

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

In re	Chapter 11	FILED
GUARDIAN ELDER CARE AT JOHNSTOWN, LLC, d/b/a/ RICHLAND HEALTHCARE AND REHABILITATION CENTER, <i>et al.</i> ,	Case No. 24-70299 (JAD)	9/6/24 2:19 pm
	Jointly Administered	CLERK
	Doc. # 371	U.S. BANKRUPTCY COURT - WDPa
Debtors. ¹		
GUARDIAN ELDER CARE AT JOHNSTOWN, LLC, d/b/a/ RICHLAND HEALTHCARE AND REHABILITATION CENTER, <i>et al.</i> ,	Related to Docket Nos. 204, 209, 328	
v.		
NO RESPONDENT		

**ORDER (I) APPROVING BID PROCEDURES FOR SALE OF SUBSTANTIALLY ALL
OF THE OWNED FACILITIES DEBTORS' ASSETS, OTHER THAN EXCLUDED
ASSETS, FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND
INTERESTS, (II) APPROVING STALKING HORSE BID PROTECTION,
(III) SCHEDULING AUCTION FOR AND HEARING TO APPROVE SALE OF
SUBSTANTIALLY ALL OF THE OWNED FACILITIES DEBTORS' ASSETS,
(IV) APPROVING FORM AND MANNER OF NOTICE OF SALE, AUCTION, AND
SALE ORDER HEARING, (V) APPROVING ASSUMPTION AND ASSIGNMENT
PROCEDURES, AND (VI) GRANTING RELATED RELIEF**

Upon consideration of *Debtors' Motion for Entry of Orders (I) Approving Sale of Substantially All of Owned Facilities Debtors' Assets, Other than Excluded Assets, Free and Clear of All Liens, Claims, Encumbrances and Interests, (II) Approving Bid Procedures for Sale of Substantially All of Owned Facilities Debtors' Assets, Other than Excluded Assets, (III) Approving Stalking Horse Bid Protections, (IV) Approving Release Agreement; (V) Scheduling Auction for*

¹ The last four digits of Guardian Elder Care at Johnstown, LLC d/b/a Richland Healthcare and Rehabilitation Center's federal tax identification number are 7907. Due to the large number of debtor entities in these Chapter 11 Cases, 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 may be obtained on the website of the Debtors' claims and noticing agent at <https://omniagentsolutions.com/Guardian>. The Debtors' mailing address is: 8796 Route 219, Brockway, Pennsylvania 15824.

and Hearing to Approve the Sale of Owned Facilities Debtors' Assets, (VI) Approving Form and Manner of Notice of Sale, Auction and Sale Hearing, (VII) Approving Assumption and Assignment Procedures, (VIII) Authorizing Assumption and Assignments of Executory Contracts and Unexpired Leases, and (IX) Granting Related Relief (the “**Motion**”), seeking approval of, among other things, the Bid Procedures attached hereto as **Exhibit 1**; and the Court, having found that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having considered the Motion, the arguments of counsel and the evidence presented at the hearing on the Motion (the “**Bid Procedures Hearing**”) and the entire record; and the Court having found that the Debtors provided due and sufficient notice of the Motion and Bid Procedures Hearing and the relief sought in the Motion under the particular circumstances, and it appearing no other or further notice need be provided; and the Court having reviewed the Motion, the filings in support of the Motion, and all objections to the relief sought in the Motion (the “**Objections**”); and the Court having found that the relief requested in the Motion is in the best interest of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation and good and sufficient cause appearing for the relief sought in the Motion, it is hereby, **FOUND AND DETERMINED** that:

A. The findings of facts and conclusions of law set forth in this Order constitute the Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this case pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are hereby adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are hereby adopted as such. Any findings of

fact or conclusions of law stated by the Court on the record at the Bid Procedures Hearing are hereby incorporated, to the extent they are not inconsistent with this Order.

B. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

C. The statutory and legal bases for the relief requested in the Motion are sections 105, 363(b), 363, 364, 365 and 503 of title 11 of the United States Code (the “**Bankruptcy Code**”), and Rules 2002, 4001, 6004, 6006, 9007, and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

D. A reasonable opportunity to object or be heard regarding the relief requested in the Motion (including, without limitation, with respect to the Bid Procedures) has been afforded to all interested persons and entities, including, but not limited to, the Sale Notice Parties.

E. Notice of the Motion and the Bid Procedures Hearing was adequate and sufficient under the circumstances of the Chapter 11 Cases, and such notice complied with sections 102(1), 105(a), 363, and 365 of the Bankruptcy Code and Rules 2002, 6004, 6006, and 9014 of the Bankruptcy Rules.

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

G. The Debtors have demonstrated a compelling and sound business justification for the Court to enter this Order approving a sale process for sale of the Purchased Assets on terms similar to those in the Stalking Horse Agreements attached to the Motion as **Exhibit B**, including the Bid Protections, as modified herein, for the Stalking Horse Bidders.

H. The Bid Protections, as modified herein, are fair and reasonable and provide a benefit to the Debtors' estates and stakeholders.

I. The Debtors have demonstrated a compelling and sound business justification for the Court to (a) approve the Stalking Horse Bidders and the Bid Procedures (including the Bid Protections as modified herein); (b) establish the Assumption and Assignment Procedures; (c) approve the form and manner of the Notices and the Notice Procedures; (d) schedule a date for the (i) Auction, and (ii) Sale Hearing; and (e) grant related relief as set forth herein. Such compelling and sound business justification, which was set forth in the Motion and on the record at the Bid Procedures Hearing, among other things, form the basis for the findings of fact and conclusions of law set forth herein.

J. All objections to the relief requested in the Motion that have not been withdrawn, waived, or settled as announced to the Court at the Bid Procedures Hearing or by stipulation filed with the Court are overruled except as otherwise set forth herein.

K. The Bid Procedures, substantially in the form attached as **Exhibit 1** hereto, are fair, reasonable, and appropriate and represent the best method for maximizing the value of the Debtors' estates.

L. The Auction and Sale Notice, substantially in the form attached as **Exhibit 2** hereto, is appropriate and reasonably calculated to provide notice of the sale of the Purchased Assets free and clear of all liens, claims, encumbrances, or interests, including, without limitation: (i) the date, time, and place of the Auction, if any; (ii) a summary of the Bid Procedures; (iii) the deadline for filing objections to the sale of the Purchased Assets; (iv) the date, time, and place of the hearing to consider the sale of the Purchased Assets; (v) that the sale of the Purchased Assets is free and clear of all liens, interests, claims and encumbrances to the fullest extent allowable under section

363(f) of the Bankruptcy Code, with all liens, interests, claims and encumbrances attaching with the same validity and priority to the Sale Transaction proceeds; and (vi) the proposed assumption and assignment of the Assumed Contracts to any Successful Bidder arising from the Auction (if any), and no other or further notice of the Sale Transaction shall be required.

M. The Resident Notice, substantially in the form attached as **Exhibit 3** hereto, is appropriate and reasonably calculated to provide notice to certain residents of the Facilities regarding the proposed Sale Transaction and their right to raise any objections thereto.

N. The Contract Assumption and Assignment Notice, substantially in the form attached as **Exhibit 4** hereto, is reasonably calculated to provide all interested parties with timely and proper notice of the potential assumption and assignment of Executory Contracts in connection with the Sale Transaction and the related Cure Amounts, and no other or further notice is required.

O. The Notice of Successful Bidder, substantially in the form attached as **Exhibit 5** hereto, is appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the Successful Bidder(s) and Backup Bidder(s), and no other or further notice is required.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that:

1. The relief requested in the Motion is **GRANTED AND APPROVED** as set forth in this Order.

2. All Objections or the relief requested in the Motion that have not been withdrawn, waived or settled as announced to the Court at the Bid Procedures Hearing or by stipulation filed with the Court, and all reservations of rights included therein, are hereby overruled on the merits or have been otherwise satisfied or adequately provided for pursuant to this Order.

Timeline of the Sale

3. The Debtors are authorized to proceed with the sale of the Purchased Assets in accordance with the Bid Procedures and are authorized to take any and all actions reasonably necessary or appropriate to implement the Bid Procedures in accordance with the following timeline:

Date	Milestone
On or before September 5, 2024	Bid Procedures Hearing (subject to Court availability)
On or before September 5, 2024	Entry of Bid Procedures Order (subject to Court availability)
Within three (3) business days following entry of Bid Procedures order	Deadline to serve Auction and Sale Notice
September 12, 2024 at 5:00 p.m. (ET)	Deadline to serve the Contract Assumption and Assignment Notice
October 8, 2024 at 5:00 p.m. (ET)	Contract Objection Deadline. ²
October 8, 2024 at 5:00 p.m. (ET)	Sale Objection Deadline
October 2, 2024 at 5:00 p.m. (ET)	Bid Deadline
October 7, 2024 at 5:00 p.m. (ET)	Deadline for Debtors to Designate Qualified Bids and Opening Bid
October 10, 2024 commencing at 10:00 a.m. (ET)	Auction
As soon as practicable following completion of the Auction.	File and Serve Notice of Successful Bidder

² The Sale Objection Deadline and Contract Objection Deadline apply to all objections to the sale of the Purchased Assets and the assumption and assignment of the Assumed Contracts (including adequate assurance of future performance by the Stalking Horse Bidders), with the exception of objections related to adequate assurance of future performance by a Successful Bidder other than the Stalking Horse Bidders.

Date	Milestone
October 14, 2024 at 5:00 p.m. (ET)	Deadline to Object to Sale to Successful Bidder (other than Stalking Horse Bidders) and Adequate Assurance of Successful Bidder (other than Stalking Horse Bidders)
October 12, 2024 at 4:00 p.m. (ET)	Deadline for Replies to Objections
October 15, 2024 at 2:00 p.m. (ET)	Sale Hearing
On or before October 31, 2024 for non-HUD facilities, subject to extension as set forth in the Stalking Horse PSA (as defined below) On or before the date that is 270 days after the Petition Date for the HUD facilities.	Sale Closing

4. Unless the Court orders otherwise, the failure to timely file an objection in accordance with this Order shall forever bar the assertion of any objection to the Motion or Sale Order and/or consummation of a Sale Transaction, including the assumption and assignment of Assumed Contracts to a Successful Bidder pursuant to a purchase agreement, and shall be deemed to constitute any such party's consent to entry of an order approving the Sale Transaction and consummation of the Sale Transaction and all other transactions related thereto.

5. The Debtors are authorized to modify the above timeline and the Bid Procedures in accordance with the Bid Procedures, subject to the approval of the Stalking Horse Bidders and any rights that the Stalking Horse Bidders may have under the Stalking Horse Agreements on account of such modification, subject to the milestones set forth in the Interim DIP Order (as may be modified in accordance with the Interim DIP Order and Final DIP Order), and in consultation with the Consultation Parties.

The Bid Procedures and Bid Protections

6. The Bid Procedures are **APPROVED** in their entirety. The Debtors are authorized to take any and all actions reasonably necessary or appropriate to implement the Bid Procedures, in accordance therewith. The failure to specifically include or reference a particular provision of the Bid Procedures in this Order shall not diminish or impair the effectiveness of such actions.

7. The process and requirements associated with submitting a bid and the designation of a bid as a Qualified Bid are approved as fair, reasonable, appropriate, and designed to maximize recoveries for the benefit of the Debtors' estates, creditors, and other parties in interest. As further described in the Bid Procedures, the Bid Deadline shall be **5:00 p.m. (prevailing Eastern Time) on October 2, 2024**. Any disputes or objections to the selection of any Qualified Bid, the Successful Bid, or the Backup Bid (each as defined in the Bid Procedures) shall be resolved by the Court at the Sale Hearing as set forth herein.

8. The Debtors are authorized to conduct and preside over the Auction in accordance with the Bid Procedures. The Auction, to the extent that an Auction is necessary under the Bid Procedures, shall take place at **10:00 a.m. (prevailing Eastern Time) on October 10, 2024**, at the offices of: (a) Saul Ewing LLP, One PPG Place, Suite 3010, Pittsburgh, PA 15222, (b) via in person or a virtual platform, such as Zoom, or (c) such other location, in each case as the Debtors designate (or at any other time and location as the Debtors may hereafter designate on proper notice). The Auction will be conducted openly and all Qualified Bidders, the Consultation Parties, the Office of the United States Trustee, any creditors that provide advance notice to the Debtors of an intent to attend the Auction, will be permitted to attend.

9. Any Consultation Party that submits a bid for the Purchased Assets may not participate in the Sale process as a Consultation Party until such time as such bid has been withdrawn.

10. The Stalking Horse Bidders and the Bid Protections are approved, provided, however, that the Expense Reimbursement shall be capped at \$200,000. Notwithstanding anything in the Stalking Horse Agreements or otherwise to the contrary, the Purchased Assets shall not include any causes of action of the Debtors' estates and the proceeds thereof, except for any causes of action arising under executory contracts or unexpired leases assumed and assigned to the Successful Bidder(s).

Notice Procedures

11. The Auction and Sale Notice, substantially in the form attached as **Exhibit 2** is APPROVED.

12. As soon as practicable after entry of the Bid Procedures Order, the Debtors shall serve the Auction and Sale Notice by first-class mail, postage prepaid on the following parties, *provided, however*, that to the extent email addresses are available for counsel for any of the following parties that have appeared in the Debtors' bankruptcy cases, such counsel may be served by email (collectively, the "**Sale Notice Parties**"): (a) the Office of the United States Trustee for the Western District of Pennsylvania; (b) counsel to the Committee; (c) counsel to the Secured Lenders; (d) all entities that have, to the best of the Debtors' knowledge, expressed written interest in purchasing any of the Owned Facilities or Purchased Assets since September 2023; (e) all parties known by the Debtors to assert a lien on any of the Purchased Assets; (f) counsel to the Cuarzo Landlords (as defined in the First Day Declaration); (g) DHS and DOH; (h) the United States Attorney for the Middle and Western Districts of Pennsylvania and the Northern District of West Virginia; (i) the offices of the attorneys general for the states in which the Debtors operate; (j) the Internal Revenue Service; (k) the Unions (as defined in the First Day Declaration); (l) all current residents of the Owned Facilities and, to the extent the Debtors maintain mailing addresses for such parties, former residents of the Owned Facilities since January 1, 2020; (m) all taxing

authorities having jurisdiction over any of the Purchased Assets, including the Internal Revenue Service; (n) counsel to the Stalking Horse Bidders; and (o) all other parties that had filed a notice of appearance and demand for service of papers in these Chapter 11 Cases as of the date of service.

13. Consistent with Local Rule 6004-1, the Debtors shall also upload the Auction and Sale Notice to the Court's Electronic Access to Sales Information (EASI) system and publish the Auction and Sale Notice, as modified in a manner appropriate for publication, in the *Pittsburgh Post-Gazette* and the *Times West Virginian* or in other comparable publications.

14. Any objections to the Sale or the relief requested in connection with the Sale, (a) **"Sale Objection"**), other than a Contract Objection, which shall be governed by the Assumption and Assignment Procedures, must: (a) be in writing; (b) comply with the Bankruptcy Rules and the Local Rules; (c) set forth the specific basis for the Sale Objection; (d) be filed with the Clerk of this Court, together with proof of service, on or before **5:00 p.m. (ET) on October 8, 2024** (the **"Sale Objection Deadline"**); and (e) be served, so as to be actually received on or before the Sale Objection Deadline, upon the counsel to the Debtors and the Consultation Parties; provided that solely with respect to an objection to the conduct of the Auction, the designation of any Successful Bidder or Bid (other than the Stalking Horse Bidders or Bids) or Back Up Bidder or Bid, the terms (including price) of such bids, and the Debtors' inability to satisfy the conditions of section 363(f) of the Bankruptcy Code with respect to a Successful Bid (or than a Stalking Horse Bid) or Back Up Bid (an **"Auction Objection"**), the deadline to file an objection shall be **5:00 p.m. (ET) on October 14, 2024** (the **"Auction Objection Deadline"**). If a Sale Objection or Auction Objection is not filed and served on or before the Sale Objection Deadline or Auction Objection Deadline, as applicable, in accordance with the foregoing requirements, an objecting party shall be barred

from objecting to the Sale and shall not be heard at the Sale Hearing, and this Court may enter the Sale Order without further notice to such party.

15. The Resident Notice, substantially in the form attached as **Exhibit 3** is **APPROVED**. In addition to the Auction and Sale Notice, the Debtors shall serve the Resident Notice on all current residents at the Owned Facilities and any of such persons' present legal representatives to the extent known by the Debtors.

16. Service of the Auction and Sale Notice and Resident Notice as described above shall be good and sufficient notice of the Sale Transaction and the Assumption and Assignment Procedures with respect to known interested parties.

17. The Debtors are directed to post the Auction and Sale Notice on their case information website at <https://omniagentsolutions.com/Guardian>.

18. The form of the Notice of Successful Bidder substantially in the form attached hereto as **Exhibit 5** is **APPROVED**. The Debtors shall file on the docket and serve the Notice of Successful Bidder on the counterparties to the Assumed Contracts and the Sale Notice Parties, via ECF, by email, fax, or overnight delivery as soon as practicable following completion of the Auction; provided, however, that service to patients and residents of the Owned Facilities since January 1, 2020 may be by first class mail if the Debtors do not have email addresses or fax numbers for such parties in their records.

Assumption and Assignment Procedures.

19. The Assumption and Assignment Procedures, as detailed in the Motion and incorporated herein, are hereby **APPROVED**.

20. The Contract Assumption and Assignment Notice, substantially in the form attached hereto as **Exhibit 4** is hereby **APPROVED**.

21. The Debtors shall file with the Court, post on their case information website at <https://omniagentsolutions.com/Guardian>, and serve on each Counterparty to an Executory Contract, the Contract Assumption and Assignment Notice no later than twenty-one (21) days before the Sale Hearing. The Debtors shall serve, via email to counsel for any party that has appeared in the Debtors' bankruptcy cases, if available, or first-class mail, the (a) Contract Assumption and Assignment Notice that contains the list of Executory Contracts, (b) information necessary and appropriate to provide notice of the relevant proposed assumption and assignment of Executory Contracts that may be Assumed Contracts and rights thereunder, (c) Cure Amount, if any, and (d) the procedures for objecting thereto, on all Counterparties to the Executory Contracts and all parties on the Rule 2002 notice list. Service of such Contract Assumption and Assignment Notice as set forth herein shall be deemed good and sufficient notice of, among other things, the potential assumption and assignment of the Executory Contracts, the applicable Cure Amounts related thereto, and the procedures for objecting thereto, and no other or further notice is necessary.

22. Any objection with respect to the Debtors' proposed Assumption and Assignment of any Executory Contract included in the Contract Assumption and Assignment Notice, including without limitation any objection to the Cure Amount, shall be filed by **5:00 p.m. (prevailing Eastern Time) on October 8, 2024**. Any Contract Objection must (a) be in writing; (b) comply with the applicable provisions of the Bankruptcy Rules and Local Rules; (c) be filed with the Court by the Contract Objection Deadline; and (d) state with specificity the grounds for such objection, including, without limitation, the fully liquidated cure amount and the legal and factual bases for any unliquidated cure amount that the Counterparty believes is required to be paid under Bankruptcy Code sections 365(b)(1)(A) and (B) for the applicable Assumed Contract, along with

the specific nature and dates of any alleged defaults, the pecuniary losses, if any, resulting therefrom, and the conditions giving rise thereto.

23. If, after the Contract Assumption and Assignment Notice Deadline, additional executory contracts or unexpired leases of the Debtors are determined to be potential Assumed Contracts in connection with an Sale Transaction, or the Debtors seek to modify the previously stated Cure Amount associated with any Executory Contract, as soon as practicable thereafter, the Debtors shall file with the Court and serve, by overnight delivery, on the applicable Counterparties, a supplemental or amended Contract Assumption and Assignment Notice, and such Counterparties shall file any objection to Cure Amount not later than fourteen (14) days following service of such Contract Assumption and Assignment Notice.

24. The inclusion of an Executory Contract on the Contract Assumption and Assignment Notice will not (a) obligate the Debtors to assume any Executory Contract listed thereon nor the Successful Bidder to take assignment of such Executory Contract or (b) constitute any admission or agreement of the Debtors that such Executory Contract is an executory contract.

25. If no Contract Objection is timely received with respect to an Assumed Contract: (a) the Counterparty to such Assumed Contract shall be deemed to have consented to the assumption by the Debtors and assignment to the Successful Bidder of the Assumed Contract, and be forever barred from asserting any objection with regard to such assumption and assignment (including, without limitation, with respect to adequate assurance of future performance by the applicable Successful Bidder); (b) any and all defaults under the Assumed Contract and any and all pecuniary losses related thereto shall be deemed cured and compensated pursuant to Bankruptcy Code section 365(b)(1)(A) and (B) upon payment of the Cure Amount set forth in the Contract Assumption and Assignment Notice; and (c) the Counterparty shall be forever barred from

asserting any other claims related to such Assumed Contract against the Debtors and their estates or the Successful Bidder, or the property of any of them, that existed prior to the entry of the order resolving the Contract Assumption Objections and the Sale Order.

26. To the extent that the parties are unable to consensually resolve any Contract Objection prior to the commencement of the Sale Order Hearing, the Debtors may, after consultation with the Consultation Parties and the Stalking Horse Bidders' or other Successful Bidder's (as applicable) approval, (i) assume the applicable Assumed Contract prior to the resolution of the Cure Dispute; provided that the Successful Bidder (or the Debtors, as may be applicable under the applicable purchase agreement) shall (a) pay to the applicable Counterparty the undisputed portion of the Cure Amount within five (5) business days after the Closing of the Sale Transaction and (b) reserve cash in an amount sufficient to pay the disputed portion of the Cure Amount reasonably asserted by the applicable Counterparty (or such lesser amount as may be fixed or estimated by the Court or otherwise agreed to by the Counterparty and the Debtors), or (ii) adjourn their request to assume the contract or lease pending resolution of the Cure Dispute; provided further that, to the extent the Adjourned Cure Dispute is resolved or determined unfavorably to the Debtors, the Debtors (with the consent of the Successful Bidder(s)) may withdraw the proposed assumption of the applicable contract or lease after such determination by filing a notice of withdrawal, which, in the case of a lease, shall be prior to the expiration of the applicable deadline to assume or reject unexpired leases under section 365(d)(4) of the Bankruptcy Code. The Debtors shall file notice of their intention to reserve for a Cure Amount or to adjourn their request for assumption. An Adjourned Cure Dispute may be resolved after the Closing Date of the Sale Transaction in the Debtors' discretion with the consent of the Successful Bidder(s).

Sale Hearing

27. A Sale Hearing to (a) approve a sale of the Debtors' assets to a Successful Bidder, (b) approve designation of a Backup Bids and Backup Bidders, if applicable, in accordance with the Bid Procedures, (c) authorize the assumption and assignment of the Assumed Contracts, and (d) approve the Release Agreement shall be held at **2:00 p.m. (prevailing Eastern Time) on October 15, 2024**, and may be adjourned or rescheduled on notice by the Debtors. At the Sale Hearing, the Debtors will seek Court approval of the Successful Bid(s) and Backup Bid(s), if applicable. Unless the Bankruptcy Court orders otherwise, any Sale Hearing shall be an evidentiary hearing on matters relating to the Sale Transaction and there will be no further bidding at such hearing. In the event that a Successful Bidder cannot or refuses to consummate the Sale Transaction because of the breach or failure on the part of such Successful Bidder, the Debtors, may, in accordance with the Bid Procedures, designate the applicable Backup Bid to be the new Successful Bid and the Backup Bidder to be the new Successful Bidder, and the Debtors shall be authorized, but not required, to consummate the Sale Transaction with the Backup Bidder without further order of the Bankruptcy Court. Any Sale Transaction so consummated with a Backup Bidder shall not be eligible for payment of the Break-Up Fee or Expense Reimbursement.

Miscellaneous

28. Except as otherwise provided herein, any objection provided pursuant to any of the provisions set forth in the Motion must: (a) be in writing, (b) comply with the applicable provisions of the Bankruptcy Rules and Local Rules, (c) state with particularity the legal and factual basis for the objection and the specific grounds therefor, and (d) be filed with this Court via ECF.

29. Notwithstanding anything to the contrary set forth herein or in the Bid Procedures, for the avoidance of all doubt, (i) the Committee reserves all rights to object to the Sale Motion at any point prior to the Sale Objection Deadline and its failure to object to entry of this Order shall

in no way been deemed consent to the proposed sale of any of the Debtors' assets and (ii) KeyBank National Association ("**KeyBank**") and the United States Department of Housing and Development (including the U.S. Department of Justice in its capacity as counsel) ("**HUD**" and together with KeyBank, the "**HUD Related Parties**") reserve all rights to object to the Sale Motion at any point prior to the Sale Objection Deadline, and their failure to object to entry of this Order shall in no way be deemed consent to the proposed sale of any assets subject to a lien or security interest in favor of the HUD Related Parties. Any proposed assumption of the Debtors' obligations to the HUD Related Parties under any loan document or applicable regulatory agreement shall not be subject to the Cure Notice, the Cure Amounts, or the Contract Objection Deadline, but rather shall be subject to the Sale Objection Deadline.

30. Any substantial contribution claims by any Potential Bidder or the Stalking Horse Bidder are deemed waived, to the extent based on such Potential Bidder's submission of a bid in accordance with the Bid Procedures. Other than the Stalking Horse Bidders, no Potential Bidder or other party may be entitled to Bid Protections in connection with the sale of the Purchased Assets. For the avoidance of doubt, and notwithstanding anything herein to the contrary, neither the Break-Up Fee nor the Expense Reimbursement will be paid from the proceeds of any Purchased Assets constituting pre-petition collateral of KeyBank unless not inconsistent with the Fair Housing Act, associated regulations, the Regulatory Agreements, or as otherwise consented to by HUD.

31. The Debtors are authorized and empowered to take such action as may be necessary to implement and effect the terms and requirements established under this Order.

32. Except as otherwise set forth herein, any of the deadlines contained in the Bid Procedures and this Order may be extended by the Debtors in consultation with the Consultation

Parties, subject to the milestones set forth in the Interim DIP Order (as may be modified in accordance with the Interim DIP Order and Final DIP Order). Prior to mailing the Auction and Sale Notice or the Assumption and Assignment Notice, as applicable, the Debtors may fill in, or cause to be filled in, any missing dates and other information, correct any typographical errors, conform the provisions thereof to the provisions of this Order, and make such other, non-material changes as the Debtors deems necessary or appropriate.

33. This Order shall constitute the findings of fact and conclusions of law and shall take immediate effect upon execution hereof.

34. Notwithstanding Bankruptcy Rules 6004(h), 6006(d), 9014, or otherwise, this Court, for good cause shown, orders that the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

35. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Order, including, but not limited to, any matter, claim, or dispute arising from or relating to the Bid Procedures, the Stalking Horse Agreements, and the implementation of this Order.

Dated: September 6, 2024


jsf

JEFFERY A. DELLER
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Bid Procedures

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

In re

GUARDIAN ELDER CARE AT
JOHNSTOWN, LLC, d/b/a/ RICHLAND
HEALTHCARE AND REHABILITATION
CENTER, *et al.*,

Debtors/Movants.¹

Chapter 11

Case No. 24-70299 (JAD)

Jointly Administered

**BID PROCEDURES FOR THE SALE OF SUBSTANTIALLY
ALL OF OWNED FACILITIES DEBTORS' ASSETS**

Due Diligence Participation Requirements

Any person desiring to conduct due diligence that may lead to a bid for one or more of the Debtors' Owned Facilities or all or substantially all of the Purchased Assets will be required to deliver to the Debtors an executed confidentiality agreement in form and substance required by the Debtors.² The Debtors and their professionals will afford any parties that execute a confidentiality agreement (a "**Potential Bidder**") such due diligence access or additional information as the Debtors, in their business judgment, determine to be reasonable and appropriate. Notwithstanding the foregoing, the Debtors shall require satisfactory evidence of any Potential Bidder's available funds for or firm commitment for sufficient financing to consummate an acquisition, prior to granting said Potential Bidder access to conduct due diligence, and the Debtors may withhold or limit access by any Potential Bidder to the due diligence if the Potential Bidder does not become or, the Debtors determine that the Potential Bidder is not likely to become, a Qualified Bidder. Additional due diligence will not be provided after the Bid Deadline (as defined below).

¹ The last four digits of Guardian Elder Care at Johnstown, LLC d/b/a Richland Healthcare and Rehabilitation Center's federal tax identification number are 7907. Due to the large number of debtor entities in these Chapter 11 Cases, 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 may be obtained on the website of the Debtors' claims and noticing agent at <https://omniagentsolutions.com/Guardian>. The Debtors' mailing address is: 8796 Route 219, Brockway, Pennsylvania 15824.

² Unless otherwise defined, all capitalized terms used herein shall have the meanings provided in the *Debtors' Motion for Entry of Orders (I) Approving Sale of Substantially All of Owned Facilities Debtors' Assets, Other than Excluded Assets, Free and Clear of All Liens, Claims, Encumbrances and Interests, (II) Approving Bid Procedures for Sale of Substantially All of Owned Facilities Debtors' Assets, Other than Excluded Assets, (III) Approving Stalking Horse Bid Protections, (IV) Approving Release Agreement; (V) Scheduling Auction for and Hearing to Approve the Sale of Owned Facilities Debtors' Assets, (VI) Approving Form and Manner of Notice of Sale, Auction and Sale Hearing, (VII) Approving Assumption and Assignment Procedures, (VIII) Authorizing Assumption and Assignments of Executory Contracts and Unexpired Leases, and (IX) Granting Related Relief* (the "**Motion**").

Each Potential Bidder agrees to use, and to instruct its advisors and representatives to use, any of the Debtors' confidential information only in connection with the formulation of a bid(s) during the bidding process or in accordance with the terms of any applicable confidentiality agreement and for no other purpose.

The Debtors may select one or more qualified bids for the purchase of all or a portion of the Purchased Assets. Bids may be submitted for some or all of the Purchased Assets; provided that if a bid is submitted for individual property, the Debtors will compare such bid with other individual bids, if any, when comparing to the Stalking Horse Bid.

Bid Deadline

The deadline for Potential Bidders to submit bids intending to compete with the Stalking Horse Agreements (attached as Exhibit B to the Motion), is **October 2, 2024 at 5:00 p.m. (prevailing Eastern Time)** (the "**Bid Deadline**"). Such bids must be received on or before the Bid Deadline by the following parties (collectively, the "**Notice Parties**"):

1. Debtors' counsel (a) Saul Ewing LLP, Centre Square West, 1500 Market Street, 38th Floor, Philadelphia, PA 19102, Attn: Jeffrey C. Hampton, Esq. (jeffrey.hampton@saul.com), and (b) Saul Ewing LLP, 1201 N. Market Street, Suite 2300, Wilmington, DE 19801, Attn: Mark Minuti, Esq. and Monique B. DiSabatino, Esq. (mark.minuti@saul.com and monique.disabatino@saul.com ;
2. Debtors' investment banker, Senior Living Investment Brokerage, 101 S. Cross St., Wheaton, IL 60187, Attn: Toby Siefert, Managing Director (siefert@slibinc.com .

The Debtors will promptly deliver a copy of each bid received by the Bid Deadline to counsel for the Secured Lenders and counsel to the Official Committee of Unsecured Creditors (the "**Committee**", and collectively with counsel for the Secured Lenders, and counsel to the U.S. Department of Housing and Urban Development, the "**Consultation Parties**"). Once the Debtors, in consultation with the Consultation Parties, select the Opening Bid (as defined below), the Debtors will promptly deliver the Opening Bid and all other Qualified Bids to counsel to the Stalking Horse Bidders.

Any Consultation Party that determines to submit a bid for the Purchased Assets may not participate in the Sale process as a Consultation Party until such time that the party unequivocally confirms that it will no longer seek to purchase the Purchased Assets.

Participation Requirements

To be eligible to participate in the Auction (as such term is defined below), each bid and each Potential Bidder submitting such a bid must conform to the following requirements (collectively, the "**Participation Requirements**"):

1. Except in the case of a bid for less than all of the Owned Facilities, offer to consummate the Sale Transaction on terms no less favorable to the Debtors than those set forth in the Stalking Horse Agreements;

2. Except in the case of a bid for less than all of the Owned Facilities, the offer shall be in an amount no less than \$58,410,000 taking into account the Break-Up Fee, the Expense Reimbursement and the Minimum Bid Amount (each as discussed and defined below);
3. Include a (a) redlined copy of each of the Stalking Horse PSA and the Stalking Horse OTA to show any proposed amendments thereto (the “**Modified PSA**” and “**Modified OTA**”, respectively, and, collectively, the “**Modified Agreements**”) and (b) clean, executed copies of the Modified Agreements;
4. Include a statement that there are no greater conditions precedent to the Potential Bidder’s entry into definitive Modified Agreements, including that (a) there are no financing contingencies to the bid, (b) there are no due diligence contingencies to the bid, (c) to the extent the Potential Bidder is intending to operate the facilities as skilled nursing facilities, a proposed operator has been identified and is a party to a proposed operation transfer agreement, and (d) all necessary internal and shareholder approvals have been obtained prior to submitting the bid;
5. State that such offer is binding and irrevocable until the approval of the Successful Bid by the Court unless designated as the Back-Up Bid (as defined below);
6. Disclose the identity of each entity that will be bidding or otherwise participating in connection with such bid, and the complete terms of any such participation;
7. Include the names and contact information of members of the Potential Bidder who will be available to answer questions regarding the offer, including any advisors and related parties;
8. Include a good-faith deposit in immediately available funds in the amount of \$900,000 (“**Deposit**”);
9. Not be conditioned on the receipt of any third party approvals or consents (excluding required Court approval and required governmental, licensing or regulatory approval or consent, if any). With respect to any governmental, licensing or regulatory approvals or consents, each bid must include a description of all such approvals or consents that are required to consummate the proposed transaction, an estimated timeframe for obtaining any required governmental, licensing, regulatory, or other approvals or consents for consummating any the proposed transaction, together with evidence satisfactory to the Debtors, in consultation with the Consultation Parties, of the ability of the bidder to obtain such approvals or consents in a timely manner, as well as a description of any material contingencies or other conditions that will be imposed upon, or that will otherwise apply to, the obtainment or effectiveness of any such approvals or consents;
10. Accompanied by an executed letter stating that the Potential Bidder’s offer, if selected as either the Successful Bid or Back-Up Bid, is irrevocable until consummation of a transaction involving the assets identified in such bid and that

such bidder agrees to serve as a Backup Bidder (as defined herein) in accordance with these Bid Procedures;

11. Include sufficient financial or other information (the “**Adequate Assurance Information**”) to establish adequate assurance of future performance with respect to any lease or contract to be assigned to the Potential Bidder in connection with the proposed Sale Transaction, including (a) the Potential Bidder’s financial ability and willingness to perform under any contracts that are assumed and assigned to such Potential Bidder; (b) a contact person for the proposed assignee that the applicable Counterparty may directly contact in connection with the adequate assurance of future performance; and (c) the actual assignee’s identity. To the extent available, the Adequate Assurance Information shall also include, to the extent requested: (x) a corporate organization chart or similar disclosure identifying ownership and control of the proposed assignee and (y) financial statements, tax returns and annual reports;
12. Provide written evidence satisfactory to the Debtors of available funds or a firm commitment for financing sufficient to consummate the Sale Transaction;
13. Provide information acceptable to the Debtors regarding the Potential Bidder’s ability to continue to operate the Owned Facilities;
14. Represent and warrant that the Potential Bidder has had an opportunity to conduct any and all due diligence regarding the Debtors’ business and the Purchased Assets prior to submitting its bid and a statement that the Potential Bidder has relied solely upon its own independent review, investigation, and / or inspection of any relevant documents and the Purchased Assets in making its bid and did not rely on any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express or implied, by operation of law or otherwise, regarding the Debtors’ business or the Purchased Assets or the completeness of any information provided in connection therewith, except as expressly stated in the representations and warranties contained in the Potential Bidder’s Modified Agreements, if ultimately accepted and executed by the Debtors; and
15. Acknowledge that the Potential Bidder is not entitled to any of the Bid Protections.

The Debtors, following consultation with the Consultation Parties, shall determine whether bids submitted by the Bid Deadline by Potential Bidders meet the Participation Requirements.

The Debtors reserve the right to request additional information from a Potential Bidder in connection with its bid.

For the avoidance of doubt, bids are not required to adopt the business structure set forth in the Stalking Horse Agreements, may provide for either a for-profit or not-for-profit entity as the purchaser(s) and/or operator(s) of the Facilities, and may be for one, some, or all of the Debtors’ Owned Facilities.

Qualified Bidders and Bids

Potential Bidders who have satisfied the Participation Requirements in the Debtors' judgment, in consultation with the Consultation Parties, will be deemed "**Qualified Bidders**." Bids that satisfy all bid requirements, as determined by the Debtors, in consultation with the Consultation Parties, will be deemed "**Qualified Bids**." The Debtors will advise each Potential Bidder in writing whether it is deemed to be a Qualified Bidder and whether its bid is a Qualified Bid before the Auction.

As provided in the Bid Procedures Order, the Stalking Horse Bidders are deemed Qualified Bidders and the Stalking Horse Bid is a Qualified Bid in all respects. All rights of KeyBank, N.A. to credit bid with respect to its collateral are reserved, and subject to section 363(k) of the Bankruptcy Code, it shall be deemed a Qualified Bidder with respect to any such bid.

All Qualified Bidders shall be deemed to have waived the right to pursue a substantial contribution claim under section 503 of the Bankruptcy Code related in any way to due diligence, the submission of its bid, the Bid Procedures, the Auction and the Sale, provided that the Stalking Horse Bidders are entitled to the Bid Protections.

Auction Participation

Unless otherwise agreed to by the Debtors, only the Debtors, Qualified Bidders, members of the Committee, the Office of the United States Trustee, counsel to the Secured Lenders and each of the foregoing's legal and financial professionals are eligible to attend or participate at the Auction. Subject to the other provisions of these Bid Procedures, if the Debtors do not receive any Qualified Bids other than Stalking Horse Bid or if no Qualified Bidder other than the Stalking Horse has indicated its intent to participate in the Auction, the Debtors will not hold an Auction and the Stalking Horse Bidders will be named the Successful Bidders (as defined below).

Prior to the start of the Auction, the Debtors, in consultation with the Consultation Parties, may hold discussions with any Qualified Bidders for less than all of the Debtors' Owned Facilities to discuss proposals to combine their Qualified Bids for purposes of bidding on the Purchased Assets at the Auction.

Bid Protections Afforded the Stalking Horse Bidders

The Bankruptcy Court has approved the following Bid Protections in favor of the Stalking Horse Bidders:

- The Bid Procedures provide that incremental bids at any Auction must be in the amount of \$250,000.00 or more (the "**Minimum Bid Amount**"), which the Debtors, in consultation with SLIB, believe is reasonable and appropriate under the present circumstances.
- The Stalking Horse Agreements provide for the Stalking Horse Bidders to be provided a break-up fee equal to three and one half (3.5%) percent of the Purchase Price (\$1,960,000) under the Stalking Horse Agreements in such event that the

Stalking Horse Bidders are not determined to be the Successful Bidder at the Auction (the “**Break-Up Fee**”) with such Break-Up Fee due and payable solely from the proceeds of such Alternative Transaction at the time of closing of such Alternative Transaction.

- The Stalking Horse Agreements provide for the Stalking Horse Bidders to be provided an Expense Reimbursement of all of its actual costs and expenses related to the transaction, (including prepetition and postpetition costs and expenses) up to a cap of \$200,000.00 in the event that the Stalking Horse Bidders are not determined to be the Successful Bidder at the Auction (the “**Expense Reimbursement**”) with such Expense Reimbursement due and payable solely from the proceeds of such Alternative Transaction at the time of closing of such Alternative Transaction.

Auction

If more than one Qualified Bid is received, the Debtors will conduct an auction (the “**Auction**”) for the sale of substantially all the Purchased Assets. Each Qualified Bidder participating at the Auction will be required to confirm on the record that it has not engaged in any collusion with respect to the bidding or the Sale Transaction. Prior to the start of the Auction, the Debtors, in consultation with the Consultation Parties, will select a Qualified Bid to be the opening bid at the Auction (each such Qualified Bid, the “**Opening Bid**” and each such Qualified Bidder, the “**Opening Bidder**”), and inform each of the Qualified Bidders participating in the Auction of the same.

The Auction shall take place at **10:00 a.m. (prevailing Eastern Time) on October 10, 2024** (the “**Auction Date**”) at the offices of: (a) Saul Ewing LLP, One PPG Place, Suite 3010, Pittsburgh, PA 15222, or (b) such other location, in each case as the Debtors designate. No later than forty-eight (48) hours prior to the Auction Date, the Debtors shall provide written notice of the Auction location. At the Auction, only the Stalking Horse Bidders and other Qualified Bidders will be permitted to increase their bids by the Minimum Bid Amount (\$250,000), and to make any incremental bids thereafter. The Debtors may conduct the Auction in the manner they reasonably determine, in their business judgment, after consultation with the Consultation Parties, will achieve the maximum value for the Purchased Assets.

Closing the Auction

The Auction shall continue until there is one offer or a combination of offers that the Debtors determine, following consultation with the Consultation Parties, and subject to Bankruptcy Court approval, is the highest and best offer(s) from among the Qualified Bidders (including the Stalking Horse Bidders) submitted at the Auction (the “**Successful Bid(s)**”). The Qualified Bidder(s) submitting such Successful Bid(s) shall become the “Successful Bidder” and shall have such rights and responsibilities of a purchaser, as set forth in the Stalking Horse Agreements or Modified Agreement, as applicable. Immediately prior to the conclusion of the Auction, the Debtors shall notify all Qualified Bidders at the Auction of the name or names of the Successful Bidder(s) and the amount and other material terms of the Successful Bid(s).

The Debtors shall also, following consultation with the Consultation Parties, select an offer or a combination of offers to serve as a back-up bid (the “**Back-Up Bid**” and, such Qualified Bidder submitting the Back-Up Bid, the “**Back-Up Bidder**”), which Back-Up Bid shall remain open and irrevocable until the Closing of the Sale with the Successful Bidder(s). In the event that the Successful Bidder fails to close the transaction contemplated by the Successful Bidder, for any reason, the Debtors may, following consultation with the Consultation Parties, elect to regard the Back-Up Bid as the highest and best bid for the Purchased Assets, and the Debtors will be authorized to consummate the transaction contemplated by the Back-Up Bid without further order of the Court.

The Successful Bidder(s) and the Back-Up Bidder(s) shall be deemed to have waived the right to pursue a substantial contribution claim under section 503 of the Bankruptcy Code related in any way to due diligence, the submission of its bid, the Bid Procedures, the Auction and the Sale, provided that the Stalking Horse Bidders are entitled to the Bid Protections.

The Debtors may require the Stalking Horse Bidders to serve as the Back-Up Bidder upon the Debtors’ selection of another party or parties as the Successful Bidder(s).

Assumption of Executory Contracts and Unexpired Leases

The Stalking Horse Agreements and Modified Agreements must designate which executory contracts and unexpired leases are to be assumed and assigned as part of the Purchased Assets (the “**Assumed Contracts**”). Except as otherwise provided in the Successful Bidder’s purchase agreements or in the Sale Order, the Successful Bidder(s) shall be responsible for all cure amounts relating to the Assumed Contracts under section 365 of the Bankruptcy Code.

No Collusion; Good-Faith Bona Fide Offer

Each Qualified Bidder participating at the Auction will be required to confirm on the record at the Auction that (a) it has not engaged in any collusion with respect to the Sale or Bidding Process (including that it has no agreement with any other Bidder or Qualified Bidder to control the price) and (b) its Qualified Bid is a good faith bona fide offer and it intends to consummate the Sale Transaction if selected as the Successful Bidder or the Back-Up Bidder.

Return of Deposits

No later than the earlier of (a) three (3) business days following the entry of a Sale Order, or (b) ten (10) business days following the end of the Auction, unless otherwise provided in an escrow agreement or a Qualified Bid, the Debtors shall return by check or wire the full amount of each Deposit submitted by a party that is not a party who is a Successful Bidder(s) or a Back-up Bidder(s). A defaulting Successful Bidder’s Deposit shall be forfeited to the Debtors, subject to the terms set forth in the Successful Bidder’s purchase agreement.

Communications among Qualified Bidders

Notwithstanding anything to the contrary in these Bid Procedures, all direct communications between and amongst Qualified Bidders shall involve the Debtors and the

Debtors' advisors. No Qualified Bidder shall communicate with any other Qualified Bidder absent prior written consent from the Debtors.

Free and Clear of Any and All Claims and Interests

Subject to entry of the Sale Order and except as otherwise provided in the Stalking Horse Agreements or other Successful Bidder's purchase agreements, all of the Debtors' right, title, and interest in and to the Purchased Assets subject thereto shall be sold free and clear of all liens, claims, and interests (collectively, the "**Encumbrances**") to the maximum extent permitted by section 363 of the Bankruptcy Code (other than permitted liens and assumed liabilities as provided in a Successful Bidder's purchase agreement), with such Encumbrances to attach to the proceeds of the sale of the Purchased Assets with the same validity and priority as such Encumbrances applied against the Purchased Assets.

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Reservation of Rights by the Debtors

Nothing in these Bid Procedures shall require the Debtors to take any action, or to refrain from taking any action, with respect to these Bid Procedures, to the extent that the Debtors determine, or based on the advice of counsel, that taking such action, or refraining from taking such action, as applicable, is required to comply with applicable law or their fiduciary duties under applicable law.

The Debtors reserve their rights to modify these Bidding Procedures in their reasonable business judgment, in consultation with, and subject to the objection rights of the Consultation Parties, in any manner that will best promote the goals of these Bidding Procedures or impose at or prior to the Auction, additional customary terms and conditions on a transaction, including, without limitation: (A) extending any of the deadlines or other dates set forth in these Bidding Procedures, subject to the milestones set forth in the Interim DIP Order (as may be modified in accordance with the Interim DIP Order and Final DIP Order); (B) cancelling, continuing or adjourning the Auction and/or the Sale Hearing; (C) imposing additional terms and conditions with respect to all Potential Bidders; (D) rejecting any bid or Qualified Bid (other than the Stalking Horse Agreements) that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bidding Procedures or the Bankruptcy Code, or (iii) contrary to the best interests of the Debtors and their estates; (E) determining which Potential Bidder is a Qualified Bidder and/or Successful Bidder and which bid is a Qualified Bid, Successful Bid and/or Back-Up Bid; (F) modify or terminate the Bidding Procedures in any manner in the interest of improving the results or recovery for the Debtors and their estates, (G) waive terms and conditions set forth in the Bidding Procedures, and/or (H) subject to the terms of the Stalking Horse Agreements, terminate discussions with any and all prospective purchasers and Potential Bidders (except for the Stalking Horse Bidders) at any time and without specifying the reasons therefor, in each case without further notice but in each case to the extent not materially inconsistent with these Bidding Procedures, the Bidding Procedures Order and other Orders of the Court.

The Stalking Horse Bidders reserve all rights under the Stalking Horse Agreements with respect to any action taken by the Debtors with respect to these Bid Procedures, or otherwise.

Consent to Jurisdiction

All Potential Bidders and Qualified Bidders at the Auction shall be deemed to have consented to the exclusive jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction or the interpretation and enforcement of these Bidding Procedures.

Dated: September 6, 2024

SAUL EWING LLP

By: /s/
Jeffrey C. Hampton (PA Bar No. 59131)
Sabrina Espinal (PA Bar No. 331245) (admitted *pro hac vice*)
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-and-

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Counsel for Debtors and Debtors in Possession

EXHIBIT 2

Auction and Sale Notice

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

In re

GUARDIAN ELDER CARE AT
JOHNSTOWN, LLC, d/b/a/ RICHLAND
HEALTHCARE AND REHABILITATION
CENTER, *et al.*,

Debtors/Movants.¹

Chapter 11

Case No. 24-70299 (JAD)

Jointly Administered

**NOTICE OF PROPOSED SALE OF SUBSTANTIALLY ALL OF
OWNED FACILITIES DEBTORS' ASSETS, BID
PROCEDURES, AUCTION, AND SALE HEARING**

PLEASE TAKE NOTICE that the Debtors, by and through their undersigned counsel, sought approval from the United States Bankruptcy Court for the Western District of Pennsylvania (the “**Court**”) to effectuate the sale of substantially all of the Debtors’ assets, other than Accounts [Docket. No.] (the “**Motion**”).

PLEASE TAKE FURTHER NOTICE that, pursuant to the Motion, the Debtors seek to sell substantially all of their assets (the “**Purchased Assets**”) to the Stalking Horse Bidders or any other Successful Bidder, free and clear of all liens, claims, encumbrances, and other interests to the fullest extent permitted under 11 U.S.C. § 363(f) and other applicable law. For ease of reference, the Debtors are identified below by reference to the nursing facilities they respectively own and operate:

Debtor(s)	Relevant Owned Facility
Guardian Elder Care at Beaver Falls, LLC GEC Beaver Falls Real Estate, LLC	Beaver Valley Healthcare and Rehabilitation Center
Guardian Elder Care at Bethel Park, LLC GEC Bethel Park Real Estate, LLC	Meadowcrest Healthcare and Rehabilitation Center
Guardian Elder Care at Brockway, LLC GEC Highland View, LP	Highland View Healthcare and Rehabilitation Center
Guardian Elder Care at Fairmont, LLC GEC Fairmont Real Estate, LLC	Fairmont Healthcare and Rehabilitation Center

¹ The last four digits of Guardian Elder Care at Johnstown, LLC d/b/a Richland Healthcare and Rehabilitation Center’s federal tax identification number are 7907. Due to the large number of debtor entities in these Chapter 11 Cases, 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 may be obtained on the website of the Debtors’ claims and noticing agent at <https://omniagentsolutions.com/Guardian>. The Debtors’ mailing address is: 8796 Route 219, Brockway, Pennsylvania 15824.

Debtor(s)	Relevant Owned Facility
Guardian Elder Care at Greensburg, LLC GEC Greensburg Real Estate, LLC	Oak Hill Healthcare and Rehabilitation Center
Guardian Elder Care at Lower Burrell, LLC GEC Lower Burrell Real Estate, LLC	Belair Healthcare and Rehabilitation Center
Guardian Elder Care at Monongahela, LLC GEC Monongahela Real Estate, LLC	Havencrest Healthcare and Rehabilitation Center
Guardian Elder Care at Munhall, LLC GEC Munhall Real Estate, LLC	Eldercrest Healthcare and Rehabilitation Center

PLEASE TAKE FURTHER NOTICE that on _____, 2024, the Court entered the *Order (I) Approving Bid Procedures for Sale of Substantially All of Owned Facilities Debtors' Assets, other than Accounts, Free and Clear of All Liens, Claims, Encumbrances, and Interests, (II) Approving Stalking Horse Bid Protections, (III) Scheduling Auction for and Hearing to Approve Sale of Substantially All of Owned Facilities Debtors' Assets, (IV) Approving Form and Manner of Notice of Sale, Auction, and Sale Order Hearing, (V) Approving Assumption and Assignment Procedures, and (VI) Granting Related Relief* (the “**Bid Procedures Order**”).² The Bid Procedures Order approved the bid procedures (the “**Bid Procedures**”) attached as **Exhibit 1** to the Bid Procedures Order. The Bid Procedures set the key dates and times related to the sale of the Purchased Assets and assumption and assignment of the executory contracts and unexpired leases.

PLEASE TAKE FURTHER NOTICE that copies of the Bid Procedures Order, all related exhibits, including the Bid Procedures, and any other filings related to the foregoing are available for free on the website of Debtors' notice agent, Omni Agent Solutions, Inc., at <https://omniagentsolutions.com/Guardian>.

PLEASE TAKE FURTHER NOTICE that the deadline by which all Qualified Bids for the Purchased Assets must be actually received by the parties specified in the Bid Procedures is **October 2, 2024, at 5:00 p.m. (prevailing Eastern Time)**.

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Bid Procedures Order, if one or more Qualified Bids (in addition to the Stalking Horse Bid) are received by the Bid Deadline, an auction (“**Auction**”) to sell the Purchased Assets will take place at 10:00 a.m. (prevailing Eastern Time) on **October 10, 2024** at the offices of: (a) Saul Ewing LLP, One PPG Place, Suite 3010, Pittsburgh, PA 15222, or (b) such other location, in each case as the Debtors designate and shall be timely communicated to all persons entitled to attend the Auction. The Debtors may cancel the Auction pursuant to the Bid Procedures.

PLEASE TAKE FURTHER NOTICE that, if the Debtors do not timely receive more than one Qualified Bid, the Debtors will not conduct the Auction and, instead, will (a) file a notice

² All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Motion or Bid Procedures Order (as defined below), as applicable.

with the Court identifying the Stalking Horse Agreements as the Successful Bid for the Purchased Assets and (b) promptly seek the Court's approval of the sale of the Purchased Assets to the Stalking Horse Bidders, free and clear of all liens, claims, encumbrances, and other interests to the fullest extent permitted under 11 U.S.C. § 363(f) and other applicable law.

PLEASE TAKE FURTHER NOTICE that a hearing will be held to approve the sale of the Purchased Assets to the Successful Bidder (the "**Sale Hearing**") before the United States Bankruptcy Court for the Western District of Pennsylvania, Courtroom D, U.S. Steel Building, 600 Grant St., 54th Fl., Pittsburgh, PA 15219 on October [], 2024, at 10:00 a.m. (prevailing Eastern Time), or at such time thereafter as counsel may be heard or at such other time as the Court may determine. The Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by filing a notice on the Court's docket for the Chapter 11 Cases or the making of an announcement at the Sale Hearing.

PLEASE TAKE FURTHER NOTICE that objections to the Sale, if any, (i) must be in writing, (ii) conform to the applicable provisions of the Bankruptcy Code, Bankruptcy Rules, and Local Rules, (iii) state with particularity the legal and factual basis for the objection, and (iv) be filed with the Court no later than _____, 2024, at 5:00 p.m. (prevailing Eastern Time) by the Court.

FAILURE TO ABIDE BY THE BID PROCEDURES, THE BID PROCEDURES ORDER, OR ANY OTHER ORDER OF THE BANKRUPTCY COURT IN THE CHAPTER 11 CASES MAY RESULT IN THE REJECTION OF YOUR BID FOR THE PURCHASED ASSETS.

PLEASE TAKE FURTHER NOTICE THAT ANY PARTY OR ENTITY WHO FAILS TO TIMELY FILE AND SERVE AN OBJECTION TO THE SALE BEFORE THE OBJECTION DEADLINE IN ACCORDANCE WITH THE BID PROCEDURES ORDER SHALL BE DEEMED TO HAVE CONSENTED TO THE SALE(S) AND FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE SALE(S), INCLUDING WITH RESPECT TO THE TRANSFER OF THE PURCHASED ASSETS TO THE SUCCESSFUL BIDDER FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS THAT SUCH PARTY OR ENTITY MAY HAVE AGAINST THE DEBTORS OR THE PURCHASED ASSETS.

Dated: September 6, 2024

SAUL EWING LLP

By: /s/

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Sabrina Espinal (PA Bar No. 331245) (admitted *pro hac vice*)
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-and-

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Monique B. DiSabatino (PA Bar No. 306448)
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Counsel for Debtors and Debtors in Possession

EXHIBIT 3

Resident Notice

[INSERT LETTERHEAD]

[ADDRESS]

TO WHOM IT MAY CONCERN:

You are receiving this letter and enclosed legal notice because you, a loved one, or someone you represent, is a resident or patient at one of the following facilities (the “**Owned Facilities**”):

- Beaver Valley Healthcare and Rehabilitation Center
- Meadowcrest Healthcare and Rehabilitation Center
- Highland View Healthcare and Rehabilitation Center
- Fairmont Healthcare and Rehabilitation Center
- Oak Hill Healthcare and Rehabilitation Center
- Belair Healthcare and Rehabilitation Center
- Havencrest Healthcare and Rehabilitation Center
- Eldercrest Healthcare and Rehabilitation Center

As discussed in the attached legal notice, the owners and operators of the Owned Facilities have filed voluntary bankruptcy petitions to preserve their assets and pursue going concern sales of the Owned Facilities. **The Owned Facilities remain open and focused on delivering quality care, ensuring the health and safety of residents, and assisting families through this process.** Anyone who is a current resident or patient at one of the Owned Facilities will continue to receive the same care and services they did before the bankruptcies.

The proposed sales of the Owned Facilities to an approved buyer(s) will be free and clear of all liens, claims, encumbrances, or interests that you or someone you represent may have against the Owned Facilities, the owners, or operators of the Owned Facilities. **Furthermore, any contract that current residents or patients have with the owners or operators of the Owned Facilities will be assumed and assigned to the approved buyer(s).** The approved buyers and operators will continue to provide services to current residents and patients at the Owned Facilities under any contract after the closing of an approved sale.

If you have any objection to the proposed sale of the Owned Facilities, or the assumption and assignment of your contract to a new owner and operator, you must raise such objections pursuant to the procedures set forth in the attached notice or you will be deemed to have consented to the sale of the Owned Facilities free and clear of all liens, claims, encumbrances, or interests that you or someone you represent may have. ***If you have no objection, then you do not need to take any action.*** You may wish to consult with an attorney regarding these matters.

It is understandable that this announcement may cause unease. Please be assured the Owned Facilities are committed to working with all parties to ensure a smooth transition of operations, and residents remain their top priority.

Again, the purpose of the bankruptcy cases and the proposed sale transaction(s) is to ensure that the Owned Facilities continue to provide quality care and services to all residents and patients. If you have any questions regarding these matters, you may speak to your Administrator, send an

email to MediaQ@guardianhc.com or call 833-899-1164 (toll-free). You may also contact the patient care ombudsmen appointed in connection with the bankruptcy cases, as follows: (i) for Pennsylvania facilities, Margaret Barajas, State Long-Term Care Ombudsman, at (717) 783-8975; (ii) for the West Virginia facility, Suzanne Messenger, Long-Term Care Ombudsman, at (304) 558-3317).

Allen Wilen, CRO

EXHIBIT 4

Contract Assumption and Assignment Notice

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

In re

GUARDIAN ELDER CARE AT
JOHNSTOWN, LLC, d/b/a/ RICHLAND
HEALTHCARE AND REHABILITATION
CENTER, *et al.*,

Debtors/Movants.¹

Chapter 11

Case No. 24-70299 (JAD)

Jointly Administered

**NOTICE OF EXECUTORY CONTRACTS THAT MAY BE ASSUMED AND ASSIGNED
IN CONNECTION WITH OWNED FACILITIES SALE TRANSACTION**

YOU ARE RECEIVING THIS NOTICE BECAUSE THE DEBTORS' RECORDS REFLECT THAT YOU ARE A PARTY TO AN EXECUTORY CONTRACT OR UNEXPIRED LEASE THAT MAY BE ASSUMED IN CONNECTION WITH THE PROPOSED SALE. THEREFORE, YOU ARE ADVISED TO REVIEW CAREFULLY THE INFORMATION CONTAINED IN THIS NOTICE, INCLUDING THE ASSUMPTION SCHEDULE ATTACHED HERETO AS SCHEDULE 1.

PLEASE TAKE NOTICE that on _____, 2024, the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”), by and through their undersigned counsel filed *Debtors’ Motion for Entry of Orders (I) Approving Sale of Substantially All of Owned Facilities Debtors’ Assets, Other than Excluded Assets, Free and Clear of All Liens, Claims, Encumbrances and Interests, (II) Approving Bid Procedures for Sale of Substantially All of Owned Facilities Debtors’ Assets, Other than Excluded Assets, (III) Approving Stalking Horse Bid Protections, (IV) Approving Release Agreement; (V) Scheduling Auction for and Hearing to Approve the Sale of Owned Facilities Debtors’ Assets, (VI) Approving Form and Manner of Notice of Sale, Auction and Sale Hearing, (VII) Approving Assumption and Assignment Procedures, (VIII) Authorizing Assumption and Assignments of Executory Contracts and Unexpired Leases, and (IX) Granting Related Relief* (the “**Motion**”).²

¹ The last four digits of Guardian Elder Care at Johnstown, LLC d/b/a Richland Healthcare and Rehabilitation Center’s federal tax identification number are 7907. Due to the large number of debtor entities in these Chapter 11 Cases, 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 may be obtained on the website of the Debtors’ claims and noticing agent at <https://omniagentsolutions.com/Guardian>. The Debtors’ mailing address is: 8796 Route 219, Brockway, Pennsylvania 15824.

² Capitalized terms used but not otherwise defined herein shall the meanings ascribed to such terms as set forth in the Motion.

PLEASE TAKE FURTHER NOTICE that under the Motion, the Debtors seek authority to, among other things, assume and assign certain executory contracts and unexpired leases under section 365 of the Bankruptcy Code. If you are a counterparty to any contract or lease with the Debtors, you should check **Schedule 1** to determine if your contract or lease is listed.

PLEASE TAKE FURTHER NOTICE that on ___, 2024, the United States Bankruptcy Court for the Western District of Pennsylvania (the “**Court**”) entered its *Order (A) Approving Bid Procedures for Sale of Substantially All of Owned Facilities Debtors’ Assets, Other than Excluded Assets, (B) Approving Stalking Horse Bid Protections, (C) Scheduling Auction for and Hearing to Approve Sale of Substantially All of Owned Facilities Debtors’ Assets, other than Accounts, Free and Clear of All Liens, Claims, Encumbrances, and Interests, (D) Approving Form and Manner of Notice of Sale, Auction, and Sale Hearing, (E) Approving Assumption and Assignment Procedures, and (F) Granting Related Relief* [Docket. No.] (the “**Bid Procedures Order**”).

PLEASE TAKE FURTHER NOTICE that this Contract Assumption and Assignment Notice is being provided pursuant to the Bid Procedures Order. Attached hereto as **Schedule 1** is a list of the Executory Contracts that the Debtors may assume and assign to the Successful Bidder along with (a) the name of each non-Debtor counterparty to such Executory Contract (the “**Counterparty**”); and (b) the proposed amount necessary, if any, to cure all monetary defaults, if any, under the such Executory Contract (the “**Cure Amounts**”). You are receiving this Notice because you are identified as an Counterparty to one or more of the Executory Contracts. If you agree with the Cure Amounts and do not otherwise object to the assumption and assignment of your Executory Contract listed on **Schedule 1**, you do not need to take any further action.

PLEASE TAKE FURTHER NOTICE that any party seeking to object to the assumption and assignment of an Executory Contract for any reason, including without limitation lack of assurance of adequate performance or the validity of the Cure Amounts (a “**Contract Objection**”) on **Schedule 1**, or otherwise assert that any other amounts, defaults, conditions or pecuniary losses must be cured or satisfied under any of the Executory Contracts in order to be assigned to the Successful Bidder, must file an objection, which must: (a) be in writing; (b) state with specificity the basis for the objection as well as any Cure Amounts that the objector asserts to be due, including each and every asserted default in the applicable contract or lease (in all cases with appropriate documentation in support thereof); (c) comply with the Federal Rules of Bankruptcy Procedure and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Western District of Pennsylvania; and (d) be filed and served on the following parties by no later than **5:00 p.m. (prevailing Eastern Time)** [____], **2024** (the “**Contract Objection Deadline**”): (i) counsel for the Debtors, (a) Saul Ewing LLP, Centre Square West, 1500 Market Street, 38th Floor, Philadelphia, PA 19102, Attn: Jeffrey C. Hampton, Esq. (jeffrey.hampton@saul.com), and (b) Saul Ewing LLP, 1201 N. Market Street, Suite 2300, Wilmington, DE 19801, Attn: Mark Minuti and Monique B. DiSabatino (mark.minuti@saul.com and monique.disabatino@saul.com); (ii) counsel for the Official Committee of Unsecured Creditors appointed in the Chapter 11 Cases, (a) Sills Cummis & Gross P.C., The Legal Center, One Riverfront Plaza, Newark, NJ 07102, Attn: Andrew H. Sherman and Boris I. Mankovetskiy (asherman@sillscummis.com and bmankovetskiy@sillscummis.com), and

(b) Bernstein-Burkley, P.C., 601 Grant Street, 9th Floor, Pittsburgh, PA 15219-1900 (kburkley@bernsteinlaw.com); and (iii) the Office of the United States Trustee for the Western District of Pennsylvania, Federal Building, 1000 Liberty Avenue, Suite 1316, Pittsburgh, PA 15222, Attn: Timothy J. Fox, Jr. (timothy.fox@usdoj.gov) (collectively, the “**Objection Recipients**”).

PLEASE TAKE FURTHER NOTICE that any non-Debtor counterparty to any Executory Contract who does not file a Contract Objection by the Contract Objection Deadline shall be forever barred from objecting to the Cure Amounts set forth on **Schedule 1** or asserting or claiming any cure amount (other than the Cure Amounts) against the Debtors or the Successful Bidder.

PLEASE TAKE FURTHER NOTICE that, the inclusion of any contract or lease on **Schedule 1** shall not constitute or be deemed a determination or admission by the Debtors that such contract or other document is, in fact, an executory contract or unexpired lease within the meaning of the Bankruptcy Code (all rights with respect thereto being expressly reserved). Notwithstanding the inclusion of any lease or contract on **Schedule 1**, the Debtors are not bound to assume, and a Successful Bidder is not bound to accept assignment of, any executory contracts or unexpired leases. The Successful Bidder has until the closing of the Sale Transaction to designate which executory contracts and unexpired leases, if any, shall be assumed by the Debtors and assigned to the Successful Bidder.

PLEASE TAKE FURTHER NOTICE that, if the Stalking Horse Bidders are not the Successful Bidders, any party seeking to object to a Successful Bidder’s proposed adequate assurance of future performance (a “**Adequate Assurance Objection**”) must do so: (i) in writing, (ii) comply with the applicable provisions of the Bankruptcy Rules and Local Rules, (iii) specify what the objecting party believes is required to provide such adequate assurance, by **5:00 p.m. (prevailing Eastern Time) on [____], 2024** (the “**Adequate Assurance Objection**”).

PLEASE TAKE FURTHER NOTICE that the hearing with respect to any Contract Objection or Adequate Assurance Objection may be held (i) at the Sale Hearing or (ii) on such other date as the Court may designate. To the extent the Debtors and non-Debtor Counterparty to an Executory Contract are able to consensually resolve a Contract Objection or an Adequate Assurance Objection prior to the Sale Hearing, the Debtors shall promptly provide notice to the other Objection Recipients of such resolution.

PLEASE TAKE FURTHER NOTICE that this Contract Assumption and Assignment Notice is subject to the full terms and conditions of the Motion, the Bid Procedures Order, and Bid Procedures, which shall control in the event of any conflict. The Debtors encourage parties in interest to review such documents in their entirety. Copies of the Motion, the Bid Procedures Order, and the Bid Procedures, and all other documents filed with the Court may be obtained on the website of the Debtors’ notice agent, Omni, website: <https://omniagentsolutions.com/Guardian>.

IF A COUNTERPARTY FAILS TO FILE WITH THE BANKRUPTCY COURT AND SERVE ON THE OBJECTION RECIPIENTS A TIMELY CONTRACT OBJECTION, THE COUNTERPARTY SHALL BE FOREVER BARRED FROM

ASSERTING ANY OBJECTION WITH REGARD TO THE AMOUNT TO CURE ANY DEFAULT UNDER THE APPLICABLE EXECUTORY CONTRACT. THE CURE AMOUNTS SET FORTH ON SCHEDULE 1 HERETO SHALL BE CONTROLLING AND WILL BE THE ONLY AMOUNT NECESSARY TO CURE OUTSTANDING DEFAULTS UNDER THE APPLICABLE EXECUTORY CONTRACT UNDER BANKRUPTCY CODE SECTION 365(B), NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE EXECUTORY CONTRACT, OR ANY OTHER DOCUMENT, AND THE APPLICABLE COUNTERPARTY SHALL BE FOREVER BARRED FROM ASSERTING ANY ADDITIONAL CURE OR OTHER AMOUNTS WITH RESPECT TO SUCH EXECUTORY CONTRACT AGAINST THE DEBTORS, ANY SUCCESSFUL BIDDER, OR THE PROPERTY OF ANY OF THEM.

IF NO ADEQUATE ASSURANCE OBJECTION IS TIMELY RECEIVED WITH RESPECT TO ASSUMPTION AND ASSIGNMENT OF AN ASSUMED CONTRACT: (I) THE COUNTERPARTY TO SUCH ASSUMED CONTRACT SHALL BE DEEMED TO HAVE CONSENTED TO THE ASSUMPTION BY THE DEBTORS AND ASSIGNMENT TO SUCCESSFUL BIDDER OF THE ASSUMED CONTRACT, AND BE FOREVER BARRED FROM ASSERTING ANY OBJECTION WITH REGARD TO SUCH ASSUMPTION AND ASSIGNMENT (INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO THE CURE AMOUNT AND ADEQUATE ASSURANCE OF FUTURE PERFORMANCE BY THE SUCCESSFUL BIDDER); (II) ANY AND ALL DEFAULTS UNDER THE ASSUMED CONTRACT AND ANY AND ALL PECUNIARY LOSSES RELATED THERETO SHALL BE DEEMED CURED AND COMPENSATED PURSUANT TO BANKRUPTCY CODE SECTION 365(B)(1)(A) AND (B) UPON PAYMENT OF THE CURE AMOUNT SET FORTH IN THE NOTICE OF ASSUMED CONTRACTS FOR SUCH ASSUMED CONTRACT; AND (III) THE CURE AMOUNT SET FORTH IN THE NOTICE OF ASSUMED CONTRACTS FOR SUCH ASSUMED CONTRACT SHALL BE CONTROLLING, NOTWITHSTANDING ANYTHING TO THE CONTRARY IN SUCH ASSUMED CONTRACT, OR ANY OTHER RELATED DOCUMENT, AND THE COUNTERPARTY SHALL BE FOREVER BARRED FROM ASSERTING ANY OTHER CLAIMS RELATED TO SUCH ASSUMED CONTRACT AGAINST THE DEBTORS AND THEIR ESTATES OR THE SUCCESSFUL BIDDER, OR THE PROPERTY OF ANY OF THEM, FOR ANY BREACHES, CLAIMS, OR OTHER LIABILITIES OR OBLIGATIONS THAT EXISTED PRIOR TO THE CLOSING OF THE SALE TRANSACTION WITH THE SUCCESSFUL BIDDER.

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Dated: September 6, 2024

SAUL EWING LLP

By: /s/

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Sabrina Espinal (PA Bar No. 331245) (admitted *pro hac vice*)
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Counsel for Debtors and Debtors in Possession

EXHIBIT 5

Notice of Successful Bidder

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

In re

GUARDIAN ELDER CARE AT
JOHNSTOWN, LLC, d/b/a/ RICHLAND
HEALTHCARE AND REHABILITATION
CENTER, *et al.*,

Debtors/Movants.¹

Chapter 11

Case No. 24-70299 (JAD)

Jointly Administered

NOTICE OF SUCCESSFUL BID AND BACKUP BID

PLEASE TAKE NOTICE that, pursuant to the *Order (A) Approving Bid Procedures for Sale of Substantially All of Owned Facilities Debtors' Assets, Other than Excluded Assets, (B) Approving Stalking Horse Bid Protections, (C) Scheduling Auction for and Hearing to Approve Sale of Substantially All of Owned Facilities Debtors' Assets, other than Accounts, Free and Clear of All Liens, Claims, Encumbrances, and Interests, (D) Approving Form and Manner of Notice of Sale, Auction, and Sale Hearing, (E) Approving Assumption and Assignment Procedures, and (F) Granting Related Relief* [Docket. No.] (the “**Bid Procedures Order**”) the United States Bankruptcy Court for the Western District of Pennsylvania approved, among other things, the implementation of the Bid Procedures attached to the Bid Procedures Order as **Exhibit 1** in connection with the disposition of the Purchased Assets.²

PLEASE TAKE FURTHER NOTICE that, pursuant to the Bid Procedures Order, the deadline for submitting a Qualified Bid for the Purchased Assets was _____, 2024 at 5:00 p.m. (prevailing Eastern time) (the “**Bid Deadline**”) and in the event that the Debtors timely received one or more Qualified Bids, in addition to the Qualified Bid submitted by the Stalking Horse Bidders, the Debtors would conduct the Auction on _____, 2024 at 10:00 a.m. (prevailing Eastern Time).

PLEASE TAKE FURTHER NOTICE that on _____, 2024 at 10:00 a.m. (prevailing Eastern Time), the Debtors conducted the Auction in accordance with the Bid Procedures and certain rules distributed to Auction attendees prior to and at the Auction. At the Auction, the Debtors determined that the highest and/or best offer was submitted by [] (the “**Successful Bidder**” and the Successful Bidder’s winning bid, the “**Successful Bid**”) and the

¹ The last four digits of Guardian Elder Care at Johnstown, LLC d/b/a Richland Healthcare and Rehabilitation Center’s federal tax identification number are 7907. Due to the large number of debtor entities in these Chapter 11 Cases, 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 may be obtained on the website of the Debtors’ claims and noticing agent at <https://omniagentsolutions.com/Guardian>. The Debtors’ mailing address is: 8796 Route 219, Brockway, Pennsylvania 15824.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms as set forth in the Bidding Procedures Order.

second highest and/or best offer was submitted by [] (the “**Backup Bidder**,” and the Backup Bidder’s bid, the “**Backup Bid**”). **Exhibit A** attached hereto is a copy of the final, fully-executed contract for sale and operations transfer agreement (collectively, the “**Transaction Documents**,” and the transaction contemplated thereby the “**Sale Transaction**”) between the Debtors and the Successful Bidder, containing the terms of the Successful Bid.

PLEASE TAKE FURTHER NOTICE that, as contemplated by the Bid Procedures Order, the Debtors will seek final approval of the Sale Transaction to the Successful Bidder pursuant to the Transaction Documents, during the **Sale Hearing on _____, 2024 at 10:00 a.m. (prevailing Eastern time)** before the United States Bankruptcy Court for the Western District of Pennsylvania, Courtroom D, U.S. Steel Building, 600 Grant St., 54th Fl., Pittsburgh, PA 15219. The Successful Bidder(s) shall appear at the Sale Order Hearing and be prepared to testify in support of the Successful Bid(s) and the Successful Bidder(s)’ ability to close in a timely manner, including with respect to demonstrating adequate assurance of future performance that may be required in connection with the assumption and assignment of any Assumed Contracts.

PLEASE TAKE FURTHER NOTICE that the Sale Hearing may be adjourned or rescheduled as ordered by the Bankruptcy Court, or by the Debtors in consultation with the Successful Bidder and the Consultation Parties, but without further notice to creditors and parties in interest other than by announcement by Debtors of the adjourned date at the Sale Hearing.

PLEASE TAKE FURTHER NOTICE that the Debtors’ presentation to the Bankruptcy Court for approval of a Successful Bid does not constitute the Debtors’ acceptance of the Successful Bid. The Debtors shall be deemed to have accepted a Successful Bid only when the Successful Bid has been approved by order of the Court in a form acceptable to the Debtors and Successful Bidders.

PLEASE TAKE FURTHER NOTICE that if the Sale Transaction is not consummated with the Successful Bidder pursuant to the Successful Bid, the Debtors may designate the Backup Bidder as the new Successful Bidder and such Backup Bidder’s Backup Bid as the new Successful Bid, and the Debtors, after consultation with the Consultation Parties, will be authorized to consummate the Sale Transaction with the Backup Bidder without further order of the Court.

PLEASE TAKE FURTHER NOTICE that the deadline to object to the approval of the Sale Transaction and the sale of the Purchase Assets to the Successful Bidder free and clear is _____, **2024 at 5:00 p.m. (prevailing Eastern time)**, and any objection must comply with the Bid Procedures Order.

PLEASE TAKE FURTHER NOTICE that copies of the Motion, the Bid Procedures Order, the Bid Procedures, the Transaction Documents, and all other documents filed with the Court may be obtained on the website of the Debtors’ notice agent, Omni Agent Solutions, Inc. website: <https://omniagentsolutions.com/Guardian>.

PLEASE TAKE FURTHER NOTICE THAT ANY PARTY OR ENTITY WHO FAILS TO TIMELY FILE AND SERVE AN OBJECTION TO THE SALE BEFORE THE OBJECTION DEADLINE IN ACCORDANCE WITH THE BID PROCEDURES ORDER SHALL BE DEEMED TO HAVE CONSENTED TO THE SALE(S) AND FOREVER

BARRED FROM ASSERTING ANY OBJECTION TO THE SALE(S), INCLUDING WITH RESPECT TO THE TRANSFER OF THE PURCHASED ASSETS TO THE SUCCESSFUL BIDDER FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS THAT SUCH PARTY OR ENTITY MAY HAVE AGAINST THE DEBTORS OR THE PURCHASED ASSETS.

Dated: September 6, 2024

SAUL EWING LLP

By: /s/

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Notice Recipients

District/Off: 0315-7
Case: 24-70299-JAD

User: auto
Form ID: pdf900

Date Created: 9/6/2024
Total: 10

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TOTAL: 3