

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

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In re: : Chapter 11

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PROMISE HEALTHCARE GROUP, LLC, *et al.*,¹ : Case No. 18-12491 (CSS)

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Debtors. : (Jointly Administered)

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: **Obj. Deadline: Aug. 20, 2019 at 1:00 p.m. (ET)**

: **Hearing Date: Aug. 20, 2019 at 1:00 p.m. (ET)**

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NOTICE OF SALE MOTION, BID DEADLINE, AUCTION, & SALE HEARING

PLEASE TAKE NOTICE that on August 9, 2019, Promise Healthcare Group, LLC and its affiliated debtors and debtors in possession (collectively, the “Debtors”) filed the *Motion of the Debtors for Entry of an Order (I) Authorizing the Sale of Certain Louisiana Facilities and Related Assets Free and Clear of All Liens, Claims, Interests, and Encumbrances, (II) Authorizing the Sellers to Assume and Assign Certain Executory Contracts and Unexpired Leases, and (III) Granting Other Related Relief* [D.I. 1323] (the “Sale Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”).

PLEASE TAKE FURTHER NOTICE that contemporaneously with the filing of the Sale Motion, the Debtor filed the *Motion to Shorten Notice and Objection Periods in Connection with the Motion of the Debtors for Entry of an Order (I) Authorizing the Sale of Certain Louisiana Facilities and Related Assets Free and Clear of All Liens, Claims, Interests, and Encumbrances, (II) Authorizing the Sellers to Assume and Assign Certain Executory Contracts and Unexpired Leases, and (III) Granting Other Related Relief* [D.I. 1324].

¹ The Debtors in these Chapter 11 Cases, together with the last four digits of each Debtor’s federal tax identification number, are as follows: HLP HealthCare, Inc. (8381), PH-ELA, Inc. (9180), Promise Healthcare #2, Inc. (1913), Promise Healthcare Group, LLC (1895), Promise Healthcare Holdings, Inc. (2601), Bossier Land Acquisition Corp. (6644), HLP of Los Angeles, LLC (9102), HLP of Shreveport, Inc. (1708), HLP Properties at The Villages Holdings, LLC (0006), HLP Properties at the Villages, L.L.C. (1938), HLP Properties of Vidalia, LLC (4255), HLP Properties, Inc. (0068), Promise Healthcare of California, Inc. (9179), Promise Healthcare, Inc. (7953), Promise Hospital of Ascension, Inc. (9219), Promise Hospital of Baton Rouge, Inc. (8831), Promise Hospital of Dade, Inc. (7837), Promise Hospital of Dallas, Inc. (0240), Promise Hospital of East Los Angeles, L.P. (4671), Promise Hospital of Florida at The Villages, Inc. (2171), Promise Hospital of Louisiana, Inc. (4886), Promise Hospital of Lee, Inc. (8552), Promise Hospital of Overland Park, Inc. (5562), Promise Hospital of Phoenix, Inc. (1318), Promise Hospital of Salt Lake, Inc. (0659), Promise Hospital of Vicksburg, Inc. (2834), Promise Hospital of Wichita Falls, Inc. (4104), Promise Properties of Dade, Inc. (1592), Promise Properties of Lee, Inc. (9065), Promise Properties of Shreveport, LLC (9057), Promise Skilled Nursing Facility of Overland Park, Inc. (5752), Promise Skilled Nursing Facility of Wichita Falls, Inc. (1791), Quantum Health, Inc. (4298), Quantum Properties, L.P. (8203), Success Healthcare 1, LLC (6535), Success Healthcare, LLC (1604), Vidalia Real Estate Partners, LLC (4947), LH Acquisition, LLC (2328), Promise Behavioral Health Hospital of Shreveport, Inc. (1823), Promise Rejuvenation Centers, Inc. (7301), Promise Rejuvenation Center at the Villages, Inc. (7529), and PHG Technology Development and Services Company, Inc. (7766). The mailing address for the Debtors, solely for purposes of notices and communications, is 999 Yamato Road, 3rd FL, Boca Raton, FL 33431.

PLEASE TAKE FURTHER NOTICE that on August 12, 2019, the Court entered the *Order Shortening Notice and Objection Periods in Connection with the Motion of the Debtors for Entry of an Order (I) Authorizing the Sale of Certain Louisiana Facilities and Related Assets Free and Clear of All Liens, Claims, Interests, and Encumbrances, (II) Authorizing the Sellers to Assume and Assign Certain Executory Contracts and Unexpired Leases, and (III) Granting Other Related Relief* [D.I. 1332].

PLEASE TAKE FURTHER NOTICE that the deadline by which all bids from Alternative Bidders² must be **received by** the undersigned counsel is **August 19, 2019, at 11:00 a.m. (ET)** (the “Bid Deadline”). Each bid must be accompanied by (i) an executed asset purchase agreement and a blackline marked against the Purchase Agreement attached as an exhibit to the Sale Motion; and (ii) a good faith deposit equal to ten percent (10%) of the purchase price, in cash in escrow.

PLEASE TAKE FURTHER NOTICE that, if the Debtors timely receive one or more bids and deposits from Alternative Bidders (in addition to the Purchase Agreement), the Debtors will conduct the Auction on **August 19, 2019, at 1:30 p.m. (ET)** at the offices of DLA Piper LLP, 1201 N. Market St., Ste. 2100, Wilmington, DE 19801 or at such other location as the Debtors may later designate, to determine the highest or otherwise best bids for the Purchased Assets. An authorized representative of each bidder must be in attendance at the Auction to participate. Following this Auction, after consultation with the Committee and the Successor Administrative Agent, the Debtors will determine which bidder has made the highest or otherwise best bid. The Debtors will file a notice of completion of the Auction and identify the Successful Bidder and Successful Bid as well as the Back-Up Bidder and Back-up Bid as soon as practicable following the conclusion of the Auction. If no bid and deposit are timely received, the Debtors will file a notice canceling the Auction and seek approval of the Purchase Agreement.

PLEASE TAKE FURTHER NOTICE that the Debtors will seek approval of the sale of the Purchased Assets before the Honorable Christopher S. Sontchi, Chief United States Bankruptcy Judge for the District of Delaware, 824 North Market Street, 5th Floor, Courtroom 6, Wilmington, DE 19801, on **August 20, 2019, at 1:00 p.m. (ET)** (the “Hearing”).

PLEASE TAKE FURTHER NOTICE that any objection or response to the Sale Motion must be filed and served on the undersigned counsel for the Debtors **prior to, or presented at, the Hearing**.

PLEASE TAKE FURTHER NOTICE that if you file an objection or response to the Sale Motion, you or your attorney must attend the Hearing.

PLEASE TAKE FURTHER NOTICE that copies of the Sale Motion, the Purchase Agreement, all related exhibits, and any other filings related to the foregoing are available for free on the website of the court-appointed claims and noticing agent in these cases, Prime Clerk LLC, at <https://cases.primeclerk.com/promisehealthcaregroup/>, or can be requested by calling: (a) 844-822-9230 (domestic, toll-free); or (b) 347-338-6503 (international).

² Capitalized terms used but not defined in this notice shall have the meanings ascribed to them in the Sale Motion.

PLEASE TAKE FURTHER NOTICE THAT IF NO RESPONSES TO THE SALE MOTION ARE TIMELY FILED, SERVED, AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY ENTER THE RELIEF REQUESTED IN THE SALE MOTION WITHOUT FURTHER NOTICE OR OPPORTUNITY FOR A HEARING.

PLEASE TAKE FURTHER NOTICE THAT THE PROPOSED SALE ORDER PROVIDES THAT A PURCHASER OF THE PURCHASED ASSETS WILL HAVE NO RESPONSIBILITY FOR, AND THE PURCHASED ASSETS WILL BE SOLD FREE AND CLEAR OF, ANY SUCCESSOR LIABILITY, INCLUDING THE FOLLOWING:

a. To the greatest extent allowable by applicable law, the Purchaser shall not be deemed, as a result of any action taken in connection with the Purchase Agreement or other competing purchase agreement, the consummation of a sale of the Purchased Assets contemplated by the Purchase Agreement or other competing purchase agreement or the transfer or operation of any part of the Purchased Assets, to: (a) be a legal successor, or otherwise be deemed a successor to the Debtors (other than with respect to any obligations as an assignee under the executory contracts or unexpired leases assumed and assigned pursuant to 11 U.S.C. § 365 arising after the applicable closing); (b) have, *de facto* or otherwise, merged with or into the Debtors; or (c) be an alter ego or mere continuation or substantial continuation of the Debtors, including, without limitation, within the meaning of any foreign, federal, state or local revenue law, pension law, the Employee Retirement Income Security Act, the Consolidated Omnibus Budget Reconciliation Act, the WARN Act (29 U.S.C. §§ 2101, et seq.), the Comprehensive Environmental Response Compensation and Liability Act (“*CERCLA*”), the Fair Labor Standard Act, Title VII of the Civil Rights Act of 1964 (as amended), the Age Discrimination and Employment Act of 1967 (as amended), the Federal Rehabilitation Act of 1973 (as amended), the National Labor Relations Act (29 U.S.C. § 151, et seq.), environmental liabilities, debts, claims or obligations arising from conditions first existing on or prior to the applicable closing (including, without limitation, the presence of hazardous, toxic, polluting, or contaminating substances or wastes), which may be asserted on any basis, including, without limitation, under CERCLA, any liabilities, debts or obligations of or required to be paid by the Debtors for any taxes of any kind for any period, labor, employment, or other law, rule or regulation (including without limitation filing requirements under any such laws, rules or regulations), or under any products liability law or doctrine with respect to the Debtors’ liability under such law, rule or regulation or doctrine.

b. All rights of any party to set off any claims, debts or obligations owed by or to the Purchaser in connection with the Purchased Assets shall be extinguished on the applicable closing date pursuant to the proposed Sale Order, with such rights attaching to the proceeds of the sale. Other than as expressly set forth in the Purchase Agreement with respect to the Permitted Encumbrances and the Assumed Liabilities, the Purchaser shall not have any responsibility for (a) any liability or other obligation of the Debtors or related to the Purchased Assets or (b) any claims (as such term is defined in section 101(5) of the Bankruptcy Code) against the Debtors or any of their predecessors or affiliates.

c. To the greatest extent allowed by applicable law, the Purchaser shall have no liability whatsoever with respect to the Debtors’ (or their predecessors’ or affiliates’) respective businesses or operations or any of the Debtors’ (or their predecessors’ or affiliates’) obligations

based, in whole or in part, directly or indirectly, on any theory of successor or vicarious liability of any kind or character, or based upon any theory of antitrust, environmental, successor or transferee liability, *de facto* merger or substantial continuity, labor and employment or products liability, whether known or unknown as of the applicable closing, now existing or hereafter arising, asserted or unasserted, fixed or contingent, liquidated or unliquidated, including liabilities on account of any taxes arising, accruing or payable under, out of, in connection with, or in any way relating to the operation of the Purchased Assets prior to the applicable closing.

Dated: August 12, 2019
Wilmington, Delaware

Respectfully submitted,

DLA PIPER LLP (US)

/s/ Stuart M. Brown

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-and-

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Attorneys for the Debtors and Debtors in Possession