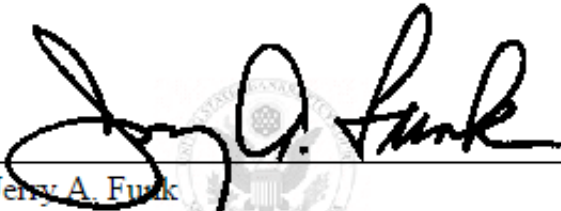


ORDERED.

Dated: April 27, 2016



Jerry A. Funk
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION**

In re)	
LIFE CARE ST. JOHNS, INC.,)	Case No.: 3:16-bk-1347-JAF
a Florida not-for-profit corporation)	
doing business as GLENMOOR, ¹)	Chapter 11
Debtor.)	
<hr/>)	

**ORDER APPROVING BIDDING PROCEDURES
IN CONNECTION WITH SALE OF 11 ACRE PARCEL**

This Chapter 11 case came before the Court upon the motion filed by debtor, Life Care St. Johns, Inc., a Florida not-for-profit corporation doing business as Glenmoor (“Glenmoor” or “Debtor”), pursuant to §§ 363, 1129(b)(2) and 365 of title 11 of the United States Code and Rules 2002, 6004, 6006, and 9014 of the Federal Rules of Bankruptcy Procedure, seeking the entry of an order (a) authorizing the Debtor to sell the 11 Acre Parcel of unimproved real estate adjacent to its primary campus to LCS Glenmoor, LLC (“LCS” or the “Stalking Horse Bidder”) or such other party (the “Successful Bidder”) who submits a higher and better bid at the Auction (as defined below) free and clear of liens, claims and

¹ The Federal Employer Identification Number for the Debtor is 59-3474627. The address of the Debtor is 235 Towerview Drive, St. Augustine, Florida, 32092.

interests; (b) approving bidding procedures in connection therewith; and (C) authorizing the payment of a real estate sales commission to Walchle Lear Multifamily Advisors (the “Motion”) [Docket No. 10]; the Court having reviewed the Motion, and conducted a hearing on April 13, 2016 that was continued and concluded on April 25, 2016; and having heard statements of counsel and any evidence presented in support of the relief requested in the Motion at the hearing; and it appearing that due and proper notice of the Motion was provided; and it appearing that the relief requested in the Motion is in the best interests of Glenmoor, its estate, and all other parties-in-interest; and it appearing that the Court has jurisdiction over this matter; and it further appearing that the legal and factual bases set forth in the Motion and at the hearing establish just cause for the relief granted herein; and after due deliberation thereon, the Court makes the following findings of fact and conclusions of law:

Findings of Fact and Conclusions of Law:

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (N). Venue of this case and the Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

2. Glenmoor has articulated good and sufficient reasons for the approval of the Bidding Procedures attached hereto as **Exhibit A** and incorporated herein by reference.

3. Notice of the Motion was good and sufficient, and appropriate under the circumstances, and no other or further notice of the Motion, the Bidding Procedures or any other form of relief granted herein is or shall be required.

4. The transaction contemplated by the Stalking Horse Real Estate APA is undertaken by LCS without collusion and in good faith, as that term is defined in § 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale shall not affect the validity of the transactions, unless such authorization and consummation of such sale are duly and properly stayed pending such appeal.

5. Neither Glenmoor nor LCS have engaged in any action or inaction that would cause or permit the transactions contemplated by the Stalking Horse Real Estate APA to be avoided or costs or damages to be imposed under § 363(n) of the Bankruptcy Code. The consideration provided by LCS for the 11 Acre Parcel under the Stalking Horse Real Estate APA is fair and reasonable and the sale may not be avoided under § 363(n) of the Bankruptcy Code.

It Is Ordered:

1. The Motion is GRANTED to the extent set forth herein.
2. That portion of the Motion requesting (a) the scheduling of an Auction, (b) the scheduling of a Sale Hearing, and (c) the approval of the form and manner of notice of the Auction and Sale (the "Sale Notice") is granted. The Auction shall be held before the Honorable Jerry A. Funk, in Courtroom 4D, United States Courthouse, 300 North Hogan Street, Jacksonville, Florida on **June 24, 2016** beginning at **10:00 a.m.** The hearing to consider approval of the sale of the 11 Acre Parcel (the "Sale Hearing") shall be held immediately thereafter.
3. The Bidding Procedures are hereby approved and shall govern the sale process. Bids that do not conform to the Bid Procedures will not be considered for

participation in the Auction. Glenmoor is authorized to take any and all actions necessary or appropriate to implement the Bidding Procedures.

4. The deadline to submit a Qualified Bid (as defined in the Bidding Procedures) shall be 3 business days prior to the Auction (the "Bid Deadline").

5. As further described in the Bidding Procedures, Glenmoor shall conduct the Auction if a Qualified Bid, other than the LCS bid under the Stalking Horse Real Estate APA, is received prior to the Bid Deadline. The Debtor shall serve notice of the time and place for the Auction on all Qualified Bidders, including LCS, in accordance with the Motion. If no timely, conforming Qualified Bids other than the LCS bid under the Stalking Horse Real Estate APA are submitted by the Bid Deadline, the Auction will not be held, if LCS is required to or otherwise elects to close the transaction under the Stalking Horse Real Estate APA, LCS will be the Successful Bidder, and Glenmoor will seek authority to consummate the transactions contemplated by the Stalking Horse Real Estate APA with LCS at the Sale Hearing.

6. Any obligations of Glenmoor contained in the Stalking Horse Real Estate APA that are intended to be performed prior to entry of an order by this Court approving the sale, are hereby authorized and are fully enforceable as of the date of entry of this Order.

7. Objections, if any, to the Sale of the 11 Acre Parcel must (a) be in writing, (b) state the basis of such objection with specificity, (c) conform to the Bankruptcy Rules, (d) be filed with the Court electronically by registered users of the Bankruptcy Court's case filing system and, by all other parties in interest, so as to be actually received no later than 4:00 p.m. (Eastern Time) seven (7) days before the Sale Hearing (the "Sale Objection Deadline").

8. The failure of any objecting person or entity to timely file its objection shall be a bar to the assertion of any objection to the Motion and the consummation and performance of the Sale, and shall be deemed to constitute such party's consent to the Sale and the transactions and documents related thereto.

9. Notwithstanding Rules 6004(h), 6006(d), 7062, or 9041 of the Federal Rules of Bankruptcy Procedure or Rule 62(a) of the Federal Rules of Civil Procedure, this Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution of this Order.

10. The Court shall retain jurisdiction over any matter or dispute arising from or relating to the implementation of this Order.

American Legal Claims Services is directed to serve copies of this Order on interested parties within 3 days of the entry of this Order.

Exhibit A – Bidding Procedures

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION**

In re)	
LIFE CARE ST. JOHNS, INC.,)	Case No.: 3:16-bk-1347-JAF
a Florida not-for-profit corporation)	
doing business as GLENMOOR, ²)	Chapter 11
)	
Debtor.)	
_____)	

BIDDING PROCEDURES

These Bidding Procedures (the “Bidding Procedures”) set forth the process by which Life Care St. Johns, Inc., a Florida not-for-profit corporation doing business as Glenmoor (“Glenmoor” or “Debtor”) is authorized to conduct the sale (the “Sale”) by auction (the “Auction”) of the 11 Acre Parcel as defined in the Stalking Horse Real Estate APA, dated March 21, 2016 (as may be amended) (the “Stalking Horse Real Estate APA”) between Glenmoor, as seller, and LCS Glenmoor, LLC (“LCS”), as buyer, or such other Asset Purchase Agreement submitted at or prior to the Auction and subsequently determined pursuant to these Bidding Procedures to be the highest and best offer for the 11 Acre Parcel and approved by the Bankruptcy Court. Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Stalking Horse Real Estate APA.

These Bidding Procedures have been approved by an Order dated April ____, 2016 (the “Sales Procedures Order”), entered by the United States Bankruptcy Court for the

² The Federal Employer Identification Number for the Debtor is 59-3474627. The address of the Debtor is 235 Towerview Drive, St. Augustine, Florida, 32092.

Middle District of Florida, Jacksonville Division (the “Bankruptcy Court”), in which the Chapter 11 bankruptcy case, Case No. 3:16-bk-1347-JAF of Glenmoor is pending.

Assets to be Sold

1. These Bidding Procedures set forth the terms by which prospective bidders, if any, may qualify for and participate in the Auction, thereby competing to make the highest and best offer for the 11 Acre Parcel, as identified in further detail and defined in the Stalking Horse Real Estate APA.

Bid Requirements

2. To participate in the Auction, prior to the Bid Deadline, a Potential Bidder (other than LCS) must deliver to Glenmoor a written irrevocable offer that must:

- (a) be in writing;
- (b) authorize Glenmoor to provide the bid to LCS, the Bond Trustee and the Refund Queue Trustee;
- (c) equal or exceed \$475,000 in cash, which is the sum of (i) the offer submitted by LCS, and (ii) the minimum bid increment of \$25,000 (such aggregate sum, the “Minimum Bid Amount”);
- (d) constitute a good faith, bona fide offer to purchase of the 11 Acre Parcel on substantially the same terms as contemplated in the Stalking Horse Real Estate APA, except the purchase of the other assets of Glenmoor, additional due diligence (in order to minimize the contingency, Glenmoor shall make all existing due diligence materials in its possession available to Potential Bidders), and permitting as a condition precedent may be included in the offer;
- (e) be accompanied by a clean and duly executed copy of an Asset Purchase Agreement and the documents set forth as exhibits thereto, along with copies that are marked to reflect the amendments and modifications from the Stalking Horse Real Estate APA executed with LCS, which may contain limited additional due diligence and permitting but otherwise may not be on terms less favorable in the aggregate to Glenmoor or materially inconsistent with these Bidding Procedures;

- (f) require a closing before year end;
- (g) identify with particularity each and every condition to closing;
- (h) not be conditioned on any other contingency, including, among others, on obtaining any of the following: (i) financing, or (ii) shareholder, board of directors or other approval; and
- (i) must remain irrevocable until 48 hours after the Auction.

3. In addition to the above, each Potential Bidder must:

- (a) provide Glenmoor and the Refund Queue Trustee, on or before the Bid Deadline, with sufficient and adequate information to demonstrate, to the satisfaction of Glenmoor (in consultation with the Refund Queue Trustee), that such Potential Bidder has the financial wherewithal and ability to consummate the acquisition of the 11 Acre Parcel;
- (b) on or before the Bid Deadline, submit a cash deposit equal to \$32,500 by wire transfer of immediately available funds to an account or accounts established pursuant to an escrow agreement (the "Good Faith Deposit"); and
- (c) not be entitled to any break-up fee, transaction fee, termination fee, expense reimbursement or any similar type of payment or reimbursement.

4. Bids fulfilling all of the preceding requirements shall be deemed to be "Qualified Bids," and those parties submitting Qualified Bids shall be deemed to be "Qualified Bidders." Within twelve hours after receipt of a Qualified Bid, Glenmoor shall provide such Qualified Bid to the Bond Trustee, the Refund Queue Trustee, and LCS. Within one Business Day after the Bid Deadline, Glenmoor, shall determine, in consultation with the Refund Queue Trustee and subject to any review by the Bankruptcy Court that is initiated by the Refund Queue Trustee, which Potential Bidders are Qualified Bidders and will notify the Potential Bidders and LCS whether their bids constitute Qualified Bids so as

to enable such Qualified Bidders to bid at the Auction. The Stalking Horse Real Estate APA submitted by LCS shall be deemed a Qualified Bid.

5. The Refund Queue Trust shall have the right to credit bid its secured claim towards the acquisition of the 11 Acre Parcel without the necessity of submitting a formal written offer. Should the Refund Queue Trust exercise its credit bid rights and be deemed the Successful Bidder (as defined below), the 11 Acre Parcel shall be conveyed to it by general warranty deed.

6. If the Refund Queue Trust intends to credit bid, it must provide Glenmoor with written notice of such intention and its initial bid prior to the Bid Deadline. Such bid shall be considered a Qualified Bid for purposes of this Order.

Bid Deadline

7. Binding bids must be actually received by Glenmoor no later than 5:00 p.m. (prevailing Eastern Time) on 3 business days prior to the Auction (the "Bid Deadline").

Evaluation of Qualified Bids

8. Prior to the Auction, Glenmoor, in consultation with the Refund Queue Trustee, shall evaluate Qualified Bids and identify the Qualified Bid that is, in Glenmoor's judgment, the highest and best bid (the "Starting Bid"). Within 24 hours of such determination, Glenmoor shall notify LCS, the Bond Trustee, and the Refund Queue Trustee as to which Qualified Bid is the Starting Bid. Glenmoor shall distribute copies of the Starting Bid to each Qualified Bidder who has submitted a Qualified Bid.

No Qualified Bids

9. If no Qualified Bids are received by the Bid Deadline, then the Auction will not occur, the Stalking Horse Real Estate APA will be deemed the Preliminary Successful

Bid (as defined herein), and if LCS is required to or otherwise elects to close the transaction under the Stalking Horse Real Estate APA, Glenmoor will pursue entry of an order by the Bankruptcy Court approving the Stalking Horse Real Estate APA and authorizing the sale of the 11 Acre Parcel to LCS. If LCS is not required to close and chooses not to do so but there are one or more Qualified Bidders, the Auction discussed will proceed.

Auction

10. If one or more Qualified Bids are received by the Bid Deadline, then Glenmoor shall conduct an auction (the "Auction") with respect to the 11 Acre Parcel. The Auction shall be conducted before and at the direction of the Honorable Jerry A. Funk, United States Bankruptcy Judge, in the Bryan Simpson United States Courthouse, Room 4D, 300 North Hogan Street, Jacksonville, Florida 32202, if one or more Qualified Bids are received by the Bid Deadline. The Bankruptcy Court shall conduct the Auction on **June 24, 2016 at 10:00 a.m.**

11. The Auction will be conducted in accordance with the following procedures (the "Auction Procedures"):

- (a) the Auction will be conducted openly and on the record;
- (b) only the Qualified Bidders, including LCS, shall be entitled to bid at the Auction;
- (c) the Qualified Bidders, including LCS, shall appear in person at the Auction, or through duly-authorized representatives;
- (d) bidding at the Auction shall begin at the Starting Bid;
- (e) subsequent monetary bids at the Auction, including any bids by LCS, shall be made in minimum increments of \$25,000 and may only be in cash;
- (f) bids also may include or consist of removing or limiting contingencies that were included in prior bids;

- (g) each participating bidder will be informed of the terms of the previous bids;
- (h) the bidding will be transcribed to ensure an accurate recording of the bidding at the Auction;
- (i) each bidder will be required to confirm on the record of the Auction that it has not engaged in any collusion with respect to the bidding or the Sale and is not in violation of § 363(n) of the Bankruptcy Code; and
- (j) absent irregularities in the conduct of the Auction, the Bankruptcy Court will not consider bids made after the Auction is closed.

Acceptance of the Successful Bid

12. Upon the conclusion of the Auction (if the Auction is conducted), Glenmoor, in the exercise of its reasonable, good-faith business judgment and after consulting with the Refund Queue Trustee, shall identify the highest and best bid (the “Preliminary Successful Bid”) as well as the second highest and best bid (the “Preliminary Back-up Bid”). In determining which Qualified Bid is the Preliminary Successful Bid, the Debtor shall consider, after consultation with the Refund Queue Trustee, among other things: (1) the amount of the proposed purchase price; (2) the \$7,450 paid to Ellis & Associates, Inc. on the Geotechnical Exploration and Phase I Environmental Site Assessment for the benefit of potential developer bidders; (3) the contingencies, if any, included in the bids; (4) the likelihood of the Qualified Bidder’s ability to close a transaction and the timing thereof; (5) the benefit to the estate, with the interests of the Refund Queue Trustee as first lienholder on the 11 Acre Parcel being paramount; and (6) the difference in costs, if any, to administer the estate caused by the proposed closing date of the transaction. At the conclusion of the Auction, the Debtor shall inform each of the Qualified Bidders of its decision regarding designation of the Preliminary Successful Bid and Preliminary Back-up Bid, and the Qualified Bidder who submitted such Preliminary Successful Bid shall be required to execute

a definitive asset purchase agreement at such time. The Debtor shall present the Preliminary Successful Bid and Preliminary Back-up Bid to the Bankruptcy Court for approval at the Sale Hearing.

13. The Bankruptcy Court will conduct a hearing to approve the Sale to the Successful Bidder and in the alternative (and if applicable), to the Back-up Bidder, on **June 24, 2016 at 10:00 a.m.**, immediately following the Auction. Glenmoor will request the Bankruptcy Court make certain findings regarding the Auction, including, among other things, that (a) the Auction was conducted and the Preliminary Successful Bidder and Preliminary Back-up Bidder were selected in accordance with these Bidding Procedures, (b) the Auction was fair in substance and procedure, (c) the Preliminary Successful Bid and Preliminary Back-up Bid each was a Qualified Bid as defined in these Bidding Procedures, and (d) consummation of the Sale contemplated by the Preliminary Successful Bid will provide the highest and best value, and the Preliminary Back-up Bid is the next highest and best value for the 11 Acre Parcel, and is in the best interests of Glenmoor and its estate and creditors. The Bankruptcy Court also will determine any objections to the selections of the Preliminary Successful Bid and Preliminary Back-up Bid, and ultimately determine the Successful Bid and Back-up Bid.

14. If an Auction is held, Glenmoor shall be deemed to have accepted a Qualified Bid only when (a) such bid is declared the Preliminary Successful Bid at the conclusion of the Auction; (b) definitive documentation has been executed in respect thereof; and (c) such bid is approved by the Bankruptcy Court and the entry of an order approving such Successful Bid. At that time, the Qualified Bidder having submitted a Successful Bid will be deemed the “Successful Bidder.”

15. The Successful Bidder and Glenmoor shall, as soon as commercially reasonable and practicable, complete and sign all remaining agreements, contracts, instruments or other documents evidencing and containing the terms upon which such Successful Bid was made.

Back-Up Bidder

16. If for any reason the Successful Bidder fails to consummate the purchase of the 11 Acre Parcel within the time permitted after the entry of the order approving the Sale to the Successful Bidder, then the Back-Up Bidder, as determined by the Bankruptcy Court will automatically be deemed to have submitted the highest and best bid, and Glenmoor and the Back-Up Bidder will be authorized, but neither Glenmoor nor the Back-up Bidder will be required, to consummate the Sale with the Back-Up Bidder as soon as is commercially reasonable without further order of the Bankruptcy Court upon at least 24 hours advance notice, which notice will be filed with the Bankruptcy Court.

Return of Good Faith Deposit

17. The Good Faith Deposit of the Successful Bidder shall, upon consummation of the purchase of the 11 Acre Parcel, be credited to the purchase price paid for the 11 Acre Parcel. If the Successful Bidder fails to consummate the purchase of the 11 Acre Parcel (other than as a result of a material breach of the Stalking Horse Real Estate APA by Glenmoor), then except as otherwise set forth in the Stalking Horse Real Estate APA, the Good Faith Deposit shall be forfeited to, and retained irrevocably by, Glenmoor and shall be part of the Refund Queue Trustee's collateral.

18. The Good Faith Deposit of any unsuccessful Qualified Bidders (including LCS) will be returned within fifteen (15) days after the Sale Hearing or upon the permanent withdrawal of the proposed Sale of the 11 Acre Parcel.

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