

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re

SC HEALTHCARE HOLDING, LLC *et al.*,

Debtors.¹

Chapter 11

Case No. 24 -10443 (TMH)

(Joint Administration Requested)

DEBTORS’ MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING THE DEBTORS TO (A) CONTINUE INSURANCE COVERAGE ENTERED INTO PREPETITION AND SATISFY PREPETITION OBLIGATIONS RELATED THERETO, (B) RENEW, AMEND, SUPPLEMENT, EXTEND, OR PURCHASE INSURANCE POLICIES, (C) HONOR THE TERMS OF THE PREMIUM FINANCING AGREEMENT AND PAY PREMIUMS THEREUNDER, (D) ENTER INTO NEW PREMIUM FINANCE AGREEMENTS IN THE ORDINARY COURSE OF BUSINESS, AND (E) MAINTAIN THE SURETY BONDS; (II) AUTHORIZING BANKS TO HONOR AND PROCESS CHECK AND ELECTRONIC TRANSFER REQUESTS RELATED THERETO; AND (III) GRANTING RELATED RELIEF

The above-captioned debtors and debtors in possession (each, a “Debtor” and, collectively, the “Debtors”) seek entry of an interim order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Interim Order”), and a final order, substantially in the form attached hereto as **Exhibit B** (the “Proposed Final Order”): (i) authorizing the Debtors to (a) continue insurance coverage entered into prepetition and satisfy obligations related thereto in the ordinary course of business, (b) renew, amend, supplement, extend, or purchase insurance coverage in the ordinary course of business on a postpetition basis, (c) honor the terms of the Premium Finance Agreement (as defined herein) and pay premiums thereunder, (d) enter into new premium finance

¹ The last four digits of SC Healthcare Holding, LLC’s tax identification number are 2584. The mailing address for SC Healthcare Holding, LLC is c/o Petersen Health Care Management, LLC 830 West Trailcreek Dr., Peoria, IL 61614. Due to the large number of debtors in these Chapter 11 Cases, for which the Debtors have requested joint administration, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information will be made available on a website of the Debtors’ proposed claims and noticing agent at www.kccllc.net/Petersen, or by contacting the undersigned proposed counsel for the Debtors.



agreements in the ordinary course of business; and (e) maintain the Surety Bonds (as defined herein); (ii) authorizing the banks and other financial institutions (collectively, the “Banks”) to honor and process check and electronic transfer requests related to the foregoing; and (iii) granting related relief. In support of this motion (this “Motion”), the Debtors rely upon and incorporate by reference the *Declaration of David R. Campbell in Support of Chapter 11 Petitions and First Day Pleadings* (the “First Day Declaration”),² filed contemporaneously herewith. In further support of this Motion, the Debtors respectfully state as follows:

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over this matter pursuant to 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. The Debtors confirm their consent, pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) to the entry of a final order by the Court in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

2. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The bases for the relief requested herein are sections 105, 363, 364, 1107(a) and 1108 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”) and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

² Capitalized terms used but not otherwise defined herein have the meaning given to such terms in the First Day Declaration.

BACKGROUND

4. On the date hereof (the “Petition Date”), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors comprise one of the largest nursing home operators in the United States and work in partnership with physicians, skilled nurses, and other health care providers in order to provide various healthcare and rehabilitation services for elderly citizens in Illinois, Missouri, and Iowa. Among other services, the Debtors provide assisted and supportive living, skilled nursing care, respite care, memory care, hospice, local medical transportation, radiology, and pharmacy services. A detailed description of the Debtors and their businesses, including the facts and circumstances giving rise to these Chapter 11 Cases is set forth in the First Day Declaration.

5. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. To date, the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”) has not appointed an official committee in these Chapter 11 Cases and no request has been made for the appointment of a trustee or an examiner.

THE DEBTOR’S INSURANCE PROGRAM

I. The Insurance Policies

6. In the ordinary course of business, the Debtors maintain an insurance program comprised of multiple insurance policies (collectively, the “Insurance Policies” and, each individually, an “Insurance Policy”) that are administered by various third-party insurance carriers (collectively, the “Insurance Carriers”). The Insurance Policies provide coverage for, among other things, the Debtors’ property liability, general liability, worker’s compensation, and professional liability. The Insurance Policies are essential to the ongoing operation of the Debtors’ business.

The aggregate annual premium for the Insurance Policies is approximately \$9,731,413.00, plus applicable taxes and surcharges of approximately \$241,574.11. A schedule (the “Insurance Schedule”) of the Insurance Policies is attached hereto as Exhibit C.³ For each Insurance Policy, the Insurance Schedule includes or identifies (i) the corresponding Insurance Carrier; (ii) the applicable Insurance Policy number; (iii) the coverage period; and (iv) the annual premium.

7. The Insurance Policies are each one year in length and renew at various times throughout the year, subject to the terms of each Insurance Policy. Insurance premiums are paid either annually or in installments throughout the year, subject to the payment terms under each Insurance Policy. As of the Petition Date, the Debtors estimate that approximately \$339,204.58 is owed in overdue insurance premiums to the Insurance Carriers.

8. The property and general liability policy issued by AXA Insurance (“AXA”), identified in the Insurance Schedule is partially financed through the Premium Finance Agreement (defined below), discussed in further detail in below. To the extent that there are additional amounts owed under the AXA Insurance Policy, the Debtors finance the remainder of the premium.⁴

9. The continuation of the Insurance Policies and entry into new insurance policies is essential to the preservation of the value of the Debtors’ business and operations. Not only are some of the Insurance Policies required by the various regulations, laws, and contracts that govern the Debtors’ commercial activities, but section 1112(b)(4)(C) of the Bankruptcy Code provides

³ The descriptions of the Insurance Policies set forth in this Motion are summary in nature. The actual terms of the Insurance Policies and related agreements will govern in the event of any inconsistency with the description in this Motion. The Debtors request authority to honor obligations and renew all Insurance Policies, as applicable, regardless of whether the Debtors inadvertently fail to include a particular Insurance Policy on Exhibit C.

⁴ For the sake of clarity, Debtors only seek to pay up to the amounts actually owed under this arrangement and do not seek permission to double-pay the premium listed.

that “failure to maintain appropriate insurance that poses a risk to the estate or to the public” is “cause” for mandatory conversion or dismissal of a chapter 11 case. 11 U.S.C. § 1112(b)(4)(C). Moreover, the *Operating Guidelines for Chapter 11 Cases* of the U.S. Trustee (the “U.S. Trustee Guidelines”) require debtors to maintain insurance coverage throughout the pendency of the Chapter 11 Cases.

10. Accordingly, the Debtors seek authorization to maintain and/or modify their existing Insurance Policies, honor obligations related thereto, and enter into new insurance policies in the ordinary course of business and consistent with prepetition practices.

II. The Premium Finance Agreement

11. As noted above, the Debtors’ healthcare professional and general liability Insurance Policy through AXA is financed through a premium finance agreement (the “Premium Finance Agreement”) with First Insurance Funding (“First Insurance”), which is attached hereto as **Exhibit D**.⁵ Pursuant to the Premium Finance Agreement, First Insurance has agreed to pay the applicable premiums due under the AXA Insurance Policy in exchange for a combination of upfront and monthly payments from the Debtors. The Debtors’ obligations under the Premium Finance Agreement are secured by all sums due under the AXA Insurance Policy, including any unearned premiums or other sums that may become payable under the AXA Insurance Policy. Pursuant to the Premium Finance Agreement, the Debtors are required to make monthly payments of \$465,713.43 on the first of each month. Because the Premium Finance Agreement is an integral part of the Debtors’ insurance program and vital to the Debtors’ ability to finance and procure the

⁵ The Premium Finance Agreement includes both the original agreement and a recently obtained correction from First Insurance. For the avoidance of doubt, the term “Premium Finance Agreement” includes both documents as included and attached hereto as **Exhibit D**.

AXA Insurance Policy, the Debtors seek authority to honor any amounts owed to First Insurance in full to ensure uninterrupted coverage under their AXA Insurance Policy.

12. The Premium Finance Agreement will expire during the course of these Chapter 11 Cases. Thus, the Debtors seek authority to renew the Premium Finance Agreement or enter into new premium finance agreements on similar commercial terms, without further Court approval. In the Debtors' business judgment, the terms of the Premium Finance Agreement represent the best possible terms for financing the premiums of the AXA Insurance Policy, and the Debtors' estates will benefit by maintaining this low-cost financing from First Insurance. Moreover, any interruption in the Premium Finance Agreement might adversely affect the Debtors' ability to obtain financing for future policies on favorable terms, to the extent needed. In some cases, the coverage is required by regulations, laws, or contracts that govern the Debtors' business obligation. Thus, the Debtors request authority to continue honoring their obligations pursuant to the Premium Finance Agreement, to enter into new premium finance agreements, and to continue the grant of security interests to First Insurance.

III. The Insurance Brokers

13. The Debtors retain the services of Kuhl Agency, HUB International, RT Specialty, and CRC Insurance Services Inc. to help manage their portfolios of risk (collectively, the "Brokers"). The Brokers, among other things, assist the Debtors in obtaining comprehensive insurance coverage, including identifying and obtaining Surety Bonds (as defined below), in a cost-effective manner and provide ongoing support throughout each policy period.

14. The Debtors do not believe that they owe any other amounts to the Brokers on account of fees, commissions, or any other prepetition obligations. Out of an abundance of

caution, however, the Debtors seek authority to honor any amounts owed to the Brokers to ensure uninterrupted coverage under the Insurance Policies.

IV. The Surety Bonds.

15. In the ordinary course of business, the Debtors are required, by the course of business operations, regulations, laws, certain credit agreements, and contracts that govern the Debtors' commercial activities, to maintain surety bonds (collectively, the "Surety Bonds" and, each, a "Surety Bond") from surety providers (collectively, the "Sureties") to (i) maintain a notary, (ii) guarantee the security of their residents' funds, and (iii) guarantee the provision of utility services. In total, for these purposes, Debtors maintain approximately 68 Surety Bonds. In consideration for the Sureties' issuance of the Surety Bonds, the Debtors pay premiums and post collateral to secure their obligations to the Sureties. In addition, the Debtors are also party to indemnity agreements with certain Sureties. As of Petition Date, the Debtors do not believe there are any amounts outstanding on account of the Surety Bonds. A schedule of Surety Bonds and copies of the Surety Bonds are attached hereto as **Exhibit E** and are incorporated herein by reference.⁶

16. To the extent that the Surety Bonds expire during the course of these Chapter 11 Cases, the Debtors seek authority to renew the Surety Bonds or enter into new surety bonds, without further Court approval. The Debtors respectfully submit that renewal of the Surety Bonds falls squarely within the ordinary course of the Debtors' business and that permitting the Debtors to do so is in the best interests of the Debtors and the estates.

⁶ The Debtors request authority to honor obligations and renew any Surety Bond, as applicable, regardless of whether the Debtors inadvertently fail to include a particular surety bond on **Exhibit E**.

17. The Surety Bonds are an integral part of, and essential to, the Debtors' commercial activities, and, in some instances, are required by law. Accordingly, the Debtors seek authority to pay Surety Bond premiums as they come due, renew or potentially acquire additional bonding capacity as needed in the ordinary course of business, and execute other agreements in connection with the Surety Bonds, as needed.

RELIEF REQUESTED

18. By this Motion, the Debtors seek entry of the Proposed Interim Order and the Proposed Final Order, respectively, (i) authorizing the Debtors to (a) continue their prepetition insurance program and satisfy obligations related thereto in the ordinary course of business, (b) renew, amend, supplement, extend, or purchase insurance coverage in the ordinary course of business on a postpetition basis, (c) honor the terms of the Premium Finance Agreement and pay premiums thereunder, (d) enter into new premium finance agreements in the ordinary course of business; and (e) maintain the Surety Bonds; (ii) authorizing the Banks to honor and process check and electronic transfer requests related to the foregoing; and (iii) granting related relief.

BASIS FOR RELIEF REQUESTED

19. The continuation, modification, and/or renewal of the Insurance Policies, the Premium Finance Agreement, the Surety Bonds, and the payments made in connection therewith are transactions in the ordinary course of business. However, the Debtors seek approval of the Insurance Policies, the Premium Finance Agreement, the Surety Bonds, and to continue making the payments thereunder, out of an abundance of caution.

I. The Debtors Should Be Authorized, But Not Directed, to Pay All Prepetition Obligations Owed Under the Insurance Policies, the Premium Finance Agreement, the Surety Bonds, and to the Brokers Pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code

20. The Debtors, operating their business as debtors in possession under sections 1107(a) and 1108 of the Bankruptcy Code, are fiduciaries “holding the bankruptcy estate[s] and operating the business for the benefit of [their] creditors and (if the value justifies) equity owners.” *In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002). Implicit in the duties of a chapter 11 debtor in possession is the duty “to protect and preserve the estate, including an operating business’s going-concern value.” *Id.*

21. Courts have noted that there are instances in which a debtor in possession can fulfill its fiduciary duty only “by the preplan satisfaction of a prepetition claim.” *Id.* The *CoServ* court specifically noted that preplan satisfaction of prepetition claims would be a valid exercise of a debtor’s fiduciary duty when the payment “is the only means to effect a substantial enhancement of the estate,” *id.*, and also when the payment was to “sole suppliers of a given product.” *Id.* at 498. The court provided a three-pronged test for determining whether a preplan payment on account of a prepetition claim was a valid exercise of a debtor’s fiduciary duty:

First, it must be critical that the debtor deal with the claimant. Second, unless it deals with the claimant, the debtor risks the probability of harm, or, alternatively, loss of economic advantage to the estate or the debtor’s going concern value, which is disproportionate to the amount of the claimant’s prepetition claim. Third, there is no practical or legal alternative by which the debtor can deal with the claimant other than by payment of the claim.

Id.

22. The Debtors’ payment of prepetition amounts owed under the Insurance Policies, the Premium Finance Agreement, the Surety Bonds, and to the Brokers as applicable, meets each element of the *CoServ* court’s standard. If the Debtors do not maintain the Insurance Policies

and/or the Premium Finance Agreement, Insurance Carriers could refuse to renew or seek to terminate all or some of the Insurance Policies, thereby jeopardizing the Debtors' ability to operate in the ordinary course. If the Debtors do not pay outstanding fees owed to the Brokers, the Debtors may be unable to obtain the necessary insurance coverage required of them by various laws, regulations, and contracts. If the Surety Bonds lapse, state governments or regulatory agencies could halt the Debtors' operations. If any of the foregoing were to occur, the value of the Debtors' estates would suffer significantly more than the amount of any prepetition claim arising under these programs. Thus, as fiduciaries for their estates, the Debtors can fulfill their fiduciary duties as debtors in possession under sections 1107(a) and 1108 of the Bankruptcy Code through the maintenance of the Insurance Policies, including the Premium Finance Agreement, and the Surety Bonds.

II. The Court Should Authorize the Debtors to Make Payments Related to the Insurance Policies and the Surety Bonds Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code

23. The Debtors' proposed payment of prepetition obligations under the Insurance Policies, the Premium Finance Agreement, the Surety Bonds and outstanding fees owed to the Brokers, should be authorized pursuant to sections 105 and 363 of the Bankruptcy Code and under the "doctrine of necessity."

24. Section 363(b) of the Bankruptcy Code provides that a debtor in possession, "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b). Courts have authorized payments pursuant to section 363(b) of the Bankruptcy Code in situations where a debtor can demonstrate a sound business justification for the payment of prepetition obligations. *See In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999) (stating that "the bankruptcy court has considerable discretion" in granting

motions pursuant to section 363(b) of the Bankruptcy Code); *See also In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (noting that section 363(b) of the Bankruptcy Code provides “broad flexibility” to authorize a debtor to honor prepetition claims where supported by an appropriate business justification). In addition, section 105(a) of the Bankruptcy Code provides in pertinent part that “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). A bankruptcy court may use its equitable powers under section 105 of the Bankruptcy Code to permit a debtor in possession to pay prepetition claims when payment is necessary to effectuate a debtor’s bankruptcy goals and is essential to the continued operation of the business. *See In re Lehigh & New Eng. Ry. Co.*, 657 F.2d 570, 581 (3d Cir. 1981).

25. Indeed, the doctrine of necessity is a well-settled and routinely utilized doctrine that permits a bankruptcy court to authorize payment of certain prepetition claims prior to the completion of the chapter 11 process where the payment of such claims is necessary to preserve and maximize value. *See In re Just for Feet, Inc.*, 242 B.R. 821, 826 (D. Del. 1999) (stating that where the debtor “cannot survive” absent payment of certain prepetition claims, the doctrine of necessity should be invoked to permit payment); *In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191-92 (Bankr. D. Del. 1994) (noting that, under the necessity of payment doctrine, prepetition claims may be paid if essential to the continued operation of the business).

26. Paying obligations under the Insurance Policies, the Premium Finance Agreement, the Surety Bonds, and any outstanding fees owed to the Brokers is warranted. As described above, maintaining the Insurance Policies is necessary to preserve and maximize the value of the Debtors’ estates, thereby ensuring the adequate protection of the Debtors’ properties, and to minimize exposure to risk. Honoring the Premium Finance Agreement is necessary to maintain the

Insurance Policies, as failure to make the payments required under the Premium Finance Agreement can trigger cancellation of one of those Insurance Policies. Moreover, making such Premium Finance Agreement payments is critical to the Debtors' ability to finance future premiums. In addition, maintaining the Surety Bonds is necessary for (i) continuing the Debtors' businesses and, (ii), in most instances, complying with the regulations and laws that govern their businesses. Finally, paying any fees owed to the Brokers will ensure that the Brokers will be available to assist the Debtors in procuring additional necessary insurance and additional surety bonds throughout the course of the Chapter 11 Cases, as needed. As described above, maintaining the Insurance Policies enables the Debtors to avoid the incurrence of possibly significant liabilities and therefore represents a sound exercise of their business judgement. The Insurance Policies protect the Debtors and other parties in interest from losses caused by casualty, natural disaster, fraud, or other unforeseen events. In fact, in some instances, maintenance of insurance coverage is required by the regulations, laws, and contracts that govern the Debtors' commercial activities, including the U.S. Trustee Guidelines. Accordingly, it is necessary for the Debtors to pay their prepetition insurance premiums, obligations owed under the Premium Finance Agreement, and fees to the Brokers to ensure that the Debtors are able to renew, supplement, or purchase insurance coverage on a postpetition basis. In addition, it is necessary for the Debtors to pay for the maintenance of the Surety Bonds for the continuation of their businesses and compliance with the regulations and laws that govern their businesses.

III. Continuation of Insurance Policies is Required by the Bankruptcy Code and the U.S. Trustee Guidelines

27. Section 1112(b)(4)(C) of the Bankruptcy Code provides that "failure to maintain appropriate insurance that poses a risk to the estate or to the public" is "cause" for mandatory conversion or dismissal of a chapter 11 case. In addition, in many instances, the coverage provided

under the Insurance Policies is required by the regulations, laws, certain credit agreements, and contracts that govern the Debtors' commercial activities, including the U.S. Trustee Guidelines. Thus, the Debtors believe it is essential to their estates, and consistent with the Bankruptcy Code and the U.S. Trustee Guidelines, that they (a) maintain and continue to make all payments required under their Insurance Policies and (b) have the authority to supplement, amend, extend, renew, or replace their Insurance Policies as needed, in the ordinary course of business, without further order of the Court.

IV. The Debtors Should be Authorized to Honor and Renew the Premium Finance Agreement and the Surety Bonds.

28. The Debtors respectfully submit that continuation of the Premium Finance Agreement and the Surety Bonds and authorization for entry into new premium finance agreements or surety bonds is necessary and appropriate and may be authorized under section 363 of the Bankruptcy Code, as set forth above. In addition, pursuant to section 364(c) of the Bankruptcy Code, a debtor may, in the exercise of its business judgment, incur postpetition debt if the debtor has been unable to obtain unsecured credit and the borrowing is in the best interest of the estate. *See, e.g., In re Acqua Assocs.*, 123 B.R. 192, 195-96 (Bankr. E.D.Pa. 1991); *see also In re Ames Dept. Stores, Inc.*, 115 B.R. 34, 38 (Bankr. S.D.N.Y. 1990) (stating that with respect to postpetition credit, courts "permit debtors in possession to exercise their basic business judgment consistent with their fiduciary duties"); *In re Simasko Prod. Co.*, 47 B.R. 444, 448-49 (D. Colo. 1985) (authorizing interim financing agreement where debtor's business judgment indicated financing was necessary and reasonable for benefit of estate). To satisfy the requirements of section 364(c) of the Bankruptcy Code, a debtor need only demonstrate "by a good faith effort that credit was not available" to the debtor on an unsecured or administrative expense basis. *See Bray v. Shenandoah Fed. Savs. & Loan Ass'n (In re Snowshoe Co.)*, 789 F.2d 1085, 1088 (4th Cir. 1986).

29. As discussed above, the Debtors believe that continuing to perform under the Premium Finance Agreement and the Surety Bonds on a postpetition basis is within the ordinary course of their business and in the best interests of their estates. Moreover, in light of their financial circumstances, the Debtors do not believe that they can obtain financial accommodations comparable to those offered pursuant to the Premium Finance Agreement or the Surety Bond on an unsecured basis or an administrative expense basis. Moreover, alternative insurance premium finance companies or surety companies may not be willing to provide financing or bonding to the Debtors on attractive market terms on a postpetition basis unless the Debtors can demonstrate their ability to enter into such agreements. The Debtors therefore request authority to enter into postpetition premium finance agreements and surety bonds under sections 503(b)(1) and section 364(c) to the extent necessary to obtain such financings or bonds to fund the premiums for the Debtors' Insurance Policies.

30. Additionally, the Premium Finance Agreement grants First Insurance a security interest in the Insurance Policies, including any unearned premiums or other sums that may become due and payable under the Insurance Policies. Security interests created by premium financing arrangements are generally recognized as secured claims in bankruptcy to the extent of the amount of unearned premiums financed pursuant to such agreements. *See TIFCO, Inc. v. U.S. Repeating Arms Co. (In re U.S. Repeating Arms Co.)*, 67 B.R. 990, 994-95 (Bankr. D. Conn. 1986). Moreover, section 361 of the Bankruptcy Code specifically contemplates providing adequate protection to the extent of the diminution in value of a secured creditor's collateral, and security interests such as those under the Premium Finance Agreement warrant adequate protection in the form of periodic payments pursuant to the Premium Finance Agreement's terms. *See, e.g., In re Waverly Textile Processing, Inc.*, 214 B.R. 476, 480 (Bankr. E.D.Va. 1997). Therefore, if the

Debtors are unable to continue making payments under the Premium Finance Agreement, First Insurance could seek relief from the automatic stay to cancel the respective Insurance Policies in accordance with the terms of the Premium Finance Agreement or to seek adequate protection of its respective investment. *See Universal Motor Express*, 72 B.R. 208, 211 (Bankr. W.D.N.C. 1987) (recognizing that a default under the financing arrangement and the resulting decline in value of the unearned premiums justified relief from the automatic stay). The Debtors would then be required to obtain replacement insurance on an expedited basis and at a significant cost to the estates. If the Debtors are required to obtain replacement insurance and to pay a lump-sum premium for such insurance in advance, this payment may be the same or even greater than what the Debtors currently pay to First Insurance under the Premium Finance Agreement. Even if First Insurance is not permitted to terminate the Insurance Policies, any interruption of payments would severely affect the Debtors' ability to finance premiums for future policies, as needed. Accordingly, the Debtors submit that the practical solution is to continue making payments under the Premium Finance Agreement.

V. Processing of Checks and Electronic Fund Transfers Should be Authorized

31. The Debtors have sufficient funds to pay the amounts described in this Motion in the ordinary course of business by virtue of its current cash on hand, expected cash flows from ongoing business operations, and anticipated access to cash collateral. Under the Debtors' existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to an authorized payment in respect of the relief requested herein. The Debtors do not believe that checks or wire transfer requests, other than those relating to authorized payments, will be honored inadvertently. The Debtors respectfully request that the Court authorize and direct the

Banks, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this Motion.

SATISFACTION OF BANKRUPTCY RULE 6003(b)

32. Pursuant to Bankruptcy Rule 6003(b), any motion seeking to use property of the estate pursuant to section 363 of the Bankruptcy Code or to satisfy prepetition claims within twenty-one (21) days of the Petition Date requires the Debtors to demonstrate that such relief “is necessary to avoid immediate and irreparable harm.” The Debtors believe that, among other things, the success of their chapter 11 efforts will require them to maintain the Insurance Policies, the Premium Finance Agreement, and the Surety Bonds, and that any unanticipated disruption in their business operations, and any distractions caused by attending to any issues related to any failure to pay the Insurance Carriers, First Insurance, or the Sureties, would substantially diminish or impair the Debtors’ efforts to preserve and maximize estate value. Thus, if the relief requested herein is not granted, the Debtors’ estates will suffer immediate and irreparable harm by detracting from, and potentially derailing, the Debtors’ chapter 11 efforts.

33. For this reason and those set forth above, the Debtors respectfully submit that Bankruptcy Rule 6003(b) has been satisfied, and the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtors and their estates.

WAIVER OF STAY UNDER BANKRUPTCY RULE 6004(h)

34. The Debtors seek a waiver of any stay of the effectiveness of an order approving this Motion. Pursuant to Bankruptcy Rule 6004(h), “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6004(h). As set forth above and in the First Day Declaration, the relief requested herein is essential to prevent immediate and

irreparable damage to the Debtors' operations, going-concern value and their efforts to pursue a resolution to these Chapter 11 Cases. To implement the foregoing successfully, the Debtors request that the Proposed Interim Order and Proposed Final Order each include a finding that the Debtors have established cause to exclude such relief from the fourteen day stay period under Bankruptcy Rule 6004(h).

35. For this reason and those set forth above, the Debtors submit that ample cause exists to justify a waiver of the fourteen-day stay imposed by Bankruptcy Rule 6004(h)

RESERVATION OF RIGHTS

36. Nothing contained herein or any actions taken pursuant to such relief requested is intended or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of

all such liens. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim.

NOTICE

37. Notice of this Motion has been given to the following parties or, in lieu thereof, to their counsel, if known: (a) the U.S. Trustee; (b) creditors holding the forty (40) largest unsecured claims against the Debtors; (c) the office of the attorney general for each of the states in which the Debtors operate; (d) the Office of the United States Attorney for the District of Delaware; (e) the Internal Revenue Service; (f) the United States Department of Justice; (g) the Prepetition Lenders; (h) the DIP Lender; (i) the Insurance Companies; (j) the Brokers; (k) First Insurance; (l) the Sureties; (m) the Banks; and (n) any party that has requested notice pursuant to Bankruptcy Rule 2002. Notice of this Motion and any order entered hereon will be served in accordance with Local Rule 9013-1(m). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

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WHEREFORE, the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as the Court deems appropriate under the circumstances.

Dated: March 20, 2024
Wilmington, Delaware

Respectfully submitted,

**YOUNG CONAWAY STARGATT &
TAYLOR, LLP**

/s/ Shella Borovinskaya

Andrew L. Magaziner (No. 5426)
Shella Borovinskaya (No. 6758)
Carol E. Cox (No. 6936)
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253
Email: amagaziner@ycst.com
sborovinskaya@ycst.com
ccox@ycst.com

and

WINSTON & STRAWN LLP

Daniel J. McGuire (*pro hac vice* pending)
Gregory M. Gartland (*pro hac vice* pending)
35 W. Wacker Drive
Chicago, IL 60601
Telephone: (713) 651-2600
Facsimile: (312) 558-5700
T: (312) 558-5600
Email: dmccguire@winston.com
Email: ggartland@winston.com

and

Carrie V. Hardman (*pro hac vice* pending)
200 Park Avenue
New York, New York 10166
Telephone: (212) 294-6700
Facsimile: (212) 294-4700
Email: chardman@winston.com

*Proposed Counsel for the Debtors and
Debtors in Possession*

EXHIBIT A

Proposed Interim Order

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

In re

SC HEALTHCARE HOLDING, LLC *et al.*,

Debtors.¹

Chapter 11

Case No. 24 -10443 (TMH)

Jointly Administered

Ref. Docket No. ____

INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO (A) CONTINUE INSURANCE COVERAGE ENTERED INTO PREPETITION AND SATISFY PREPETITION OBLIGATIONS RELATED THERETO, (B) RENEW, AMEND, SUPPLEMENT, EXTEND, OR PURCHASE INSURANCE POLICIES, (C) HONOR THE TERMS OF THE PREMIUM FINANCING AGREEMENT AND PAY PREMIUMS THEREUNDER, (D) ENTER INTO NEW PREMIUM FINANCE AGREEMENTS IN THE ORDINARY COURSE OF BUSINESS, AND (E) MAINTAIN THE SURETY BONDS; (II) AUTHORIZING BANKS TO HONOR AND PROCESS CHECK AND ELECTRONIC TRANSFER REQUESTS RELATED THERETO; AND (III) GRANTING RELATED RELIEF

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (each, a “Debtor” and, collectively, the “Debtors”) for entry of an interim order (this “Interim Order”): (i) authorizing the Debtors to (a) continue insurance coverage entered into prepetition and satisfy obligations related thereto in the ordinary course of business; (b) renew, amend, supplement, extend, or purchase insurance coverage in the ordinary course of business on a postpetition basis; (c) honor the terms of the Premium Finance Agreement and pay premiums thereunder; (d) enter into new premium finance agreements in the ordinary course of business; and

¹ The last four digits of SC Healthcare Holding, LLC’s tax identification number are 2584. The mailing address for SC Healthcare Holding, LLC is c/o Petersen Health Care Management, LLC 830 West Trailcreek Dr., Peoria, IL 61614. Due to the large number of debtors in these Chapter 11 Cases, for which the Debtors have requested joint administration, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information will be made available on a website of the Debtors’ proposed claims and noticing agent at www.kccllc.net/Petersen, or by contacting the undersigned proposed counsel for the Debtors.

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

(e) maintain the Surety Bonds; (ii) authorizing the banks and other financial institutions (collectively, the “Banks”) to honor and process check and electronic transfer requests related to the foregoing; and (iii) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that venue of this proceeding and the Motion in this district is permissible pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and this Court having found that the Debtors’ notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the “Hearing”); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and it appearing that the relief requested in the Motion and provided for herein is in the best interests of the Debtors, their estates and their creditors; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on an interim basis as set forth in this Interim Order.
2. The Debtors are authorized, but not directed, to pay, in an aggregate amount of \$339,204.58 in prepetition obligations in connection with the Insurance Policies, the Premium Finance Agreement, and the Surety Bonds, including with respect to prepetition payments owed

to the Brokers in an amount not to exceed \$339,204.58 pending entry of a final order on the Motion.

3. The Debtors are authorized, but not directed, to maintain and continue the Insurance Policies without interruption and to pay any undisputed postpetition obligations related to the Insurance Policies (including any amounts owed to the Brokers) and including premiums, claims, deductibles, retrospective adjustments, administrative fees, and any other obligations that become payable, in accordance with and in the amounts consistent with the same practices and procedures as were in effect prior to the commencement of the Chapter 11 Cases, and enter into, renew, amend, supplement, extend, and/or purchase insurance policies (including through obtaining “tail” coverage) to the extent that the Debtors determine that such action is in the best interest of their estates in accordance with the ordinary course of business.

4. The Debtors are authorized, but not directed, to honor the terms of the Premium Finance Agreement and pay premiums thereunder, subject to paragraph 2 of this Interim Order, and to enter into, renew, amend, supplement, and/or extend premium financing agreements as necessary, to the extent that the Debtors determine that such action is in the ordinary course of business.

5. The Debtors are authorized, but not directed, to honor the terms of the Surety Bonds and pay premiums thereunder, subject to paragraph 2 of this Interim Order, and to enter into, renew, amend, supplement, and/or extend surety bonds as necessary, to the extent that the Debtors determine that such action is in the ordinary course of business.

6. The Banks on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all

such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Order.

7. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Interim Order or in the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

8. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

9. The final hearing (the “Final Hearing”) on the Motion shall be held on _____, 2024, at __:__.m., prevailing Eastern Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 5:00 p.m., prevailing Eastern Time, on _____, 2024. Objections must be filed and served on: (i) proposed counsel to the Debtors, (a) Winston & Strawn LLP, 35 W. Wacker Drive, Chicago, IL 60601, Attn: Daniel J. McGuire (dmcguire@winston.com) and Gregory M. Gartland (ggartland@winston.com), and 200 Park Avenue, New York, NY 10166, Attn: Carrie V. Hardman (chardman@winston.com), and (b) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 N. King St., Wilmington, DE 19801, Attn: Shella Borovinskaya (sborovinskaya@ycst.com) and Carol E. Cox (ccox@ycst.com); (ii) the Office of the United States Trustee for the District of Delaware, 844 King St., Suite 2207, Wilmington, DE 19801, Attn: Linda Richenderfer (linda.richenderfer@usdoj.gov); (iii) counsel to the DIP Lender Norton Rose Fulbright US LLP, 1301 Avenue of the Americas, New York, NY 10019, Attn: Robert M. Hirsh (robert.hirsh@nortonrosefulbright.com) and Emily Hong (emily.hong@nortonrosefulbright.com); and (iv) counsel to any statutory committee appointed in these Chapter 11 Cases. If no objections are filed to the Motion, the Court may enter a Final Order without further notice or a hearing.

10. Notwithstanding the relief granted in this Interim Order, any payment made or to be made by the Debtors pursuant to the authority granted herein shall be subject to and in compliance with the Approved Budget and in accordance with the DIP Loan Documents (each as defined in the Interim DIP Order) and the Interim DIP Order.

11. The requirements of Bankruptcy Rule 6003(b) are satisfied because the relief request set forth in this Interim Order is necessary to avoid immediate and irreparable harm to the estates.

12. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

13. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

14. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

EXHIBIT B

Proposed Final Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re

SC HEALTHCARE HOLDING, LLC *et al.*,

Debtors.¹

Chapter 11

Case No. 24-10443 (TMH)

Jointly Administered

Ref. Dkt. Nos. ___ & ___

FINAL ORDER (I) AUTHORIZING THE DEBTORS TO (A) CONTINUE INSURANCE COVERAGE ENTERED INTO PREPETITION AND SATISFY PREPETITION OBLIGATIONS RELATED THERETO, (B) RENEW, AMEND, SUPPLEMENT, EXTEND, OR PURCHASE INSURANCE POLICIES, (C) HONOR THE TERMS OF THE PREMIUM FINANCING AGREEMENT AND PAY PREMIUMS THEREUNDER, (D) ENTER INTO NEW PREMIUM FINANCE AGREEMENTS IN THE ORDINARY COURSE OF BUSINESS, AND (E) MAINTAIN THE SURETY BONDS; (II) AUTHORIZING BANKS TO HONOR AND PROCESS CHECK AND ELECTRONIC TRANSFER REQUESTS RELATED THERETO; AND (III) GRANTING RELATED RELIEF

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (each, a “Debtor” and, collectively, the “Debtors”) for entry of a final order (this “Final Order”):

(i) authorizing the Debtors to (a) continue insurance coverage entered into prepetition and satisfy obligations related thereto in the ordinary course of business; (b) renew, amend, supplement, extend, or purchase insurance coverage in the ordinary course of business on a postpetition basis; (c) honor the terms of the Premium Finance Agreement and pay premiums thereunder; (d) enter into new premium finance agreements in the ordinary course of business; and (e) maintain the

¹ The last four digits of SC Healthcare Holding, LLC’s tax identification number are 2584. The mailing address for SC Healthcare Holding, LLC is c/o Petersen Health Care Management, LLC 830 West Trailcreek Dr., Peoria, IL 61614. Due to the large number of debtors in these Chapter 11 Cases, for which the Debtors have requested joint administration, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information will be made available on a website of the Debtors’ proposed claims and noticing agent at www.kccllc.net/Petersen, or by contacting the undersigned proposed counsel for the Debtors.

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

Surety Bonds; (ii) authorizing the banks and other financial institutions (collectively, the “Banks”) to honor and process check and electronic transfer requests related to the foregoing; and (iii) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Debtors consenting to entry of a final order by this Court under Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is permissible pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors’ notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the “Hearing”); and this Court having previously entered that certain *Interim Order (I) Authorizing The Debtors to (A) Continue Insurance Coverage Entered Into Prepetition and Satisfy Prepetition Obligations Related Thereto, (B) Renew, Amend, Supplement, Extend, or Purchase Insurance Policies, (C) Honor the Terms of the Premium Financing Agreement and Pay Premiums Thereunder, (D) Enter Into New Premium Finance Agreements in the Ordinary Course of Business, and (E) Maintain the Surety Bonds; (II) Authorizing Banks To Honor And Process Check And Electronic Transfer Requests Related Thereto; and (III) Granting Related Relief* [Docket No. []]; and it appearing that the relief requested in the Motion and provided for herein is in the best interests of the Debtors, their estates, and their creditors; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on a final basis as set forth in this Final Order.

2. The Debtors are authorized, but not directed, to pay, prepetition obligations in connection with the Insurance Policies, the Premium Finance Agreement, and the Surety Bonds, including with respect to prepetition payments owed to the Brokers, in an amount not to exceed \$339,204.58 in an aggregate amount, inclusive of the amount of payments approved by the Interim Order.

3. The Debtors are authorized, but not directed, to maintain and continue the Insurance Policies without interruption and pay any undisputed postpetition obligations related to the Insurance Policies (including any amounts owed to the Brokers) and including premiums, claims, deductibles, retrospective adjustments, administrative fees, and any other obligations that become payable, in accordance with and in the amounts consistent with the same practices and procedures as were in effect prior to the commencement of the Chapter 11 Cases, and enter into, renew, amend, supplement, extend, and/or purchase insurance policies (including through obtaining “tail” coverage) to the extent that the Debtors determine that such action is in the best interest of their estates in accordance with the ordinary course of business; and

4. The Debtors are authorized, but not directed, to honor the terms of the Premium Finance Agreement and pay premiums thereunder, subject to paragraph 2 of this Final Order, and to enter into, renew, amend, supplement, and/or extend premium financing agreements as necessary, to the extent that the Debtors determine that such action is in the ordinary course of business.

5. The Debtors are authorized, but not directed, to honor the terms of the Surety Bonds and pay premiums thereunder, subject to paragraph 2 of this Final Order, and to enter into, renew, amend, supplement, and/or extend surety bonds as necessary, to the extent that the Debtors determine that such action is in the ordinary course of business.

6. The Banks on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Order.

7. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Final Order or in the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

8. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored

as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

9. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

10. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

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

Exhibit C

Schedule of Insurance Policies

Type of Policy	Insurance Carrier	Policy Number	Term	Annual Gross Premium ¹
Long Term Care Professional and General Liability Insurance	AXA XL Insurance Company UK Limited, LIRMA C7509	B1820WLS24D467	01/01/24 - 01/01/25	\$6,117,647
Workers' Compensation	West Bend Insurance	B594249 00	01/31/24 - 01/31/25	\$1,930,538
Commercial Property and Commercial Inland Maine	West Bend Insurance	2360291 11	06/30/23 - 06/30/24	\$1,384,027
Auto	West Bend Insurance	1873060 11	06/30/23 - 06/30/24	\$203,671
Auto (Bus)	Progressive Commercial	07828551	07/02/23 – 07/02/24	\$3,725
Flood	Selective Insurance Company of the Southeast	FLD3504108	12/12/23 – 12/12/24	\$1,823
Private Management Liability	RSUI, Landmark Insurance Company	LHP709193	02/28/24 - 02/28/25	\$60,000
Private Management Liability (Excess)	Lexington Insurance Company	013981722-00	02/28/24 – 02/28/25	\$30,000
			Total	\$9,731,413.00

¹ Premiums represented do not include applicable taxes and fees.

Exhibit D

Premium Finance Agreement

LENDER:

PREMIUM FINANCE AGREEMENT

450 Skokie Blvd, Ste 1000

Personal Commercial Additional Premium

Northbrook, IL 60062-7917
P:(800) 837-3707 F:(800) 837-3709
www.firstinsurancefunding.com

FIRST INSURANCE*
FUNDING
A WINTRUST COMPANY

Quote #: 59807040

<p>INSURED/BORROWER (Name and Address as shown on Policy) Petersen Health Care 830 W Trailcreek Dr Peoria, IL 61614-1862</p>	<p>Customer ID: N/A</p> <p>AGENT or BROKER (Name and Business Address) Hub International Midwest Limited 632 W Jefferson St Morton, IL 61550</p>
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LOAN DISCLOSURE

Total Premiums, Taxes, and Fees	Down Payment	Unpaid Balance	Documentary Stamp Tax (only applicable in Florida)	Amount Financed (amount of credit provided on your behalf)	FINANCE CHARGE (dollar amount the credit will cost you)	Total of Payments (amount paid after making all scheduled payments)	ANNUAL PERCENTAGE RATE (cost of credit as a yearly rate)
6,334,212.00	2,345,200.05	3,989,011.95	0.00	3,989,011.95	202,408.92	4,191,420.87	9.950 %

YOUR PAYMENT SCHEDULE WILL BE: Mail Payments to: FIRST Insurance Funding, PO Box 7000, Carol Stream, IL 60197-7000

Number of Payments	Amount of Each Payment	First Installment Due	3/1/2024
9	465,713.43	Installment Due Dates	1st (Monthly)

Certain information contained in the Loan Disclosure section may change in accordance with Section 19 of this Agreement.

INSURED'S AGREEMENT:

- SECURITY INTEREST.** INSURED/BORROWER ("Insured") grants and assigns FIRST Insurance Funding, A Division of Lake Forest Bank & Trust Company, N.A. ("LENDER") a first priority lien on and security interest in the financed policies and any additional premium required under the financed policies listed in the Schedule of Policies, including (a) all returned or unearned premiums, (b) all additional cash contributions or collateral amounts assessed by the insurance companies in relation to the financed policies and financed by LENDER hereunder, (c) any credits generated by the financed policies, (d) dividend payments, and (e) loss payments which reduce unearned premiums (collectively, the "Financed Policies"). If any circumstances exist in which premiums related to any Financed Policy could become fully earned in the event of loss, LENDER shall be named a loss-payee with respect to such policy.
- FINANCE CHARGE.** The finance charge begins accruing on the earliest effective date of the Financed Policies. The finance charge is computed using a 365-day calendar year.
- LATE PAYMENT.** For commercial loans, a late charge will be assessed on any installment at least 5 days in default, and the late charge will equal 5% of the delinquent installment or the maximum late charge permitted by law, whichever is less. For personal loans, a late charge will be assessed on any installment 10 days in default, and the late charge will be the lesser of \$10 or 5% of the delinquent installment.
- PREPAYMENT.** If Insured prepays the loan in full, Insured is entitled to a refund of the unearned finance charge computed according to the Rule of 78s.

SCHEDULE OF POLICIES

Policy Number	Full Name of Insurance Company and Name of General Agent or Company Office to Which Premium is Paid	Coverage	Policy Term	Effective Date	Premiums, Taxes and Fees
I22687-18-A	C01760-AXA INSURANCE COMPANY G00026-CRC GROUP - CHICAGO [ME:35.000 %, CX:0] [PR]	CGLPL	12	1/1/2024 ERN TXS/FEES FIN TXS/FEES	6,117,647.00 2,447.00 214,118.00
				TOTAL	6,334,212.00

Q# 59807040, PRN: 013024, CFG: 0% AAInternal - No Restrictions, RT: 0Internal - Base, DD: 30, BM: Invoice, Qtd For: A00564 Original, Memo 0

- PROMISE TO PAY.** In consideration of the premium payment by LENDER to the insurance companies listed in the Schedule of Policies (or their authorized representative) or the Agent or Broker listed above, Insured unconditionally promises to pay LENDER, the Amount Financed plus interest and other charges permitted under this Agreement, including the Down Payment if owed and payable directly to LENDER, subject to all the provisions of this Agreement.
 - POWER OF ATTORNEY.** INSURED IRREVOCABLY APPOINTS LENDER AS ITS "ATTORNEY-IN-FACT" with full power of substitution and full authority, in the event of default under this Agreement, to (a) cancel the Financed Policies in accordance with the provisions contained herein, (b) receive all sums assigned to LENDER, and (c) execute and deliver on behalf of Insured all documents relating to the Financed Policies in furtherance of this Agreement. This right to cancel will terminate only after all of Insured's indebtedness under this Agreement is paid in full. Insured is responsible for repayment of the Amount Financed plus interest and other charges permitted under this Agreement, including the Down Payment if owed and payable directly to LENDER, irrespective of whether LENDER exercises this right to cancel the Financed Policies.
 - SIGNATURE & ACKNOWLEDGEMENT.** Insured has received, reviewed, and signed a copy of this Agreement. By signing below, you certify that you have the requisite authority to (a) enter into this Agreement on behalf of Insured (if applicable, including as agent, trustee, executor, or otherwise in a representative capacity) and any other insureds named on the Financed Policies, and (b) jointly and severally agree on behalf of all insureds named on the Financed Policies to all provisions set forth in this Agreement. **Insured acknowledges and understands that entry into this financing arrangement is not required as a condition for obtaining insurance coverage.**
- NOTICE TO INSURED:** (1) Do not sign this Agreement before you read both pages of it, or if it contains any blank space. (2) You are entitled to a completely filled-in copy of this Agreement. (3) You have the right to prepay the loan in full and receive a refund of any unearned finance charge. (4) Keep a copy of this Agreement to protect your legal rights. (5) See last page of Agreement for your consent to electronic statement and notice delivery.

2/9/24

Signature of Insured or Authorized Agent

Date

Signature of Agent

Date

Insured: Petersen Health Care
Quote #: 59807040

ADDITIONAL PROVISIONS OF PREMIUM FINANCE AGREEMENT

- 8. APPLICATION OF PAYMENTS.** (a) Payments received by LENDER from Insured shall be applied first to installments, then to any unpaid fees. The payment of installments is prioritized over the payment of fees, which means when LENDER receives partial payments or overpayments of any installment(s), amounts previously applied to fees may be reallocated to enable a full installment(s) to be paid. This payment application method may cause fees to reappear as unpaid and owing after the payment period in which the fees were originally assessed and paid, but does not increase or otherwise change the amount of fees that Insured may be required to pay under this Agreement. (b) Any returned premium received by LENDER from the Financed Policies will be applied to reduce the total unpaid balance under this Agreement, which shall not relieve Insured of its obligation to pay any remaining installments due but may reduce the amount of such installments.
- 9. EFFECTIVE DATE.** This Agreement will not become effective until it is accepted in writing by LENDER. LENDER will send a Notice of Acceptance to Insured to confirm this Agreement is effective.
- 10. DEFAULT/CANCELLATION.** Insured is in default under this Agreement if (a) the Down Payment, if to be collected by LENDER, or any payment is not received by LENDER when it is due, (b) a proceeding in bankruptcy, receivership, insolvency or similar proceeding is instituted by or against Insured, or (c) Insured fails to comply with any of the terms of this Agreement. If Insured is in default, LENDER has no further obligation under this Agreement to pay premiums on Insured's behalf, and LENDER may pursue any of the remedies provided in this Agreement or by law. If a default by Insured results in a cancellation of the Financed Policies, Insured agrees to pay a cancellation charge for commercial loans, which will be the maximum permitted by law. No cancellation charge shall apply to personal loans. If cancellation or default occurs, Insured agrees to pay interest on the unpaid balance due at the contract rate until the balance is paid in full.
- 11. LIMITATION OF LIABILITY.** Insured understands and agrees that LENDER or its assignee is not liable for any losses or damages to Insured or any person or entity upon the exercise of LENDER's right of cancellation, except in the event of willful or intentional misconduct by LENDER.
- 12. INSUFFICIENT FUNDS CHARGE.** If Insured's payment is dishonored for any reason and if permitted by law, Insured will pay LENDER an insufficient funds charge equal to the maximum fee permitted by law for commercial loans and \$10 for personal loans.
- 13. LENDER'S RIGHTS AFTER THE POLICIES ARE CANCELLED.** After any Financed Policy is cancelled by any party or if a credit is otherwise generated, LENDER has the right to receive all unearned premiums and other funds assigned to LENDER as security herein and to apply them to Insured's unpaid balance under this Agreement or any other agreement between Insured and LENDER. Receipt of unearned premiums does not constitute payment of installments to LENDER, in full or in part. Any amounts received by LENDER after cancellation of the Financed Policies will be credited to the balance due with any excess paid to the Insured; the minimum refund is \$1.00. Any deficiency shall be immediately paid by Insured to LENDER. Insured agrees that insurance companies may rely exclusively on LENDER's representations about the Financed Policies.
- 14. ASSIGNMENT.** Insured may not assign any Financed Policy or this Agreement without LENDER's prior written consent. LENDER may transfer its rights under this Agreement without the consent of Insured.
- 15. AGENT OR BROKER.** Insured agrees that the Agent or Broker issuing the Financed Policies or through whom the Financed Policies were issued is not the agent of LENDER, except for any action taken on behalf of LENDER with the express authority of LENDER, and LENDER is not bound by anything the Agent or Broker represents to Insured, orally or in writing, that is not contained in this Agreement. Where permissible by law, LENDER may pay some portion of the finance charge or other form of compensation to the Agent or Broker executing this Agreement for aiding in the administration of this Agreement. In NY, the Agent or Broker may assess a fee to Insured for obtaining and servicing the Financed Policies pursuant to NY CLS Ins § 2119. Any questions regarding this payment should be directed to the Agent or Broker.
- 16. COLLECTION COSTS.** Insured agrees to pay reasonable attorney fees, court costs, and other collection costs to LENDER to the extent permitted by law if this Agreement is referred to an attorney or collection agent who is not a salaried employee of LENDER to collect money that Insured owes.
- 17. GOVERNING LAW.** The loan terms subject to this Agreement are governed by applicable federal law and Illinois law (to the extent not preempted by federal law), without regard to principles of conflicts of law or choice of law. If any court finds any term herein to be invalid, such finding will not affect the remaining provisions.
- 18. WARRANTY OF ACCURACY.** Insured represents and warrants that to the best of its knowledge: (a) the Financed Policies are in full force and effect and that the Insured has not and will not assign any interest in the Financed Policies except for the interest of mortgagees and loss payees, (b) the Down Payment and any past due payments have been paid in full to the Agent or Broker or Lender in cash or other immediately available funds, (c) all information provided herein or in connection with the Agreement is true, correct, and not misleading, (d) Insured is not insolvent nor presently involved in any insolvency proceeding, (e) Insured has no indebtedness to the insurance companies issuing the Financed Policies, (f) there is no provision in the Financed Policies that would require LENDER to notify or obtain consent from any other party to effect cancellation of the Financed Policies, and (g) Insured has disclosed if he or she is a covered member of the armed forces or a dependent of a covered member as defined in the Military Lending Act.
- 19. ADDITIONAL PREMIUMS.** (a) Insured expressly agrees to (i) fully and timely comply with all audits by the insurance companies issuing the Financed Policies, (ii) timely provide complete and accurate payroll information, if applicable, and (iii) pay to the insurance companies any additional amount due in connection with the Financed Policies. The Amount Financed shall be applied to the Financed Policies' premium amounts and Insured shall be responsible for any additional premiums or other sums. (b) Insured, or Agent or Broker, may request that LENDER finance additional policies and/or additional premiums (the "Additional Premiums") for Insured during the term of this Agreement. If LENDER agrees, LENDER will send a Notice of Acceptance to Insured to confirm its approval to finance the Additional Premiums. For commercial loans, this Agreement shall be deemed amended on the date of the Notice of Acceptance to consolidate the Additional Premiums with Financed Policies into a single and indivisible loan transaction subject to this Agreement (with applicable changes to the payment schedule), and the Additional Premiums shall be "Financed Policies" on the date of the Notice of Acceptance. For personal loans, LENDER (or Agent or Broker on LENDER's behalf) will provide a separate Premium Finance Agreement to Insured for any Additional Premiums.
- 20. CORRECTIONS.** LENDER may insert the names of insurance companies or policy numbers in the Schedule of Policies, if this information is not known at the time Insured signs this Agreement. LENDER is authorized to correct patent errors or omissions in this Agreement.
- 21. NON-WAIVER.** Not Applicable.

AGENT OR BROKER REPRESENTATIONS AND WARRANTIES

Unless previously disclosed in writing to LENDER or specified in the Schedule of Policies, the Agent or Broker executing this Agreement expressly represents, warrants, and agrees as follows: (1) Insured has received a copy of this Agreement and has authorized this transaction, the signer of this Agreement (whether Insured or its agent) has valid authority to bind Insured and any other insureds named under the Financed Policies to the terms of this Agreement, including the Power of Attorney provision, Insured's signature is genuine, and the Down Payment has been received from Insured (unless the Down Payment was made to Lender), (2) the information contained in the Schedule of Policies including the premium amount is correct and accurately reflects the necessary coverage, (3) the Financed Policies (a) are in full force and effect, (b) are cancellable by Insured or LENDER (or its successors or assigns), (c) will generate unearned premiums which will be computed on the standard short rate or pro rata basis, and (d) do not contain any provisions which affect the standard short rate or pro rata premium computation, including but not limited to direct company bill, audit, reporting form, retrospective rating, or minimum or fully earned premium, (4) the Agent or Broker is either the insurer's authorized policy issuing agent or the broker placing the coverage directly with the insurer, except where the name of the Issuing Agent or General Agent is listed in the Schedule of Policies, (5) to the best of the Agent or Broker's knowledge, there are no bankruptcy, receivership, or insolvency proceedings affecting Insured, (6) Agent or Broker will hold harmless and indemnify LENDER and its successors and assigns against any loss or expense (including attorney's fees, court costs, and other costs) incurred by LENDER and resulting from Agent or Broker's violations of these Representations and Warranties or from Agent or Broker's errors, omissions, or inaccuracies in preparing this Agreement, and will promptly reimburse LENDER for any loss or expense incurred in connection with any incidence of fraud or lack of valid authority on behalf of Insured or any other named insureds with respect to the terms of this transaction, the Agreement, or the Financed Policies, (7) Agent or Broker will (a) hold in trust for LENDER any payments made or credited to Insured through or to Agent or Broker by the insurance companies or LENDER, and (b) pay these monies and the unearned commissions to LENDER upon demand to satisfy the outstanding indebtedness under this Agreement, and (8) to fully and timely assist with all payroll audits.

LOAN NUMBER
XXX - 100744721 Refer to this number on all correspondence
CUSTOMER ID

NOTICE OF FINANCED PREMIUM



FIRST Insurance Funding
 450 Skokie Blvd, Ste 1000
 Northbrook, IL 60062-7917
 Phone: (800) 837-3707 Fax: (800) 837-3709
 www.firstinsurancefunding.com

NOTICE DATE
3/14/2024

Insurance Company
AXA INSURANCE COMPANY 200 LIBERTY ST NEW YORK, NY 10281

General Agent
CRC GROUP - CHICAGO 1 NORTH FRANKLIN SUITE 3500 CHICAGO, IL 60606

INSURED	POLICY NUMBER	POLICY EFFECTIVE DATE	AMOUNTS	
Petersen Health Care 830 W Trailcreek Dr Peoria, IL 61614-1862	B1820WLS24D467	1/1/2024	Gross Premium	\$ 6,117,647.00
	COVERAGE TYPE	TERM IN MONTHS	Taxes, Fees or Misc. Charges	\$ 216,565.00
	CGLPL	12	Amount Financed	\$ 3,989,011.95
INSURANCE COMPANY	AGENT		FUNDING WILL BE SENT TO	
AXA INSURANCE COMPANY	Hub International Midwest Limited		HUB INTERNATIONAL MIDWEST LIMITED	

PLEASE MARK YOUR RECORDS TO INDICATE OUR SECURITY INTEREST IN THE ABOVE FINANCED POLICY

FIRST Insurance Funding, A Division of Lake Forest Bank & Trust Company, N.A. (herein referred to as "FIRST") hereby notifies you of the premium finance agreement (the "Agreement") the subject of which is the above referenced financed policy (the "Financed Policy"). The Agreement has been signed by the above referenced insured (the "Insured") or on behalf of the Insured by a legally authorized party. FIRST has accepted the Agreement, and will advance funds to pay all or part of the premiums on the Financed Policy. Please take note concerning:

- POWER OF ATTORNEY.** The Agreement contains a power of attorney or other authority which, in the event of default on the Agreement, grants to FIRST the Insured's right to cancel the Financed Policy. This power of attorney also grants to FIRST the authority to execute and deliver on behalf of the Insured any documents, forms or notices relating to the Financed Policy.
- FIRST'S RIGHTS TO RETURN PREMIUMS AND CERTAIN LOSS PAYMENTS.** In the Agreement, the Insured grants and assigns to FIRST (i) a security interest in the financed policies and additional premiums, (ii) the right to directly receive all return premiums and dividends resulting from cancellation, endorsement or modification of the Financed Policy by any party, and (iii) any loss payments which reduce return premiums (subject to mortgagee or loss payee interests in these loss payments). (Assignment of dividends not applicable in KY.)
- ASSIGNMENTS.** The Agreement provides that FIRST may sell or assign its interest in the Agreement and the Financed Policy. The Agreement requires the written permission of FIRST for the Insured to assign the Financed Policy.

In accordance with this notice and/or the appropriate premium finance statute, please notify FIRST at once if:

- POLICY TERMS DIFFER.** Notify FIRST if the Financed Policy is not in force, or the terms or provisions of the Financed Policy differ from those indicated above, or
- NON-STANDARD PREMIUM REFUND PROVISIONS EXIST.** Notify FIRST if the Financed Policy provides that return premiums are calculated by a method other than the standard pro rata or short rate tables over the policy term indicated above, or if the earning of the premium could be affected by claims, or
- THIRD-PARTY NOTIFICATION IS REQUIRED FOR CANCELLATION.** Notify FIRST if the Financed Policy contains provisions which would prohibit the Insured or FIRST from effecting immediate cancellation without waiting periods for notifications to third parties.

Should cancellation be necessary, FIRST will stipulate the cancellation effective date, as provided by the appropriate premium finance statute and FIRST's prior notices to the Insured.

All parties receiving copies of this Notice should contact FIRST regarding any discrepancies in the information presented herein within 10 days of the date of this notice. In the absence of such advice and any other contingencies, FIRST will issue the Financed Policy premium to the party indicated above.

LOAN NUMBER
XXX - 100744721 Refer to this number on all correspondence
CUSTOMER ID

NOTICE OF FINANCED PREMIUM



FIRST Insurance Funding
 450 Skokie Blvd, Ste 1000
 Northbrook, IL 60062-7917
 Phone: (800) 837-3707 Fax: (800) 837-3709
 www.firstinsurancefunding.com

NOTICE DATE
3/14/2024

General Agent
CRC GROUP - CHICAGO 1 NORTH FRANKLIN SUITE 3500 CHICAGO, IL 60606

Insurance Company
AXA INSURANCE COMPANY 200 LIBERTY ST NEW YORK, NY 10281

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INSURANCE COMPANY	AGENT		FUNDING WILL BE SENT TO	
AXA INSURANCE COMPANY	Hub International Midwest Limited		HUB INTERNATIONAL MIDWEST LIMITED	

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Exhibit E

Schedule of Surety Bonds

Filing Entity	Obligee	Surety	Surety Bond Number	Nature of Bond	Bond Amount	Premium
Aledo HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA8871	Secures Resident Funds	\$30,000	\$450
Arcola HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9577	Secures Resident Funds	\$216,000	\$3,240
Aspen HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9566	Secures Resident Funds	\$45,000	\$675
Bement HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA8860	Secures Resident Funds	\$36,100	\$542
Casey HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBIY6246	Secures Resident Funds	\$60,000	\$900
Petersen Health Properties, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9559	Secures Resident Funds	\$42,000	\$630
Collinsville HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9575	Secures Resident Funds	\$100,000	\$1,500
Midwest Health Operations, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA8861	Secures Resident Funds	\$25,000	\$375
Petersen Health Quality, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9580	Secures Resident Funds	\$10,000	\$150
Decatur HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9552	Secures Resident Funds	\$92,000	\$1,380
Eastview HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBIY6262	Secures Resident Funds	\$98,000	\$1,470
Effingham HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA8870	Secures Resident Funds	\$70,000	\$1,050

Filing Entity	Obligee	Surety	Surety Bond Number	Nature of Bond	Bond Amount	Premium
El Paso HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBIY6266	Secures Resident Funds	\$205,000	\$3,075
Petersen Health & Wellness, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9550	Secures Resident Funds	\$33,000	\$495
Petersen Health Care - Farmer City	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA8869	Secures Resident Funds	\$65,000	\$975
Flanagan HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA8856	Secures Resident Funds	\$54,000	\$810
Petersen Health Network, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9572	Secures Resident Funds	\$47,000	\$705
Petersen Management Company, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA8852	Secures Resident Funds	\$45,000	\$675
Havana HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBIY6271	Secures Resident Funds	\$42,000	\$630
Petersen Health Care - Illini, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA8868	Secures Resident Funds	\$61,500	\$923
Petersen Health Properties, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9551	Secures Resident Funds	\$50,000	\$750
Kewanee HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBIY6263	Secures Resident Funds	\$42,000	\$630
Lebanon HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBIY6261	Secures Resident Funds	\$32,000	\$480

Filing Entity	Obligee	Surety	Surety Bond Number	Nature of Bond	Bond Amount	Premium
Marigold HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA8863	Secures Resident Funds	\$144,000	\$2,160
McLeansboro HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9548	Secures Resident Funds	\$27,000	\$405
Petersen Management Company, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBIY6267	Secures Resident Funds	\$102,000	\$1,530
Petersen Health & Wellness, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9562	Secures Resident Funds	\$23,000	\$345
Petersen Health Network, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBIY6259	Secures Resident Funds	\$70,000	\$1,050
North Auroa HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9568	Secures Resident Funds	\$190,000	\$2,850
Petersen Management Company, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA8851	Secures Resident Funds	\$210,000	\$3,150
Piper City HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA8862	Secures Resident Funds	\$65,000	\$975
Pleasant View HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9579	Secures Resident Funds	\$40,000	\$600
Polo HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA8874	Secures Resident Funds	\$25,000	\$375
Prairie City HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA8864	Secures Resident Funds	\$64,000	\$960

Filing Entity	Obligee	Surety	Surety Bond Number	Nature of Bond	Bond Amount	Premium
SJL Health Systems, Inc.	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9573	Secures Resident Funds	\$53,000	\$795
Robings HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9570	Secures Resident Funds	\$92,000	\$1,380
Petersen Health Network, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA8872	Secures Resident Funds	\$50,000	\$750
Petersen Health Network, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA8873	Secures Resident Funds	\$12,000	\$180
Petersen Health & Wellness, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA5960	Secures Resident Funds	\$54,000	\$810
Midwest Health Operations, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA8853	Secures Resident Funds	\$115,000	\$1,725
Petersen Health Care - Roseville, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9578	Secures Resident Funds	\$55,000	\$825
Rosiclare HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9555	Secures Resident Funds	\$20,000	\$300
Royal HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA8857	Secures Resident Funds	\$245,000	\$3,675
Petersen Health Business, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9553	Secures Resident Funds	\$44,000	\$660
Shangri La HCO, LLC	Missouri Department of Health and Senior Services	Hartford Fire Insurance Company	83BSBIY6256	Secures Resident Funds	\$84,000	\$1,260

Filing Entity	Obligee	Surety	Surety Bond Number	Nature of Bond	Bond Amount	Premium
Midwest Health Operations, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA8858	Secures Resident Funds	\$41,000	\$615
Shelbyville HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9564	Secures Resident Funds	\$47,000	\$705
Petersen Health Properties, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9549	Secures Resident Funds	\$63,000	\$945
Sullivan HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9574	Secures Resident Funds	\$77,000	\$1,155
Swansea HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9571	Secures Resident Funds	\$58,000	\$870
Tarkio HCO, LLC	Missouri Department of Health and Senior Services	Hartford Fire Insurance Company	83BSBIY6255	Secures Resident Funds	\$35,000	\$525
Petersen Management Company, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA8865	Secures Resident Funds	\$62,000	\$930
Tuscola HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9576	Secures Resident Funds	\$40,000	\$600
Twin HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBIY6269	Secures Resident Funds	\$65,000	\$975
Vandalia HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA9561	Secures Resident Funds	\$46,000	\$690
Watseka HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA8866	Secures Resident Funds	\$73,500	\$1,103

Filing Entity	Obligee	Surety	Surety Bond Number	Nature of Bond	Bond Amount	Premium
Westside HCO, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA8859	Secures Resident Funds	\$57,000	\$855
Petersen Health Network, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBIY6270	Secures Resident Funds	\$21,500	\$323
Petersen Management Company, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBIY6268	Secures Resident Funds	\$25,000	\$375
Petersen Health Network, LLC	Illinois Department of Public Health	Hartford Fire Insurance Company	83BSBJA8850	Secures Resident Funds	\$90,000	\$1,350
Marikay Snyder	Il Secretary of State Index Dept. of Springfield, IL	Old Republic Surety Company	W150295726	Notary	\$5,000	\$25
Laura A. Collins	IL Secretary of State – Index Dept.	Old Republic Surety Company	A150011350	Notary	\$5,000	\$25
Abigail C. Smith	IL Secretary of State – Index Dept.	Old Republic Surety Company	A150011344	Notary	\$5,000	\$25
Petersen Health Care-Farmer City, LLC	NICOR Gas Company	Hartford Fire Insurance Company	83BSBIY6258	Utility Guarantee	\$8,128	\$122
Tarkio HCO, LLC / Tarkio Rehabilitation & Health Care	KCP&L	Hartford Fire Insurance Company	83BSBJA9581	Utility Guarantee	\$4,581	\$100

Filing Entity	Obligee	Surety	Surety Bond Number	Nature of Bond	Bond Amount	Premium
Petersen Health Properties, LLC Jonesboro Rehabilitation & Health Care Center	Southern Illinois Electric Corp.	Hartford Fire Insurance Company	83BSBIY6257	Utility Guarantee	\$6,000	\$100
Tarkio HCO, LLC / Tarkio Rehabilitation & Health Care	Liberty Utilities	Hartford Fire Insurance Company	83BSBJA9582	Utility Guarantee	\$1,720	\$100
Vandalia HCO, LLC / Vandalia Rehabilitation & Health Care Center	Liberty Utilities	Hartford Fire Insurance Company	83BSBIY6260	Utility Guarantee	\$2,250	\$100