek Dr., Peoria, IL 61614. Due to the large number of debtors in these Chapter 11 Cases, whose cases are being jointly administered, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information is available on a website of the Debtors’ claims and noticing agent at [www.kccllc.net/Petersen](http://www.kccllc.net/Petersen).



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timekeeping requirements of Bankruptcy Rule 2016(a), Local Rule 2016-2, and the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330* (the “U.S. Trustee Guidelines”) and any other applicable procedures and orders of the Court in connection with WD’s engagement; and (iii) granting such other and further relief as the Court deems just and proper. In support of this Application, the Debtors submit the declaration of Mark Myers (the “Myers Declaration”), which is attached hereto as **Exhibit B**, and respectfully state as follows:

### **JURISDICTION AND VENUE**

1. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012 (the “Amended Standing Order”). Pursuant to Local Rule 9013-1(f), the Debtors consent to the entry of a final order by the Court in connection with this Application if it is determined that the Court would lack Article III jurisdiction to enter such final judgment or order absent consent of the parties.

2. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory bases for the relief requested by this Application are sections 327(a), 328(a), and 1107(b) of the Bankruptcy Code, Bankruptcy Rules 2014 and 2016, and Local Rules 2014-1 and 2016-2.

### **BACKGROUND**

4. On March 20, 2024 (the “Petition Date”), the Debtors each commenced with the Court a voluntary case (the “Chapter 11 Cases”) under the Bankruptcy Code. The Debtors, with the exception of some inactive entities, are authorized to operate their businesses and manage

their properties as debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

5. On April 9, 2024, the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”) appointed the official committee of unsecured creditors (the “Committee”). On April 16, 2024, the U.S. Trustee appointed a patient care ombudsman [Docket No. 160] (the “Patient Care Ombudsman”) in these Chapter 11 Cases. No trustee or examiner has been appointed in these Chapter 11 Cases.

6. The factual background regarding the Debtors, including their business operations, capital and debt structure, and the events leading to the filing of these Chapter 11 Cases, is set forth in more detail in the *Declaration of David R. Campbell in Support of the Debtors’ Chapter 11 Petitions and First Day Pleadings* [Docket No. 44] (the “First Day Declaration”).<sup>2</sup>

### **RELIEF REQUESTED**

7. By this Application, the Debtors seek entry of the Proposed Order authorizing the Debtors to (i) authorizing the Debtors to employ and retain WD to serve as the Debtors’ investment sales broker, in accordance with the terms and conditions of the Proposed Order and the Engagement Letter, a copy of which is attached as Exhibit 1 to the Proposed Order; (ii) modifying certain timekeeping requirements of Bankruptcy Rule 2016(a), Local Rule 2016-2, and the U.S. Trustee Guidelines, and any other applicable procedures and orders of the Court in connection with WD’s engagement; and (iii) granting such other and further relief as the Court deems just and proper.

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<sup>2</sup> Capitalized terms not otherwise defined shall have the meaning ascribed in the First Day Declaration.

**WALKER & DUNLOP'S QUALIFICATIONS**

8. WD is an investment sales firm with its principal office located at 7272 Wisconsin Avenue in Bethesda, MD. WD is a licensed real estate brokerage firm and WD, together with its subsidiaries, has approximately 1,300 employees with 48 geographic locations in North America.

9. WD provides a broad range of financial advisory and investment banking services to its clients, including: (i) property finance; (ii) mergers, acquisitions, and divestitures; (iii) capital raising. WD and its senior professionals have extensive experience in the sale of assets as part of reorganization and restructuring of distressed companies, both out-of-court and in chapter 11 cases. WD has worked with companies, private equity firms, banks, family offices, and commercial lenders by providing sales advisory and connection to capital for transactions in a wide range of corporate finance transactions, including restructurings and reorganizations, mergers and acquisitions, and debt and equity financings. WD has sold properties for private companies, publicly traded companies, nonprofits, government entities, and lenders. WD has served as either an agent or broker in a number of bankruptcy sales processes. Specifically, WD's Seniors Housing investment sales group employs professionals with extensive experience with in- and out-of-court investment sales of seniors housing and long-term care facilities, mergers and acquisitions, and divestiture initiatives. Attached as **Exhibit C** is a non-exclusive list of sales or other transactions WD has closed that were either lender-directed, and/or in bankruptcy or government directed sales.

10. The Debtors have selected WD based upon, among other things: (i) the Debtors' need to retain a skilled investment sales broker to provide advice with respect to the Debtors' restructuring activities; (ii) WD's extensive experience and excellent reputation in providing such services in complex chapter 11 cases such as these Chapter 11 Cases; and (iii) WD's



extensive knowledge of the Debtors' business operations and assets, as described below. In light of the size and complexity of these Chapter 11 Cases, WD's resources, capabilities, and experience are crucial to the resolution of these Chapter 11 Cases. An experienced investment sales broker, such as WD, fulfills a critical service that complements the services provided by the Debtors' other professionals.

11. WD began advising the Debtors on strategic and restructuring initiatives prior to the commencement of these Chapter 11 Cases. The Debtors previously engaged WD on at least two separate occasions, to market for sale, various tranches of its then 93-facility portfolio. Over the years, WD has also sold to the Debtors approximately 35 of the 93 facilities that the Debtors once owned.

12. As a result of its prepetition work with the Debtors, WD has developed valuable institutional knowledge regarding the Debtors' business, operations, capital structure and other material information and has become well-acquainted with the Debtors' business operations and capital structure. Indeed, given WD's familiarity with the Debtors, if the Debtors were required to retain an investment sales broker other than WD, the Debtors, their estates, and other parties in interest would be unduly prejudiced by the time and expense necessary to familiarize another such professional with the intricacies of the Debtors and their business operations and the unique complexities of these Chapter 11 Cases.

13. Accordingly, the Debtors believe that WD is well qualified to represent them in a cost-effective, efficient and timely manner, and the Debtors submit that the employment and retention of WD is in the best interests of the Debtors, their creditors and all parties in interest.

**SCOPE OF SERVICES TO BE PROVIDED**

14. Subject to further order of the Court, and as set forth in the Proposed Order and the Engagement Letter attached as Exhibit 1 to the Proposed Order, in consideration for the compensation contemplated therein, WD has and will perform the following services (collectively, the “Services”), as requested, for the Debtors:

- (a) Assisting in the review and analysis of any potential sales transactions;
- (b) Advising on the Debtors’ preparation of information memoranda for potential sales transactions, if requested;
- (c) Preparing marketing materials related to the Debtors’ assets;
- (d) Assessing and analyzing markets for the sale of the Debtors’ assets;
- (e) Analyzing and setting listing prices for the Debtors’ assets;
- (f) Assisting in contacting potential purchasers of the Debtors’ assets and meeting with and providing them with the applicable information about the Debtors’ assets, or business as applicable;
- (g) Preparing, reviewing, and executing Non-Disclosure Agreements with third parties expressing interest in the Debtors’ assets;
- (h) Negotiating and securing offers to purchase the Debtors’ assets;
- (i) Soliciting the cooperation of licensed real estate brokers in the efforts to secure offers to purchase the Debtors’ assets;
- (j) Ensuring that any sales remain compliant with Illinois real estate law, as applicable;
- (k) Preparing and delivering offering material on the Debtors’ assets to prospective purchasers;
- (l) Qualifying all purchases through the use of confidentiality agreements;
- (m) Negotiating purchase and sale agreements;
- (n) Negotiating letters of intent;
- (o) Meeting with the Debtors to discuss any proposed transaction and their financial implications; and

- (p) Providing such other investment banking services in connection with these Chapter 11 Cases as WD and the Debtors may mutually agree upon.

15. These services are necessary to the Debtors' efforts to accomplish their goals in these Chapter 11 Cases, and to the ongoing operation and management of the Debtors' business in connection therewith.

### **COMPENSATION AND REPORTING**

16. WD's decision to advise and assist the Debtors in connection with these Chapter 11 Cases is subject to its ability to be retained in accordance with its customary terms and conditions of employment, compensated for its services and reimbursed for the out-of-pocket expenses it incurs in accordance with its customary billing practices in accordance with the terms of the Engagement Letter.

17. WD does not typically charge for its services on an hourly basis. Instead, it customarily charges a commission based on the gross sales price of each property sold. The Engagement Letter follows this custom in the industry and sets forth the commission rate, time of payment, and computation of sales price as they are related to the compensation of WD.

18. As set forth more fully in the Engagement Letter, WD and the Debtors have agreed on the following terms of compensation (the "Commission") in accordance with section 328(a) of the Bankruptcy Code. The Debtors have agreed to pay WD the following Commission in consideration for the services to be provided by WD:

- i. **Commission Rate.** The Commission on the sale of the property shall be calculated as follows:

Two percent (2%) of the gross sales price of each property sold. There is no monthly fee for WD's services.

- ii. **Time of Payment.** The Commission shall be earned, due, and payable in full at the time of the transfer of title or a partnership interest to (or direct or indirect ownership interest in) the property (a "Sale"), subject to the procedures described herein and in the Proposed Order.

- iii. **Computation of Sales Price.** The Commission shall be computed in accordance with the above Commission rate based upon the total sales price, which shall include any mortgages (without deduction for prepayment or defeasance fees paid by Owner), loans or other obligations of the Owner which may be assumed by the purchase or which the purchase takes title “subject to”, any purchase money loans or mortgages taken back by the Owner, and the sales price of any fixtures or other personal property sold by separate agreement between the Owner and purchaser as part of the overall sale of the real property.

19. It is standard in WD’s industry for professionals providing the type of services offered in these Chapter 11 Cases to be compensated on a fixed fee or commission basis, rather than on any incremental hourly basis, for such services. Accordingly, WD and the Debtors have agreed that, consistent with industry practice, WD will be compensated in accordance with the above compensation structure. In connection therewith, the Debtors submit that cause exists for the Court to waive the information requirements imposed by Local Rule 2016-2(d) and (h). Specifically, the Debtors respectfully request that, in lieu of requiring WD to submit monthly, interim, or final fee applications pursuant to sections 330 and 331 of the Bankruptcy Code, a modified procedure, as set forth below, be established to compensate WD (the “Modified Compensation Procedures”):

- (a) Upon the occurrence of a Sale, WD and the Debtors will prepare a notice (a “Notice of Sale”) to be filed and served upon the U.S. Trustee, counsel to the Committee, counsel to the Patient Care Ombudsman, the Debtors’ Prepetition Lenders, any party that has requested notice pursuant to Bankruptcy Rule 2002, and any other party whose rights are affected by such occurrence;
- (b) Any such Notice of Sale will specify the property in question, the sale price, and the calculated Commission for WD and any previously identified co-broker;
- (c) Such Notice of Sale will provide that parties in interest may object to such Commission for WD for a period of fourteen (14) calendar days after the filing and service of the Notice of Sale (the “Objection Deadline”).
- (d) No sooner than one business day after the expiration of the Objection Deadline, the Debtors shall be authorized to pay to WD and any previously identified

co-broker the Commission(s) set forth in the Notice of Sale, without further order of the Court; and

- (e) Notwithstanding the foregoing, any commission(s) paid to WD and any previously identified co-broker shall be subject to any future order of the Court disallowing or reducing such payment for cause.

20. Based on WD's industry practices and the circumstances of these Chapter 11 Cases, the Debtors submit that the Commission is reasonable and in the best interests of the Debtors, their estates, WD, and other parties in interest.

### **INDEMNIFICATION PROVISIONS**

21. The Engagement Letter contains the following language regarding indemnification:

Each party shall indemnify the other and hold it harmless from and against any and all claims for losses by any third party, including but not limited to compensation or commissions (including costs and reasonable attorney's fees) by any and all brokers and finders asserted as a result of the indemnifying party's acts in dealing with such brokers or finders in procuring a purchaser for the Property. The indemnifying party shall have the right to select and employ legal counsel, which shall be reasonably acceptable to the indemnified party, to defend against the indemnified claim or cause of action. The indemnified party will reasonably cooperate with the indemnifying party and its attorneys in connection with the defense. The indemnifying party shall have the sole right to decide, subject to reasonable standards, whether to settle (for only monetary consideration, excluding fines and penalties) or defend against any such claim or cause of action. This paragraph shall survive the termination or expiration of this Agreement.

22. The Debtors and WD believe that the indemnification provisions contained in the Engagement Letter, as may be amended by the Proposed Order, are customary and reasonable for WD and comparable firms providing similar investment banking services, and as would be modified pursuant to the foregoing limitations, reflect the qualifications and limitations on indemnification provisions that are customary in this district and others. Moreover, the terms

and conditions of the indemnification provisions were negotiated by the Debtors and WD at arm's length and in good faith.

23. In addition, the Engagement Letter permits WD to receive a commission with respect to certain real estate transactions that are contracted for within six (6) months after the expiration or termination of the Engagement Letter with “any purchaser who submitted a Confidentiality/Non-Disclosure Agreement during the Term of [the Engagement Letter].” In order to qualify for such Commission . . . “[WD] must provide [Debtors] with a written list to be received within fifteen days following the termination or expiration of [the Engagement Letter], which specifically identifies all parties which submitted Confidentiality/Non-Disclosure Agreements.”

24. Each of these provisions contained in the Engagement Letter, viewed in conjunction with the other terms of WD's proposed retention, are reasonable and in the best interests of the Debtors, their estates, and creditors in light of the fact that the Debtors require WD's services to assist in the sale of the Debtors' assets, including their real property and additional real estate transaction opportunities. Accordingly, as part of this Application, the Debtors request that the Court approve these provisions of the Engagement Letter, as may be amended by the Proposed Order (setting forth the foregoing limitations).

#### **NO DUPLICATION OF SERVICES**

25. The Debtors have been authorized by the Court to retain additional professionals, including, without limitation, Winston & Strawn LLP, Young Conaway Stargatt & Taylor, LLP, and Kurtzman Carson Consultants LLC. The Debtors have also been authorized to retain Getzler Henrich & Associates LLC to provide interim management services, the Chief Restructuring Officer, and additional personnel. The Debtors believe that the services to be performed by WD

on behalf of the Debtors will be complimentary to, and not duplicative of, the services provided by the aforementioned professionals. The Debtors and WD are mindful of the need to avoid duplication of services and appropriate procedures will be implemented to ensure that there is minimal duplication of effort as a result of WD's retention as investment sales broker. The Debtors understand that WD will use its reasonable efforts to work cooperatively with the Debtors' other professionals to integrate any respective work performed by those professionals on behalf of the Debtors.

### **WD'S DISINTERESTEDNESS**

26. WD has reviewed the list of parties in interest provided by the Debtors. To the best of WD's knowledge, information, and belief as of the date hereof, and except to the extent disclosed herein or in the Myers Declaration, WD: (i) is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code, as required by section 327(a) of the Bankruptcy Code; (ii) does not hold or represent an interest adverse to the Debtors' estates; and (iii) has no connection to the Debtors, their creditors or related parties except as disclosed in the Myers Declaration.

27. Given the large number of parties in interest in these Chapter 11 Cases, and despite the efforts to identify and disclose WD's relationships with parties in interest in these Chapter 11 Cases, WD is unable to state with certainty that every client relationship or other connection has been disclosed in the Myers Declaration. WD has informed the Debtors that it will make continued inquiries following the filing of this Application, on a periodic basis, with additional disclosures to the Court if necessary or otherwise appropriate.

28. The Debtors are informed that WD will not share any compensation to be paid by the Debtors, in connection with services to be performed after the Petition Date, with any

other person, other than principals and employees of WD, to the extent required by section 504 of the Bankruptcy Code.

29. To the extent that any new relevant facts or relationships bearing on the matters described herein during the period of WD's retention are discovered or arise, WD will use reasonable efforts to promptly file a supplemental declaration, as required by Bankruptcy Rule 2014(a).

### **BASIS FOR RELIEF**

#### **I. The Debtors Should Be Permitted to Retain and Employ WD on the Terms of the Engagement Letter Pursuant to Sections 327, 328, and 1107 of the Bankruptcy Code.**

30. The Debtors seek approval of the retention and employment of WD pursuant to sections 327(a), 328(a), and 1107(b) of the Bankruptcy Code. Section 327(a) of the Bankruptcy Code provides that a debtor in possession "may employ one or more attorneys, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist" the debtor in possession in carrying out its duties. 11 U.S.C. § 327(a). Section 1107(b) of the Bankruptcy Code elaborates upon sections 101(14) and 327(a) of the Bankruptcy Code in cases under chapter 11 of the Bankruptcy Code and provides that "a person is not disqualified for employment under section 327 of [the Bankruptcy Code] by a debtor in possession solely because of such person's employment by or representation of the debtor before the commencement of the case." 11 U.S.C. § 1107(b). Furthermore, as discussed above and in the Myers Declaration, WD satisfies the disinterestedness standard in section 327(a) of the Bankruptcy Code.

31. In addition, section 328(a) of the Bankruptcy Code provides, in relevant part, that debtors "with the court's approval, may employ or authorize the employment of a professional person under section 327 . . . on any reasonable terms and conditions of employment, including



on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis.”

11 U.S.C. § 328(a). Accordingly, section 328 permits the compensation of professionals, including investment sales brokers, on more flexible terms that reflect the nature of their services and market conditions. As the United States Court of Appeals for the Fifth Circuit recognized in *Donaldson Lufkin & Jenrette Sec. Corp. v. Nat’l Gypsum (In re Nat’l Gypsum Co.)*:

Prior to 1978 the most able professionals were often unwilling to work for bankruptcy estates where their compensation would be subject to the uncertainties of what a judge thought the work was worth after it had been done. That uncertainty continues under the present § 330 of the Bankruptcy Code, which provides that the court award to professional consultants “reasonable compensation” based on relevant factors of time and comparable costs, etc. Under present § 328 the professional may avoid that uncertainty by obtaining court approval of compensation agreed to with the trustee (or debtor or committee).

123 F.3d 861, 862 (5th Cir. 1997) (internal citations and emphasis omitted).

32. Engaged prepetition, WD has been advising the Debtors for a time prior to the commencement of these Chapter 11 Cases and has already committed a significant amount of time and effort in assisting the Debtors with their restructuring efforts. Additionally, given the numerous issues that WD may be required to address in the performance of its services for the Debtors, WD’s commitment to the variable level of time and effort necessary to address all such issues as they arise, and the market prices for WD’s services for engagements of this nature, the Debtors believe that the terms and conditions of the Engagement Letter are fair, reasonable and market-based under the standards set forth in section 328(a) of the Bankruptcy Code.

33. Indeed, the Debtors believe that the Commission appropriately reflects: (i) the nature and scope of services to be provided by WD; (ii) WD’s substantial experience with respect to investment banking services in the healthcare industry; and (iii) the commissions

typically utilized by WD and other leading investment banks who do not bill their clients on an hourly basis, in bankruptcy or otherwise.

34. The Debtors propose that their obligation to pay any fee, expense, or indemnity to WD or any WD Person not be subject to any reduction by way of setoff, recoupment, or counterclaim.

35. The Debtors request that the requirements of Bankruptcy Rule 2016(a), Local Rule 2016-2, the U.S. Trustee Guidelines, and any other applicable procedures and orders of the Court be tailored to the nature of WD's engagement and its compensation structure. WD has requested, pursuant to section 328(a) of the Bankruptcy Code, payment of its fees on a commission basis. Additionally, it is not the general practice of investment banking firms like WD to keep detailed time records similar to those customarily kept by attorneys. As such, the Debtors request that the Court waive the information requirements imposed by Local Rule 2016-2 and establish the Modified Compensation Procedures in lieu of requiring WD to submit monthly, interim, or final fee applications.

36. The Debtors also believe that employment of WD is warranted under the circumstances of these Chapter 11 Cases. WD has provided, and will continue to provide, valuable services to the Debtors regarding the contemplated transactions.

## **II. The Indemnification Provisions Are Appropriate.**

37. The Indemnification Provisions in the Engagement Letter, as modified by the Proposed Order annexed hereto, were negotiated at arm's length and in good faith between the Debtors and WD. The Debtors and WD believe that the Indemnification Provisions are customary and reasonable for investment banking engagements both out of court and in Chapter 11 Cases.

38. Accordingly, the Debtors respectfully submit that the terms of the modified Indemnification Provisions are reasonable under the circumstances and customary, and should be approved in these Chapter 11 Cases.

**III. The Retention of WD Is Critical to the Debtors' Chapter 11 Efforts.**

39. The Debtors submit that the retention of WD is in the best interests of all parties in interest in these Chapter 11 Cases. As set forth above, WD has extensive experience in matters involving complex financial restructurings and an excellent reputation for the services that it has rendered in chapter 11 cases on behalf of debtors and creditor constituencies throughout the United States. WD is a preeminent investment banking and financial advisory firm that is intimately familiar with the Debtors' industry. Denial of the relief requested herein will deprive the Debtors of the assistance of WD's uniquely qualified professionals who have familiarized themselves with the Debtors' assets, businesses, and operations prior to the Petition Date and have continued to assist the Debtors following the Petition Date. Indeed, if the Debtors were forced to engage a new investment sales broker who lacks a thorough understanding of the Debtors' business operations and the initiatives that have been implemented over the course of WD's engagement, such change would mandate the commitment of significant resources to educate a replacement, causing significant delay and increased cost to the detriment of the Debtors' estates. Based on services performed to date, WD has been integral to preparing the Debtors for, and advising the Debtors during, these Chapter 11 Cases.

40. Based on the foregoing, the Debtors submit that they have satisfied the requirements of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules to support entry of an order authorizing the Debtors to retain and employ WD in these Chapter 11 Cases on the terms described herein and in the Engagement Letter.

**NOTICE**

41. Notice of this Application has been given to the following parties or, in lieu thereof, to their counsel, if known: (a) the U.S. Trustee; (b) proposed counsel to the Committee; (c) the office of the attorney general for each of the states in which the Debtors operate; (d) United States Attorney's Office for the District of Delaware; (e) the Internal Revenue Service; (f) the United States Department of Justice; (g) the Prepetition Lenders; (h) the DIP Lender; (i) counsel to the Patient Care Ombudsman; and (j) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

*[Remainder of Page intentionally left blank]*

WHEREFORE, the Debtors respectfully request that the Court enter the Proposed Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and such other and further relief as the Court may deem just and proper.

Dated: May 1, 2024  
Wilmington, Delaware

Respectfully submitted,

SC Healthcare Holding, LLC  
(for itself and on behalf of its affiliated  
debtors as Debtors and Debtors in  
Possession)

/s/ David R. Campbell

Name: David R. Campbell

Title: Chief Restructuring Officer

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

**In re**

**SC HEALTHCARE HOLDING, LLC *et al.***

**Debtors.<sup>1</sup>**

Chapter 11

Case No. 24-10443 (TMH)

Jointly Administered

**Objection Deadline: May 15, 2024 at 4:00 p.m. (ET)**

**Hearing Date: May 22, 2024 at 10:00 a.m. (ET)**

**NOTICE OF APPLICATION**

**PLEASE TAKE NOTICE** that, on May 1, 2024, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed the *Debtors’ Application for Entry of an Order Authorizing the Debtors to Employ and Retain Walker & Dunlop Investment Sales, LLC as Investment Sales Broker* (the “Application”) with the United States Bankruptcy Court for the District of Delaware (the “Court”).

**PLEASE TAKE FURTHER NOTICE** that any objections to the Application must be filed on or before **May 15, 2024 at 4:00 p.m. (ET)** (the “Objection Deadline”) with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801. At the same time, you must serve a copy of the objection upon the undersigned counsel to the Debtors so as to be received on or before the Objection Deadline.

**PLEASE TAKE FURTHER NOTICE THAT A HEARING TO CONSIDER THE APPLICATION WILL BE HELD ON MAY 22, 2024 AT 10:00 A.M. (ET) BEFORE THE HONORABLE THOMAS M. HORAN, UNITED STATES BANKRUPTCY COURT JUDGE FOR THE DISTRICT OF DELAWARE, 824 N. MARKET STREET, 3rd FLOOR, COURTROOM NO. 7, WILMINGTON, DELAWARE 19801.**

**PLEASE TAKE FURTHER NOTICE THAT, IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE APPLICATION WITHOUT FURTHER NOTICE OR A HEARING.**

<sup>1</sup>

The last four digits of SC Healthcare Holding, LLC’s tax identification number are 2584. The mailing address for SC Healthcare Holding, LLC is c/o Petersen Health Care Management, LLC 830 West Trailcreek Dr., Peoria, IL 61614. Due to the large number of debtors in these Chapter 11 Cases, whose cases are being jointly administered, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information is available on a website of the Debtors’ claims and noticing agent at [www.kccllc.net/Petersen](http://www.kccllc.net/Petersen).

Dated: May 1, 2024  
Wilmington, Delaware

Respectfully submitted,

**YOUNG CONAWAY STARGATT &  
TAYLOR, LLP**

*/s/ Shella Borovinskaya*

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*Counsel for the Debtors and Debtors in  
Possession*

**Exhibit A**

**Proposed Order**



**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

**In re**

**SC HEALTHCARE HOLDING, LLC *et al.*,**

**Debtors.<sup>1</sup>**

Chapter 11

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**Ref. Docket No. \_\_\_\_\_**

**ORDER AUTHORIZING THE DEBTORS TO  
EMPLOY AND RETAIN WALKER & DUNLOP  
INVESTMENT SALES, LLC AS INVESTMENT SALES BROKER**

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Upon the application (the “Application”)<sup>2</sup> of the Debtors for entry of an order (this “Order”), pursuant to sections 327(a), 328(a) and 1107(b) of the Bankruptcy Code, Bankruptcy Rules 2014(a) and 2016 of the Bankruptcy Rules, and Local Rules 2014-1 and 2016-2: (i) authorizing the Debtors to employ and retain WD to serve as the Debtors’ investment sales broker, in accordance with the terms and conditions of this Order and the Engagement Letter, a copy of which is attached as **Exhibit 1** to this Order; (ii) modifying certain timekeeping requirements of Bankruptcy Rule 2016(a), Local Rule 2016-2, and the U.S. Trustee Guidelines and any other applicable procedures and orders of this Court in connection with WD’s engagement; and (iii) granting such other and further relief as this Court deems just and proper; all as more fully set forth in the Application; and upon the Myers Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court

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<sup>1</sup> The last four digits of SC Healthcare Holding, LLC’s tax identification number are 2584. The mailing address for SC Healthcare Holding, LLC is c/o Petersen Health Care Management, LLC 830 West Trailcreek Dr., Peoria, IL 61614. Due to the large number of debtors in these Chapter 11 Cases, whose cases are being jointly administered, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information is available on a website of the Debtors’ claims and noticing agent at [www.kccllc.net/Petersen](http://www.kccllc.net/Petersen).

<sup>2</sup> All capitalized terms used but otherwise not defined herein shall have the meanings set forth in the Application.

having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Application in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Application is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that notice of the Application was sufficient and the opportunity for a hearing on the Application was appropriate and no other notice need be provided; and this Court having reviewed the Application; and this Court being satisfied, based on the representations made in the Application and the Myers Declaration, that (i) WD does not hold or represent an interest adverse to the Debtors' estates and (ii) WD is a "disinterested person" as defined in section 101(14) of the Bankruptcy Code as required by section 327(a) of the Bankruptcy Code; and this Court having determined that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT,**

1. The Application is GRANTED to the extent provided herein and the provisions set forth in the Engagement Letter (and all attachments thereto) are hereby approved, to the extent provided herein and except as otherwise expressly modified herein to the contrary.
2. Subject to the limitations of this Order, the Debtors are authorized to retain and employ WD as investment sales broker in these Chapter 11 Cases, pursuant to section 327(a) of the Bankruptcy Code, Bankruptcy Rule 2014, and Local Rule 2014-1, on the terms and

conditions set forth in this Order and the Engagement Letter, a copy of which is attached to this Order as Exhibit 1.

3. The Modified Compensation Procedures, as set forth below, are approved, pursuant to sections 105, 327, 328, 330 and 331 of the Bankruptcy Code, and subject to further order of this Court:

- (a) Upon the occurrence of a Sale, WD and the Debtors will prepare a notice (a “Notice of Sale”) to be filed and served upon the U.S. Trustee, counsel to the Committee, counsel to the Patient Care Ombudsman, the Debtors’ Prepetition Lenders, any party that has requested notice pursuant to Bankruptcy Rule 2002, and any other party whose rights are affected by such occurrence;
- (b) Any such Notice of Sale will specify the property in question, the sale price, and the calculated Commission for WD and any previously identified co-broker;
- (c) Such Notice of Sale will provide that parties in interest may object to such Commission for WD for a period of fourteen (14) calendar days after the filing and service of the Notice of Sale (the “Objection Deadline”).
- (d) No sooner than one business day after the expiration of the Objection Deadline, the Debtors shall be authorized to pay to WD and any previously identified co-broker the Commission(s) set forth in the Notice of Sale, without further order of the Court; and
- (e) Notwithstanding the foregoing, any commission(s) paid to WD and any previously identified co-broker shall be subject to any future order of the Court disallowing or reducing such payment for cause.

4. WD is hereby exempt from the information and reporting requirement of Local Rule 2016-2 and shall not be required to file applications for allowance and payment of compensation, so long as WD complies with the Modified Compensation Procedures.

5. The indemnification provisions included in the Engagement Letter are approved, subject, during the pendency of these Chapter 11 Cases, to the following modifications:

- (a) No party shall be entitled to indemnification, contribution, or reimbursement pursuant to the Engagement Letter for services, unless such services and the indemnification, contribution, or reimbursement therefore are approved by this Court.

- (b) The Debtors shall have no obligation to indemnify any party, or provide contribution, or reimbursement to any party, for any claim or expense to the extent it is either: (i) judicially determined (the determination having become final and no longer subject to appeal) to have arisen from the party's gross negligence, willful misconduct, or bad faith; (ii) for a contractual dispute in which the Debtors allege breach of an a party's contractual obligations, unless this Court determines that indemnification, contribution, or reimbursement would be permissible pursuant to *In re United Artists Theatre Co.*, 315 F.3d 217 (3d Cir. 2003); or (iii) settled prior to a judicial determination as to the exclusions set forth in clauses (i) and (ii) above, but determined by this Court, after notice and a hearing pursuant to subparagraph (c) hereof to be a claim or expense for which the party should not receive indemnity, contribution or reimbursement under the terms of the Engagement Letter, as modified by this Order.
- (c) If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these Chapter 11 Cases (that order having become a final order no longer subject to appeal) and (ii) the entry of an order closing these Chapter 11 Cases, a party believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution, and/or reimbursement obligations under the Engagement Letter (as modified by this Order), including without limitation, the advancement of defense costs, the party must file an application therefor in this Court, and the Debtors may not pay any such amounts to the party before the entry of an order by this Court approving the payment. This subparagraph (c) is intended only to specify the period of time under which this Court shall have jurisdiction over any request for fees and expenses by any party for indemnification, contribution and/or reimbursement, and not a provision limiting the duration of the Debtors' obligation to indemnify, or make contributions or reimbursements to, the party. All parties in interest shall retain the right to object to any demand by any party for indemnification, contribution and/or reimbursement.

6. WD shall use its reasonable efforts to avoid any duplication of services provided by any of the Debtors' other retained professionals in these Chapter 11 Cases.

7. Notwithstanding anything in the Application or the Engagement Letter to the contrary, WD shall (i) to the extent that WD uses the services of independent contractors, subcontractors, or employees of foreign affiliates or subsidiaries (collectively, the "Contractors") in these Chapter 11 Cases, WD shall pass through the cost of such Contractors to the Debtors at the same rate that WD pays the Contractors, (ii) seek reimbursement for actual costs only. The

Debtors shall ensure that any such Contractors are subject to the same conflict checks as required for WD and that they shall file with this Court such disclosures as required by Bankruptcy Rule 2014.

8. Such services other than those set forth in the Application that the Debtors may request that WD provide during the course of these Chapter 11 Cases, to the extent agreed to by WD, shall be subject to separate application and order of this Court.

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

10. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h) and 9014 or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

11. Notwithstanding any provision to the contrary in the Application or the Engagement Letter, this Court shall retain jurisdiction to hear and to determine all matters arising from or related to implementation of this Order.

12. To the extent that there may be any inconsistency between the terms of the Application, the Myers Declaration, the Engagement Letter, and this Order, the terms of this Order shall govern.

**Exhibit 1**

**Engagement Agreement**

**WALKER & DUNLOP**  
INVESTMENT SALES

March 19, 2024

David R. Campbell  
Petersen Health Care  
830 W. Trailcreek Drive  
Peoria, IL 61614

Re: Properties listed on Exhibit "B" attached hereto, hereinafter referred to individually and collectively as (the "Property")

Dear Mr. Petersen:

Owner or Owners listed on Exhibit "A", individually and collectively, hereinafter referred to as (the "Owner") hereby appoints Walker & Dunlop Investment Sales, LLC ("Agent") as its sole agent and grants to Agent the exclusive right to sell the Property on behalf of Owner. Owner represents to Agent that Owner or an affiliate of Owner holds title to the Property and that Owner is duly authorized to enter into this Agreement on behalf of any such affiliate.

Agent's appointment as sole and exclusive selling agent shall be upon the following terms and conditions:

1. This Agreement shall commence on the date the Agreement is executed by Agent (the "Effective Date") and shall continue in full force and effect until the earlier of: (a) nine (9) months from the Effective Date or (b) the closing of a sale of the Property. In the event a written agreement for the purchase and sale of the Property (a "PSA") is entered into during the term, the term will automatically be extended without the need for additional documentation until either the closing of the sale of the Property or until the PSA terminates. The Agreement shall automatically renew for successive thirty (30) day periods unless terminated by either party on thirty (30) days' notice.
2. The initial listing price of the Property shall be unpriced. Owner reserves the right to adjust the asking price, modify the marketing plan or withdraw the Property from the market at its discretion throughout the Term of this Agreement.
3. Agent shall prepare marketing materials which must be approved by Owner prior to distribution.
4. During the Term of this Agreement, Owner will refer to Agent all inquiries and offers received by Owner with respect to the Property, regardless of the source thereof. All marketing efforts shall be conducted by Agent at Owner's direction, and subject to Owner's review and approval.
5. In the event that: (i) at any time during the Term of this Agreement, a sale of the Property shall be consummated with any purchaser, including, without limitation, an affiliate of Owner or an existing or former investor in the Property or (ii) at any time up to six-months after the expiration or termination of this Agreement, a sale is consummated with any purchaser who submitted a Confidentiality/Non-Disclosure Agreement during the Term of



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this Agreement, then, and in either such event, Owner agrees to pay to Agent the commission computed and payable in accordance with the Schedule of Terms attached hereto. To qualify for consideration during the six-month period following termination or expiration of this Agreement, Agent must provide Owner with a written list to be received within fifteen days following termination or expiration of this Agreement, which specifically identifies all parties which submitted Confidentiality/Non-Disclosure Agreements as set forth above.

6. It is expressly understood that Agent shall not be entitled to any commission whatsoever with respect to offers to purchase which, when submitted to Owner for approval pursuant to this Agreement, shall for any reason be rejected by Owner except as set forth on the attached Schedule. Said commission will be deemed earned and payable when, and only if, title passes to a purchaser of the Property except as set forth on the attached Schedule. Owner shall not have any obligation to sue any prospective purchaser, who defaults under the terms of a binding contract of sale, for damages or specific performance. No commission will be deemed earned and payable in the event the Property or any portion thereof is (i) taken by a municipality or other authority in a condemnation or similar proceeding or by deed in lieu thereof or (ii) acquired by a lender under a foreclosure proceeding or other similar process. On the other hand, as used in this Agreement, the term "sale" shall also include an exchange of the Property, and also the granting of any option to purchase the Property. Owner agrees that in the event such an option is granted, Owner shall pay Agent a sales commission upon receipt by the Owner of any such payment. In the event such an option is exercised, whether during the term hereof or after the termination of this Agreement, Owner shall also pay Agent a sales commission for the sale of the Property in accordance with this Agreement. Notwithstanding the foregoing, to the extent that all or any part of the price paid for the option or any extension thereof is applied to the sales price of the Property, then any commission previously paid by Owner to Agent on account of such option payments shall be credited against the commission payable to Agent on account of the exercise of the option.
7. Agent agrees that during the Term hereof, it will use its commercially reasonable efforts to secure offers to purchase the Property and, at the direction of Owner, will also solicit the cooperation of other licensed real estate brokers in this effort. If a licensed broker represents a potential purchaser who is not on the Agent's prospective purchasers' list, at Owner's direction, Agent agrees to work with the broker if the broker and their client execute an appropriate Confidentiality Agreement, which also states that the broker's client shall be responsible for any commission due broker. Any compensation due to such broker shall be paid by such broker's client and shall not be an additional cost to Owner. Owner acknowledges that a cooperating broker representing a buyer represents solely the interests of such buyer, regardless of that broker's source of compensation.



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8. Owner agrees the Agent may print or publish announcements publicizing the success of a transaction relating to the Property and/or identifying Owner as a client of Agent.
9. In the event an agreement to sell the Property shall be consummated with any purchaser, In the event an agreement to sell the Property shall be consummated with any purchaser, to ensure Agent remains compliant with IL Real Estate Law, Owner agrees to provide Agent with copies of all Earnest Money Deposit Receipts, a fully executed copy of the PSA and applicable amendments, and at closing, the Closing Statement. Agent acknowledges the delivery of these documents are strictly for internal and compliance purposes only and Agent will not share them with any external parties other than the IL Real Estate Board if audited. Agent will not be obligated to seek additional offers to purchase the Property while the Property is subject to a PSA.
10. Intentionally omitted.
11. Each party shall indemnify the other and hold it harmless from and against any and all claims for losses by any third party, including but not limited to compensation or commissions (including costs and reasonable attorney's fees) by any and all brokers and finders asserted as a result of the indemnifying party's acts in dealing with such brokers or finders in procuring a purchaser for the Property. The indemnifying party shall have the right to select and employ legal counsel, which shall be reasonably acceptable to the indemnified party, to defend against the indemnified claim or cause of action. The indemnified party will reasonably cooperate with the indemnifying party and its attorneys in connection with the defense. The indemnifying party shall have the sole right to decide, subject to reasonable standards, whether to settle (for only monetary consideration, excluding fines and penalties) or defend against any such claim or cause of action. This paragraph shall survive the termination or expiration of this Agreement.
12. This Agreement shall be binding upon and inure to the benefit of the parties hereto and permitted assigns. This Agreement is not assignable by Agent without Owner's prior written consent.
13. Agent acknowledges that it has no authority to enter into any agreements with a prospective purchaser that would bind Owner or subject Owner to any obligations or liabilities and that no Agreement or terms negotiated shall be binding upon Owner unless and until incorporated into a contract of sale, which has been executed by the purchaser and Owner and unconditionally delivered by Owner to the purchaser, its counsel or agent. Owner reserves the right to conduct all negotiations with prospective purchasers.
14. Agent will periodically advise Owner in writing as to the delivery of any offering materials on the Property to any prospective purchaser. It is the intent of Owner to limit disclosure to seriously interested parties. Agent shall qualify all purchasers through the use of a Confidentiality Agreement attached hereto as **Exhibit A** or a similar form approved in writing by Owner.
15. Agent represents and agrees that, as of the Effective Date, Agent (directly or through one of its employees or agents) is licensed as required so that Agent may perform all the covenants set forth herein required to be performed by Agent and will comply with all applicable laws in the performance of its duties thereunder. Owner and Agent agree that



**WALKER & DUNLOP**  
INVESTMENT SALES

the Property will be offered in compliance with all applicable federal, state and local anti-discrimination laws and regulations.

16. Owner and Agent each represent and warrant to one another that each party, their constituents and affiliates: (a) are not, and shall not become, a person or entity with whom the parties are restricted from doing business with under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order (including, but not limited to, the September 24, 2001, Executive Order 13224 Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action; and (b) are not knowingly engaged in any dealings or transactions or be otherwise associated with such persons or entities described in clause (a) above.
17. Notwithstanding anything to the contrary herein, at any time Owner may supply Agent with written notice of termination of this Agreement in the event of negligence by Agent in the performance of its responsibilities or breach of its Agreement hereunder.
18. All notices delivered pursuant to this contract shall be in writing and shall be deemed delivered (1) when deposited with the United States Postal Service as registered or certified mail, return receipt requested, bearing adequate postage, (2) when sent by overnight express carrier (e.g., FedEx, UPS) with evidence of receipt of delivery, or (3) when sent via email, and in each case addressed to the addresses (or email addresses) set forth below each party's signature to this contract.
19. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, without regard to the principles of conflict of laws thereof, and the Agent and Owner agree to the exclusive jurisdiction of the state and federal courts located in Peoria County, Illinois. EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING (WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, OR RELATED TO, THIS AGREEMENT.
20. In the event Agent or any of its employees receives a subpoena or other judicial command to produce documents or to provide testimony relating to Owner or this engagement in connection with a lawsuit or proceeding, Agent will use reasonable efforts to notify the Owner of such. Owner agrees to compensate Agent for the professional time and reimburse Agent for the actual expense that it incurs in responding to any such subpoena or judicial command, including attorneys' fees, if any, as they are incurred.
21. In the event that one or more of the provisions contained in this Agreement shall for any reason be determined by a court to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision(s) of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. Further, in the event that any provision of this Agreement shall be deemed by both parties invalid, illegal or unenforceable by virtue of its scope or period of time, but may be made enforceable by a limitation thereof, such provision shall be deemed to be amended to the minimum extent

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necessary to render it valid, legal and enforceable or in the alternative both parties shall negotiate in good faith to substitute for such invalid, illegal, or unenforceable provision a mutually acceptable provision that is consistent with the original intent of the parties.

22. This Agreement may be signed in any number of counterparts each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. Counterparts transmitted by electronically shall be deemed to be originals. Furthermore, this Agreement may be electronically signed, and any electronic signatures appearing on this Agreement are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.
23. Exhibit C attached to this Agreement is an Addendum setting forth certain provisions arising from and related to the state where the Property is located.

(Remainder of page intentionally left blank – signature page follows)



**WALKER & DUNLOP**  
INVESTMENT SALES

**WALKER & DUNLOP INVESTMENT SALES, LLC**

AGREED THIS 19th DAY OF MARCH, 2024

By: 

Mark Myers  
Managing Director & Broker  
IL License Number: 471015228  
IL Firm License Number: 481013134

Address:

Walker & Dunlop Investment Sales, LLC  
333 West Wacker Dr., Suite 2000  
Chicago, IL 60606  
Attn: Mark Myers, Managing Director & Broker  
Email: [mmyers@walkerdunlop.com](mailto:mmyers@walkerdunlop.com)  
Phone: 312-428-2534

and

Walker & Dunlop Investment Sales, LLC  
7272 Wisconsin Ave, Suite 1300  
Bethesda, MD 20814  
Attn: Rich Lucas  
[rlucas@walkerdunlop.com](mailto:rlucas@walkerdunlop.com)

Acknowledged by:

  
Kris K. Mikkelsen  
Executive Vice President

*(Owner's signature appears on next page)*

**WALKER & DUNLOP**  
INVESTMENT SALES

**Chief Restructuring Officer**

By: *David Campbell*  
David R. Campbell

Its: Chief Restructuring Officer

Date: March 19, 2024

Address:

David R. Campbell | Managing Director  
Getzler Henrich & Associates LLC  
150 S. Wacker Drive  
24nd Floor | Chicago, IL 60606  
C: 847-971-3585  
dcampbell@getzlerhenrich.com | <http://www.getzlerhenrich.com>

**WALKER & DUNLOP**  
INVESTMENT SALES

**SCHEDULE OF TERMS OF**

**AGREEMENT BETWEEN**

**WALKER & DUNLOP INVESTMENT SALES, LLC**

**AND**

**OWNER**

**1. Commission Rate**

The Commission on the sale of the Property shall be calculated as follows:

Two percent (2%) of the gross sales price of each property sold.

**2. Time of Payment**

The commission shall be earned, due and payable in full at the time of the transfer of title or a partnership interest to (or other direct or indirect ownership interest in) the Property.

**3. Computation of Sales Price**

The commission shall be computed in accordance with the above commission rate based upon the total sales price, which shall include any mortgages (without deduction for prepayment or defeasance fees paid by Owner), loans or other obligations of the Owner which may be assumed by the purchaser or which the purchaser takes title "subject to", any purchase money loans or mortgages taken back by the Owner, and the sales price of any fixtures or other personal property sold by separate agreement between the Owner and purchaser as part of the overall sale of the real property.



# WALKER & DUNLOP

INVESTMENT SALES

## EXHIBIT A PRINCIPAL CONFIDENTIALITY AGREEMENT PETERSEN PORTFOLIO

Walker & Dunlop Investment Sales, LLC ("Broker"), agent for the owner of the Property ("Owner"), is prepared to furnish you with certain information relating to your potential acquisition (Proposed Transaction) of the above referenced Property (the "Property"). All such information obtained from, or by meeting with, Broker, Owner or their respective officers, employees, advisors, attorneys, agents, representatives, affiliates or subagents is herein collectively referred to as the "Information".

As a condition to Broker furnishing any Information to you, you agree that all the Information will be treated as strictly confidential and will not be disclosed by you or your directors, officers, employees, affiliates, agents, advisors, clients, consultants or representatives (collectively, "Representatives") except as specifically permitted by the terms hereof. You agree that you and your Representatives will use the Information solely for the purpose of making an evaluation of the feasibility of the Proposed Transaction. You will not use the Information in any way detrimental to Broker or the Owner.

The term "Information" does not include information which (i) is in your possession or that of your Representatives prior to the disclosure thereof or at the time of disclosure by Broker or Owner or becomes generally available to the public other than as a result of a disclosure by you or your Representatives, (ii) was or becomes available to you or your Representatives on a non-confidential basis prior to its disclosure to you by Broker, from a source other than Broker or Owner or their representatives, provided that such source was not itself bound by an obligation of confidentiality owed to Broker or Owner, (iii) is independently developed by you or your Representatives without reference to the information disclosed hereunder; (iv) is required to be disclosed by law or by regulatory or judicial process; or (v) is released from confidential treatment by Owner and Broker.

You further agree that you and your Representatives will not, without obtaining the prior written consent of Broker, directly or indirectly contact or participate in discussions with any person who is a party of the Proposed Transaction. Neither you nor your Representatives will contact the tenants, leasing agents or property management staff of the Property in connection with your review of the Information. Any and all questions related to the evaluation of the Information must be directed solely to Broker, unless otherwise advised by Broker.

Immediately upon the written request of Broker at any time, you will destroy or deliver to Broker all documents and written information constituting Information previously furnished by Broker or its agents to you or your Representatives or Prospects, without retaining any copy thereof; provided, however, that you or your Representative may retain one (1) copy of the Information to the extent required to comply with applicable law, rule, regulation, legal process or your document retention policies, provided such information is protected to the same level you protect your own sensitive information.

Neither Broker nor any other persons disclosing Information to you or your Representatives makes any warranty or representation whatsoever as to the accuracy or completeness of the Information. You agree that neither Broker, Owners, nor any of their respective directors, officers, representatives, agents, attorneys, advisors, affiliates or subagents, shall have any liability to you or any of your Representatives resulting from the use of the Information by you or such Representatives.

Broker reserves the right to negotiate with one or more prospective purchasers at any time and to enter into a definitive agreement with respect to the Proposed Transaction without prior notice to you. Nothing herein shall imply any agreement on the part of Owner to enter into the Proposed Transaction with you or to pay any commissions, finder's fees or other compensation or fees to any person.

Accepting party hereby acknowledges that it is a principal or an investment advisor acting in a fiduciary capacity on behalf of a principal in connection with the possible acquisition of Property. Accepting party shall be responsible for the payment of any brokerage fee, commission or other compensation to any broker (other than Broker and his affiliates), who has introduced them to the Property and further agrees to indemnify and hold harmless Broker, Owner and their respective directors, officers, representatives, agents, attorneys and/or advisors from and against any and all claims made by such broker with respect to the Proposed Transaction. Broker and Owner reserve the right to take any action, whether in or out of the ordinary course of business, which Broker or Owner deems necessary or prudent in connection with the Property.

The Parties to this Agreement agree that pursuant to 18 USC § 1833(b), an individual may not be held criminally or civilly liable under any federal or state trade secret law for disclosure of a trade secret: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; and/or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

This Agreement shall be governed by and construed in accordance with the laws of the State in which the Property is located. This Agreement shall terminate and be of no further force or effect upon the earliest of (i) one (1) year from the date of your signature below, (ii) the date upon which a sale of the Property is consummated, or (iii) the date upon which the parties enter into a definitive written agreement with respect to the Proposed Transaction.

**All prospective purchasers desiring access to complete sales materials should execute a Confidentiality Agreement and email it to [sales@walkerdunlop.com](mailto:sales@walkerdunlop.com), or fax it to (404) 264-6310. Upon receipt and approval, we will provide you with online access to the underwriting materials. By acceptance of this Agreement, you acknowledge that Broker has provided you with a copy of the disclosures required by the state the Property is located in.**

\_\_\_\_\_  
Prospective Purchaser/Entity (Print Name)

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
Email Address

[www.walkerdunlop.com](http://www.walkerdunlop.com)

\_\_\_\_\_  
Authorized Signatory for Purchaser Entity (Signature)

\_\_\_\_\_  
Purchaser/Entity (Print Name & Title)

\_\_\_\_\_  
Phone No.

\_\_\_\_\_  
Fax No.

\_\_\_\_\_  
Web Site

ACKNOWLEDGED AND AGREED ON \_\_\_\_\_

\_\_\_\_\_  
Date



# WALKER & DUNLOP

INVESTMENT SALES

Tower Place 200  
3348 Peachtree Road, Suite 900  
Atlanta, GA 30326  
Phone: 678-992-2000  
Fax: 404-264-6310

## EXCLUSIVE LISTING AGREEMENT PETERSEN PORTFOLIO

### EXHIBIT "B" OWNER OF RECORD, DESCRIPTION OF PROPERTY PETERSEN HEALTH CARE

REAL ESTATE OWNER 2020	HOME	ADDRESS
Aledo RE, LLC	Aledo Rehabilitation & Health Care Center	304 S.W. 12th Street, Aledo, IL 61231
Arcola RE, LLC	Arcola Health Care	422 East 4th South Street, Arcola, IL 61910
Petersen Health Care XIII, LLC	Arrowwood Estates of Rock Falls	430 Martin Road, Rock Falls, IL 61071
Aspen RE, LLC	Aspen Rehab & Health Care	1403 9th Avenue, Silvis, IL 61282
Bement RE, LLC	Bement Health Care Center	601 North Morgan, Bement, IL 61813
Betty's Garden RE, LLC	Betty's Garden Memory Care of Kewanee	141 Acorn Street South, Kewanee IL 61443
Petersen 25, LLC	Casey Health Care Center	100 N.E. 15th Street, Casey, IL 62420
Collinsville RE, LLC	Collinsville Rehabilitation & Health Care Center	614 North Summit, Collinsville, IL 62234
Midwest Health Properties, LLC	Cornerstone Rehabilitation & Health Care Center	5533 N. Galena Rd., Peoria Heights, IL 61616
Macomb, LLC	Countryview Care Center of Macomb	400 W. Grant Street, Macomb, IL 61455
Petersen Health Care, Inc.	Countryview Terrace	52 Old Route 45, Louisville, IL 62858
Bradford AL RE, LLC	Courtyard Estates of Bradford	100 Courtyard Boulevard Bradford, IL 61421
Robings, LLC	Courtyard Estates of Brighton	502 North Main Street, Brighton, IL 62012
Bushnell AL RE, LLC	Courtyard Estates of Bushnell	1201 N. Cole Street, Bushnell, IL 61422
Petersen Health Care, Inc.	Courtyard Estates of Canton	160 E. Walnut Street, Canton, IL 61520
Petersen Health Systems, Inc.	Courtyard Estates of Farmington	1000 E. Fort Street, Farmington, IL 61531
Petersen Health Systems, Inc.	Courtyard Estates of Galva	1000 Courtyard Estates, Galva, IL 61434
CYE Girard HCO, LLC	Courtyard Estates of Girard	1016 West North Street, Girard, IL 62640
	Courtyard Estates of Green Valley	16516 Townline Road Green Valley, IL 61534
	Courtyard Estates of Herscher	100 Harvest View Lane, Herscher, IL 60941
Piper RE, LLC	Courtyard Estates of Piper City	580 South Maple St, Po Box 68, Piper City IL 60959



# WALKER & DUNLOP

INVESTMENT SALES

Tower Place 200  
3348 Peachtree Road, Suite 900  
Atlanta, GA 30326  
Phone: 678-992-2000  
Fax: 404-264-6310

REAL ESTATE OWNER 2020	HOME	ADDRESS
Sullivan AL RE, LLC	Courtyard Estates of Sullivan	20 Courtyard Blvd., Sullivan, IL 61951
Walcott AL RE, LLC	Courtyard Estates of Walcott	510 North Main Street, Walcott IA 52773
CYV Kewanee AL RE, LLC	Courtyard Village of Kewanee	860 Sunset Drive, Kewanee, IL 61443
Decatur RE, LLC	Decatur Rehabilitation & Health Care Center	136 S. Dipper Lane, Decatur, IL 62522
Eastview RE, LLC	Eastview Terrace	100 Eastview Place, Sullivan, IL 61951
Effingham RE, LLC	Effingham Rehabilitation & Health Care Center	1610 N. Lakewood Drive, Effingham, IL 62401
Petersen Health Care III, LLC	Enfield Rehabilitation & Health Care Center	408 N. Wilson, P.O. Box 285, Enfield, IL 62835
Petersen Farmer City, LLC	Farmer City Rehab & Health Care	404 Brookview Drive, Farmer City, IL 61842
Petersen Health Care X, LLC	Flora Gardens Care Center	701 Shadwell Avenue, Flora, IL 62839
Petersen 26, LLC	Flora Rehabilitation & Health Care Center	232 Given Street, Flora, IL 62839
Havana RE, LLC	Havana Health Care Center	609 North Harpham Street, Havana, IL 62644
N/A	Illini Heritage Rehab & Health Care	1315 Curt Dr., Champaign, IL 61820
Petersen Health Care XI, LLC	Ironwood Estates of Sandwich	910 E. Arnold Street, Sandwich, IL 60548
Jonesboro, LLC	Jonesboro Rehabilitation & Health Care Center	995 State Route 127 South, Jonesboro, IL 62952
Kewanee, LLC	Kewanee Care Home	144 Junior Avenue, Kewanee, IL 61443
Lebanon RE, LLC	Lebanon Care Center	1201 North Alton, Lebanon, IL 62254
McLeansboro RE, LLC	McLeansboro Rehabilitation & Health Care Center	405 W. Carpenter, McLeansboro, IL 62859
Petersen 29, LLC	Mt. Vernon Health Care Center	#5 Doctors Park Road, Mount Vernon, IL 62864
Petersen Health Care III, LLC (tenant)	Newman Rehabilitation & Health Care Center	418 S. Memorial Park Dr., P.O. Box 335, Newman, IL 61942
Petersen Health Care X, LLC	Nokomis Rehabilitation & Health Care Center	505 Stevens Street, Nokomis, IL 62075
North Aurora, LLC	North Aurora Care Center	310 Banbury Road, North Aurora, IL 60542
Petersen 23, LLC	Palm Terrace of Mattoon	1000 Palm Avenue, Mattoon, IL 61938
Piper RE, LLC	Piper City Rehab & Living Center	600 South Maple St, PO Box 68, Piper City IL 60959
Pleasant View RE, LLC	Pleasant View Rehabilitation & Health Care Center	500 North Jackson Street, Morrison, IL 61270
Prairie City RE, LLC	Prairie City Rehab & Health Care Center	825 East Main Street, Box 97, Prairie City, Illinois 61470

# WALKER & DUNLOP

INVESTMENT SALES

Tower Place 200  
3348 Peachtree Road, Suite 900  
Atlanta, GA 30326  
Phone: 678•992-2000  
Fax: 404•264-6310

REAL ESTATE OWNER 2020	HOME	ADDRESS
Petersen Health Care, Inc.	Riverview Estates	200 North Schrader, Havana, IL 62644
Robings, LLC	Robings Manor Rehabilitation & Health Care	502 North Main Street, Brighton, IL 62012
Petersen Health Care X, LLC	Rochelle Gardens Care Center	1021 Caron Road, Rochelle, IL 61068
Petersen Health Care X, LLC	Rochelle Rehabilitaiton & Health Care Center	900 North 3rd Street, Rochelle, IL 61068
Petersen Health Care XIII, LLC	Rock Falls Rehabilitation & Health Care Center	430 Martin Road, Rock Falls, IL 61071
Midwest Health Properties, LLC	Rock River Gardens	3601 Sixteenth Avenue, Sterling, Illinois 61081
Petersen Roseville, LLC	Roseville Rehabilitation & Health Care	145 S. Chamberlain St., Roseville, IL 61473
Rosiclare RE, LLC	Rosiclare Rehabilitation & Health Care Center	1807 Fairview Road, PO Box 220, Rosiclare, IL 62982
Royal RE, LLC	Royal Oaks Care Center	605 East Church Street, Kewanee, IL 61443
Petersen Health Care XI, LLC	Sandwich Rehabilitation & Health Care Center	902 E. Arnold, Sandwich, IL 60548
Shangri La RE, LLC	Shangri La Rehab & Living Center	930 NE Duncan Road, Blue Springs, MO 64014
Petersent Health Care VIII, LLC	Shawnee Rose Care Center	1000 W. Sloan, Harrisburg, IL 62946
Shelbyville RE, LLC	Shelbyville Rehabilitation & Health Care Center	2116 W. South 3rd, Shelbyville, IL 62565
Petersen Health Care II, Inc.	Simple Blessings	203 East Monroe Street, Casey, IL 62420
South Elgin, LLC	South Elgin Rehabilitation & Health Care Center	746 W. Spring Street, South Elgin, IL 60177
Sullivan RE, LLC	Sullivan Rehabilitation & Health Care Center	11 Hawthorne Lane, Sullivan, IL 61951
Swansea RE, LLC	Swansea Rehabilitation & Health Care Center	1405 North Second Street, Swansea, IL 62226
Tarkio RE, LLC	Tarkio Rehabilitation & Health Care	300 Cedar Street, Tarkio MO 64491
Petersen 27, LLC	Toulon Rehabilitation & Health Care Center	700 E. Main Street, PO Box 249 Tuolon, IL 61483
Tuscola RE, LLC	Tuscola Health Care Center	1203 Egyptian Trail, Tuscola, IL 61953
Twin RE, LLC	Twin Lakes Rehab & Health Care	310 S. Eads Avenue, Paris, IL 61944
Vandalia RE, LLC	Vandalia Rehabilitation & Health Care Center	1500 W. St. Louis Ave., Vandalia, IL 62471
Watseka RE, LLC	Watseka Rehabilitaiton & Health Care Center	715 East Raymond Road, Watseka, IL 60970
Westside RE, LLC	Westside Rehabilitation & Care Center	601 North Columbia St., West Frankfort, IL 62896
Petersen Health Care X, LLC	Whispering Oaks Care Center	201 Spring Street, Rosiclare, IL 62982
Petersen 30, LLC	White Oak Rehabilitation & Health Care Center	1700 White Street, Mount Vernon, IL 62864
Petersen Health Care X, LLC	Willow Rose Rehab & Health Care	410 Fletcher, Jerseyville, IL 62052



**EXHIBIT C**

**SCHEDULE 1**

**Sponsoring Broker Disclosure of Designated Agent**

[see attached]

**SPONSORING BROKER DISCLOSURE OF DESIGNATED AGENT**

(In accordance with the Illinois Real Estate License Act, 225 ILCS 454)

\_\_\_\_\_ (the **"Sponsoring Broker"**) designates \_\_\_\_\_ as the Legal Designated Agent (the **"Legal Designated Agent"**) of the Sponsoring Broker to work with \_\_\_\_\_, as the consumer, customer, or client (the **"Consumer"**) for the purpose of representing the Consumer in the purchase, sale, or leasing, as applicable, of real estate set forth in the Agreement (the **"Transaction"**).

The Consumer understands and agrees that neither the Sponsoring Broker nor any other licensee affiliated with the Sponsoring Broker (except as listed in this disclosure) will be acting as legal agent of the Consumer.

The Sponsoring Broker shall have the right, at the Sponsoring Broker's discretion, to appoint a substitute or additional designated agent(s) for the Consumer. The Consumer shall be advised within a reasonable time of any substitution or addition of their designated agent(s).

The Consumer represents that if the Consumer previously entered into an exclusive representation agreement(s) that previous exclusive agreement(s) have expired or have been terminated.

Sponsoring Broker acknowledges and agrees that the Consumer has acknowledged that they have no current exclusive representation agreement with any other real estate company and/or licensee.

The Consumer agrees to immediately inform the Legal Designated Agent if the Legal Designated Agent shows a property to a buyer or lessee that was previously shown to the same buyer or lessee, as applicable, by another licensee or unlicensed party.

The buyer or lessee acknowledges that by their continuing to work with Designated Agent, that the representations and agreements made in this Disclosure are true and correct.

***(signature page follows)***

A copy of this Disclosure was furnished to Consumer on \_\_\_\_\_, 20\_\_\_\_. The parties hereto have executed this Disclosure as of the dates set forth below.

**SPONSORING BROKER:**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**LEGAL DESIGNATED AGENT:**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CONSUMER:**

\_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

(NOTE: Give a copy to the Consumer and the original copy must be retained by the Sponsoring Broker for a period of 5 years).

***(Signature Page to Sponsoring Broker Disclosure of Designated Agent)***

**Exhibit B**

**Myers Declaration**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

**In re**

**SC HEALTHCARE HOLDING, LLC *et al.*,**

**Debtors.<sup>1</sup>**

Chapter 11

Case No. 24-10443 (TMH)

Jointly Administered

**DECLARATION OF MARK MYERS IN SUPPORT OF  
DEBTORS' APPLICATION FOR ENTRY OF AN ORDER AUTHORIZING  
THE DEBTORS TO EMPLOY AND RETAIN WALKER & DUNLOP  
INVESTMENT SALES, LLC AS INVESTMENT SALES BROKER**

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I, MARK MYERS, make this declaration (this "Declaration") pursuant to 28 U.S.C. § 1746 and state:

1. I am a Managing Director at Walker & Dunlop Investment Sales, LLC ("WD") the proposed investment sales broker for SC Healthcare Holding, LLC and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "Debtors," the "Company," or "Petersen").

2. I am authorized to submit this Declaration in support of the *Debtors' Application for Entry of an Order Authorizing the Debtors to Employ and Retain Walker & Dunlop Investment Sales, LLC as Investment sales broker Effective* (the "Application").<sup>2</sup>

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<sup>1</sup> The last four digits of SC Healthcare Holding, LLC's tax identification number are 2584. The mailing address for SC Healthcare Holding, LLC is c/o Petersen Health Care Management, LLC 830 West Trailcreek Dr., Peoria, IL 61614. Due to the large number of debtors in these Chapter 11 Cases, whose cases are being jointly administered, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information is available on a website of the Debtors' claims and noticing agent at [www.kcellc.net/Petersen](http://www.kcellc.net/Petersen).

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meaning given to them in the Application.



3. The facts set forth in this Declaration are based upon my personal knowledge, upon information and belief, or upon client matter records kept in the ordinary course of business that were reviewed either by me or other employees of WD under my supervision and direction. If called and sworn as a witness, I could and would testify competently to the facts set forth herein.

#### **WALKER & DUNLOP'S QUALIFICATIONS**

4. WD is an investment sales firm with its principal office located at 7272 Wisconsin Avenue in Bethesda, MD. WD is a licenses real estate brokerage firm and WD, together with its subsidiaries, has approximately 1,300 employees with 48 geographic locations in North America.

5. WD provides a broad range of financial advisory and investment banking services to its clients, including: (i) property finance; (ii) mergers, acquisitions, and divestitures; (iii) capital raising. WD and its senior professionals have extensive experience in the sale of assets as part of reorganization and restructuring of distressed companies, both out-of-court and in chapter 11 cases. WD has worked with companies, private equity firms, banks, family offices, and commercial lenders by providing sales advisory and connection to capital for transactions in a wide range of corporate finance transactions, including restructurings and reorganizations, mergers and acquisitions, and debt and equity financings. WD has sold properties for private companies, publicly traded companies, nonprofits, government entities, and lenders. WD has served as either an agent or broker in a number of bankruptcy sales processes. Specifically, WD's Seniors Housing investment sales group employs professionals, including myself, with extensive experience with in- and out-of-court investment sales of seniors housing and long-term care facilities, mergers and acquisitions, and divestiture initiatives. Attached as Exhibit C to the



Application is a non-exclusive list of sales or other transactions WD has closed that were either lender-directed, and/or in bankruptcy or government directed sales.

6. WD began advising the Debtors on strategic and restructuring initiatives prior to the commencement of these Chapter 11 Cases. The Debtors previously engaged WD on at least two separate occasions, to market for sale, various tranches of their then 93-facility portfolio. Over the years, WD has also sold to the Debtors approximately 35 of the 93 facilities the Debtors once owned.

7. As a result of its prepetition work with the Debtors, WD has developed valuable institutional knowledge regarding the Debtors' business, operations, capital structure and other material information. Accordingly, I believe WD is well-qualified to represent the Debtors in a cost-effective, efficient, and timely manner.

#### **SCOPE OF SERVICES**

8. Subject to further order of the Court, and as set forth more fully in the Engagement Letter attached to the Proposed Order as Exhibit 1, in consideration for the compensation contemplated therein, WD has and will perform the following services the (collectively, the "Services"), as requested, for the Debtors:

- (a) Assisting in the review and analysis of any potential sales transactions;
- (b) Advising on the Debtors' preparation of information memoranda for potential sales transactions, if requested;
- (c) Preparing marketing materials related to the Debtors' assets;
- (d) Assessing and analyzing markets for the sale of the Debtors' assets;
- (e) Analyzing and setting listing prices for the Debtors' assets;
- (f) Assisting in contacting potential purchaser of the Debtors' assets and meeting with and providing them with the applicable information about the Debtors' assets, or business as applicable;
- (g) Preparing, reviewing, and executing Non-Disclosure Agreements with

third parties expressing interest in the Debtors' assets;

- (h) Negotiating and securing offers to purchase the Debtors' assets;
- (i) Soliciting the cooperation of licensed real estate brokers in the efforts to secure offers to purchase the Debtors' assets;
- (j) Ensuring that any sales remain compliant with Illinois real estate law, as applicable;
- (k) Preparing and delivering offering material on the Debtors' assets to prospective purchasers;
- (l) Qualifying all purchases through the use of confidentiality agreements;
- (m) Negotiating purchase and sale agreements;
- (n) Negotiating letters of intent;
- (o) Meeting with the Debtors to discuss any proposed transaction and its financial implications; and
- (p) Providing such other investment banking services in connection with these Chapter 11 Cases as WD and the Debtors may mutually agree upon.

9. I believe these professional services are necessary to the Debtors' efforts to accomplish their goals in these Chapter 11 Cases and to the ongoing operation and management of the Debtors' business in connection therewith. I believe that the employment of WD is essential to enable the Debtors to maximize value for their estates and to effectuate their efforts.

#### **STAFFING AND COMPENSATION**

10. WD's decision to advise and assist the Debtors in connection with these Chapter 11 Cases is subject to its ability to be retained in accordance with its customary terms and conditions of employment, compensated for its services and reimbursed for the out-of-pocket expenses it incurs in accordance with its customary billing practices in accordance with the terms of the Engagement Letter.

11. WD does not typically charge for its services on an hourly basis. Instead, it customarily charges a commission based on the gross sales price of each property sold. The

Engagement Letter follows this custom in the industry and sets forth the commission rate, time of payment, and computation of sales price as they are related to the compensation of WD.

12. As set forth more fully in the Engagement Letter, WD and the Debtors have agreed on the following terms of compensation (the “Commission”) in accordance with section 328(a) of the Bankruptcy Code. The Debtors have agreed to pay WD the following Commission in consideration for the services to be provided by WD.

- i. **Commission Rate.** The Commission on the sale of the property shall be calculated as follows:

Two percent (2%) of the gross sales price of each property sold. There is no monthly fee for WD’s services.

- ii. **Time of Payment.** The Commission shall be earned, due, and payable in full at the time of the transfer of title or a partnership interest to (or direct or indirect ownership interest in) the property (a “Sale”), subject to the procedures described in the Application and in the Proposed Order.

- iii. **Computation of Sales Price.** The Commission shall be computed in accordance with the above Commission rate based upon the total sales price, which shall include any mortgages (without deduction for prepayment or defeasance fees paid by Owner), loans or other obligations of the Owner which may be assumed by the purchase or which the purchase takes title “subject to”, any purchase money loans or mortgages taken back by the Owner, and the sales price of any fixtures or other personal property sold by separate agreement between the Owner and purchaser as part of the overall sale of the real property.

13. It is standard in WD’s industry for professionals providing investment banking services to be compensated on a fixed fee or commission basis, rather than on any incremental hourly basis, for such services. Accordingly, WD and the Debtors have agreed that, consistent with industry practice, WD will be compensated in accordance with the above compensation structure. Further, WD understands that it will be compensated pursuant to the Modified Compensation Procedures set forth in the Application and that any payment of compensation remains subject to an order of the Court disallowing some or all of that compensation for cause.

As set forth in the Application, the Modified Compensation Procedures are reasonable under the circumstances and will help streamline the commission-based compensation of WD.

14. Among its terms, the Engagement Letter also permits WD to receive a commission with respect to certain real estate transactions that are contracted for within six (6) months after the expiration or termination of the Engagement Letter with “any purchaser who submitted a Confidentiality/Non-Disclosure Agreement during the Term of [the Engagement Letter].” In order to qualify for such Commission . . . “[WD] must provide [Debtors] with a written list to be received within fifteen days following the termination or expiration of [the Engagement Letter], which specifically identifies all parties which submitted Confidentiality/Non-Disclosure Agreements.”

15. Further, WD is authorized to delegate responsibilities, as needed, to its state and country licensed affiliates and to hire co-brokers. In such event, WD will file, and require such co-broker to file, declarations indicating that the co-broker has reviewed the list of interested parties in these Chapter 11 Cases, disclosing the co-broker’s relationships, if any, with the interested parties, and indicating that the co-broker is (a) disinterested, and (b) will remain disinterested during the time that the co-broker works with WD to provide services to the Debtors in connection with these Chapter 11 Cases.

#### **INDEMNIFICATION**

16. WD understands that the indemnification provisions of the Engagement Letter shall be modified as provided in the Proposed Order, and that, in the event of inconsistency between the Engagement Letter and any order of the Court, such order shall control.

**NO DUPLICATION OF SERVICES**

17. The Debtors have been authorized by this Court to retain additional professionals, including, without limitation, Winston & Strawn LLP, Young Conaway Stargatt & Taylor, LLP, and Kurtzman Carson Consultants LLC. The Debtors believe that the services to be performed by WD on behalf of the Debtors will be complimentary to, and not duplicative of, the services provided by the aforementioned professionals. The Debtors and WD are mindful of the need to avoid duplication of services and appropriate procedures will be implemented to ensure that there is minimal duplication of effort as a result of WD's retention as investment sales broker. The Debtors understand that WD will use its reasonable efforts to work cooperatively with the Debtors' other professionals to integrate any respective work performed by those professionals on behalf of the Debtors.

**DISINTERESTEDNESS**

18. WD has undertaken to determine whether it has any conflicts or other relationships that might cause it not to be eligible for employment by the Debtors in these cases. Specifically, WD obtained from the Debtors the names of individuals and entities that may be parties in interest in these cases. WD then (i) researched its internal records to determine whether WD has any connections with the Debtors and the parties listed on **Schedule 1** attached hereto (the "**Potential Parties in Interest**"), and (ii) issued a general inquiry to certain of its officers with respect to the Debtors and certain Potential Parties in Interest.

19. Based on the foregoing inquiry, other than in connection with this engagement and as otherwise disclosed herein, WD has no relationships or connections with the Debtors of which I am aware. To the best of my knowledge, information and belief, neither I, WD, nor any of its professionals:

- i. is a creditor, equity security holder or insider of the Debtors;
- ii. is or has been within three years before the Petition Date, a director, officer or employee of the Debtors; or
- iii. has any interest adverse to the interests of the Debtors' estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or for any other reason.

20. Accordingly, I believe that WD: (i) is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code, as required by section 327(a) of the Bankruptcy Code; (ii) does not hold or represent an interest adverse to the Debtors or their estates; and (iii) has no connection to the Debtors, their creditors, or related parties except as disclosed herein.

21. Neither I nor any of the WD professionals who will provide services for the Debtors is related to any Judge of this Court, the U.S. Trustee, or any person employed in the office of the U.S. Trustee assigned to these Chapter 11 Cases.

22. To the extent that I have been able to ascertain to date that WD has been engaged within the last three years or is currently engaged by any of the Potential Parties in Interest (or their affiliates, as the case may be) in matters unrelated to these cases, such facts are disclosed on **Schedule 2** attached hereto. **Schedule 2** also sets forth certain other relationships WD has with certain Potential Parties in Interest.

23. *Column Financial, Inc.* – As disclosed in **Schedule 2**, the former agency lending arm of Column Financial, Inc., Column Guaranteed LLC, merged with WD’s parent entity in 2009. WD has not and will not represent Column Financial, Inc. or its affiliates in connection with these Chapter 11 Cases. Accordingly, I do not believe WD’s relationship to Column Financial, Inc. precludes WD from meeting the disinterestedness standard under the Bankruptcy Code.

24. *Secretary of Housing and Urban Development (HUD)* – As disclosed in **Schedule 2**, WD's affiliate entity, Walker & Dunlop, LLC, is a HUD approved lender and makes HUD loans on occasion. WD has not and will not represent HUD or its affiliates in connection with these Chapter 11 Cases. Accordingly, I do not believe WD's relationship to HUD precludes WD from meeting the disinterestedness standard under the Bankruptcy Code.

25. In addition to the facts disclosed on **Schedule 2**, WD may in the future be engaged by parties that are or may become parties in interest in these Chapter 11 Cases. As these Chapter 11 Cases progress, new parties may become parties in interest in these cases and, similarly, WD may have been engaged, may be currently engaged, and may in the future be engaged by such new parties in interest in matters unrelated to these Chapter 11 Cases. Also, WD may have engaged or had mutual clients with, may currently engage or have mutual clients with, and may in the future engage or have mutual clients with certain law firms, financial advisors, accounting firms, and other professionals that are Potential Parties in Interest or may become parties in interest, all in matters unrelated to these Chapter 11 Cases. In addition, WD may have also been engaged by, be currently engaged by, or in the future be engaged by persons who are creditors or shareholders of the Debtors, otherwise have a business relationship with the Debtors, or who are competitors or customers of the Debtors. Potential Parties in Interest, persons that may become parties in interest in these cases, and persons that have business relationships with the Debtors, are competitors of the Debtors, or that are customers of the Debtors may be: (i) parties in interest in other bankruptcy cases where WD is acting as investment sales broker to the debtors or to other parties in interest therein; or (ii) may be affiliates of or creditors of persons who WD may have been engaged, is currently engaged, or may in the future be engaged by. In the ordinary course of its business, WD may also purchase services or

products from Potential Parties in Interest and other persons that are or may become parties in interest in these Chapter 11 Cases.

26. Given the large number of parties in interest in these Chapter 11 Cases, despite the efforts described above to identify and disclose WD's relationships with parties in interest in these Chapter 11 Cases, WD is unable to state with certainty that every client relationship or other connection has been disclosed. Among other things, WD may have relationships with persons who are beneficial owners of parties in interest and persons whose beneficial owners include parties in interest or persons who otherwise have relationships with parties in interest. Moreover, WD's employees may have relationships with Potential Parties in Interest, persons that may become parties in interest in these Chapter 11 Cases, and/or persons that have business relationships with the Debtors, are competitors of the Debtors or that are customers of the Debtors. Continued inquiry will be made following the filing of the Application, on a periodic basis, with additional disclosures to this Court if necessary or otherwise appropriate.

27. To the best of my knowledge, information, and belief, some of WD's present and future employees may have, or may in the future have, personal investments in funds or other investment vehicles over whose investment decisions such employees have no input or control. Such entities may have made, or may in the future make, investments in the claims or securities of the Debtors, or those of their creditors or other parties in interest in these Chapter 11 Cases.

28. WD will not share any compensation to be paid by the Debtors in connection with services to be performed after the Petition Date with any other person, other than other principals and employees of WD, to the extent required by section 504 of the Bankruptcy Code. In the ordinary course of its business, WD regularly retains the services of senior advisors with specific industry or other expertise to supplement the investment banking services offered by WD's



regular employees to WD's clients. Upon WD's engagement on a particular assignment, one such senior advisor may be assigned to assist the other WD professionals for such engagement. Such advisor acts under the management of the WD Managing Director who retains the lead role and primary responsibility for such assignment. The fees and expenses of such senior advisor are paid solely by WD.

*[Remainder of page intentionally left blank]*

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed this 1<sup>st</sup> day of May, 2024

/s/ Mark Myers  
Mark Myers  
Managing Director  
Walker & Dunlop Investment Sales, LLC

## **Schedule 1**

### **Potential Parties in Interest**

#### **A. Banks**

BankUnited  
Better Banks  
Busey Bank  
CIBC  
CIBM  
First Mid-IL B & T  
Hickory Point Bank  
Hometown Community Banks  
Huntington  
People's  
PNC Bank  
Wells Fargo, N.A.  
UBS

#### **B. Debtors**

Aledo HCO, LLC (d/b/a Aledo Rehabilitation & Health Care Center)  
Aledo RE, LLC (d/b/a Aledo Rehabilitation & Health Care Center)  
Arcola HCO, LLC (d/b/a Arcola Health Care)  
Arcola RE, LLC (d/b/a Arcola Health Care)  
Aspen HCO, LLC (d/b/a Aspen Rehab & Health Care)  
Aspen RE, LLC (d/b/a Aspen Rehab & Health Care)  
Bement HCO, LLC (d/b/a Bement Health Care Center)  
Bement RE, LLC (d/b/a Bement Health Care Center)  
Betty's Garden HCO, LLC (d/b/a Betty's Garden Memory Care of Kewanee)  
Betty's Garden RE, LLC (d/b/a Betty's Garden Memory Care of Kewanee)  
Bradford AL RE, LLC (d/b/a Courtyard Estates of Bradford)  
Bushnell AL RE, LLC (d/b/a Courtyard Estates of Bushnell)  
Casey HCO, LLC (d/b/a Casey Health Care Center)  
Collinsville HCO, LLC (d/b/a Collinsville Rehabilitation & Health Care Center)  
Collinsville RE, LLC (d/b/a Collinsville Rehabilitation & Health Care Center)  
CYE Bradford HCO, LLC (d/b/a Courtyard Estates of Bradford)  
CYE Bushnell HCO, LLC (d/b/a Courtyard Estates of Bushnell)  
CYE Girard HCO, LLC (d/b/a Courtyard Estates of Girard)  
CYE Kewanee HCO, LLC (d/b/a Courtyard Estates of Kewanee)  
CYE Kewanee- PHC, Inc. (d/b/a Courtyard Estates of Kewanee)

CYE Knoxville - PHC, Inc (d/b/a Courtyard Estates of Knoxville)  
CYE Knoxville HCO, LLC (d/b/a Courtyard Estates of Knoxville)  
CYE Monmouth - PHC, Inc (d/b/a Courtyard Estates of Monmouth)  
CYE Monmouth HCO, LLC (d/b/a Courtyard Estates of Monmouth)  
CYE Sullivan HCO, LLC (d/b/a Courtyard Estates of Sullivan)  
CYE Walcott HCO, LLC (d/b/a Courtyard Estates of Walcott)  
CYV Kewanee AL RE, LLC (d/b/a Courtyard Village of Kewanee)  
Decatur HCO, LLC (d/b/a Decatur Rehabilitation & Health Care Center)  
Decatur RE, LLC (d/b/a Decatur Rehabilitation & Health Care Center)  
Eastview HCO, LLC (d/b/a Eastview Terrace)  
Eastview RE, LLC (d/b/a Eastview Terrace)  
Effingham HCO, LLC (d/b/a Effingham Rehabilitation & Health Care Center)  
Effingham RE, LLC (d/b/a Effingham Rehabilitation & Health Care Center)  
El Paso - PHC, Inc (d/b/a El Paso Health Care Center)  
El Paso HCC, LLC (d/b/a El Paso Health Care Center)  
El Paso HCO, LLC (d/b/a El Paso Health Care Center)  
Flanagan - PHC, Inc. (d/b/a Flanagan Rehabilitation & Health Care Center)  
Flanagan HCC, LLC (d/b/a Flanagan Rehabilitation & Health Care Center)  
Flanagan HCO, LLC (d/b/a Flanagan Rehabilitation & Health Care Center)  
Havana HCO, LLC (d/b/a Havana Health Care Center)  
Havana RE, LLC (d/b/a Havana Health Care Center)  
Jonesboro, LLC (d/b/a Jonesboro Rehabilitation & Health Care Center)  
Kewanee AL, LLC (d/b/a Courtyard Estates of Kewanee)  
Kewanee HCO, LLC (d/b/a Kewanee Care Home)  
Kewanee, LLC (d/b/a Kewanee Care Home)  
Knoxville & Pennsylvania, LLC  
Knoxville AL, LLC (d/b/a Courtyard Estates of Knoxville)  
Lebanon HCO, LLC (d/b/a Lebanon Care Center)  
Lebanon RE, LLC (d/b/a Lebanon Care Center)

Legacy PHC, Inc. (d/b/a Legacy Estates of Monmouth)  
 Legacy Estates AL, LLC (d/b/a Legacy Estates of Monmouth)  
 Legacy HCO, LLC (d/b/a Legacy Estates of Monmouth)  
 Macomb, LLC (d/b/a Countryview Care Center of Macomb)  
 Marigold – PHC, Inc. (d/b/a Marigold Rehabilitation & Health Care Center)  
 Marigold HCC, LLC (d/b/a Marigold Rehabilitation & Health Care Center)  
 Marigold HCO, LLC (d/b/a Marigold Rehabilitation & Health Care Center)  
 MBP Partner, LLC  
 McLeansboro HCO, LLC (d/b/a McLeansboro Rehabilitation & Health Care Center)  
 McLeansboro RE, LLC (d/b/a McLeansboro Rehabilitation & Health Care Center)  
 Midwest Health Operations, LLC (d/b/a Cornerstone Rehabilitation & Health Care Center; Sauk Valley Senior Living & Rehabilitation Center; Shawanee Rose Care; and CenterRock River Gardens)  
 Midwest Health Properties, LLC (d/b/a Cornerstone Rehabilitation & Health Care Center; Sauk Valley Senior Living & Rehabilitation Center; Shawanee Rose Care; and CenterRock River Gardens)  
 Monmouth AL, LLC (d/b/a Courtyard Estates of Monmouth)  
 North Aurora HCO, LLC (d/b/a North Aurora Care Center)  
 North Aurora, LLC (d/b/a North Aurora Care Center)  
 Petersen 23, LLC (d/b/a Palm Terrace of Mattoon)  
 Petersen 25, LLC (d/b/a Casey Health Care Center)  
 Petersen 26, LLC (d/b/a Flora Rehabilitation & Health Care Center)  
 Petersen 27, LLC (d/b/a Toulon Rehabilitation & Health Care Center)  
 Petersen 29, LLC (d/b/a Mt. Vernon Health Care Center)  
 Petersen 30, LLC (d/b/a White Oak Rehabilitation & Health Care Center)  
 Petersen Farmer City, LLC (d/b/a Farmer City Rehab & Health Care)  
 Petersen Health & Wellness, LLC (d/b/a Enfield Rehabilitation & Health Care Center; Rock Falls Rehabilitation & Health Care Center; and Newman Rehabilitation & Health Care Center)  
 Petersen Health Business, LLC (d/b/a Sandwich Rehabilitation & Health Care Center)  
 Petersen Health Care - Farmer City, LLC (d/b/a Farmer City Rehab & Health Care)  
 Petersen Health Care - Illini, LLC (d/b/a Illini Heritage Rehab & Health Care)  
 Petersen Health Care - Roseville, LLC (d/b/a Roseville Rehabilitation & Health Care)

Petersen Health Care II, Inc. (d/b/a Simple Blessings)  
 Petersen Health Care III, LLC  
 Petersen Health Care Management, LLC  
 Petersen Health Care V, LLC  
 Petersen Health Care VII, LLC  
 Petersen Health Care VIII, LLC  
 Petersen Health Care X, LLC (d/b/a Flora Gardens Care Center; Nokomis Rehabilitation & Health Care Center; Rochelle Gardens Care Center; Rochelle Rehabilitation & Health Care Center; Whispering Oaks Care Center; and Willow Rose Rehab & Health Care)  
 Petersen Health Care XI, LLC (d/b/a Sandwich Rehabilitation & Health Care Center)  
 Petersen Health Care XIII, LLC (d/b/a Rock Falls Rehabilitation & Health Care Center)  
 Petersen Health Care, Inc. (d/b/a Countryview Terrace; Courtyard Estates of Canton; and Riverview Estates of Havana)  
 Petersen Health Enterprises, LLC (d/b/a Sheldon Health Care Center)  
 Petersen Health Group, LLC  
 Petersen Health Network, LLC (d/b/a Flora Gardens Care Center; Nokomis Rehabilitation & Health Care Center; Rochelle Gardens Care Center; Rochelle Rehabilitation & Health Care Center; Whispering Oaks Care Center; and Willow Rose Rehab & Health Care)  
 Petersen Health Properties, LLC (d/b/a Countryview Care of Macomb; Jonesboro Rehabilitation & Health Care Center; and South Elgin Rehabilitation & Health Care Center)  
 Petersen Health Quality, LLC (d/b/a Countryview Terrace)  
 Petersen Health Systems, Inc. (d/b/a Courtyard Estates of Herscher; Courtyard Estates of Farmington; Courtyard Estates of Galva; and Courtyard Estates of Green Valley)  
 Petersen Management Company, LLC (d/b/a Flora Rehabilitation & Health Care Center; Palm Terrace of Mattoon; Flora Rehabilitation & Health Care Center; Toulon Rehabilitation & Health Care Center; Mt. Vernon Health Care Center; and White Oak Rehabilitation & Health Care Center)  
 Petersen MT, LLC  
 Petersen MT3, LLC  
 Petersen Roseville, LLC (d/b/a Roseville Rehabilitation & Health Care Center)  
 Piper HCO, LLC (d/b/a Piper City Rehab & Living Center and Courtyard Estates of Piper City)  
 Piper RE, LLC (d/b/a Piper City Rehab & Living Center and Courtyard Estates of Piper City)  
 Pleasant View HCO, LLC (d/b/a Pleasant View Rehabilitation & Health Care Center)  
 Pleasant View RE, LLC (d/b/a Pleasant View Rehabilitation & Health Care Center)

Polo - PHC, Inc. (d/b/a Polo Rehabilitation & Health Care)  
 Polo HCO, LLC (d/b/a Polo Rehabilitation & Health Care)  
 Polo, LLC (d/b/a Polo Rehabilitation & Health Care)  
 Prairie City HCO, LLC (d/b/a Prairie City Rehabilitation & Health Care Center)  
 Prairie City RE, LLC (d/b/a Prairie City Rehabilitation & Health Care Center)  
 Robings HCO, LLC (d/b/a Robings Manor Rehabilitation & Health Care)  
 Robings, LLC (d/b/a Robings Manor Rehabilitation & Health Care and Courtyard Estates of Brighton)  
 Rosiclare HCO, LLC (d/b/a Rosiclare Rehabilitation & Health Care Center)  
 Rosiclare RE, LLC (d/b/a Rosiclare Rehabilitation & Health Care Center)  
 Royal HCO, LLC (d/b/a Royal Oaks Care Center)  
 Royal RE, LLC (d/b/a Royal Oaks Care Center)  
 SABL, LLC  
 SC Healthcare Holding, LLC  
 Shangri La HCO, LLC (d/b/a Shangri La Rehab & Living Center)  
 Shangri La RE, LLC (d/b/a Shangri La Rehab & Living Center)  
 Shelbyville HCO, LLC (d/b/a Shelbyville Rehabilitation & Health Care Center)  
 Shelbyville RE, LLC (d/b/a Shelbyville Rehabilitation & Health Care Center)  
 SJL Health Systems, Inc. (d/b/a Prairie Rose Health Care Center)  
 South Elgin, LLC (d/b/a South Elgin Rehabilitation & Health Care Center)  
 Sullivan AL RE, LLC (d/b/a Courtyard Estates of Sullivan)  
 Sullivan HCO, LLC (d/b/a Sullivan Rehabilitation & Health Care Center)  
 Sullivan RE, LLC (d/b/a Sullivan Rehabilitation & Health Care Center)  
 Swansea HCO, LLC (d/b/a Swansea Rehabilitation & Health Care Center)  
 Swansea RE, LLC (d/b/a Swansea Rehabilitation & Health Care Center)  
 Tarkio HCO, LLC (d/b/a Tarkio Rehabilitation & Health Care)  
 Tarkio RE, LLC (d/b/a Tarkio Rehabilitation & Health Care)  
 Tuscola HCO, LLC (d/b/a Tuscola Health Care Center)  
 Tuscola RE, LLC (d/b/a Tuscola Health Care Center)  
 Twin HCO, LLC (d/b/a Twin Lakes Rehab & Health Care)  
 Twin RE, LLC (d/b/a Twin Lakes Rehab & Health Care)  
 Vandalia HCO, LLC (d/b/a Vandalia Rehabilitation & Health Care Center)

Vandalia RE, LLC (d/b/a Vandalia Rehabilitation & Health Care Center)  
 Village Kewanee HCO, LLC (d/b/a Courtyard Village of Kewanee)  
 Walcott AL RE, LLC (Courtyard Estates of Walcott) War Drive, LLC  
 Watseka HCO, LLC (d/b/a Watseka Rehabilitation & Health Care Center)  
 Watseka RE, LLC (d/b/a Watseka Rehabilitation & Health Care Center)  
 Westside HCO, LLC (d/b/a Westside Rehabilitation & Care Center)  
 Westside RE, LLC  
 XCH, LLC

#### **C. Debtors' Advisors**

Getzler Henrich & Associates LLC  
 Walker & Dunlop, Inc.  
 Winston & Strawn LLP  
 Young Conaway Stargatt & Taylor, LLP

#### **D. Directors and Officers**

Mark Petersen  
 Marikay Snyder  
 David R. Campbell

#### **E. Insurance Providers**

Addison Insurance Company  
 Artisan and Truckers Casualty Co.  
 AXA XL Insurance Company  
 AXA XL Insurance Company UK Limited  
 BlueCross BlueShield of Illinois  
 CRC Insurance Services Inc.  
 First Insurance Funding  
 Hartford Fire Insurance Company  
 HUB International Insurance Services, Inc.  
 IL Secretary of State Index Dept. of Springfield, IL  
 Illinois Department of Public Health  
 KCP & L  
 Kuhl Agency  
 Liberty Utilities  
 Lloyds Underwriters, Lloyds America, Inc.  
 Missouri Department of Health and Senior Services  
 NICOR Gas Company  
 Old Republic Surety Company  
 Optimed  
 Pendulum Risk Consulting  
 Progressive Commercial  
 RT Specialty / RSUI  
 Selective Insurance Company of the Southeast  
 Southern Illinois Electric Corp  
 The Hartford  
 The Progressive Corporation

West Bend Insurance  
West Bend Mutual Insurance Company

**F. Judges**

Chan, Ashely M.  
Dorsey, John T.  
Goldblatt, Craig T.  
Horan, Thomas M.  
Owens, Karen B.  
Shannon, Brendan L.  
Silverstein, Laurie Selber  
Stickles, J. Kate  
Walrath, Mary F.

**G. Lenders**

AMI Capital, Inc.  
Assistant Secretary of Housing/Federal Housing  
Commission  
Bank of Farmington  
Bank of Rantoul  
Berkadia Commercial Mortgage, LLC  
Better Bank of Chillicothe  
Better Banks  
Capital Funding, LLC  
Chase Bank  
Column Financial, Inc.  
Community State Bank  
Credit Suisse  
eCapital  
GMF Petersen Note LLC  
Grandbridge Real Estate Capital LLC  
Hickory Point Bank  
IMHVCU  
JMB Capital Partners Lending LLC  
Keybank National Association  
Lancaster Pollard Mortgage Company  
Lument Real Estate Capital LLC  
Midwest Bank of Western IL  
Pillar Capital Finance LLC  
Secretary of Housing and Urban Development  
(HUD)  
Solutions Bank  
UBS  
X-Caliber Capital Corp.

**H. Litigation Parties<sup>1</sup>**

Calltek Inc.  
Capital Funding, LLC  
Edith Hartsock

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<sup>1</sup> The following list contains certain litigation counterparties.

James Borries  
Jeanette Chamberland  
Jimmie Owens  
Joe Winters  
Judith Bill  
Kenneth Denson  
Margaret Butler  
Mary Ellen Qureshi  
Mildred Downs  
Phyllis Wellenreiter  
Ola Williams  
Rosie L. Tipton  
Russel Smith  
Select Rehabilitation  
Wynona Alvord  
X-Caliber Capital, LLC  
X-Caliber Funding LLC  
Zawadi Nursing Agency

**I. Material Vendors**

Datamax d/b/a Summer One  
Favorite Healthcare Staffing  
Health Advocates Network, Inc. d/b/a Horizons  
Healthcare  
Lawrence Recruiting  
Martin Bros  
McKesson Medical-Surgical  
Medical Solutions LLC  
Newman Manor Inc.  
Nurses PRN  
Omnicare  
OneStaff Medical LLC  
PEL/VIP  
PIPCO Companies LTD  
PointClickCare Technologies Inc.  
RecoverCare LLC  
RehabCare  
Rentokil Pest Control  
Sage Intacct Inc.  
Select Rehabilitation LLC  
Shiftkey LLC  
SNF Receivable Solutions

**J. Non-Debtor Affiliates**

Batavia, LLC (d/b/a Batavia Rehabilitation & Health  
Care Center)  
Benton HCC, LLC (d/b/a Benton Rehabilitation &  
Health Care Center)  
Bloomington, LLC (d/b/a Bloomington  
Rehabilitation & Health Care Center)  
Candle Hospitality, LLC (d/b/a Candlewood Suites)  
Charleston - PHC, Inc. (d/b/a Charleston  
Rehabilitation & Health Care Center)

Charleston HCC, LLC (d/b/a Charleston Rehabilitation & Health Care Center)  
 Charleston HCO, LLC (d/b/a Charleston Rehabilitation & Health Care Center)  
 Charter Bus Company, LLC  
 Cisne, LLC (d/b/a Cisne Rehabilitation & Health Care Center)  
 Cumberland - PHC, Inc. (d/b/a Cumberland Rehabilitation & Health Care)  
 Cumberland HCC, LLC (d/b/a Cumberland Rehab & Health Care Center)  
 Cumberland HCO, LLC (d/b/a Cumberland Rehab & Health Care Center)  
 Eastside, LLC (d/b/a Eastside Health & Rehabilitation Center)  
 Fondulac, LLC (d/b/a Fondulac Rehabilitation & Health Care)  
 Neeley, LLC  
 Neeley Incorporated Cell  
 Ozark HCC, LLC (d/b/a Ozark Rehabilitation & Health Care)  
 Petersen Companies, LLC  
 Petersen Health Junction, LLC (d/b/a Sunset Rehabilitation & Health Care)  
 Petersen Health Operations, LLC (d/b/a Batavia Rehabilitation & Health Care Center; Benton Rehabilitation & Health Care Center; Bloomington Rehabilitation & Health Care Center; Cisne Rehabilitation & Health Care Center; Sunset Rehabilitation & Health Care Center; Eastside Health & Rehabilitation Center; Fondulac Rehabilitation & Health Care Center; Ozark Rehabilitation & Health Care; and Timbercreek Rehab & Health Care)  
 Petersen Hospitality, LLC (d/b/a Hampton Inn & Suites)  
 Petersen Hotels, LLC (d/b/a AmericInn, Monmouth)  
 Petersen MT2, LLC  
 Petersen MT4, LLC<sup>2</sup>  
 Plaza West Development, LLC (d/b/a Holiday Inn & Suites Peoria)  
 Sunset HCC, LLC (d/b/a Sunset Rehabilitation & Health Care)  
 Timbercreek HCC, LLC (d/b/a Timbercreek Rehabilitation & Health Care)  
 Twenty Four Corp, LLC

**K. Office of the United States Trustee**

Andrew R. Vara  
 Benjamin Hackman  
 Christine Green

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<sup>2</sup> The Debtors intend to seek dismissal of this entity from these Chapter 11 Cases.

Diane Giordano  
 Dion Wynn  
 Edith A. Serrano  
 Elizabeth Thomas  
 Fang Bu  
 Hannah M. McCollum  
 Holly Dice  
 James R. O'Malley  
 Jane Leamy  
 Jonathan Lipshie  
 Jonathan Nyaku  
 Joseph Cudia  
 Joseph McMahon  
 Lauren Attix  
 Linda Casey  
 Linda Richenderfer  
 Malcolm M. Bates  
 Michael Girello  
 Nyanquoi Jones  
 Richard Schepacarter  
 Rosa Sierra-Fox  
 Shakima L. Dortch  
 Timothy J. Fox, Jr.

**L. Taxing Authorities**

Atchison County Treasurer  
 Camden County  
 Christian County Collector  
 Clark County Collector  
 Clay County Collector  
 Coles County Collector  
 Cumberland County Treasurer  
 DeKalb County Collector  
 Dewitt County Collector  
 Douglas County Collector  
 Edgar County Collector  
 Edgar County Treasurer  
 Effingham County Treasurer  
 Fayette County Collector  
 Ford County Collector  
 Ford County Treasurer  
 Franklin County Treasurer  
 Fulton County Collector  
 Hamilton County Collector  
 Hardin County Treasurer  
 Illinois Department of Healthcare and Family Services  
 Illinois Office of Comptroller - Chicago  
 Illinois Office of Comptroller - Springfield  
 Illinois Secretary of State  
 Illinois State Treasurer  
 Internal Revenue Service  
 Iowa Department of Revenue  
 Iowa Dept of Revenue and Finance  
 Iroquois County Collector

Jackson County Collector  
 Jefferson County Collector  
 Jersey County Collector  
 Kane County Collector  
 Macon County Collector  
 Madison County Treasurer  
 McDonough County Collector  
 Mercer County Collector  
 Missouri Department of Revenue  
 Montgomery County Collector  
 Ogle County Collector  
 Piatt County Collector  
 Rock Island County Collector  
 Saline County Collector  
 Shelby County Treasurer  
 St Clair County Collector  
 Stark County Collector  
 Union County Collector  
 Woodford County Treasurer

**M. Utility Providers**

Alliant Energy  
 Ameren IL  
 Ascentium Capital  
 AT&T  
 Brighton Water & Sewer Department  
 Brightspeed  
 Bushnell Municipal  
 Cass Communications Management Inc.  
 CenturyLink  
 Charter Communications  
 Christina Smith  
 Citrix Systems Inc  
 City of Aledo  
 City of Arcola  
 City of Blue Springs Utility  
 City of Canton  
 City of Casey  
 City of Collinsville  
 City of Decatur  
 City of Effingham Water Dept  
 City of El Paso  
 City of Farmer City  
 City of Flora  
 City of Galesburg  
 City of Galva Water Department  
 City of Girard  
 City of Havana  
 City of Jonesboro  
 City of Kewanee  
 City of Knoxville  
 City of Lebanon  
 City of Mattoon  
 City of McLeansboro  
 City of Monmouth

City of Morrison  
 City of Mt. Vernon  
 City of Newman  
 City of Nokomis  
 City of Paris  
 City of Peoria - Stormwater  
 City of Polo  
 City of Rock Falls  
 City of Sandwich  
 City of Silvis  
 City of Sullivan  
 City of Toulon  
 City of Tuscola  
 City of Vandalia  
 City of Walcott  
 City of Watseka  
 City of West Frankfort  
 Coles-Moultrie Electric Cooperative  
 Comcast Cable  
 ComEd  
 Computer Techniques Inc  
 Consolidated Communications  
 Constellation NewEnergy  
 Conxxus  
 Crystal Simmons  
 DIRECTV  
 Dish Network  
 E J Water Cooperative Inc  
 Evergy  
 Ferrellgas  
 Fox Metro  
 Frontier  
 Goldstar Software  
 Grafton Technologies  
 Granite Telecommunications  
 Greater Peoria Sanitary District  
 Guaranteed Ink  
 Harrisburg Water Department  
 Home Field Energy  
 Illinois American Water  
 Liberty Utilities  
 Lifeloop  
 Macomb City Waterworks  
 Mediacom  
 MidAmerican Energy Company  
 Midwest Data Center  
 Nicor Gas  
 Nitro  
 Pana City Water Department  
 Peoria Heights Waterworks  
 Piasa Motor Fuels, LLC  
 PointClickCare Technologies Inc  
 Prairie City Water  
 Rentokil  
 Rochelle Municipal Utilities  
 Royell Communications



Shadow Fax Projects  
Shawnee Communications-Whispering  
Shelby Electric Cooperative  
Shelbyville Water Dept  
South Central FS  
SouthEastern Illinois Electric Coop  
Southern Illinois Electric Cooperative  
Sparklight  
Spire  
Stellar Private Cable Systems  
Stratus Networks  
Swansea Sewer Department  
Tarkio Board of Public Works  
Touchtone  
Urbana-Champaign Sanitary District  
Verizon Wireless  
Village of Bement  
Village of Bradford  
Village of Enfield Utilities  
Village of Herscher  
Village of North Aurora  
Village of Piper City  
Village of Roseville  
Village of South Elgin  
Wabash Communications

**Schedule 2**

<b>Party Name</b>	<b>Relationship to Debtors</b>	<b>Description of Walker Dunlop's Connection</b>
PNC Bank	Bank	PNC Bank is a corporate banking partner of WD
Wells Fargo, N.A.	Bank	Wells Fargo, N.A. partners with WD on certain warehouse lines and other banking relationships
AXA XL Insurance Company AXA XL Insurance Company UK Limited	Insurance Provider	AXA is an insurance provider to WD
Lloyds Underwriters, Lloyds America, Inc.	Insurance Provider	Lloyds is an insurance provider to WD
Column Financial, Inc.	Lender	See Myers Declaration
Secretary of Housing and Urban Development (HUD)	Lender	See Myers Declaration

**Exhibit C**

# W&D BANKRUPTCY, LENDER DIRECTED, & GOVERNMENT AUCTION SALES

WALKER & DUNLOP

# WALKER & DUNLOP TEAM

## BANKRUPTCY, LENDER DIRECTED AND GOVERNMENT AUCTION SALES

	NAME OF PROPERTY	LICENSE	CITY	STATE	BEDS/UNITS	CLOSING DATE	SALES PRICE	PER UNIT/BED
1	Advantage 2.0	SNF	Various	MI	415	6/23/22	\$30,500,000	\$73,494
2	Advantage Portfolio	SNF	Various	MI	743	11/2/21	\$58,000,000	\$78,062
3	Lexington Portfolio	SNF / SLF	Various	IL	1550	6/9/21	\$110,000,000	\$70,968
4	Champaign County	SNF	Urbana	IL	243	4/1/19	\$11,000,000	\$45,267
5	Country View (Blackhawk County)	SNF	Waterloo	IA	168	1/3/19	\$4,150,000	\$24,702
6	Auglaize Acres (Auglaize County)	SNF	Wapakoneta	OH	91	12/26/18	\$1,700,000	\$18,681
7	Fenton Healthcare	SNF	Fenton	MI	121	6/27/18	\$2,833,333	\$23,416
8	Ovid Healthcare Center	SNF	Ovid	MI	94	6/27/18	\$2,833,333	\$30,142
9	Transitional Health Services of Freemont	SNF	Freemont	MI	129	6/27/18	\$2,833,333	\$21,964
10	Morris County Healthcare Center (Morris County)	SNF	Morristown	NJ	283	7/31/17	\$24,000,000	\$84,806
11	Maplewood Manor (Saratoga County)	SNF	Ballston Spa	NY	257	1/31/17	\$14,100,000	\$54,864
12	Project Boomerang (one portfolio)	SNF	Gatesville	NC	80	10/1/16	\$2,500,000	\$31,250
13	Project Boomerang (one portfolio)	SNF	Hancock	MI	63	9/1/16	\$3,016,652	\$47,883
14	Project Boomerang (one portfolio)	SNF	Roscommon	MI	118	9/1/16	\$3,016,652	\$25,565
15	Project Boomerang (one portfolio)	SNF	Ishpeming	MI	122	9/1/16	\$3,016,652	\$24,727
16	Project Boomerang (one portfolio)	SNF	Fort Myers	FL	0	8/2/16	\$1,000,000	-
17	Project Boomerang (one portfolio)	SNF	North Vernon	IN	119	8/2/16	\$6,249,990	\$52,521
18	Project Boomerang (one portfolio)	SNF	Connersville	IN	164	8/2/16	\$6,249,990	\$38,110
19	Project Boomerang (one portfolio)	SNF	Fort Wayne	IN	66	8/2/16	\$6,249,990	\$94,697
20	Project Boomerang (one portfolio)	SNF	Sheridan	IN	80	8/2/16	\$6,249,990	\$78,125
21	Project Boomerang (one portfolio)	SNF	Olathe	KS	147	8/2/16	\$7,200,060	\$48,980
22	Project Boomerang (one portfolio)	SNF	Omaha	NE	175	8/2/16	\$8,250,025	\$47,143
23	Skyline Retirement Community	CCRC	Omaha	NE	318	5/17/16	\$11,750,000	\$36,950
24	County of Monmouth Care Centers: JLM & GLT	SNF	Freehold	NJ	309	12/31/15	\$32,400,000	\$104,854
25	Warren Haven Nursing Home	SNF	Oxford	NJ	180	9/3/15	\$15,600,000	\$86,667
26	Orleans County	SNF	Albion	NY	120	1/15/15	\$7,800,000	\$65,000
27	Chautauqua County	SNF	Dunkirk	NY	216	12/31/14	\$16,000,000	\$74,074
28	Ontario County Health Facility	SNF	Canandaigua	NY	98	11/14/14	\$2,000,000	\$20,408

	NAME OF PROPERTY	LICENSE	CITY	STATE	BEDS/UNITS	CLOSING DATE	SALES PRICE	PER UNIT/BED
29	Steuben County Health Care Facility	SNF	Bath	NY	105	7/2/14	\$11,000,000	\$104,762
30	Butler County Nursing & Rehabilitation Center	SNF	Butler	PA	220	5/15/14	\$20,400,000	\$92,727
31	Horace Nye Nursing Home (Essex County)	SNF	Elizabethtown	NY	100	3/20/14	\$4,050,000	\$40,500
32	Friendship Ridge	SNF	Beaver	PA	589	2/28/14	\$37,500,000	\$63,667
33	Camden County Health Services Center	SNF	Blackwood	NJ	450	11/25/13	\$37,100,000	\$82,444
34	Valley View Nursing Home (Blair County)	SNF	Altoona	PA	254	5/13/13	\$16,500,000	\$64,961
35	Cascade Vist/Cascade Plaza	AL/MC/SNF	Redmond	WA	212	4/30/13	\$11,500,000	\$54,245
36	Champaign Urbana Rehabilitation Center	SNF	Savoy	IL	213	12/12/12	\$11,500,000	\$53,991
37	Sussex Homestead	SNF	Newton	NJ	102	11/29/12	\$7,850,000	\$76,961
38	Buttonwood Hospital (Burlington County)	SNF	Pemberton	NJ	200	8/11/12	\$15,000,000	\$75,000
39	Robeson Hall on the Park	ILF	Champaign	IL	104	7/1/12	\$1,500,000	\$14,423
40	Cumberland Manor Nursing Home	SNF	Bridgeton	NJ	196	4/10/12	\$14,000,000	\$71,429
41	Posada Del Sol Health Care Center	SNF	Tucson	AZ	149	12/11/11	\$7,800,000	\$52,349
42	Grand Court Belleville	ILF	Belleville	IL	74	9/9/11	\$1,950,000	\$26,351
43	Nursing Home Managers Portfolio	SNF	Petersburg	IL	86	4/11/11	\$1,171,908	\$13,627
44	Nursing Home Managers Portfolio	SNF	Jacksonville	IL	88	4/11/11	\$1,199,161	\$13,627
45	Nursing Home Managers Portfolio	SNF	Taylorville	IL	96	4/11/11	\$1,308,176	\$13,627
46	Nursing Home Managers Portfolio	SNF	Virden	IL	99	4/11/11	\$1,349,057	\$13,627
47	Nursing Home Managers Portfolio	SNF	Charleston	IL	108	4/11/11	\$1,471,698	\$13,627
48	Highgate Portfolio	SNF	New York	NY	512	10/10/10	\$22,700,000	\$44,336
49	Weatherwood	SNF	Weatherly	PA	200	7/10/10	\$11,050,000	\$55,250
50	Laurel Crest	SNF	Ebensburg	PA	370	1/10/10	\$14,250,000	\$38,514
51	Covenant at South Hills	CCRC	Pittsburgh	PA	232	10/23/09	\$15,658,123	\$67,492
52	Haverford Nursing & Rehabilitation	SNF	Upper Darby	PA	110	2/9/09	\$5,062,500	\$46,023
53	Main Line Nursing & Rehabilitation	SNF	Malvern	PA	184	2/9/09	\$8,437,500	\$45,856
54	Harrah Nursing Center	SNF	Harrah	OK	147	10/10/08	\$3,400,000	\$23,129
52	Haverford Nursing & Rehabilitation	SNF	Upper Darby	PA	110	2/9/09	\$5,062,500	\$46,023
53	Main Line Nursing & Rehabilitation	SNF	Malvern	PA	184	2/9/09	\$8,437,500	\$45,856
54	Harrah Nursing Center	SNF	Harrah	OK	147	10/10/08	\$3,400,000	\$23,129
55	Mcloud Nursing Center	SNF	Mcloud	OK	85	10/10/08	\$2,200,000	\$25,882
56	Meeker Nursing Center	SNF	Meeker	OK	84	10/10/08	\$2,000,000	\$23,810
57	Mid America Portfolio (Polo Manor)	SNF	Polo	IL	77	1/8/08	\$1,500,000	\$19,481

	NAME OF PROPERTY	LICENSE	CITY	STATE	BEDS/UNITS	CLOSING DATE	SALES PRICE	PER UNIT/BED
58	Mid America Portfolio (Marigold HCC)	SNF	Galesburg	IL	172	1/7/08	\$5,600,000	\$32,558
59	Mid America Portfolio (Feeport Manor)	SNF	Freeport	IL	122	1/6/08	\$4,000,000	\$32,787
60	Mid America Portfolio (Hillsboro HCC)	SNF	Hillsboro	IL	110	1/5/08	\$3,000,000	\$27,273
61	Mid America Portfolio (Sunshine Manor)	SNF	Carlinville	IL	94	1/4/08	\$2,400,000	\$25,532
62	Mayfair Village	CCRC	Columbus	OH	186	12/7/07	\$19,000,000	\$102,151
63	Westlake SeniorCare (Cypress Portfolio)	ALF	Westlake	OH	99	3/7/07	\$4,588,001	\$46,343
64	Whittier SeniorCare (Cypress Portfolio)	ALF	Whittier	CA	73	12/27/06	\$5,828,500	\$79,842
65	West Orange SeniorCare (Cypress Portfolio)	ALF	West Orange	NJ	116	12/25/06	\$6,346,000	\$54,707
66	Wayne SeniorCare (Cypress Portfolio)	ALF	Wayne	NJ	105	12/24/06	\$11,030,000	\$105,048
67	Tucson SeniorCare (Cypress Portfolio)	ALF	Tucson	AZ	98	12/23/06	\$8,588,000	\$87,633
68	Sun City SeniorCare (Cypress Portfolio)	ALF	Sun City	AZ	54	12/22/06	\$7,024,000	\$130,074
69	Sarasota SeniorCare (Cypress Portfolio)	ALF	Sarasota	FL	96	12/21/06	\$8,576,000	\$89,333
70	Roanoke SeniorCare (Cypress Portfolio)	ALF	Roanoke	VA	56	12/20/06	\$10,086,000	\$180,107
71	Reno SeniorCare (Cypress Portfolio)	ALF	Reno	NV	52	12/19/06	\$13,312,000	\$256,000
72	Peoria SeniorCare (Cypress Portfolio)	ALF	Peoria	AZ	54	12/18/06	\$11,324,000	\$209,704
73	Palmer Ranch SeniorCare (Cypress Portfolio)	ALF	Sarasota	FL	93	12/17/06	\$7,458,000	\$80,194
74	Palmer Ranch SNF (Cypress Portfolio)	SNF	Sarasota	FL	60	12/16/06	\$3,860,000	\$64,333
75	Overland Park SeniorCare (Cypress Portfolio)	ALF	Olathe	KS	54	12/15/06	\$9,424,000	\$174,519
76	Mesa SeniorCare (East Mesa) (Cypress Portfolio)	ALF	Mesa	AZ	52	12/14/06	\$9,512,000	\$182,923
77	Fulton County SeniorCare (SS-Court) (Cypress Portfolio)	ALF	Roswell	GA	52	12/13/06	\$4,812,000	\$92,538
78	Fulton County SeniorCare (SS-Gardens) (Cypress Portfolio)	ALF	Roswell	GA	102	12/12/06	\$5,012,000	\$49,137
79	Emerson SeniorCare (Cypress Portfolio)	ALF	Emerson	NJ	105	12/11/06	\$13,630,000	\$129,810
80	Dunedin SeniorCare (Cypress Portfolio)	ALF	Dunedin	FL	105	12/10/06	\$3,255,000	\$31,000
81	Denver SeniorCare (Cypress Portfolio)	ALF	Denver	CO	60	12/9/06	\$7,760,000	\$129,333
82	Decatur SeniorCare (Cypress Portfolio)	ALF	Decatur	GA	60	12/8/06	\$7,610,000	\$126,833
83	Colorado Springs SeniorCare (Cypress Portfolio)	ALF	Colorado Springs	CO	60	12/7/06	\$5,760,000	\$96,000
84	Cobb County SeniorCare (Vinings) (Cypress Portfolio)	ALF	Smyrna	GA	52	12/6/06	\$5,562,000	\$106,962
85	Citrus Heights SeniorCare (Cypress Portfolio)	ALF	Roseville	CA	56	12/5/06	\$8,836,000	\$157,786
86	Asbury Towers	ILF/ALF	North Aurora	IL	244	12/5/06	\$5,000,000	\$20,492
87	Charlotte SeniorCare (South Park) (Cypress Portfolio)	ALF	Charlotte	NC	52	12/4/06	\$2,612,000	\$50,231
88	Brea SeniorCare (Cypress Portfolio)	ALF	Brea	CA	98	12/3/06	\$4,288,000	\$43,755
89	Boynton Village SeniorCare (Cypress Portfolio)	ALF	Boynton Beach	FL	127	12/2/06	\$3,937,000	\$31,000



	NAME OF PROPERTY	LICENSE	CITY	STATE	BEDS/UNITS	CLOSING DATE	SALES PRICE	PER UNIT/BED
90	Legacy at Dallas	ILF	Dallas	GA	106	11/6/06	\$12,700,000	\$119,811
91	Belhaven Nursing Home	SNF	Chicago	IL	221	7/12/06	\$10,250,000	\$46,380
92	Candlewood Park (CSC)	SNF	Cleveland	OH	134	12/13/05	\$9,571,428	\$71,429
93	Aristocrat Berea (CSC)	SNF	Cleveland	OH	225	12/12/05	\$16,071,428	\$71,429
94	OH Extended Care (CSC)	SNF	Cleveland	OH	192	12/11/05	\$13,714,285	\$71,429
95	Falling Water (CSC)	SNF	Cleveland	OH	139	12/10/05	\$9,928,571	\$71,429
96	Grande Pointe (CSC)	SNF	Cleveland	OH	166	12/9/05	\$11,857,142	\$71,429
97	Greenbrier HCC (CSC)	SNF	Cleveland	OH	196	12/8/05	\$14,000,000	\$71,429
98	Greenbrier (CSC)	ALF	Cleveland	OH	68	12/7/05	\$4,857,142	\$71,429
99	Pine Grove (CSC)	SNF	Cleveland	OH	22	12/6/05	\$1,571,428	\$71,429
100	Pine Valley (CSC)	SNF	Cleveland	OH	97	12/5/05	\$6,928,571	\$71,429
101	Pebble Creek (CSC)	SNF	Cleveland	OH	192	12/4/05	\$13,642,858	\$71,057
102	Wyant Woods (CSC)	SNF	Cleveland	OH	180	12/4/05	\$12,857,142	\$71,429
103	Alderwood Health Care Center (SLP)	SNF	South Elgin	IL	90	10/12/05	\$1,311,189	\$14,569
104	Willow Wood Health Care Center (SLP)	SNF	Rock Falls	IL	57	10/12/05	\$830,420	\$14,569
105	Rosiclare Health Care Center (SLP)	SNF	Rosiclare	IL	62	10/11/05	\$903,263	\$14,569
106	Scotchwood Health Care Center (SLP)	SNF	Bloomington	IL	78	10/11/05	\$1,136,364	\$14,569
107	Pekin Living & Rehabilitation Center (SLP)	SNF	Pekin	IL	202	10/10/05	\$2,942,890	\$14,569
108	Pittsfield Health Care Center (SLP)	SNF	Pittsfield	IL	81	10/10/05	\$1,180,070	\$14,569
109	Maplewood Health Care Center (SLP)	SNF	North Aurora	IL	129	10/9/05	\$1,879,370	\$14,569
110	Olivewood Health Care Center (SLP)	SNF	Shelbyville	IL	80	10/9/05	\$1,165,501	\$14,569
111	Magnolia Wood Health Care Center (SLP)	SNF	Watseka	IL	76	10/8/05	\$1,107,226	\$14,569
112	McLeansboro Health Care Center (SLP)	SNF	Dale	IL	43	10/8/05	\$626,457	\$14,569
113	Jonesboro Health Care Center (SLP)	SNF	Jonesboro	IL	77	10/7/05	\$1,121,795	\$14,569
114	Macomb Senior Living Center (SLP)	SNF	Macomb	IL	65	10/7/05	\$946,970	\$14,569
115	Enfield Health Care Center (SLP)	SNF	Enfield	IL	49	10/6/05	\$713,869	\$14,569
116	Fondulac Health Care Center (SLP)	SNF	East Peoria	IL	98	10/6/05	\$1,427,739	\$14,569
117	Cisne Health Care Center (SLP)	SNF	Cisne	IL	35	10/5/05	\$509,907	\$14,569
118	Firwood Health Care Center (SLP)	SNF	Batavia	IL	63	10/5/05	\$917,832	\$14,569
119	Cherrywood Health Care Center (SLP)	SNF	Vandalia	IL	116	10/4/05	\$1,689,977	\$14,569
120	Dogwood-Ironwood Health Care Center (SLP)	SNF	Sandwich	IL	63	10/4/05	\$917,832	\$14,569
121	Aspenwood Health Care Center (SLP)	SNF	Silvis	IL	63	10/3/05	\$917,832	\$14,569

	NAME OF PROPERTY	LICENSE	CITY	STATE	BEDS/UNITS	CLOSING DATE	SALES PRICE	PER UNIT/BED
122	Cedarwood Health Care Center (SLP)	SNF	Decatur	IL	58	10/3/05	\$844,988	\$14,569
123	The Meadows	ALF	Tallahassee	FL	120	10/2/05	\$1,700,000	\$14,167
124	Boxwood Health Care Center (SLP)	SNF	Newman	IL	60	10/2/05	\$874,126	\$14,569
125	Benton Health Care Center (SLP)	SNF	Benton	IL	71	10/1/05	\$1,034,382	\$14,569
126	New Perspectives	ALF	Wheeling	IL	48	7/8/05	\$2,535,670	\$52,826
127	Woodcrest Manor	SNF	Erlanger	KY	127	6/5/05	\$4,500,000	\$35,433
128	Franciscan Manor (GHV)	ALF	Beaver Falls	PA	110	6/5/05	\$15,000,000	\$136,364
129	Mount Vernon Assisted Living(GHV)	ALF	Elizabeth	PA	91	6/5/05	\$7,000,000	\$76,923
130	Mount Vernon of South Park (GHV)	ALF	Bethel Park	PA	109	6/5/05	\$9,000,000	\$82,569
131	Overlook Green Assisted Living(GHV)	ALF	Pittsburgh	PA	122	6/5/05	\$16,000,000	\$131,148
132	Ridgepointe Personal Care Home (GHV)	ALF	Pittsburgh	PA	113	6/5/05	\$6,500,000	\$57,522
133	Rolling Hills Manor Assisted Liv. (GHV)	ALF	Pittsburgh	PA	84	6/5/05	\$4,500,000	\$53,571
134	Sun Valley	ALF	Beloit	WI	60	2/4/05	\$3,250,000	\$54,167
135	Grand Court Weatherford	ALF	Weatherford	TX	84	1/5/05	\$3,400,000	\$40,476
136	Grand Court Bryan	ILF	Bryan	TX	180	11/4/04	\$7,350,000	\$40,833
137	Adams House Healthcare Center	SNF	Torrington	CT	90	11/1/04	\$1,000,000	\$11,111
138	Bentley Gardens Healthcare Center	SNF	West Haven	CT	98	11/1/04	\$1,568,000	\$16,000
139	Centennial Health Care Center	SNF	Norwalk	CT	200	11/1/04	\$1,875,000	\$9,375
140	Country Manor Healthcare Center	SNF	Prospect	CT	150	11/1/04	\$1,632,000	\$10,880
141	Bay Shores Health Care	SNF	Bay City	MI	126	4/30/04	\$3,750,000	\$29,762
142	Rivermont Care and Rehabilitation Center	SNF	South Pittsburg	TN	165	3/24/04	\$6,000,000	\$36,364
143	Sycamore Care and Rehabilitation Center	SNF	Memphis	TN	140	3/23/04	\$4,750,000	\$33,929
144	Fentress Care and Rehabilitation Center	SNF-LSHLD	Jamestown	TN	140	3/22/04	\$4,550,000	\$32,500
145	Standing Stone Care and Rehabilitation Center	SNF-LSHLD	Monterey	TN	115	3/21/04	\$3,550,000	\$30,870
146	Pickett Care and Rehabilitation Center	SNF-LSHLD	Byrdstown	TN	69	3/20/04	\$2,400,000	\$34,783
147	Greenville Care and Rehabilitation Center	SNF	Greenville	TN	154	3/19/04	\$6,750,000	\$43,831
148	Heritage Manor Care and Rehabilitation Center	SNF	Abbeville	LA	120	3/18/04	\$3,000,000	\$25,000
149	Fountain View Care and Rehabilitation Center	SNF	Springhill	LA	153	3/17/04	\$1,500,000	\$9,804
150	Grand Court Columbus	ILF	Columbus	OH	120	3/14/04	\$1,500,000	\$12,500
151	Gates Mills Manor Company	SNF	Gates Mills	OH	150	3/4/04	\$8,381,965	\$55,880
152	Rocky River Manor Company	SNF	Cleveland	OH	210	3/3/04	\$11,734,752	\$55,880
153	Euclid Beach Manor Company	SNF	Cleveland	OH	202	3/2/04	\$6,383,283	\$31,600

	NAME OF PROPERTY	LICENSE	CITY	STATE	BEDS/UNITS	CLOSING DATE	SALES PRICE	PER UNIT/BED
154	Barberton Manor Company	SNF	Barberton	OH	120	3/1/04	\$10,000,000	\$83,333
155	Ft. Armstrong	ILF/ALF	Rock Island	IL	100	10/10/03	\$2,400,000	\$24,000
156	Terrace at Mountain Creek	ILF/ALF	Chattanooga	TN	128	10/6/03	\$3,800,000	\$29,688
157	Grand Court Amarillo	ILF/ALF	Amarillo	TX	140	9/30/03	\$3,500,000	\$25,000
158	Sullivan Health Care Center	SNF	Sullivan	IL	123	9/16/03	\$2,250,000	\$18,293
159	Royalcrest	ALF	Carson City	NV	69	8/8/03	\$2,100,000	\$30,435
160	Summit at Newforest	ILF	San Antonio	TX	198	7/1/03	\$4,870,000	\$24,596
161	St. Francis Woods	ALF	Peoria	IL	68	5/28/03	\$3,800,000	\$55,882
162	Grand Court	ILF	Fort Worth	TX	140	5/9/03	\$4,000,000	\$28,571
163	Grand Court Lakeland	ILF/ALF	Lakeland	FL	126	12/10/02	\$2,100,000	\$16,667
164	The Manor	SNF	Las Vegas	NV	225	12/10/02	\$8,500,000	\$37,778
165	Grand Court Garland	ILF	Garland	TX	114	12/5/02	\$3,700,000	\$32,456
166	Claremont of Lee County	SNF	Dixon	IL	97	9/19/02	\$1,150,000	\$11,856
167	Grand Court Greatwood	ILF/ALF	Sugar Land	TX	126	9/3/02	\$7,170,000	\$56,905
168	Grand Court	ILF	Las Vegas	NV	111	9/28/01	\$3,500,000	\$31,532
169	Lee County Nursing Home	SNF	Dixon	IL	97	3/28/01	\$1,500,000	\$15,464
170	Sterling Oaks	ALF	Wadsworth	OH	67	6/19/00	\$5,200,000	\$77,612
171	Wis-Care	SNF/DD	Milwaukee	WI	258	8/24/99	\$6,500,000	\$25,194
172	Park Lane Hotel	ALF	Toledo	OH	88	6/1/97	\$1,700,000	\$19,318
173	Laurelwood Health Care	SNF	Rock Island	IL	177	3/1/97	\$4,000,000	\$22,599
174	Wautoma Care Center	SNF	Wautoma	WI	84	2/1/97	\$2,200,000	\$26,190
<b>Totals</b>		-	-	-	<b>24,794</b>	-	<b>\$1,317,889,288</b>	<b>\$53,154</b>

# MINIMUM BID ANALYSIS | OUR TEAM HAS ROUTINELY BROUGHT IN OFFERS FAR ABOVE THE MINIMUM BID

FACILITY	SELLING ENTITY	COUNTY	CITY	STATE	BEDS	MINIMUM BID	HIGHEST BID	% OVER MIN. BID
Laurel Crest	County	Cambria	Ebensburg	PA	370	\$11,000,000	\$14,250,000	30%
Weatherwood Nursing & Rehab Facility	County	Carbon	Weatherly	PA	200	\$8,000,000	\$11,050,000	38%
Posada Del Sol Health Care Center	County	Pima	Tucson	AZ	149	\$6,300,000	\$9,100,000 v	44%
Salem County Nursing Home & Rehab	Local Improvement Authority	Salem	Salem	NJ	116	\$6,000,000	\$7,500,000	25%
Cumberland Manor Nursing Home	County	Cumberland	Bridgeton	NJ	196	\$10,000,000	\$14,000,000	40%
Buttonwood Hospital	County	Burlington	Pemberton	NJ	200	\$15,000,000	\$15,000,000	--
Sussex County Homestead	Local Improvement Authority	Sussex	Newton	NJ	102	\$6,000,000	\$7,850,000	31%
Valley View Nursing Home	County	Blair	Altoona	PA	254	\$11,250,000	\$16,500,000	47%
Golden Hill Health Care Center	Local Improvement Authority	Ulster	Kingston	NY	280	\$10,500,000	\$12,292,000	17%
Vermillion Manor	County	Vermillion	Danville	IL	237	\$3,400,000	\$3,400,000	--
Camden County Health Services Center	County	Camden	Blackwood	NJ	450	\$24,000,000	\$37,100,000	55%
Horace Nye Nursing Home	County	Essex	Elizabethtown	NY	100	\$4,000,000	\$4,050,000	1%
Friendship Ridge	County	Beaver	Beaver	PA	589	\$25,000,000	\$37,500,000	50%
Citizens Rehab & Montevue AL	County	Frederick	Frederick	MD	245	\$27,500,000	\$31,000,000	13%
Sunnyview Nursing & Rehab Center	County	Butler	Butler	PA	220	\$13,500,000	\$20,000,000	48%
Steuben County Health Care Facility	County	Steuben	Bath	NY	105	\$8,500,000	\$11,000,000	29%
Villages of Orleans Health & Rehab Center	Local Improvement Authority	Orleans	Albion	NY	120	\$5,500,000	\$7,800,000	42%
Maplewood Manor	Local Improvement Authority	Saratoga	Balston Spa	NY	257	\$11,000,000	\$14,570,000	32%
Chautauqua County Home	County	Chautauqua	Dunkirk	NY	216	\$16,000,000	\$16,500,000	3%
Ontario County Health Facility	County	Ontario	Canandaigua	NY	98	\$2,000,000	\$2,700,000	35%
Summit Park Nursing & Health Care Center	Local Improvement Authority	Rockland	Pomona	NY	321	\$22,470,000	\$32,500,000	45%
Valley View Nursing Home	County	Orange	Goshen	NY	360	\$18,000,000	\$30,300,000	68%
Warren Haven Nursing Home	County	Warren	Oxford	NJ	180	\$9,000,000	\$15,600,000	73%
Chemung County Nursing Facility	County	Chemung	Elmira	NY	200	\$7,500,000	\$10,580,000	41%
<b>TOTAL / AVERAGE</b>	--	--	--	--	<b>5,565</b>	<b>\$11,725,833</b>	<b>\$15,922,583</b>	<b>37%</b>

OVERALL, OUR TEAM HAS SOLD 6,028 COUNTY-OWNED SNF BEDS AND \$367 MILLION IN COUNTY-OWNED SKILLED NURSING COMMUNITIES



**6,028** COUNTY-OWNED  
SNF BEDS



**\$367M** COUNTY-OWNED  
SNF COMMUNITIES



**\$13B** SENIOR  
LIVING SALES



# FRIENDSHIP RIDGE

## BEAVER COUNTY, PA | 589 BEDS

- About 86% Occupancy at time of sale
- (\$5,750,000) of negative operational cash flow
- Expedited and customized the sales process



### SCENARIO

Beaver County's Friendship Ridge was losing \$5.75 Million a year due to outdated and onerous Collective Bargaining Agreements and a recent cut to Medicare A & B reimbursements. After several rounds of negotiations with the facility's unions resulting in an inability to bridge the gap between running a \$16K per day operating loss and a break even operation, the Board of County Commissioners hired us to solicit purchase proposals for the 589 bed nursing home. Anticipating a Q4 2013 closing the county took out a tax anticipation bond to finance operational shortfalls through the end of the year. While marketing the facility, the Board of Commissioners approved a CBA extension through 2/28/2014, well past the proposed closing date.

### OUTCOME

After marketing the property for approximately two months, we received 65 formal inquiries, held nine tours, and received five purchase proposals all in excess of the \$25 Million minimum bid. After thoroughly reviewing all five offers, the county selected two parties to interview and traveled to Philadelphia to tour a sampling of each bidder's portfolio. After further review and careful consideration of each party's proposal, the interviews and the tours, the Board of Commissioners selected Comprehensive HealthCare Management Services, a consortium of owners and operators from New York and New Jersey with over 50 years of experience in long term care. Following Asset Purchase Agreement negotiations that took several weeks, the Board of Commissioners, its advisors, and the buyer agreed on a deal structure that would defease the short term bond debt that was due by year end, but still prolong the ultimate closing date until the CBA extension was no longer valid or assumable by the buyer. Friendship Ridge closed on 2/28/2014 for \$37.5 Million, 50% above the minimum bid price of \$25 Million.



# CAMDEN COUNTY’S HEALTH SERVICES

## CAMDEN COUNTY, NJ | 450 BEDS

- About 94% Occupancy at time of sale
- (\$4,602,363) of negative operational cash flow
- Expedited and customized the sales process to meet County’s requirement for an Auction process
- Established two bidding alternatives, satisfying two distinct objectives: ongoing liability and value maximization



### SCENARIO

Camden County’s Health Services Center “CCHSC” was losing approximately \$7M per year after debt service. The CCHSC campus also had a behavioral health component, the Behavioral Health Services Center “BHSC”. We customized our process to account for the campus’ BHSC’s cost based reimbursement which was unique to only counties, and the substantial obligations the county was staring down post closing.

### OUTCOME

Through our marketing efforts, leveraging the relationships we had created working with buyers of other complicated assets in the Northeast, we received over 40 formal inquiries and held 10 tours at the campus. Based on a current and pro forma financial analysis, we anticipated the property trading for \$23 - \$30 Million.

On May 8, 2013 the CCHSC Campus was auctioned off. There were two auctions: the first auction was for the whole campus with the anticipation being that the county would start a closure plan of the BHSC immediately following the transaction’s closing; the second auction was for the whole campus, but the county would lease back the BHSC for a predetermined amount for a time period that was dependent on the continued indigent reimbursement the State paid the county. After vetting all seven bidders’ financial statements and their ability to successfully and lawfully run a Nursing Home in New Jersey, the auction was held. Auction scenario one’s bidding began at \$20 Million and yielded a price of \$29 Million, and auction scenario two’s bidding started at \$24 Million and yielded a price of \$37.1 Million. Immediately following the auctions, the winning bidder signed a binding asset purchase agreement and within 72 hours wired a non-refundable earnest money deposit of 10% of the purchase price. The transaction was scheduled to close 11/25/2013. The county was happy with the price and terms of the transaction and the commitment from the buyer.



# HOMESTEAD

## SUSSEX COUNTY, NJ | 102 BEDS

- About 95% Occupancy at time of sale
- \$9,300 of operational cash flow
- Expedited and customized the sales process, to meet County's requirement for an Auction process
- Established two bidding alternatives - one included a requirement that the Buyer extend an opportunity to all full-time employees to interview with the successful bidder for employment at the facility, and the other alternative not including this requirement



### SCENARIO

Sussex County Homestead is a 102-bed skilled nursing facility. Despite having made a strong attempt to mitigate exposure to costs by “right-sizing” staff and increasing therapies at the facility; onerous salaries and pension obligations as well as reductions in reimbursement rates caused the County to make the decision to privatize the nursing home. In addition to the facility’s dated and functionally obsolescent and unattractive physical plant, the facility had serious environmental issues, including several underground storage tanks and considerable amounts of asbestos in the facility.

### OUTCOME

We brought the opportunity to our national pool of owners and investors of senior housing. We received 35+ formal inquires and 14 official tours. This effort resulted in seven Bidders attending the Auction, with three finalists competing fiercely in the bidding process. The winning bid was \$7.85 Million, substantially higher than the Minimum Bid of \$6 million.

Our Sales process satisfied the County’s requirements to hold an Auction to effectuate the sale of County real property. The final price was aggressively high, given the fact that the Minimum Bid was \$6 million. The Buyer retained the original Administrator of the Nursing Home, and nearly all of the staff. The County was able to dispose of an older nursing home and Administrative Offices, both of which are reported to contain significant amounts of Asbestos Containing Material (ACM). Despite the serious issues leading up to the closing, including a mandated \$500K deposit from the buyer to the lender, the buyer followed through with the closing because they had \$780K at risk in the form of non-refundable earnest money.

# HORACE NYE

## ESSEX COUNTY, NY | 100 BEDS

- About 95% Occupancy at time of sale
- (\$3,350,000) of negative operational cash flow
- Expedited and customized the sales process, to meet County’s requirement for an Auction process
- Established Bid Procedures and Bid Restrictions - *including the requirement to guarantee all employees offers of employment if they file an application and pass a background check*



### SCENARIO

Essex County owned and operated a 100-bed skilled nursing facility named Horace Nye Nursing Home. The home was experiencing significant negative annual operating cash flow and as a result decided it was time to privatize the facility.

### OUTCOME

We brought the opportunity to our national pool of owners and investors of senior housing. We received 45+ formal inquires, which resulted in three interested bidders. The winning Bidder paid just over \$4 Million and accepted the Seller’s Bid Restrictions. The Buyer was willing to take over the operations under a Friendly Receivership or other means by which the County can avoid all future operating losses.

Our sales process satisfied the County’s requirements to effectuate the sale of County real property. The final price was attractive to the Seller, particularly given the Bid Restrictions and the rural locale, age, and condition of the facility.

# CHAUTAUQUA COUNTY

## CHAUTAUQUA COUNTY, NY | 216 BEDS

- About 95% Occupancy at time of sale
- (\$424,000) of negative operational cash flow
- Expedited and customized the sales process, to meet County's requirement for an Auction process
- Established Bid Procedures and Bid Restrictions, resulting in bidders agreeing to interview all employees who submit applications. High Bidder agreed not to cut wages



### SCENARIO

Chautauqua County had a 216-bed skilled nursing facility. In 2003, the county had made major renovations to the campus, retrofitting it entirely. Increased benefit and pension obligations and shrinking revenues forced the county legislature to vote in favor of engaging a firm to market for sale the facility while coterminously engaging Center for Governmental Research (CGR) to conduct a feasibility study.

### OUTCOME

We brought the opportunity to our national pool of owners and investors of senior housing. We received 45+ formal inquiries, which resulted in two interested bidders, one offering a long-term lease with a Purchase Price of \$16 Million, and the other offering a \$16.5 Million Purchase Price as a cash purchase. The cash Buyer was willing to consider taking over the operations under a Friendly Receivership or other means by which the County can avoid all future operating losses.

Our sales process satisfied the County's requirements to effectuate the sale of County real property. The final price was attractive to the Seller, particularly given the Bid Restrictions. The deal closed at a sales price just above what we told the county it would attain, to a qualified buyer who has greatly improved the facility, making it a viable health care facility for the area.

# BUTTONWOOD HOSPITAL

## BURLINGTON COUNTY, NJ | 200 BEDS

- About 96% Occupancy at time of sale
- (\$886,000) of negative operational cash flow
- Expedited and customized the sales process, to meet County’s requirement for an Auction process
- Established two bidding alternatives, one that included the Buyer accepting the union contract and the other rejecting it



### SCENARIO

Buttonwood Hospital is a 170-bed skilled nursing facility with a corresponding 30-bed psychiatric unit. The County identified a need to explore other options for the future of the facility driven by the negative operating cash flow. After exploring the various options, they decided that privatization and divestiture of all assets related to the skilled nursing and psychiatric care facility was in the best interest of the County.

### OUTCOME

We brought the opportunity to our national pool of owners and investors of senior housing. We received 55+ formal inquiries, which resulted in two finalists who appeared at the Auction. The auction was held under two options. Under the first option, the buyer would inherit the union contracts; under the second, they would not. The Winning Bidder paid \$15 Million under option two, rejecting the current union contract, with plans to renegotiate a new contract, likely with a new union.

Our sales process satisfied the County’s requirements to hold an Auction to effectuate the sale of County real property. The final price was aggressively high, given the fact that the State indicated that it will eliminate the reimbursement for the psychiatric section of the facility effective January 1, 2013. This will require that the Buyer locate an alternative reimbursement source for the portion of the facility that was generating approximately \$5.3 Million of the \$19.9 Million of Total Revenue. Holding up the Minimum Purchase Price was quite an accomplishment on the part of our firm, given the loss of about 20% of the Revenue following the Sale.



# CUMBERLAND MANOR

## CUMBERLAND COUNTY, NJ | 196 BEDS

- About 94% Occupancy at time of sale
- \$800,000 of operational cash flow
- Expedited and customized the sales process, to meet County's requirement for an Auction process
- Established two bidding alternatives, one that included the Buyer accepting the union contract and the other rejecting it



### SCENARIO

Located bidders who were willing to consider taking the union contract.

### OUTCOME

We brought the opportunity to our national pool of owners and investors of senior housing. We received 55+ formal inquiries, which resulted in three interested bidders, with two finalists who competed under both purchase scenarios. The Winning Bidder paid \$14 Million under Option one, accepting the union contract.

Our sales process satisfied the County's requirements to hold an Auction to effectuate the sale of County real property, and it resulted in a politically favorable outcome, since the Buyer agreed to accept the union contract. The price was quite aggressively high, given the acceptance of the union contract, which contains onerous employees benefits and health insurance costs.

# POSADA DEL SOL

## PIMA COUNTY, AZ | 149 BEDS

- 87% Occupancy at time of sale
- Break even operational cash flow
- Conducted two rounds of competitive bidding to increase price and terms, vet the buyer pool, negotiate Purchase Agreement, and produce the most qualified buyer
- Expedited and customized the sales process to meet close within the County's Budget Cycle
- Initial procured appraisal was disputed due to the fact that it was valued considerably less than the fair market value we expected to achieve. We then worked in conjunction with appraiser to have the facility re-appraised at a higher value. At time of sale, we achieved a price \$2.8M above the determined value from the most recent County-procured appraisal



### SCENARIO

Pima County procured an appraisal for less than \$5 Million. Our firm vehemently disputed the low valuation and highly recommended that the County seek another appraisal. The County hired a trusted appraiser, who derived a value for Posada equal to \$6.3 Million. The appraisers pointed to the complicated Arizona Medicaid reimbursement system that was fraught with “pen-stroke risk,” along with the facility’s highly complex and diverse patient population; from the mentally ill, to a large vent unit with 26 residents, to a number of Huntington’s disease patients requiring constant supervision, as primary reasons for the low valuation.

### OUTCOME

We brought the opportunity to our national pool of owners and investors of senior housing. We received 37 formal inquiries, which resulted in seven offers, two from parties interested in lease/purchases and five from parties interested in paying cash to buy the facility. The bids ranged from \$6.3 Million to \$9.1 Million for acquisitions, and the County’s two appraisals for the facility were \$4.5 Million in early 2011, and \$6.3 Million in the Spring of 2011. We closed on the sale on December 31, 2011. The process that we ran resulted in a timely closing and saved the County hundreds of thousands of dollars, in addition to the fact that the County originally expected to obtain less than \$5 Million prior to our involvement.

## SALEM COUNTY

### SALEM COUNTY, NJ | 116 BEDS

- 74% Occupancy at time of sale
- (\$2,900,000) of negative operational cash flow
- Expedited and customized the sales process, to meet close within 90 days of process commencing
- Conducted three rounds of competitive bidding to increase price and terms, vet the buyer pool, negotiate Purchase Agreement, and produce the most qualified buyer



### SCENARIO

Salem County's Improvement Authority was losing \$2.9 Million a year from its nursing home, which was 74% occupied leading to our involvement with the Improvement Authority. The Authority engaged our firm at the end of February 2011 to assist in the privatization of the facility. We customized our process to expedite the sale, since the Authority was losing about \$8,000/day.

### OUTCOME

We brought the opportunity to our national pool of owners and investors of senior housing. We received 39 formal inquiries, which resulted in six offers from qualified buyers. Through three rounds of bidding, we drove the price of the facility from \$6 Million to \$7.5 Million. Additionally, we closed on the sale on June 1, 2011, just 90 days from commencement of our process. The process that resulted in the timely closing saved the Authority hundreds of thousands of dollars, in addition to the fact that the Authority expected to obtain a price closer to \$5 Million, prior to our involvement.



# CAMBRIA COUNTY

## CAMBRIA COUNTY, PA | 370 BEDS

- 60% Occupancy at time of sale
- (\$2,600,000) of negative operational cash flow
- Expedited and customized the sales process, to meet close by year end, but after vesting date for an IGT grant
- Conducted three Rounds of competitive bidding to increase price and terms, vet the buyer pool, and produce the most qualified buyer



### SCENARIO

Cambria County was losing \$2.6 Million a year, and was 60% occupied due to a 68-day ban on admissions leading to our involvement with the county. Additionally the county had a grant that would be another 25% vested in mid-December. Our firm was engaged by the county mid-summer 2009 to assist in the privatization of the facility. We customized our sales timeline to allow the county to vest an additional 25% of its state grant and close on the sale by December 31st so the facility would not be on the 2010 county budget.

### OUTCOME

We brought the opportunity to our national pool of owners/ investors of senior housing. We received 50+ formal inquiries, which resulted in 11 offers. Through three rounds of bidding, we drove the price of the facility from \$11 Million to \$14.25 Million. Additionally, we closed on the sale in the small window of time between the vesting date and the end of the year.

# CARBON COUNTY

## CARBON COUNTY, PA | 200 BEDS

- 75% Occupancy at time of sale
- (\$3,000,000) of negative operational cash flow
- 11 offers from companies around the U.S.
- Buyer extended offers to 98%+ of employees
- Annual Tax Revenue for the County in excess of \$200,000



### SCENARIO

Carbon County was losing \$3 Million a year, and was 75% occupied due to a 106-day ban on admissions leading up to our involvement with the county. The county contacted us shortly after an analysis was completed that exposed the fact that the facility was losing \$8,200 a day. We were contacted on a Wednesday, and were in Weatherly, Pennsylvania the following Monday. The facility was on the market three weeks later. The county wanted to sell as quickly as possible due to the daily losses. Like Cambria County, the commissioners emphasized the need to sell to a quality operator.

### OUTCOME

We brought the opportunity to our national pool of owners and investors of senior housing. We received 47 formal inquiries, which resulted in 11 offers. Through three rounds of bidding, we drove the price of the facility from \$8 Million to over \$11 Million. Throughout the process, we advised the county on the track record of each operator. We had a few targeted buyers the county liked at the beginning of the process, but still needed to get them from a price they wanted to pay to the price they were willing to pay.





*“The proceeds from the sale continue our charitable purpose and will help many needy persons. Your team did a terrific job managing the transaction process.”*

**ELAINE BOLICK, PRESIDENT**

FAL-MOUNTAIN CREST, INC.

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*“A person of lighter stock would have run from such challenges. All along, you never gave up on us, or on the Buyer, or on the transaction.”*

**WILLIAM MOORE, CFO**

EPISCOPAL HEALTH SERVICES, INC.

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*“Steuben County very much appreciates the assistance of you (Mark Myers), Mr. Jandris, and all staff. This transaction would not have been successful without your help.”*

**JACK K. WHEELER, DEPUTY COUNTY MANAGER**

STEBEN COUNTY, NY





*“The money we received, due to your skill and effort, was a major blessing for all members of my family who were involved. The effect on several of them has been life changing, changing a retirement from one of worry and scrimping to one of relative ease and well being. We were so fortunate to have found you.”*

**DAVID COHN, PREVIOUS OWNER**

LINCOLN MANOR - DECATUR, IL

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*“Your track record of representing over 20 county facilities nationally certainly provided you with the proper tools and perspective needed to address the complex issues facing Vermillion County in the sale of its nursing home.”*

**WILLIAM T. DONAHUE, ASSISTANT STATE’S ATTORNEY/CIVIL DIVISION**

VERMILLION COUNTY BOARD

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*“You and your team conducted a confidential process that resulted in the best price we could have achieved for the campus, about 25% above the price previously procured by another Broker from qualified buyers.”*

**RICHARD SCHUTT, CEO**

PROVIDENCE LIFE SERVICES

*“You made my function as legal advisor to the seller a smooth process, by creating and presenting to the senior housing market place marketing information that maximized my client’s outcome while being credible to the buying community.”*

**AARON J. BESEN**

SUSSMAN SHANK, LLP

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*“Your competitive bidding process produced a sale price several million dollars over our expectation.”*

**TERRY TOMASSETTI, BOARD OF COMMISSIONERS**

COUNTY OF BLAIR

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*“From our first phone interview, we were impressed with your professionalism, your knowledge of the industry, and your knowledge of the market. Your enthusiasm for our properties was evident from the first tours and remained constant throughout the process.”*

**CRAIG SMITH, SUZANNE MCNALLY, 7 CRISTEL TAYLOR, PRINCIPLES**

GRAYCO MANAGEMENT SERVICES







*“You skillfully assisted us in negotiating our way through uncharted territory, keeping us apprised of communications you were engaged in with potential buyers.”*

**JEFFREY G. EWING, PRESIDENT**

EWING LAND DEVELOPMENT & SERVICES

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*“Their in-depth knowledge of the nursing home industry coupled with their extensive marketing efforts that included both broad based electronic media and personal contacts created a ‘buzz’ among prospective bidders and an active auction.”*

**JOHN H. ESKILSON, COUNTY ADMINISTRATOR**

COUNTY OF SUSSEX

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*“Your professional manner, efforts, and cooperation in working together with the Buyer you procured on a number of difficult issues was invaluable. We wouldn’t have closed this transaction without your efforts.”*

**JULIE D. BUTTICARLO, COMMERCIAL REO MARKETING MANAGER**

CLMG CORP.



## A PREMIER SENIORS HOUSING PROPERTY SALES TEAM

Walker & Dunlop is a fully integrated Capital Markets and Investment Sales platform with a concentration on all types of commercial real estate. We view our Seniors Housing team as a specialty within our traditional housing business. Our Seniors team was strategically assembled to have a complete understanding of the Seniors universe including capital markets, brokerage, valuation, development, supply-chain, and operations.

Utilizing the varied backgrounds of our team members, we offer our clients a unique understanding of market dynamics and business operations that provide them the ability to maximize the value of their assets.

“

*I was impressed with them and their tenacity; they were incredibly honest and straight forward. They made representations that they could accomplish something. I trusted them, and it all came to fruition.*

*This is a mutually beneficial relationship. I am proud of it.”*

### DON KIVOWITZ

Founder & Chairman // Regency Post-Acute  
Healthcare System



**JOSHUA  
JANDRIS**

Managing Director  
Chicago, IL



**MARK  
MYERS**

Managing Director  
Chicago, IL



**TOM  
FALKENBERG**

Director  
Chicago, IL



**NICK  
HALL**

Associate Director  
Chicago, IL



**BRETT  
GARDNER**

Managing Director  
*Milwaukee, WI*



**ALEX  
VICE**

Senior Director  
*Chicago, IL*



**BRETT  
MURPHY**

Senior Director  
*Grand Rapids, MI*



**COLIN  
QUINN**

Analyst  
*Chicago, IL*



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