

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address	FOR COURT USE ONLY
HAMID R. RAFATJOO (SBN 181584) hrafatjoo@venable.com VENABLE LLP 2049 Century Park East, Suite 2100 Los Angeles, CA 90067 Telephone: (310) 229-9900 Facsimile: (310) 229-9901	
<input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: Debtors and Debtors in Possession	

**UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA - SAN FERNANDO VALLEY DIVISION**

In re:  Bethel Healthcare, Inc.	CASE NO.: 13-12220-GM CHAPTER: 11
Debtor(s).	<b>NOTICE OF SALE OF ESTATE PROPERTY</b>

<b>Sale Date:</b> 04/11/2014	<b>Time:</b> 9:00 a.m.
<b>Location:</b> Courtroom 303, 21041 Burbank Boulevard, Woodland Hills, CA 91367	

**Type of Sale:**  Public  Private **Last date to file objections:** 03/28/2014

**Description of property to be sold:**

a) The Debtor's business commonly known as West Valley Convalescent Hospital, located at 3057 Shoup Avenue, West Hills, CA 91307 (the "West Hills Facility"); b) All of Estate's interest in the Lease; c) All personal property owned by the Estate, used or useful in the operation of the West Hills Facility, to the extent such personal property is not property of the Landlord under the Lease; and d) to the extent assignable by the Estate without material cost to the Estate, any licenses, permits, entitlements, governmental approvals, certificates and any other intangible personal property which benefit the West Hills Facility.

**Terms and conditions of sale:**

As is. Where is. Free and clear of all liens, claims and interests.

**Proposed sale price:** \$ 5,000,000.00

This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

**Overbid procedure (if any):**

See attached Exhibit A

**If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:**

April 11, 2014

9:00 a.m.

Courtroom: 303

21041 Burbank Boulevard

Woodland Hills, CA 91367

**Contact person for potential bidders (include name, address, telephone, fax and/or email address):**

Hamid R. Rafatjoo, Esq.

Venable LLP

2049 Century Park East, 21st Floor

Los Angeles, CA 90067

(301) 229-9900 telephone / (310) 229-9901 facsimile

Email: HRRafatjoo@venable.com

Shepard W. Roylance

JCH Consulting

5330 Lake Crest Drive

Agoura Hills, CA 91301

(805) 633-4649 telephone / (805) 392-5171 facsimile

Email: shep@shepjch.com

Date: 03/13/2014

1 **Exhibit A**

2 **Sale/Bidding Procedures**

3 Set forth below are the sale procedures (the "Sale Procedures") to be employed with  
4 respect to the prospective sale (the "Sale") of the following personal properties (the "Assets");

5 a) The Debtor's business commonly known as West Valley Convalescent Hospital,  
6 located at 3057 Shoup Avenue, West Hills, CA 91307 (the "West Hills Facility").

7 b) All of Estate's interest in the Lease;

8 c) All personal property owned by the Estate, used or useful in the operation of the  
9 West Hills Facility, to the extent such personal property is not property of the Landlord under the  
10 Lease; and

11 d) To the extent assignable by the Estate without material cost to the Estate, any  
12 licenses, permits, entitlements, governmental approvals, certificates and any other intangible  
13 personal property which benefit the West Hills Facility.

14 **The Bidding Process**

15 Bethel Healthcare Inc. shall, in its sole and absolute discretion, through the Chief  
16 Restructuring Officer: (i) determine whether any person is a Qualified Overbidder (as that term  
17 is defined below), (ii) coordinate the efforts of Qualified Overbidders in conducting their  
18 respective due diligence investigations regarding the Assets, (iii) receive offers from Qualified  
19 Overbidders, and (iv) negotiate any offer made to purchase the Assets (collectively, the "Bidding  
20 Process"). Any person who wishes to participate in the Bidding Process must be a Qualified  
21 Overbidder. Neither the Debtor nor its representatives shall be obligated to furnish any  
22 information of any kind whatsoever related to the Assets to any person who is not a Qualified  
23 Overbidder. The Debtor shall have the right to adopt such other rules for the Bidding Process  
24 which, in its reasonable judgment, will better promote the goals of the Bidding Process and  
25 which are not inconsistent with any of the other provisions hereof, title 11 of the United States  
26 Code, or of any Bankruptcy Court order.

**Participation-Bid Requirements**

1  
2 Except for the Stalking Horse Bidder and unless otherwise ordered by the Bankruptcy  
3 Court for cause shown, to participate in the Bidding Process, each person (a "Potential Bidder")  
4 must deliver to the Debtor the following documents (the "Required Bid Documents") at least  
5 seven (7) business days prior to the Auction (defined below), unless the Debtor, in its sole and  
6 absolute discretion, waives in writing any/all of these requirements:

7 a. Current financial statements or other financial information of the Potential  
8 Bidder, or, if the Potential Bidder is an entity formed for the purpose of acquiring the Assets,  
9 current financial statements or other financial information of the equity holder(s) of the Potential  
10 Bidder, or such other form of financial disclosure acceptable to the Debtor and its advisors,  
11 demonstrating such Potential Bidder's ability to close the proposed transaction;

12 b. An executed copy of the Asset Sale Agreement attached to the Motion (the  
13 "ASA"): (i) acceptable in form to the Debtor in its sole and absolute discretion (the "Overbid  
14 ASA") (ii) clearly marked to show any changes from the terms of the ASA; or (iii) on the same  
15 or more favorable terms as the ASA; provided, however, the purchase price in such proposed  
16 Overbid ASA must be at least five percent (5%) higher than the bid of the Stalking Horse Bidder  
17 (the "Initial Overbid");

18 c. A good faith deposit (the "Good Faith Deposit") in the form of a certified  
19 check (or other form acceptable to the Debtor in its sole and absolute discretion) payable to the  
20 order of Debtor (or such other party as the Debtor may determine to hold such funds in escrow)  
21 in an amount equal to \$100,000.00 plus the Initial Overbid; and

22 d. Written evidence of a commitment for financing or other evidence of  
23 ability to consummate the proposed transaction satisfactory to the Debtor in its sole and absolute  
24 discretion.

25 A Qualified Overbidder is a Potential Bidder that delivers the documents described in  
26 subparagraphs (a), (b), (c) and (d) above, whose financial information demonstrates the financial  
27 capability of the Potential Bidder to consummate the Sale, and that the Debtor determines, in its  
28 sole and absolute discretion, is reasonably likely (based on the availability of financing,

VENABLE LLP  
2049 CENTURY PARK EAST, SUITE 2100  
LOS ANGELES, CA 90067  
310-229-9900

1 experience and other considerations) to submit a bona fide offer and to be able to consummate  
2 the Sale if selected as the Successful Overbidder(s).

3 Within two (2) business days after a Potential Bidder delivers all of the materials required  
4 by subparagraphs (a), (b), (c) and (d) above, Seller shall determine, and shall notify the Potential  
5 Bidder in writing, whether the Potential Bidder is a Qualified Overbidder.

6 The Stalking Horse Bidder's offer set forth in the ASA and any overbid by the Stalking  
7 Horse Bidder is also a "Qualified Bid" herein.

### 8 **Bid Protection**

9 Subject to Bankruptcy Court approval, the Stalking Horse Bidder shall be entitled to be  
10 paid a break-up fee equal to three percent (3%) of the purchase price under the ASA ("Break-Up  
11 Fee") if the Debtor closes a sale of all or substantially all of the Assets to any person (other than  
12 the Stalking Horse Bidder) on terms better than the ASA (the "Alternative Transaction") and the  
13 Stalking Horse Bidder was not in default of any of its obligations under the ASA. Payment of  
14 the Break-Up Fee shall be subject to the closing of the Alternative Transaction and paid from the  
15 sale proceeds within five (5) business days of the closing of the Alternative Transaction.

### 16 **Due Diligence**

17 The Debtor may, in its sole and absolute discretion, afford each Qualified Overbidder  
18 reasonable due diligence access to the Assets. The Debtor will designate an appropriate  
19 representative to coordinate all reasonable requests for additional information and due diligence  
20 access for such bidders. The Debtor shall not be obligated to furnish any due diligence  
21 information after the Bid Deadline (as defined below). Neither the Debtor nor any of its  
22 representatives are obligated to furnish any information relating to the Assets to any person  
23 except to a Qualified Overbidder who provides the Required Bid Documents. Potential Bidders  
24 are advised to exercise their own discretion before relying on any information regarding the  
25 Assets provided by anyone other than the Debtor or its representatives.

### 26 **Bid Deadline**

27 A Qualified Overbidder that desires to make a bid shall deliver a written copy of  
28 his/her/its bid on or before 3:00 p.m. PDT on **March 31, 2014** to (i) the Debtor's counsel, Hamid

1 R. Rafatjoo, Esq. of Venable LLP, 2049 Century Park East, 21<sup>st</sup> Floor, Los Angeles, California  
2 90067 (fax: 310-229-9901; email: [HRRafatjoo@Venable.com](mailto:HRRafatjoo@Venable.com)); and (ii) Shepard W. Roylance of  
3 JCH Consulting Group, 5330 Lake Crest Drive, Agoura Hills, California 91301 (fax: 805-392-  
4 5171; email: [shep@shepjch.com](mailto:shep@shepjch.com)). The Debtor may extend such deadline in its sole and absolute  
5 discretion (such deadline, including such extension, the "Bid Deadline"). In addition to the  
6 above-referenced extension, the Debtor may extend the Bid Deadline once or successively in its  
7 sole and absolute discretion.

8 **"As Is, Where Is"**

9 The Sale of the Assets shall be on an "As Is, Where Is" basis and without representations  
10 or warranties of any kind, nature, or description by the Debtor, its agents, professionals or  
11 representatives or the Estate except to the extent set forth in the ASA or Overbid ASA of the  
12 Successful Overbidder as accepted by the Debtor and approved by the Bankruptcy Court.  
13 Except as otherwise provided in the ASA or an Overbid ASA acceptable to the Debtor, and  
14 approved by the Bankruptcy Court, all of the Debtor's and the Estate's rights, title and interests in  
15 and to the Assets shall be sold free and clear of all pledges, liens, security interests,  
16 encumbrances, claims, charges, options and interests thereon and there against (collectively, the  
17 "Interests") in accordance with 11 U.S.C. §§ 363 and 365, with such Interests to attach to the net  
18 proceeds of the sale of the Assets.

19 Each Potential Bidder shall be deemed to acknowledge and represent he/she/it has had an  
20 opportunity to inspect and examine the Assets and to conduct any and all due diligence regarding  
21 the Assets prior to making his/her/its offer; that he/she/it has relied solely upon his/her/its own  
22 independent review, investigation and/or inspection of any documents and/or assets in making  
23 his/her/its bid; and that he/she/it did not rely upon any written or oral statements, representations,  
24 promises, warranties or guaranties whatsoever, whether express, implied, by operation of law or  
25 otherwise, regarding the Assets, or the completeness of any information provided in connection  
26 therewith or the Auction (as defined below), except as expressly stated in these Sale Procedures  
27 or, as to the Stalking Horse Bidder or a Successful Overbidder, if any, the ASA or the Overbid  
28 ASA.

**Sale Hearing and Auction**

1  
2 After all Qualified Bids have been received, the Debtor shall conduct an auction (the  
3 "Auction") for the Assets. Such Auction shall take place at the offices of the Debtor's counsel at  
4 Venable LLP, 2049 Century Park East, 21<sup>st</sup> Floor, Los Angeles, California 90067 on **April 9,**  
5 **2014 at 10:00 a.m.** (PDT). Only a Qualified Overbidder who has submitted a Qualified Bid will  
6 be eligible to participate at the Auction. At such Auction, the Stalking Horse Bidder and  
7 Qualified Overbidders will be permitted to increase their bids. Based upon the terms of the  
8 Qualified Bids received, the level of interest expressed as to the Assets and such other  
9 information as the Debtor determines is relevant, the Debtor, after reasonable efforts to consult  
10 with interested parties, shall conduct an Auction in the manner designed to result in the highest  
11 or otherwise best offer for the Assets including, but not limited to: (i) setting subsequent bid  
12 amounts in \$50,000.00 increments or such other amounts in the Debtor's sole and absolute  
13 discretion; provided however, that the initial overbid by a Qualified Bidder must exceed the  
14 Stalking Horse Bidder's purchase price by at least five percent (5%); and (ii) providing for such  
15 additional procedural rules that the Debtor determines to be reasonable under the circumstances  
16 for conducting the Auction.

17 Upon conclusion of the Auction, the Debtor shall: (i) review each Qualified Bid on the  
18 basis of financial and contractual terms and the factors relevant to the sale process, including  
19 those factors affecting the speed and certainty of consummating the Sale; (ii) identify the highest  
20 and otherwise best offer (the "Successful Overbid"); and (iii) identify the next highest and  
21 otherwise best offer (the "Backup Overbid" and the person/entity making such Backup Overbid  
22 the "Backup Overbidder"). At the Sale Hearing (as defined below), the Debtor shall present to  
23 the Bankruptcy Court for approval, the Successful Overbid and any backup bids. Subject to  
24 Bankruptcy Court approval, the Debtor may adopt rules for the Bidding Process that are not  
25 inconsistent with any of the provisions of the Bankruptcy Code, Bankruptcy Rules, any  
26 Bankruptcy Court order, the Sale Agreement, or these Bidding Procedures.

27 The sale hearing (the "Sale Hearing") shall take place following the Auction on **April 11,**  
28 **2014 at 9:00 a.m.** (PDT) at the Bankruptcy Court. The Sale Hearing may be adjourned or

1 rescheduled without notice by an announcement of the adjourned date of the Sale Hearing. At  
2 such Sale Hearing, the Debtor shall present the Successful Overbid to the Bankruptcy Court for  
3 approval. Following the Sale Hearing approving the Sale of the Property to a Successful  
4 Overbidder, if such Successful Overbidder fails to consummate an approved sale because of a  
5 breach or failure to perform on the part of such Successful Overbidder, (a) he/she/it will forfeit  
6 his/her/its Good Faith Deposit to the Debtor and the Debtor may pursue any and all of its options  
7 at law and in equity with respect to such breach, (b) the next highest or otherwise best Qualified  
8 Bid, as disclosed at the Sale Hearing, shall be deemed to be the Successful Overbid and the  
9 Debtor shall be authorized to effectuate such sale without further order of the Bankruptcy Court,  
10 or (c) the Debtor may reschedule for a later date and time, another auction for the Assets—  
11 subject to the Landlord's consent.

#### 12 **Acceptance Of Qualified Bids**

13 The Debtor presently intends to sell the Assets to the Stalking Horse Bidder or the  
14 highest or otherwise best Qualified Overbidder. The Debtor's presentation to the Bankruptcy  
15 Court for approval of a particular Qualified Bid does not constitute the Debtor's acceptance of  
16 such bid. The Debtor will be deemed to have accepted a bid only when the bid has been  
17 approved by an order of the Bankruptcy Court.

#### 18 **Return Of Good Faith Deposit**

19 Within five (5) business days after the entry by the Bankruptcy Court approving the Sale  
20 of the Assets to the Successful Overbidder, any Good Faith Deposits submitted by Qualified  
21 Bidders shall be returned, along with interest accrued thereon, if any, except for the Good Faith  
22 Deposit of the Successful Overbidder and the Backup Overbidder (and except with respect to any  
23 Qualified Bidder willing to serve as a back-up bidder), in which case the Good Faith Deposit will  
24 be applied to the purchase price for the Assets, and except with respect to any bidder that forfeits  
25 his/her/its Good Faith Deposit. The Good Faith Deposit of the Backup Overbidder shall  
26 continue to be held until the time the sale to the Successful Overbidder closes or the back-up  
27 bidder becomes the Successful Overbidder, at which time the Good Faith Deposit will be applied  
28 to the final purchase price.

**Modifications**

1  
2 Except as otherwise provided in the ASA, the Debtor may (a) determine, in its sole and  
3 absolute discretion, which Qualified Bid, if any, is the highest or otherwise best offer, and  
4 (b) reject at any time before the entry of an order of the Bankruptcy Court approving a Qualified  
5 Bid or any bid that, in the Debtor's sole and absolute discretion, is (i) inadequate or insufficient,  
6 (ii) not in conformity with the conditions of the sale, or (iii) contrary to the best interests of the  
7 Debtor, the Estate and/or its creditors. Except as otherwise provided in the ASA, at or before the  
8 Sale Hearing, the Debtor may impose such other terms and conditions as it may, in its sole and  
9 absolute discretion, determine to be in the best interest of the Estate, its creditors and/or other  
10 parties in interest, provided that any such other terms or conditions are approved by the  
11 Bankruptcy Court.

12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

VENABLE LLP  
2049 CENTURY PARK EAST, SUITE 2100  
LOS ANGELES, CA 90067  
310-229-9900

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
2049 Century Park East, Suite 2100, Los Angeles, CA 90067

A true and correct copy of the foregoing document entitled: **NOTICE OF SALE OF ESTATE PROPERTY** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On *(date)* 03/13/2014, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL**:

On *(date)* 03/13/2014, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on *(date)* 03/13/2014, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

03/13/2014  
*Date*

Bambi Clark  
*Printed Name*

/s/ Bambi Clark  
*Signature*

**TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**

- Eugene S Alkana eugenealkana@mindspring.com, kathy.wilber@yahoo.com
- David B Anderson dba@marionsinn.com
- Anastasia E Bessey stasia@rockeywahl.com, aeblaw@gmail.com
- Joseph A Eisenberg jae@jmbm.com,  
vr@jmbm.com;tgeher@jmbm.com;bt@jmbm.com;as5@jmbm.com
- Gina M Fornario gforario@nixonpeabody.com
- Ed J Gezel Notices@bkservicing.com
- Asa S Hami ahami@sulmeyerlaw.com
- John H Kim jkim@cookseylaw.com
- Andy Kong Kong.Andy@ArentFox.com
- K Kenneth Kotler kotler@kenkotler.com
- Jeffrey A Krieger jkrieger@ggfirm.com,  
kwoodson@greenbergglusker.com;calendar@greenbergglusker.com;sgaeta@greenbergglusker.com
- Mary D Lane mal@msk.com, mec@msk.com
- Daniel A Lev dlev@sulmeyerlaw.com, asokolowski@sulmeyerlaw.com
- Ashley M McDow amcdow@bakerlaw.com, rojeda@bakerlaw.com;gharris@bakerlaw.com
- Isabelle L Ord isabelle.ord@dlapiper.com, carolyn.ernser@dlapiper.com
- Aram Ordubegian ordubegian.aram@arentfox.com
- Bertrand Pan bertrand.pan@dlapiper.com
- David M Poitras dpoitras@jmbm.com, bt@jmbm.com
- David M Poitras dpoitras@jmbm.com, bt@jmbm.com
- Hamid R Rafatjoo hrafatjoo@venable.com,  
kfox2@venable.com;jnassiri@venable.com;bclark@venable.com
- Hamid R Rafatjoo hrafatjoo@venable.com,  
kfox2@venable.com;jnassiri@venable.com;bclark@venable.com
- Kurt Ramlo kr@lnbyb.com, john@lnbyb.com
- Joseph Rodrigues joseph.rodrigues@aging.ca.gov
- S Margaux Ross margaux.ross@usdoj.gov, margauxla@yahoo.com
- Victor A Sahn vsahn@sulmeyerlaw.com,  
agonzalez@sulmeyerlaw.com,asokolowski@sulmeyerlaw.com
- Victor A Sahn vsahn@sulmeyerlaw.com,  
agonzalez@sulmeyerlaw.com,asokolowski@sulmeyerlaw.com
- United States Trustee (SV) ustpreion16.wh.ecf@usdoj.gov