

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

CMC II, LLC,¹

Debtors.

Chapter 11

Case No. 21-10461 (JTD)

(Jointly Administered)

Hearing Date: April 1, 2021 at 11:00 a.m. (ET)

Objection Deadline: March 25, 2021 at 4:00 p.m. (ET)

NOTICE OF APPLICATION OF THE DEBTORS FOR ENTRY OF AN ORDER PURSUANT TO SECTIONS 327(a) AND 328(a) OF THE BANKRUPTCY CODE, BANKRUPTCY RULES 2014 AND 2016, AND LOCAL RULES 2014-1 AND 2016-2(h), (I) AUTHORIZING THE RETENTION AND EMPLOYMENT OF JS EVANS LLC D/B/A EVANS SENIOR INVESTMENTS AS THE DEBTORS' BROKER, EFFECTIVE AS OF THE PETITION DATE, (II) WAIVING CERTAIN INFORMATION REQUIREMENTS OF LOCAL RULE 2016-2(d), AND (III) GRANTING RELATED RELIEF

PLEASE TAKE NOTICE that on March 15, 2021, the above-captioned debtors and debtors-in-possession (the “Debtors”) filed the *Application of the Debtors for Entry of an Order Pursuant to Sections 327(a) And 328(a) of the Bankruptcy Code, Bankruptcy Rules 2014 and 2016, and Local Rules 2014-1 and 2016-2(h), (I) Authorizing The Retention and Employment of JS Evans LLC d/b/a Evans Senior Investments as the Debtors’ Broker, Effective as of the Petition Date, (II) Waiving Certain Information Requirements of Local Rule 2016-2(d), And (III) Granting Related Relief* (the “Application”) with the United States Bankruptcy Court for the District of Delaware (the “Court”).

PLEASE TAKE FURTHER NOTICE that, responses, if any, to the Application, must be filed on or before **March 25, 2021 at 4:00 p.m. (prevailing Eastern Time)** (the “Objection Deadline”) with the Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801.

PLEASE TAKE FURTHER NOTICE that at the same time, you must serve a copy of the response on the following parties so as to be received on or before the Objection Deadline: (a) the Debtors, 945 Hemlock Street, Deerfield, IL 60015 (*Attn: Paul Rundell* (prundell@alvarezandmarsal.com)); (b) *proposed* counsel for the Debtors, *Chipman Brown Cicero & Cole, LLP*, Hercules Plaza, 1313 North Market Street, Suite 5400, Wilmington, Delaware 19801 (*Attn: William E. Chipman, Jr., Esquire* (chipman@chipmanbrown.com) and Robert A. Weber, Esquire (weber@chipmanbrown.com)); (c) counsel to any statutory committee appointed in the Chapter 11 Cases; and (d) the Office of the United States Trustee for the District

¹ The Debtors in these chapter 11 cases, along with the last four digits of their respective tax identification numbers, are as follows: CMC II, LLC (6973), Salus Rehabilitation, LLC (4037), 207 Marshall Drive Operations LLC (8470), 803 Oak Street Operations LLC (3900), Sea Crest Health Care Management, LLC (2940), and Consulate Management Company, LLC (5824). The address of the Debtors’ corporate headquarters is 800 Concourse Parkway South, Maitland, Florida 32751.

of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Linda J. Casey (linda.casey@usdoj.gov)).

PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE APPLICATION WILL BE HELD ON **APRIL 1, 2021 AT 11:00 A.M. (PREVAILING EASTERN TIME)** BEFORE THE HONORABLE JOHN T. DORSEY, IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, 5TH Floor, COURTROOM 5, WILMINGTON, DELAWARE 19801.

PLEASE TAKE FURTHER NOTICE THAT IF NO OBJECTIONS TO THE APPLICATION ARE TIMELY FILED, SERVED AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED IN THE APPLICATION WITHOUT FURTHER NOTICE OR HEARING.

Dated: March 15, 2021
Wilmington, Delaware

CHIPMAN BROWN CICERO & COLE, LLP

/s/ William E. Chipman, Jr.
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*Proposed Counsel to the Debtors and
Debtors-In-Possession*

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

In re:

CMC II, LLC,¹

Debtors.

Chapter 11

Case No. 21-10461 (JTD)

(Jointly Administered)

Hearing Date: April 1, 2021 at 11:00 a.m. (ET)

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**APPLICATION OF THE DEBTORS FOR ENTRY OF AN ORDER PURSUANT TO
SECTIONS 327(a) AND 328(a) OF THE BANKRUPTCY CODE, BANKRUPTCY RULES
2014 AND 2016, AND LOCAL RULES 2014-1 AND 2016-2(h), (I) AUTHORIZING THE
RETENTION AND EMPLOYMENT OF JS EVANS LLC D/B/A EVANS SENIOR
INVESTMENTS AS THE DEBTORS' BROKER, EFFECTIVE AS OF THE PETITION
DATE, (II) WAIVING CERTAIN INFORMATION REQUIREMENTS OF LOCAL
RULE 2016-2(d), AND (III) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors-in-possession (the “**Debtors**”), by and through their *proposed* counsel, hereby submit this application (the “**Application**”) for the entry of an order, substantially in the form attached hereto as **Exhibit C** (the “**Proposed Order**”), pursuant to sections 327(a) and 328(a) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Bankruptcy Code**”), Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rules 2014-1 and 2016-2(h) of the Local Rules for the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), (i) authorizing the Debtors to retain and employ JS Evans LLC d/b/a Evans Senior Investments (“**ESI**”) as their broker effective as of the Petition Date (*as defined below*), in accordance with the terms and conditions set forth in the Engagement Letter attached hereto as **Exhibit B**, (ii) approving the provisions of the

¹ The Debtors in these chapter 11 cases, along with the last four digits of their respective tax identification numbers, are as follows: CMC II, LLC (6973), Salus Rehabilitation, LLC (4037), 207 Marshall Drive Operations LLC (8470), 803 Oak Street Operations LLC (3900), Sea Crest Health Care Management, LLC (2940), and Consulate Management Company, LLC (5824). The address of the Debtors’ corporate headquarters is 800 Concourse Parkway South, Maitland, Florida 32751.

Engagement Letter, including, but not limited to, the proposed compensation arrangement, under section 328(a) of the Bankruptcy Code, (iii) waiving certain information requirements of Local Rule 2016-2(d), and (iv) granting related relief. In support of this Application, the Debtors rely upon and incorporate by reference the declaration of Jason Stroiman (the “**Stroiman Declaration**”)², a copy of which is attached hereto as **Exhibit A**. In further support of this Application, the Debtors respectfully state as follows:

JURISDICTION, VENUE, AND STATUTORY PREDICATES

1. The Court has jurisdiction over the Debtors, their estates, and these matters under 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This is a core proceeding under 28 U.S.C. § 157(b).

2. Venue is proper in this district under 28 U.S.C. §§ 1408 and 1409.

3. Pursuant to Local Rule 9013-1(f), the Debtors consent to the entry of a final order by the Court in connection with this Application, to the extent it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

4. The statutory predicates for the relief sought herein are sections 327(a) and 328(a) of the Bankruptcy Code, Bankruptcy Rules 2014(a) and 2016, and Local Rules 2014-1 and 2016-2(h).

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed in the Stroiman Declaration.

BACKGROUND

5. On March 1, 2021 (the “**Petition Date**”), the Debtors each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “**Court**”), thereby commencing these cases (the “**Chapter 11 Cases**”).

6. The Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

7. The Chapter 11 Cases are jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b).

8. No trustee, examiner, or official committee of unsecured creditors has been appointed in these Chapter 11 Cases.

9. The Debtors in these Chapter 11 Cases manage and operate skilled nursing facilities (“**SNFs**”), providing a variety of services to mostly elderly residents that include short-term rehabilitation, comprehensive post-acute care, long-term care, and physical, occupational, and speech therapies. Debtor CMC II, LLC (“**CMC II**” or the “**Manager Debtor**”) provides management and support services to approximately 140 SNFs, each of which is operated by an affiliate of the Debtors (such SNFs, the “**Managed SNFs**”, and such operators, the “**Managed SNF Operators**”) under the common ownership of non-Debtor LaVie Care Centers, LLC (“**LVCC**”), doing business as Consulate Health Care. Two of the Managed SNF Operators are Debtors in these Chapter 11 Cases: 207 Marshall Drive Operations LLC (“**Marshall**”) and 803 Oak Street Operations LLC (“**Governor’s Creek**” and, together with Marshall, the “**Operator Debtors**”). Each of the Operator Debtors operates a 120-bed SNF located in Northern Florida. The remaining Debtors, Salus Rehabilitation, LLC, Sea Crest Health Care Management, LLC, and Consulate Management Company, LLC, are no longer operational but historically provided rehabilitation and management services, respectively.

10. The Debtors have determined, in consultation with their advisors and in the exercise of their sound business judgment, that the services provided by ESI will substantially enhance the Debtors' effort to maximize the value of their assets for the benefit of all parties-in-interest. ESI is the market leader in representing and assisting companies to determine the market value of their operations, and, if necessary, the disposition of their facilities and businesses both inside and outside of bankruptcy proceedings. The Debtors will benefit from ESI's business contacts, marketing strength, and extensive industry experience in valuing the Debtors' assets and ultimately marketing the assets for sale through a section 363 sale process.

11. ESI has already started working effectively with the Debtors' senior management to analyze and determine the market value of the assets. In that capacity, ESI gained valuable institutional knowledge regarding the Debtors' Facility and Business and the value associated therewith.

12. Prior to the Petition Date, and as contemplated by the Engagement Letter, ESI also conducted a process to solicit interest in providing postpetition financing to the Debtors to fund the costs of the Chapter 11 Cases. As further described in the *Motion of the Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Post-Petition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3) And 364(e), (B) Granting Senior Liens and Superpriority Administrative Expense Status; (II) Scheduling Final Hearing; and (III) Granting Related Relief* [Docket No. 13] (the "**DIP Motion**"), ESI created supporting materials describing the Debtors and their assets and hosted a data room for potential DIP Lenders. ESI solicited forty (40) third party-lenders, however, ESI received no indications of interest to finance the Debtors during these Chapter 11 Cases. Ultimately, the Debtors did receive the DIP facility set forth in the DIP Motion.

13. Additional factual background regarding the Debtors, including their business operations, their capital and debt structures and the events leading to the filing of these Chapter 11 Cases, is set forth in the *Declaration of Paul Rundell in Support of the Debtors' Chapter 11 Petitions and First Day Pleadings* [Docket No. 2] (the “**First Day Declaration**”), which is incorporated herein by reference.

RELIEF REQUESTED

14. By this Application, the Debtors seek entry of an order (i) authorizing the employment and retention of ESI as their broker, effective as of the Petition Date, on the terms and conditions set forth in the Engagement Letter, (ii) approving the provisions of the Engagement Letter, including, but not limited to, the proposed compensation arrangement, (iii) waiving certain time keeping requirements of Local Rule 2016-2(d), and (iv) granting related relief, as described more fully below.

BASIS FOR RELIEF

A. ESI'S QUALIFICATIONS.

15. Evans Senior Investments (ESI) is the nation's leading investment bank solely focused in the seniors housing and skilled nursing industry. Founded in 2009 by Jason and Jeremy Stroiman as a team-based approach to the brokerage industry, ESI employs 11 industry professionals to work with owners and operators of skilled nursing and senior living communities across the nation. ESI's team brings together buyers, sellers and operators of long-term care communities, creating a liquid marketplace to achieve the highest market value. The company has invested in technology that utilizes a data driven buyer identification system to target qualified investors in the Long-Term Care industry. Since 2009, ESI has closed over \$2.3 billion in transaction volume and has extensive experience with seller side representation,

receivership/bankruptcy transactions, mortgage note sales, tenant placement and sale-leaseback transactions.

16. As referenced above, the Debtors have selected ESI as their broker based upon, among other things, (i) the Debtors' need to retain a skilled and experienced broker to provide value and marketing services relating to the Debtors' assets, (ii) ESI's extensive knowledge of the Debtors' assets and the industry, and (iii) ESI's extensive experience and excellent reputation in providing its brokerage services in complex chapter 11 cases. Accordingly, the Debtors believe the engagement of ESI is critical to their effort to navigate successfully through chapter 11 and provide a maximum recovery for their creditors. The Debtors believe that ESI is well qualified to perform all services contemplated by the Engagement Letter and to represent the Debtors' interests in these Chapter 11 Cases in a cost-effective, efficient and timely manner.

B. ESI'S POSTPETITION SERVICES.

17. On November 25, 2020, the Debtors entered into the Engagement Letter with ESI to provide brokerage services in connection with the sale of the Debtors' assets.

18. ESI has already conducted a thorough market analysis for the Debtors and completed a going concern valuation report, and is working with the Debtors on go-forward disposition or reorganization strategies to be implemented through these Chapter 11 Cases. In furtherance thereof, ESI has been extensively involved with the Debtors' management team and has acquired significant knowledge of the Debtors' facilities and businesses, as well as the Debtors' goals and objectives with respect thereto.

19. In providing its brokerage services to the Debtors (the "Services"), ESI has committed significant effort and resources toward analyzing the Debtors' facilities and businesses. Accordingly, given its extensive experience, the Debtors believe that ESI has the necessary

background to deal effectively and efficiently with the many issues that may arise in these Chapter 11 Cases in connection with the marketing and sale of the Debtors' assets. The Services are necessary to enable the Debtors to maximize the value of their estates. Subject to the Court's approval of this Application, the Debtors have requested that ESI perform the Services set forth in the Engagement Letter and summarized herein. ESI has stated its desire, willingness, and ability to act in these Chapter 11 Cases as the Debtors' broker.³

C. PROFESSIONAL COMPENSATION.

20. Subject to the Court's approval and as set forth in the Engagement Letter,⁴ the Debtors and ESI have agreed to the following compensation and expense structure in consideration for the services to be rendered by ESI in these Chapter 11 Cases:

- (a) Upon delivery of a completed going concern valuation report, ESI shall be entitled to a \$30,000.00 fee (the "**Valuation Fee**");⁵
- (b) Upon closing of a debtor-in-possession facility, ESI shall be entitled to a \$50,000 fee (the "**Financing Fee**"); and
- (c) Upon (i) the closing of a sale of the Debtors or all or substantially all of their assets (including a sale that occurs under a court-approved plan), or (ii) the effective date of a plan that provides for a restructuring of the Debtors without a sale, ESI shall be entitled to a fee of 0.9% of the value of the reorganized Debtors (the "**Restructuring Fee**"). The Valuation Fee and Financing Fee shall be deducted from the Restructuring Fee. The total fee to be paid for the Engagement, inclusive of the Valuation Fee, the Financing Fee, and the Restructuring Fee (provided that each fee is earned), shall be not less than \$300,000.00.

21. The Debtors believe that the compensation structure for ESI's services is comparable to compensation generally charged by brokers of similar stature to ESI for comparable

³ The Debtors have agreed not to engage any other professional except for ESI to perform the services provided under the Engagement Letter.

⁴ The summary set forth herein is qualified in its entirety by the terms of the Engagement Letter, and the terms of the Engagement Letter shall control in the event of a conflict.

⁵ Prior to the Petition Date, ESI completed the going concern valuation report and was paid the Valuation Fee in accordance with the Engagement Letter.

engagements, both in and out of bankruptcy. Furthermore, the Debtors believe that the compensation structure is consistent with ESI's normal and customary billing practices for cases of comparable size and complexity that require the level and scope of services to be provided in these Chapter 11 Cases.

D. RECORD KEEPING AND APPLICATIONS FOR COMPENSATION.

22. Local Rule 2016-2(d) imposes certain information requirements on professionals' compensation requests, including that professionals report their billed activity in one-tenth of an hour increments, that all activity descriptions be divided into general project categories, that each activity include a time allotment, and certain billing requirements tied to an assumed schedule of hourly rates, among others. Local Rule 2016-2(h), however, provides that "[a]n employed professional person or entity within the scope of this Local Rule may request that the Court waive, for cause, one or more of the information requirements of this Local Rule" in the motion seeking court approval for the retention of such professional entity.

23. Pursuant to Local Rule 2016-2(h), the Debtors and ESI submit that there exists cause to waive the information and reporting requirements imposed by Local Rule 2016-2(d) with respect to ESI. As set forth in the Stroiman Declaration, ESI believes that it would be unduly burdensome and time-consuming for ESI to record their activities in compliance with the information requirements set forth in Local Rule 2016-2(d). It is standard in ESI's industry for professionals providing services to be compensated on a fixed fee percentage basis, rather than on an incremental hourly basis, for such services. As described above, ESI and the Debtors have agreed that, consistent with industry practice, ESI will be compensated on a fixed fee percentage basis for its Services.

24. The Debtors propose that ESI simply file a final fee application, for review by the Court and parties-in-interest pursuant to section 328(a) of the Bankruptcy Code, upon either the closing of any transfer of the assets or confirmation of a plan that provides for a restructuring of the Companies without a sale for any commission due to ESI under the Engagement Letter.

25. The Debtors submit that an application submitted in the manner set forth above will provide the Court and other parties in interest with sufficient information to monitor the amount and types of services rendered to the Debtor by ESI. *See, e.g., In re Sports Authority Holdings, Inc.*, Case No. 16-10527 (MFW) (Bankr. D. Del. Mar 31, 2016) (approving similar fee procedures and modifications from Local Rule 2016-2(d)); *In re Quicksilver, Inc.*, Case No. 15-11880 (BLS) (Bankr. D. Del. Nov. 16, 2015) (same); *In re Radioshack Corp.*, Case No. 15-10197 (BLS) (Bankr. D. Del. Mar. 17, 2015) (same); *In re Caché, Inc.*, Case No. 15- 10172 (MFW) (Bankr. D. Del. Mar. 3, 2015) (same); *In re Event Rentals, Inc.*, Case No. 14-10282 (PJW) (Bankr. D. Del. April 15, 2014) (same). Accordingly, the Debtors request that the Court modify the requirements set forth in Local Rule 2016-2(d) and permit ESI to receive compensation and submit a final fee application in the manner set forth herein.

E. ESI'S DISINTERESTEDNESS.

26. ESI has reviewed the list of parties-in-interest provided by the Debtors. To the best of the Debtors' knowledge, information, and belief, and except to the extent disclosed herein and in the Stroiman Declaration, ESI (i) does not hold any interest materially adverse to the Debtors' estates, (ii) has no connection with the Debtors, their creditors, equity security holders, or related parties herein, and (iii) is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code (as modified by section 1107(b) of the Bankruptcy Code). The Debtors'

knowledge, information, and belief regarding the matters set forth herein are based, and made in reliance, upon the Stroiman Declaration.

27. As set forth in the Stroiman Declaration, ESI has not shared or agreed to share any of its compensation from the Debtors with any other person, other than other principals and employees of ESI, as permitted by section 504 of the Bankruptcy Code. Given the large number of parties-in-interest in these Chapter 11 Cases, and despite the efforts to identify and disclose ESI's relationships with parties in interest in these Chapter 11 Cases, ESI is unable to state with certainty that every client relationship or other connection has been disclosed in the Stroiman Declaration. The Debtors have been informed that ESI will conduct an ongoing review of its files to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new material facts or relationships are discovered or arise, ESI will promptly inform the Court, as required by Local Rule 2014-1(a).

28. Except as described herein, no commitments have been made or received by ESI, nor any member thereof, as to compensation or payment in connection with these Chapter 11 Cases.

BASIS FOR RELIEF

29. The Debtors seek approval of the retention and employment of ESI as their broker pursuant to sections 327(a) and 328(a) of the Bankruptcy Code. Section 327(a) of the Bankruptcy Code provides that the debtor in possession "may employ one or more attorneys, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist" the debtor in possession in carrying out its duties. 11 U.S.C. § 327(a).

30. The Debtors seek approval of the Engagement Letter (including its compensation structure) pursuant to section 328(a) of the Bankruptcy Code, which provides, in relevant part, that the Debtor “with the court’s approval, may employ or authorize the employment of a professional person under section 327 . . . on any reasonable terms and conditions of employment, including on retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis” subject to later re-evaluation by the Court. 11 U.S.C. § 328(a). Accordingly, section 328 of the Bankruptcy Code permits the compensation of professionals, including business brokers, on more flexible terms that reflect the nature of their services and market conditions. As the United States Court of Appeals for the Fifth Circuit recognized in *Donaldson Lufkin & Jenrette Sec. Corp. v. Nat’l Gypsum (In re Nat’l Gypsum Co.)*:

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

123 F.3d 861, 862 (5th Cir. 1997) (internal citations and emphasis omitted), cited in *Riker, Danzig, Scherer, Hyland & Perretti LLP v. Official Comm. Of Unsecured Creditors (In re Smart World Techs. LLC)*, 383 B.R. 869, 874 (S.D.N.Y. 2008).

31. Bankruptcy Rule 2014 requires that an application for retention include “specific facts showing the necessity for the employment, the name of the [firm] to be employed, the reasons for the selection, the professional services to be rendered, any proposed arrangement for compensation, and, to the best of the applicant’s knowledge, all of the [firm’s] connections with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the

United States trustee, or any person employed in the office of the United States trustee.” FED. R. BANKR. P. 2014. This Application, the Stroiman Declaration, and the Engagement Letter set forth the information required under Bankruptcy Rule 2014.

32. The Debtors respectfully submit that they should be authorized to retain and employ ESI in accordance with the terms and conditions of the Engagement Letter. First, as discussed above and in the Stroiman Declaration, ESI satisfies the disinterestedness standard in section 327(a) of the Bankruptcy Code. Moreover, during the course of its engagement, ESI has become familiar with the Debtors’ assets and the Debtors’ goals, objectives and financial parameters with respect thereto, and has already committed a significant amount of time and effort with respect to the services contemplated under the Engagement Letter. ESI’s Services are needed to maximize the value of the Debtors’ assets and to discharge their duties as a debtors and debtors-in-possession. ESI has extensive experience and an excellent reputation in providing high-quality brokerage services to debtors and other sellers outside of bankruptcy proceedings. Accordingly, the Debtors believe that ESI is well qualified to provide its services to the Debtors in a cost-effective, efficient and timely manner.

33. Additionally, the terms and conditions of the Engagement Letter were negotiated by the Debtors and ESI at arm’s-length and in good faith. In light of the foregoing, and the market prices for ESI’s services for engagements of this nature, the Debtors believe that the terms and conditions of the Engagement Letter are fair, reasonable, and market-based under the standards set forth in section 328(a) of the Bankruptcy Code.

34. The Debtors further believe that the compensation structure set forth in the Engagement Letter appropriately reflects the nature and scope of Services to be provided by ESI,

ESI's substantial experience as a business broker in the Debtors' industry, and the fee structure typically utilized by ESI and other similar consultants and advisors.

35. The Debtors submit that the employment and retention of ESI, effective as of the Petition Date and on the terms and conditions set forth herein and in the Engagement Letter, is in the best interest of the Debtors, their estates, creditors, stakeholders, and other parties-in-interest, and therefore, should be approved.

NOTICE AND NO PRIOR REQUEST

36. Notice of this Application will be provided to: (i) the Office of the United States Trustee for the District of Delaware; (ii) the parties included on the Debtors' consolidated list of thirty (30) largest unsecured creditors; (iii) counsel to any Committee; (iv) counsel to the DIP Lender; and (v) any party that has requested notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief in it, the Debtors respectfully submit that no further notice of this Application is required.

37. No prior request for the relief sought in this application has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that this Court enter an order, substantially in the form attached hereto, granting the relief requested in this Application and such other and further relief as is just and proper.

Dated: March 15, 2021

CMC II, LLC

By: /s/ Paul Rundell
Name: Paul Rundell
Title: Chief Restructuring Officer
Alvarez & Marsal North American
Corporate Restructuring

EXHIBIT A

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

In re:

CMC II, LLC,¹

Debtors.

Chapter 11

Case No. 21-10461 (JTD)

(Jointly Administered)

DECLARATION OF JASON STROIMAN IN SUPPORT OF APPLICATION OF THE DEBTORS FOR ENTRY OF AN ORDER PURSUANT TO SECTIONS 327(a) AND 328(a) OF THE BANKRUPTCY CODE, BANKRUPTCY RULES 2014 AND 2016, AND LOCAL RULES 2014-1 AND 2016-2(h), (I) AUTHORIZING THE RETENTION AND EMPLOYMENT OF JS EVANS LLC D/B/A EVANS SENIOR INVESTMENTS AS THE DEBTORS' BROKER, EFFECTIVE AS OF THE PETITION DATE, (II) WAIVING CERTAIN INFORMATION REQUIREMENTS OF LOCAL RULE 2016-2(d), AND (III) GRANTING RELATED RELIEF

I, Jason Stroiman, being duly sworn according to law, depose and state that:

1. I am the Founder & President of JS Evans LLC d/b/a Evans Senior Investments (“ESI”), an investment banking firm that maintains offices at 1017 West Washington Boulevard, #4F, Chicago, IL 60607, and I am duly authorized to make this declaration (the “**Declaration**”) on behalf of ESI. As Founder and President of ESI, I lead the firm’s Chicago practice and manage client relationships throughout the country. My transactional knowledge and client service expertise are central to ESI’s M&A practice. Prior to founding ESI, I was a partner with a real estate brokerage company where I sold senior housing and long-term care facilities from coast to coast. Throughout my career, I have exclusively listed and sold long term care assets in 36 different states representing over \$2.5 Billion in transaction volume. I have also analyzed, toured,

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and provided valuation consultation for over 2,500 senior housing and skilled nursing communities in over 45 states. I have worked in the seniors housing & skilled nursing industry for 16 years.

2. I submit this Declaration on behalf of ESI in support of the application of the above-captioned debtors and debtors-in-possession (the “**Debtors**”) for entry of an order authorizing the employment and retention of ESI as broker for the Debtors effective as of the Petition Date (the “**Application**”)². This Declaration is also submitted as the statement required pursuant to sections 327, 328(a) and 504 of the Bankruptcy Code and Bankruptcy Rule 2014(a).

3. Unless otherwise indicated herein, the facts set forth in this Declaration are personally known to me and, if called as a witness, I could and would testify thereto.

ESI’S QUALIFICATIONS

4. ESI is the nation’s leading investment bank solely focused in the seniors housing and skilled nursing industry. Founded in 2009 by myself and Jeremy Stroiman as a team-based approach to the brokerage industry, ESI employs 11 industry professionals to work with owners and operators of skilled nursing and senior living communities across the nation. ESI’s team brings together buyers, sellers and operators of long-term care communities, creating a liquid marketplace to achieve the highest market value. Our company has invested in technology that utilizes a data driven buyer identification system to target qualified investors in the Long-Term Care industry. Since 2009, ESI has closed over \$2.3 billion in transaction volume and has extensive experience with seller side representation, receivership/bankruptcy transactions, mortgage note sales, tenant placement and sale-leaseback transactions.

5. ESI was engaged by the Debtors to represent and advise them as their broker and to perform marketing, sale process, financing and going concern valuation services in accordance

² Each capitalized term used but not otherwise defined herein shall have the meaning ascribed thereto in the Application.

with the engagement letter dated as of November 30, 2020 (the “**Engagement Letter**”), a copy of which is attached to the Application as Exhibit B. As a result of conversations with the Debtors and their counsel, ESI has become, and will continue to become, intimately familiar with the Debtors’ corporate and capital structure, management, operations, and various other aspects of their businesses. ESI has developed a knowledge of the Debtors’ financial history and business operations and is well-suited to provide the Debtors with the services contemplated by the Engagement Letter.

SERVICES TO BE RENDERED

6. ESI has agreed to provide brokerage services to the Debtors in these Chapter 11 Cases in accordance with the terms of the Engagement Letter. The individuals to provide the services as contemplated by the Application have considerable experience in restructuring matters and are well qualified to perform the work required in these Chapter 11 Cases.

7. Subject to Court approval of the Application, and consistent with the terms of the Engagement Letter,³ ESI will provide such brokerage services as ESI and the Debtors deem appropriate, including, but not limited to, the following:

- Prepare a confidential document outlining the going concern market value of the Debtors utilizing market accepted valuation methodologies, which will be used for internal purposes as well as potential expert testimony in a legal or arbitration setting. A draft of the document will be provided to the Debtors and their counsel for review and approval, and the final will be delivered to the Debtors. ESI shall maintain these as confidential.
- Prepare a sale announcement (the “Sale Announcement”) and marketing package, which will be utilized to generate interest in the acquisition of the Debtors, which shall be provided to the Debtors and their counsel for review and approval prior to distribution.
- Market the Debtors and their assets to prospective purchasers as ESI and

³ The summary set forth herein is qualified in its entirety by the terms of the Engagement Letter, and the terms of the Engagement Letter shall control in the event of a conflict. Capitalized terms not otherwise defined in this section shall have the meaning ascribed to them in the Engagement Letter.

the Debtors deem appropriate.

- Assist the Debtors in validating prospective purchaser information, including proof of funds and other qualification requirements as may be established.
- Prior to giving access to specific details, including documents and other information, which are considered confidential information, ESI will obtain an executed (or electronically acknowledged) confidentiality agreement from all interested purchasers. Such confidentiality agreement shall be subject to review and approval by the Debtors and their counsel prior to distribution.
- ESI will advise on strategies for selecting a final purchaser(s) for the Debtors and/or their assets, as well as accepting, rejecting, and negotiating the final purchase and sale agreement.
- ESI will submit the name(s) of the final prospective purchaser(s) and backup purchaser(s), if any, to the Debtors and their counsel for approval, and assist with conducting any related due diligence, as may be requested
- ESI will assist in the closing of the sale of the acquisition, in accordance with the purchase and sale agreement.
- ESI shall provide the Debtors and their counsel systematic status updates or marketing efforts, as well as ongoing support and updates related to terms and conditions of ongoing sale activity, prospective purchaser activity, closing efforts, and other information as deemed necessary from time to time, and shall provide testimony as needed to support obtaining court approval of the debtor-in-possession financing and sale.
- ESI will maintain records of the delivery of any materials associated with the sale to prospective purchasers, including dates of delivery. ESI to provide these records to the Debtors and their counsel regularly or upon request, and shall make available copies of such documentation and records.

8. The Debtors require qualified professionals to render these essential professional services. As noted above, ESI has substantial expertise in all areas for which it is proposed to be retained.

9. The services that ESI will provide to the Debtors are necessary to enable the Debtors to identify the highest and best possible bid for their assets in this case of a sale, or

otherwise effectuate a transaction that is in the best interests of their estates, creditors and parties-in-interest. All of the services that ESI will provide to the Debtors will be undertaken at the request of the Debtors and will be appropriately directed by the Debtors so as to avoid duplicative efforts among the professionals retained in these Chapter 11 Cases. ESI will also use reasonable efforts to coordinate with the Debtors' other retained professionals to avoid the unnecessary duplication of services.

PROFESSIONAL COMPENSATION

10. Subject to this Court's approval and as set forth in the Engagement Letter, the Debtors and ESI have agreed to the following compensation and expense structure (the "**Fee and Expense Structure**") in consideration for the services to be rendered by ESI in these Chapter 11 Cases:

- (a) Upon delivery of a completed going concern valuation report, ESI shall be entitled to a \$30,000.00 fee (the "**Valuation Fee**");⁴
- (b) Upon closing of a debtor-in-possession facility, ESI shall be entitled to a \$50,000 fee (the "**Financing Fee**"); and
- (c) Upon (i) the closing of a sale of the Debtors or all or substantially all of their assets (including a sale that occurs under a court-approved plan), or (ii) the effective date of a plan that provides for a restructuring of the Debtors without a sale, ESI shall be entitled to a fee of 0.9% of the value of the reorganized Debtors (the "**Restructuring Fee**"). The Valuation Fee and Financing Fee shall be deducted from the Restructuring Fee. The total fee to be paid for the Engagement, inclusive of the Valuation Fee, the Financing Fee, and the Restructuring Fee (provided that each fee is earned), shall be not less than \$300,000.00.

11. The structure set forth above is a typical fee structure for ESI for work of this nature. This structure is designed to compensate ESI fairly for the work of its professionals and to cover its fixed and routine overhead expenses.

⁴ Prior to the Petition Date, ESI completed the going concern valuation report and was paid the Valuation Fee in accordance with the Engagement Letter.

12. The parties have established the compensation provided for in the Engagement Letter with the express understanding that the hours worked, results achieved and ultimate benefit of work performed to the Debtors' estate may be variable and have taken this into account in setting the compensation payable thereunder.

13. In accordance with section 504 of the Bankruptcy Code, I hereby state that there is no agreement or understanding between ESI and any other entity for the sharing of compensation received or to be received for services in connection with these Chapter 11 Cases.

RECORD KEEPING AND APPLICATIONS FOR COMPENSATION

14. It is not the general practice of brokerage firms, including ESI, to keep detailed time records similar to those customarily kept by attorneys and required by Local Rule 2016-2(d). Because ESI does not ordinarily maintain contemporaneous time records in tenth-hour (.10) increments or provide or conform to a schedule of hourly rates for its professionals, pursuant to Local Rule 2016-2(h), ESI should be excused from compliance with such information requirements set forth in Local Rule 2016-2(d) and from compliance with any order establishing procedures for interim compensation and reimbursement of expenses of professionals pursuant to section 331 of the Bankruptcy Code (an "**Interim Compensation Order**") with respect to ESI's professional fees only. ESI should be required to maintain time records in half-hour (0.50) increments, not decimal hours, setting forth, in a summary format, a description of the services rendered by each professional and the amount of time spent on each date by each such individual in rendering services on behalf of the Debtors.

15. ESI will also maintain detailed records of any actual and necessary costs and expenses incurred in connection with the aforementioned services. ESI's final application for compensation and expenses will be paid by the Debtors pursuant to the terms of the Engagement

Letter, in accordance with any procedures established by the Court, pursuant to an Interim Compensation Order or otherwise.

ESI'S DISINTERESTEDNESS

16. In preparing this Declaration, ESI performed a conflict search with respect to a list of creditors, equity holders and other interested parties, which is annexed hereto as **Schedule 1** (the “**Potential Interested Parties List**”). Based on that search, ESI represents that, to the best of its knowledge, that it knows of no fact that would present a conflict of interest for ESI with regard to its proposed engagement. ESI, however, wishes to disclose that certain parties identified on the Potential Interested Parties List have been a buyer in prior, unrelated transactions, where ESI represented the seller (the “**ESI Contacts**”).

17. Insofar as I have been able to ascertain from my review of the ESI Contacts, to the best of my knowledge, and other than as described herein, neither ESI, nor its affiliates, nor any professional of ESI: (a) has represented the Debtors’ creditors, equity holders, or any other party in interest, or their respective attorneys and accountants, the United States Trustee, or any person employed in the office of the United States Trustee, in any matters relating to the Debtors or their estates; or (b) has any connection with the Debtors in these Chapter 11 Cases, or any interest materially adverse to the interest of any class of creditors or equity holders by reason of any direct or indirect relationship to the Debtors, any other parties-in-interest herein, or its respective attorneys.

18. ESI has numerous clients, past and present, which are located throughout the world, in a variety of industries. Such clients may include certain of the persons or entities that are identified as creditors of the Debtors. It is also possible that some past or present clients of ESI may have some connection to, or are creditors of, the Debtors. Nevertheless, insofar as I have

been able to ascertain based on the results of the foregoing, to the best of my knowledge, other than as described herein and except for the Debtors, ESI has not advised any party in interest in connection with these Chapter 11 Cases.

19. ESI is involved in numerous cases, proceedings, and transactions involving many different attorneys, accountants, investment bankers, and financial consultants, some of whom may represent claimants and parties in interest in these Chapter 11 Cases. Moreover, ESI has in the past, and may in the future, be represented by several attorneys and law firms, some of which may be involved in these Chapter 11 Cases. Finally, ESI has in the past, and will likely in the future, be working with or opposite other professionals involved in these Chapter 11 Cases with respect to matters wholly unrelated to these Chapter 11 Cases. Based on our current knowledge of the professionals involved in these Chapter 11 Cases and to the best of my knowledge, none of these business relationships constitute interests adverse to the estates in matters upon which ESI is to be employed and none are in connection with these Chapter 11 Cases.

20. The Debtors have numerous creditors and relationships with a large number of individuals and entities that may be parties-in-interest in these Chapter 11 Cases. Consequently, although every reasonable effort has been made to discover and eliminate the possibility of any conflict including the efforts outlined above, ESI is unable to state with certainty whether any of its clients or an affiliated entity of a client holds a claim or otherwise is a party-in-interest in these Chapter 11 Cases. If ESI discovers any information that is contrary or pertinent to the statements made herein, ESI will promptly disclose such information to the Court. ESI does not advise, has not advised, and will not advise any entity other than the Debtors in matters related to these Chapter 11 Cases. ESI will, however, continue to provide professional services to entities or persons that may be creditors of the Debtors or parties-in-interest in these Chapter 11 Cases, provided that such

services do not relate to, or have any direct connection with, these Chapter 11 Cases or the Debtors.

21. Except as otherwise set forth herein and in the Application, to the best of my knowledge, information, and belief, neither ESI nor any employee of ESI is a creditor, an equity holder, or an insider of the Debtors. To the best of my knowledge, information and belief, neither ESI nor any employee of ESI is or was, within two (2) years before the Petition Date, a director, an officer, or an employee of the Debtors. Also, to the best of my knowledge, information, and belief neither the undersigned nor the ESI's professionals expected to assist the Debtors in these Chapter 11 Cases are related or connected to any United States Bankruptcy Judge for the District of Delaware, the U.S. Trustee, or any persons employed in the office of the U.S. Trustee.


22. As of the date of ESI's engagement, ESI does not hold any claim against the Debtors.

23. To the extent ESI discovers any facts bearing on the matters described herein during the period of ESI's retention, ESI will undertake to amend and supplement the information contained in this Declaration to disclose such facts.

24. Based on all of the foregoing, ESI is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code.

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

Executed on March 15, 2021

By: 

Jason Stroiman, Founder & President

SCHEDULE 1

SCHEDULE 1

**CMC II, LLC, et al.
21-14061-(JTD) (Bankr. D. Del.)
Conflict Search Parties**

Debtors

207 Marshall Drive Operations LLC
803 Oak Street Operations LLC
CMC II, LLC
Consulate Management Company, LLC
Salus Rehabilitation, LLC
Sea Crest Health Care Management, LLC

Officers and Directors

Alan J. Carr
Christopher R. Bryson
Daniel E. Dias
Gregory L. Hayes
Kenneth S. Ussery
Russell D. Ragland, Jr.
Steven A. Van Camp
Todd B. Mehaffey

Equity Security Holders

Arnold Whitman
Aryeh Platschek
Ben Landa
Bob Hartman
Columbia Pacific
Shelly Salcam
Steve Fishman
Zvi Tress

Affiliates/JV

10040 Hillview Road Operations LLC
1010 Carpenters Way Operations LLC
1026 Albee Farm Road Operations LLC
1061 Virginia Street Operations LLC
1111 Drury Lane Operations LLC
1120 West Donegan Avenue Operations LLC
11565 Harts Road Operations LLC
12170 Cortez Boulevard Operations LLC
125 Alma Boulevard Operations LLC
1445 Howell Avenue Operations LLC
1465 Oakfield Drive Operations LLC
1507 South Tuttle Avenue Operations LLC
15204 West Colonial Drive Operations LLC

1550 Jess Parrish Court Operations LLC
1615 Miami Road Operations LLC
1820 Shore Drive Operations LLC
1851 Elkcarn Boulevard Operations LLC
1937 Jenks Avenue Operations LLC
195 Mattie M. Kelly Boulevard Operations LLC
207 Marshall Drive Operations LLC
216 Santa Barbara Boulevard Operations LLC
2333 North Brentwood Circle Operations LLC
2401 NE 2nd Street Operations LLC
2599 NW 55th Avenue Operations, LLC
2826 Cleveland Avenue Operations LLC
2916 Habana Way Operations LLC
2939 South Haverhill Road Operations LLC
3001 Palm Coast Parkway Operations LLC
3101 Ginger Drive Operations LLC
3110 Oakbridge Boulevard Operations LLC
3735 Evans Avenue Operations LLC
3825 Countryside Boulevard Operations LLC
3920 Rosewood Way Operations LLC
4200 Washington Street Operations LLC
4641 Old Canoe Creek Road Operations LLC
500 South Hospital Drive Operations LLC
5065 Wallis Road Operations LLC
518 West Fletcher Avenue Operations LLC
5405 Babcock Street Operations LLC
5725 NW 186th Street Operations, LLC
5901 NW 79th Avenue Operations, LLC
611 South 13th Street Operations LLC
626 North Tyndall Parkway Operations LLC
6305 Cortez Road West Operations LLC
6414 13th Road South Operations LLC
650 Reed Canal Road Operations LLC
6700 NW 10th Place Operations LLC
6931 W Sunrise Boulevard Operations, LLC
702 South Kings Avenue Operations LLC
710 North Sun Drive Operations LLC
741 South Beneva Road Operations LLC
777 Ninth Street North Operations LLC
7950 Lake Underhill Road Operations LLC
803 Oak Street Operations LLC
9035 Bryan Dairy Road Operations LLC

9311 South Orange Blossom Trail Operations
LLC
9355 San Jose Boulevard Operations LLC
9400 SW 137th Avenue Operations, LLC
Alpha Health Care Properties, LLC
Ambassador Ancillary Services, LLC
Ambassador Rehabilitative Services, LLC
AON Risk Services, Inc.
Ashland Facility Operations, LLC
Ashton Court Healthcare, LLC
Assisted Living at Frostburg Village Facility
Operations, LLC
Augusta Facility Operations, LLC
Augusta Health Care Properties, LLC
Baya Nursing and Rehabilitation, LLC
Bayonet Point Facility Operations, LLC
Bossier Healthcare, LLC
Brandon Facility Operations, LLC
Brentwood Meadow Health Care Associates,
LLC
Briley Facility Operations, LLC
Brownsboro Hills Healthcare, LLC
Canonsburg Property Investors, LLC
Capital Health Care Associates, LLC
Cardinal North Carolina Healthcare, LLC
Carey Facility Operations, LLC
Cary Healthcare, LLC
Catalina Gardens Health Care Associates, LLC
Catalina Health Care Associates, LLC
Centennial Acquisition Corporation
Centennial Employee Management, LLC
Centennial Five Star Master Tenant, LLC
Centennial Healthcare Corporation
Centennial Healthcare Holding Company, LLC
Centennial Healthcare Investment Corporation
Centennial Healthcare Management Corporation
Centennial Healthcare Properties Corporation
Centennial Healthcare Properties, LLC
Centennial Management Investment, LLC
Centennial Master Subtenant, LLC
Centennial Master Tenant, LLC
Centennial Newco Holding Company, LLC
Centennial Professional Therapy Services
Corporation
Centennial SEHC Master Tenant, LLC
Centennial Service Corporation-Grant Park
Charlwell Healthcare, LLC
Chenal Healthcare, LLC
Cheswick Facility Operations, LLC
Chic Holding Company, LLC
CHMC Holding Company, LLC

CHPC Holding Company, LLC
Clay County Healthcare, LLC
Clearwater Healthcare, LLC
CMC II, LLC
Coastal Administrative Services, LLC
Coastal Management Investment, LLC
Connected Solutions Group LLC
Consulate EV Acquisition, LLC
Consulate EV Master Tenant, LLC
Consulate EV Operations I, LLC
Consulate Facility Leasing, LLC
Consulate Management Company, LLC
Consulate MZHBS Leaseholdings, LLC
Consulate NHCG Leaseholdings, LLC
Country Meadow Facility Operations, LLC
CPSTN Management, LLC
Crestline Facility Operations, LLC
Cypress Manor Health Care Associates, LLC
Cypress Square Health Care Associates, LLC
D.C. Medical Investors Limited Partnership
Dolphins View Healthcare, LLC
Donegan Square Health Care Associates, LLC
Down East Healthcare, LLC
Edinborough Square Health Care Associates,
LLC
Emerald Ridge Healthcare, LLC
Envoy Health Care, LLC
Envoy Management Company, LLC
Envoy of Alexandria, LLC
Envoy of Denton, LLC
Envoy of Forest Hills, LLC
Envoy of Fork Union, LLC
Envoy of Goochland, LLC
Envoy of Lawrenceville, LLC
Envoy of Norfolk, LLC
Envoy of Pikesville, LLC
Envoy of Richmond, LLC
Envoy of Somerset, LLC
Envoy of Staunton, LLC
Envoy of Williamsburg, LLC
Envoy of Winchester, LLC
Envoy of Woodbridge, LLC
Epsilon Health Care Properties, LLC
Ferriday Healthcare, LLC
Florida Health Care Properties, LLC
Floridian Facility Operations, LLC
Forrest Oakes Healthcare, LLC
Franklinton Healthcare, LLC
Frostburg Facility Operations, LLC
Garden Court Healthcare, LLC
Gateway Healthcare, LLC

Genoa Healthcare Consulting, LLC
Genoa Healthcare Group, LLC
Glenburney Healthcare, LLC
Governor's Creek Health and Rehabilitation Center
Grant Park Nursing Home Limited Partnership
Grayson Facility Operations, LLC
Greenfield Facility Operations, LLC
Harbor Pointe Facility Operations, LLC
Hilltop Mississippi Healthcare, LLC
Hilltopper Holding Corp.
Hollywell Healthcare, LLC
Hunter Woods Healthcare, LLC
Hurstbourne Healthcare, LLC
Jacksonville Facility Operations, LLC
Jennings Healthcare, LLC
Kannapolis Healthcare, LLC
KD Healthcare, LLC
Kenton Facility Operations, LLC
Kenwood View Healthcare, LLC
Kimwell Healthcare, LLC
Kings Daughters Facility Operations, LLC
Kissimmee Facility Operations, LLC
Lake Parker Facility Operations, LLC
Lakeland Facility Operations, LLC
LaVie Care Centers, LLC
Legends Facility Operations, LLC
Libby Healthcare, LLC
Lincoln Center Healthcare, LLC
Locust Grove Facility Operations, LLC
LTC Insurance Associates, LLC
Lucasville I Facility Operations, LLC
Lucasville II Facility Operations, LLC
Luther Ridge Facility Operations, LLC
LV CHC Holdings I, LLC
LV Investment, LLC
LV Operations I, LLC
LV Operations II, LLC
LVE Holdco, LLC
LVE Master Tenant 1, LLC
LVE Master Tenant 2, LLC
LVE Master Tenant 3, LLC
LVE Master Tenant 4, LLC
LVFH Master Tenant, LLC
LVSC Holdings, LLC
LVT Master Tenant, LLC
Ma Healthcare Holding Company, LLC
Manor at St. Luke Village Facility Operations, LLC
Marshall Health and Rehabilitation Center
McComb Healthcare, LLC
Melbourne Facility Operations, LLC
Miami Facility Operations, LLC
Milton Healthcare, LLC
MLNM Master Tenant, LLC
Montclair Healthcare, LLC
Mount Royal Facility Operations, LLC
NENC Healthcare Holding Company, LLC
New Harmonie Healthcare, LLC
New Port Richey Facility Operations, LLC
Newport News Facility Operations, LLC
Norfolk Facility Operations, LLC
North Carolina Master Tenant, LLC
North Fort Myers Facility Operations, LLC
North Strabane Facility Operations, LLC
NSPR Care Centers, LLC
NSPR Operations I, LLC
NSPR Operations II, LLC
NSPRMC, LLC
Oak Grove Healthcare, LLC
Oaks at Sweeten Creek Healthcare, LLC
Omro Healthcare, LLC
Orange Park Facility Operations, LLC
Osprey Nursing and Rehabilitation, LLC
Paloma Blanca Health Care Associates, LLC
Parkside Facility Operations, LLC
Parkview Facility Operations, LLC
Parkview Healthcare, LLC
Parkview Manor Healthcare, LLC
Parkwell Healthcare, LLC
Pavilion at St. Luke Village Facility Operations, LLC
Penn Village Facility Operations, LLC
Pennknoll Village Facility Operations, LLC
Pensacola Facility Operations, LLC
Perry Village Facility Operations, LLC
Pheasant Ridge Facility Operations, LLC
Piketon Facility Operations, LLC
Pine River Healthcare, LLC
Pinelake Healthcare, LLC
Pinewood Healthcare, LLC
PM Realty Group
Port Charlotte Facility Operations, LLC
Prine Systems Inc.
QCPMT, LLC
RAC Insurance Investors, LLC
Reeders Facility Operations, LLC
Retirement Village of North Strabane Facility Operations, LLC
RF Technologies Inc.
Ridgewood Facility Operations, LLC
Riley Healthcare, LLC

Riverbend Healthcare, LLC
Riverview Of Ann Arbor Healthcare, LLC
Royal Terrace Healthcare, LLC
Safety Harbor Facility Operations, LLC
Salus Management Investment, LLC
Salus Rehabilitation, LLC
Sarasota Facility Operations, LLC
Sea Crest Health Care Management, LLC
Sheridan Indiana Healthcare, LLC
Shoreline Healthcare Management, LLC
Skyline Facility Operations, LLC
South Carolina Facility Operations, L.L.C.
Southpoint Health Care Associates, LLC
St. Petersburg Facility Operations, LLC
Starkville Manor Healthcare, LLC
Stratford Facility Operations, LLC
Summit Facility Operations, LLC
Susquehanna Village Facility Operations, LLC
Swan Pointe Facility Operations, LLC
Tallahassee Facility Operations, LLC
Tarpon Health Care Associates, LLC
THS Partners I, Inc.
THS Partners II, Inc.
Transitional Health Partners D/B/A Transitional Health Services
Transitional Health Services, Inc.
Valley View Healthcare, LLC
Vapamt, LLC
Vero Beach Facility Operations, LLC
VNTG HD Master Tenant, LLC
Walnut Cove Healthcare, LLC
Wayne Healthcare, LLC
Wellington Healthcare, LLC
Wellston Facility Operations, LLC
West Altamonte Facility Operations, LLC
West Palm Beach Facility Operations, LLC
Westerville Facility Operations, LLC
Westwood Healthcare, LLC
Whispering Hills Facility Operations, LLC
Whitehall Of Ann Arbor Healthcare, LLC
Whitehall Of Novi Healthcare, LLC
Williamsburg Facility Operations, LLC
Willowbrook Healthcare, LLC
Wilora Lake Healthcare, LLC
Windsor Facility Operations, LLC
Winona Manor Healthcare, LLC
Winter Haven Facility Operations, LLC
Woodbine Healthcare, LLC
Woodstock Facility Operations, LLC

Landlords

Concourse LLC
FC Encore
FC Encore Properties HK, LLC
KBS Capital Advisors, LLC
KBS Sor Crown Pointe, LLC
Pheasant Ridge Office Buildings, LLC
THNYIF REIV Mike, LLC
Williams Mullen

Professionals

Alvarez & Marsal North America, LLC
Chipman Brown Cicero & Cole, LLP
Bankruptcy Management Solutions, Inc. d/b/a Stretto
JS Evans LLC d/b/a Evans Senior Investments (ESI)
Midcap Financial Services, LLC
Skadden Arps Slate Meagher & Flom LLP

Insurance

ACE USA
AFCO
Arch Insurance Company
Ategrity Specialty Insurance Co
Axis Surplus Insurance Corp
Chubb Bermuda Insurance Ltd
Colony Insurance Co
Crum & Forster Specialty Insurance Co
Endurance American Specialty
Everest Indemnity Insurance Co
Hartford Insurance
Hudson Excess Insurance Company
Indian Harbor
Ironshore Specialty Insurance Co
Lexington Insurance Co
Lloyd's Of London
Maxum Indemnity Company
RSUI Group, Inc.
Travelers Property Casualty Co Of America
UnitedHealthcare
Westchester Surplus Lines Insurance Co
Westfield Bank, FSB
XL Insurance

Banks/Lenders/Other Third Party Providers

Alternative Service Concepts, LLC
Automatic Data Processing, Inc. (ADP)
Concur
Elan Financial Services

Optum Bank
PayActiv, Inc.
PNC Financial Services
Regions Financial Corporation
Seacoast Bank
Wells Fargo Bank N.A.

Office of the U.S. Trustee

Andrew R. Vara
T. Patrick Tinker
Robert Agarwal
Lauren Attix
David Buchbinder
Linda Casey
Holly Dice
Shakima L. Dortch
Timothy J. Fox, Jr.
Diane Giordano
Christine Green
Benjamin Hackman
Jeffrey Heck
Jane Leamy
Hannah M. McCollum
James R. O'Malley
Michael Panacio
Linda Richenderfer
Juliet Sarkessian
Richard Schepacarter
Edith A. Serrano
Rosa Sierra
Karen Starr
David Villagrana
Ramona Vinson
Dion Wynn

Taxing Authorities/Regulatory Agencies

Agency for Health Care Administration
Alabama Department of Revenue
Arkansas Department of Finance and
Administration
California Tax Service Center
City of Roanoke Treasurer
Clay County Tax Collector
Comptroller of Maryland
DeKalb County Tax Commissioner, Collections
Division
Georgia Department of Revenue
Internal Revenue Service

Kentucky Department of Revenue
Louisiana Department of Revenue
Medicaid
Medicare
Minnesota Department of Revenue
Mississippi Department of Revenue
North Carolina Department of Revenue
Ohio Department of Taxation
Orange County Tax Collector
Pennsylvania Department of Revenue
South Carolina Department of Revenue
State of Florida Department of Revenue
Taylor County
Tennessee Department of Revenue
UNUM Group
Virginia Department of Taxation
West Virginia State Tax Department

**United States Bankruptcy Court
for the District of Delaware**

Hon. Christopher S. Sontchi
Hon. John T. Dorsey
Hon. Karen B. Owens
Hon. Brendan L. Shannon
Hon. Laurie Selber Silverstein
Hon. Mary F. Walrath
Catherine Farrell
Cheryl Szymanski
Cacia Batts
Claire Brady
Danielle Gadson
Jill Walker
Joan Ranieri
Laura Haney
Laurie Capp
Lora Johnson
Marquetta Lopez
Rachel Bello
Robert Cavello

Vendors (incl. Utilities)/Top 30 Creditors

Ability Network Inc
ACR Solutions LLC
Adolfo C Dulay MD PA
Advanced Disposal
Agency for Health Care Admin
Allbridge (Bulk TV)
Allbridge LLC
Allegiance Corporation
American Arbitration Association

American Health Care Assn
Amerigas
Angela Ruckh, as Relator for the United States
of America
Appextremes LLC
Arbor Temporary Services
AVSC Holding Corporation
B&B Utility Services LLC
Barracuda Networks Inc
Bill Mullen
BSI
Bulk TV Top Co LLC
C Gurol Erbay MD PA
C&C Meditec LLC
Care Tech Solutions, Inc.
CCA Financial LLC
CDW Government
Cellhire USA LLC
Center State Electric Inc
CenturyLink
Charles Schwab Bank
Chartwell Partners
City of Green Cove Springs
City of Perry
Clay County Tax Collector
CNL Inc
Comcast
ComplianceLine LLC
Concur Technologies Inc
Continental American Insurance
Data Sales Co Inc
DataSite Atlanta SF LLC
Davidoff Hutcher & Citron, LLP
Dell Financial Services LLC
Derwent & Associates PLLC
Dias & Associates PA
Direct Supply
DirectEmployers Association
Drivetrain Advisors Ltd
Duke Energy
DynaFire Inc.
EyeMed
FairPoint Communications, Inc.
FC Encore Master Landlord A
FC Investors XXI, LLC
FHCA
First Coast Service Options
First Insurance Funding Corp
Florida Dept of Revenue
Ford Dean & Rotundo, PA
Genesis Rehabilitation Services
Georgia Department of Revenue
Greyson Communications, Inc.
Hanmi Bank
Healthcare Services Group
Hertz Corporation
Hodges-Mace, LLC
Holli Lin Jones
Home Depot USA Inc
Huntington Technology Finance
iCIMS, Inc.
Ig Igloo Holdings Inc
Indeed Inc
Infor (US), Inc
Inpatient Consultants Of Florida Inc.
Iron Mountain
Jeff Rader
Joerns, LLC
JYP Orlando, LLC.
KBS Strategic Opportunity REIT
Kno2 LLC
L. Siegel
Lands' End Inc.
Lawrence R. Siegel, Esq.
Level 3 Communications LLC
LinkedIn Corporation
Lojek, Agnes
Maitland Concourse Holdings
Majority Forward Fund
Marsh USA Inc
Marshall Health- Petty Cash
Medic Air Systems Inc
Medical Depot Inc
Medical Solutions LLC
Medline Industries Inc
MetLife, Inc.
Microsoft Corporation
MJM Electric Inc
Modcomp Inc.
Monster Worldwide Inc
MoreDirect, Inc.
National Telecom Deployments
Odell Construction Services
Office Business Solutions, LLC
OHI Asset HUD SF CA, LLC
Omnicare Inc.
One Nation
Optum Bank Inc.
Orange County Tax Collector
Pamela Rosen, Esq.
PayActiv Inc.
Pheasant Ridge Office Buildings LLC

Pitney Bowes Global Financial Services
Pointclickcare Technologies
Polaris Pharmacy Services
Powell Trachtman Logan Carrle & Lombardo
P.C.
Pro Nail Supply
Profit Recovery Partners LLC
Purchase Power
Purchase Power LLC
Ramba Law Group LLC
Republic Services Inc.
Respiratory Health Services
Robotalker.com LLC
Sagewell Healthcare Benefits
Sawyer Gas
Schock Logistics Inc.
Scott Lithographing Company
Sedgwick Claims Management
ServiceNow, Inc.
Sharp Business Systems
Silliter, John
Skill Survey Inc.
Shred-It USA, LLC
Sirius XM Radio Inc.
Smith, Charles W
Smith Health Inc.
Solarwinds Inc.
Sonian Inc.
SSI Group Inc.
Staples Business Advantage
Stephanie Hammer
Stephen Charles Biondi
Stericycle Inc.
Tango, Inc.
Taylor County Tax Collector
Team TSI Corporation
TEKsystems Inc.
Telemesssage, Inc.
The Lawrence Law Group PA
The Sunshine Group
Thomas, John C.
Time Warner Cable
Trident Holding Company, LLC
Twilio, Inc.
United Food and Commercial Workers
International Union
United Healthcare Insurance Co
UNUM Life Insurance Co of America
Var Resources, LLC.
Verizon
Verizon Wireless

Wall Street Systems Delaware
Waste Pro
Wells Fargo Vendor Financial Services
West Health Advocate Solutions
Westfield Insurance Company
Westminster Clock Company
Wilkes McHugh PA Trust Account
William G Johnston
William Mathies
Windstream Communications
Windstream Holdings Inc.
Worldwide Distributors Inc
Worxtime, LLC
WP Astro Parent
ZipRecruiter Inc
Zoom Video Communications Inc

Unions

WellCare

Other Significant Creditors

Canadian Imperial Bank of Commerce (CIBC)
Omega Healthcare Investors

EXHIBIT B

1017 West Washington Blvd
#4F
Chicago, IL 60607
P: 312.896.0123 | F: 312.377.1415



November 25 2020

CMC II, LLC
Attn: Mr. Alan Carr
Independent Manager
800 Concourse Parkway South
Maitland, FL 32751
acarr@drivetrainllc.com

Re: Proposal to perform marketing, sale process, financing and going concern valuation services (the “Engagement”) for CMC II, LLC (“CMC”) and Certain Affiliates Identified on Schedule A (together with CMC, the “Companies”)

Dear Mr. Carr:

In connection with a potential restructuring or sale transaction involving the Companies, please find the below summary of our proposed scope of work and advisory fee for the Engagement:

Statement of Work

- JS Evans LLC d/b/a Evans Senior Investments (ESI) will perform the following duties on any listing(s) related to this Engagement:
 - I. Prepare a confidential document outlining the going concern market value of the Companies utilizing market accepted valuation methodologies, which will be used for internal purposes as well as potential expert testimony in a legal or arbitration setting. A draft of the document will be provided to you and counsel to the Companies for review and approval, and the final will be delivered to you. ESI shall maintain these as confidential.
 - II. Prepare a sale announcement (the “Sale Announcement”) and marketing package, which will be utilized to generate interest in the acquisition of the Companies, which shall be provided to you and counsel to the Companies for review and approval prior to distribution.
 - III. Market the Companies and their assets to prospective purchasers as Evans Senior Investments and you deem appropriate.
 - IV. Assist you in validating prospective purchaser information, including proof of funds and other qualification requirements as may be established.
 - V. Prior to giving access to specific details, including documents and other information, which are considered confidential information, ESI will obtain an executed (or electronically acknowledged) confidentiality agreement from all interested purchasers. Such confidentiality agreement shall be subject to review and approval by you and Company counsel prior to distribution.
 - VI. ESI will advise on strategies for selecting a final purchaser(s) for the Companies and/or their assets, as well as accepting, rejecting, and negotiating the final Purchase and Sale Agreement.

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#4F
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- VII. ESI will submit the name(s) of the final prospective purchaser(s) and backup purchaser(s), if any, to you and counsel for CMC for approval, and assist with conducting any related due diligence, as may be requested.
- VIII. ESI will assist in the closing of the sale of the acquisition, in accordance with the Purchase and Sale Agreement.
- IX. ESI shall provide you and CMC counsel systematic status updates or marketing efforts, as well as ongoing support and updates related to terms and conditions of ongoing sale activity, prospective purchaser activity, closing efforts, and other information as deemed necessary from time to time, and shall provide testimony as needed to support obtaining court approval of the DIP financing and sale.
- X. ESI will maintain records of the delivery of any materials associated with the sale to prospective purchasers, including dates of delivery. ESI to provide these records to you and Company counsel regularly or upon request, and shall make available copies of such documentation and records.
- XI. In the event of Debtor-In-Position (DIP) financing that arises from a Chapter 11 filing by the Companies, ESI will actively solicit DIP financing and market the DIP loan to prospective lenders. ESI will work closely with you and Company counsel to identify potential DIP lenders.
- XII. ESI will provide advice regarding any term loans solicited for DIP financing as you may request.

Compensation

ESI's compensation for the Engagement shall be as follows:

- a. Upon delivery of a completed going concern valuation report, \$30,000.00;
- b. Upon closing of a DIP facility, \$50,000.00; and
- c. Upon (i) the closing of a sale of the Companies or all or substantially all of their assets (including a sale that occurs under a court-approved plan), or (ii) the effective date of a plan that provides for a restructuring of the Companies without a sale, a fee of 0.9% of the value of the reorganized Companies. The fees set forth in subsections (a) and (b) shall be deducted from the fee provided in this subsection (c). The total fee to be paid for the Engagement, inclusive of the components set forth in subsections (a), (b), and (c) (provided that each such component is earned), shall be not less than \$300,000.00.

*** Signature Page Follows ***

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Sincerely,

BROKER: JS Evans LLC

Jason Stroiman

By: _____

Its: Authorized Agent and Managing Broker

11/25/20

Date:

Address: 1017 W Washington Blvd
Suite 4F
Chicago, IL 60607

Please indicate your agreement to the foregoing terms and conditions by signing below:



Authorized Agent

CMC II, LLC

Company

Print Name: Alan J. Carr

Date: November 30, 2020

EXHIBIT C

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

In re: CMC II, LLC, ¹ Debtors.	Chapter 11 Case No. 21-10461 (JTD) (Jointly Administered) Related Docket No.:
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ORDER, PURSUANT TO SECTIONS 327(a) AND 328(a) OF THE BANKRUPTCY CODE, BANKRUPTCY RULES 2014 AND 2016, AND LOCAL RULES 2014-1 AND 2016-2(h), AUTHORIZING (I) THE RETENTION AND EMPLOYMENT OF JS EVANS LLC D/B/A EVANS SENIOR INVESTMENTS AS THE DEBTORS' BROKER, EFFECTIVE AS OF THE PETITION DATE, (II) WAIVING CERTAIN INFORMATION REQUIREMENTS OF LOCAL RULE 2016-2(d), AND (III) GRANTING RELATED RELIEF

Upon consideration of the application (the “**Application**”)² for the entry of an order pursuant to sections 327(a) and 328(a) of the Bankruptcy Code, Bankruptcy Rules 2014(a) and 2016, and Local Rules 2014-1 and 2016-2, (i) authorizing the Debtors to retain and employ JS Evans LLC d/b/a Evans Senior Investments (“**ESI**”) as their broker effective as of the Petition Date and in accordance with the terms and conditions set forth in the Engagement Letter, a copy of which is attached to the Application as Exhibit B, (ii) approving the terms of ESI’s employment and retention, including the fee structure, (iii) approving a waiver of certain reporting requirements pursuant to Local Rule 2016-2(d), and (iv) granting certain related relief; and due and proper notice of the Application having been given; and it appearing that no other or further notice of the Application is required; and it appearing that this Court has jurisdiction to consider the Application

¹ The Debtors in these chapter 11 cases, along with the last four digits of their respective tax identification numbers, are as follows: CMC II, LLC (6973), Salus Rehabilitation, LLC (4037), 207 Marshall Drive Operations LLC (8470), 803 Oak Street Operations LLC (3900), Sea Crest Health Care Management, LLC (2940), and Consulate Management Company, LLC (5824). The address of the Debtors’ corporate headquarters is 800 Concourse Parkway South, Maitland, Florida 32751.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Application.

in accordance with 28 U.S.C. § 157(b)(2) and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012; and it appearing that this is a core proceeding pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court being satisfied based on the representations made in the Application and the Stroiman Declaration that ESI is disinterested, as that term is defined under section 101(14) of the Bankruptcy Code; and it appearing that the relief requested in the Application and provided for herein is in the best interest of the Debtors, their estates, and creditors; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Application is GRANTED as set forth herein.
2. ESI is a “disinterested person” as defined in section 101(14) of the Bankruptcy Code and as required by section 327(a) of the Bankruptcy Code in that: (a) ESI has no connection with the Debtors, their creditors, the U.S. Trustee, any person employed in the office of the U.S. Trustee, or any other party with an actual or potential interest in these Chapter 11 Cases, except as set forth in the Stroiman Declaration; (b) ESI is not a creditor, equity security holder, or insider of the Debtors; (c) ESI is not and was not, within two (2) years prior to the Petition Date, a director, officer, or employee of the Debtors; and (d) ESI does not have an interest materially adverse to the interest of the Debtors’ estate or any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors or for any other reason.
3. Pursuant to sections 327(a) and 328(a) of the Bankruptcy Code, Bankruptcy Rules 2014(a) and 2016, and Local Rules 2014-1 and 2016-2, the Debtors are authorized to retain and employ ESI as their broker effective as of the Petition Date, on the terms and conditions set forth in the Application and the Engagement Letter.

4. ESI shall be compensated based on the fees set forth in the Engagement Letter and the Application. ESI shall not be required to submit interim fee applications for its Services. Upon completion of its work for the Debtors, ESI shall file a final fee application for review by the Court and parties-in-interest pursuant to section 328(a) of the Bankruptcy Code in accordance with the terms of the Engagement Letter, subject to the procedures set forth in the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the UST Guidelines and any applicable orders of this Court.

5. ESI's compensation shall be subject to the standard of review provided in section 328(a) of the Bankruptcy Code and not subject to any other standard of review under section 330 of the Bankruptcy Code; *provided, however*, that the U.S. Trustee shall have the right to object to ESI's request for compensation based on the reasonableness standard provided in section 330 of the Bankruptcy Code, and not section 328(a) of the Bankruptcy Code.

6. ESI shall comply with all requirements of Bankruptcy Rule 2016(a) and Local Rule 2016-2, except that ESI is hereby granted a limited waiver of the information-keeping requirements of Local Rule 2016-2 to permit the firm to keep professional time records in half-hour increments, and ESI shall not be required to conform to any schedule of hourly rates for its professionals. For the avoidance of doubt, ESI shall be entitled to payment of its fees without the need for monthly or interim applications for compensation.

7. ESI shall disclose any and all facts that may have a bearing on whether ESI, its respective affiliates, and/or any individuals working on the engagement hold or represent any interest adverse to the Debtors, their creditors, or other parties-in-interest. The obligation to disclose identified in this paragraph shall be a continuing obligation.

8. Any controversies or claims arising out of or in any way related to the services in the Engagement Letter shall be heard in this Court during the pendency of these Chapter 11 Cases.

9. In the event of any inconsistency between the Engagement Letter, the Application, and this Order, this Order shall govern.

10. The Debtors and ESI are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application.

11. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.