

**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. 264, 341, 564 & 567

**CERTIFICATION OF COUNSEL REGARDING REVISED
ORDER APPROVING THE STALKING HORSE BID PROTECTIONS**

On May 21, 2024, the United States Bankruptcy Court for the District of Delaware (the “Court”) entered that certain *Order (I) Approving (A) Bidding Procedures and (B) Assumption and Assignment Procedures and (II) Granting Related Relief* [Docket No. 341] (the “Bid Procedures Order”), thereby authorizing the above-captioned debtors and debtors in possession (collectively, the “Debtors”) to conduct a marketing and sale process for the sale of all or substantially all of their assets (the “Assets”) and, among other things, to (i) designate one or more stalking horse bidders (the “Stalking Horse Bidder(s)”) for the Assets, and (ii) offer the Stalking Horse Bidder(s) bid protections, subject to the procedures outlined in paragraph 6 of the Bid Procedures Order and further order of the Court.

On June 26, 2024, the Debtors filed the *Notice of Stalking Horse Bidder and Proposed Bid Protections* (the “Notice of Stalking Horse Bidder”),² thereby announcing that

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, whose cases are being jointly administered, 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 is available on a website of the Debtors’ claims and noticing agent at <http://www.kccllc.net/Petersen>.

² Capitalized terms used but not otherwise defined herein shall have the meaning given to such terms in the Bid Procedures Order or the Notice of Stalking Horse Bidder, as applicable.



(i) Petersen Acquisitions, LLC was designated as the Stalking Horse Bidder for the subject Assets, (ii) the Debtors were offering the Stalking Horse Bidder the Stalking Horse Bidder Bid Protections, and (iii) the Debtors were seeking to have the Stalking Horse Bidder Bid Protections approved at a hearing on July 1, 2024 (the “Hearing”) in accordance with the Bid Procedures Order and the Motion to Shorten.³ A proposed order (the “Proposed Bid Protections Order”) was attached to the Notice of Stalking Horse Bidder as Exhibit C. Objections to the Stalking Horse Bidder Bid Protections were due prior to or at the Hearing (the “Objection Deadline”).

Prior to the Objection Deadline, the Debtors received informal responses from the Office of the United States Trustee for the District of Delaware, JMB Capital Partners Lending, LLC, and the Official Committee of Unsecured Creditors (collectively, the “Responding Parties”). No formal or informal responses or objections to the Stalking Horse Bidder Bid Protections were received other than those described herein.

As discussed at the Hearing, following discussions with the Responding Parties, the Debtors have agreed to a revised form of order (the “Revised Proposed Bid Protections Order”), a copy of which is attached hereto as **Exhibit A**, which resolves the Responding Parties’ informal responses. In connection therewith, the Court advised that it would enter the Revised Proposed Bid Protections Order upon submission of such order under certification of counsel. For the convenience of the Court and other interested parties, a blackline comparing the Revised Proposed Bid Protections Order against the Proposed Bid Protections Order is attached hereto as **Exhibit B**.

WHEREFORE, as the Debtors did not receive any objections or responses other than those described herein, and the Responding Parties do not object to entry of the Revised

³ On June 26, 2024, the Court entered that certain *Order (I) Shortening the Time for Notice of Hearing on Debtors’ Bid Protections Notice Pursuant to Bid Procedures Order and (II) Granting Related Relief* [Docket No. 567], thereby scheduling the Hearing on July 1, 2024 at 9:00 a.m. (ET).

Proposed Bid Protections Order, the Debtors respectfully request that the Court enter the Revised Proposed Bid Protections Order without further notice or hearing at the Court's earliest convenience.

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Dated: July 1, 2024
Wilmington, Delaware

Respectfully submitted,

**YOUNG CONAWAY STARGATT &
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/s/ Shella Borovinskaya

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*Counsel for the Debtors and Debtors in
Possession*

EXHIBIT A

Revised Proposed Bid Protections 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 (THM)

Jointly Administered

Ref. Docket Nos. 264, 341, & 564

ORDER APPROVING THE STALKING HORSE BID PROTECTIONS

Upon the *Notice of Stalking Horse Bidder and Proposed Bid Protections* (the “Notice”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”), filed in accordance with paragraph 6 of the Bid Procedures Order [Docket No. 341], seeking entry of an order (this “Order”) approving the Stalking Horse Bid Protections; and this Court having jurisdiction to consider the Notice and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Notice and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having scheduled a hearing to consider the Notice in accordance with the Bid Procedures Order; and this Court having reviewed the Notice and any and all evidence submitted in support of the Stalking Horse Bid Protections; and this Court having held a hearing to consider the relief requested in the Notice; and all objections, if any, to the Stalking Horse Bid Protections

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having been withdrawn, resolved, or overruled; and this Court having determined that the legal and factual bases set forth in the Notice and applicable evidence submitted in connection therewith establish just cause for the relief granted herein; and it appearing that the Stalking Horse Bid Protections are warranted and should be awarded as being in the best interest of the Debtors, their estates, creditors, and all parties in interest; and upon all of the proceedings had before this Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Stalking Horse Bid Protections set forth in the Stalking Horse APA are approved as set forth herein.

2. The Debtors' payment of the Break-up Fee and Expense Reimbursement to the Stalking Horse Bidder, as set forth in the APA and the Notice, to the extent implicated, is (a) an actual and necessary cost and expense of preserving the Debtors' estates, within the meaning of section 503(b) of the Bankruptcy Code, (b) of substantial benefit to the Debtors' estates, (c) reasonable and appropriate, and (d) necessary to ensure that the Stalking Horse Bidder will continue to pursue its proposed acquisition of the Acquired Assets.

3. The Break-up Fee and the Expense Reimbursement shall constitute allowed administrative expense claims in the Debtors' Chapter 11 Cases, provided, however, that prior to paying the Expense Reimbursement, as applicable, the Stalking Horse Bidder shall provide counsel to the Debtors, counsel to the Official Committee of Unsecured Creditors, and the U.S. Trustee, via email, with an itemized invoice setting forth expenses reasonably incurred by the Stalking Horse Bidder in connection with presenting the Stalking Horse APA, and such parties (each, a "Notice Party") shall have ten days (the "Objection Period") to object to the reasonableness of such expenses. Absent objection by either Notice Party, upon the expiration of

the Objection Period, the Debtors are authorized to pay the documented expenses consistent with the terms of this Order.

4. Notwithstanding the possible applicability of the Bankruptcy Rules 6004(h) or any applicable provisions of the Local Rule or otherwise, this Order shall be immediately effective and enforceable upon its entry, and no automatic stay of execution shall apply to this Order.

5. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

6. Nothing in this Order shall alter or amend the rights of JMB Capital Partners Lending, LLC under the *Final Order (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Granting Security Interests and Superpriority Administrative Expense Status, (III) Granting Adequate Protection to Certain Prepetition Secured Credit Parties, (IV) Modifying the Automatic Stay; (V) Authorizing the Debtors to Enter Into Agreements with JMB Capital Partners Lending, LLC, (VI) Authorizing Use of Cash Collateral, and (VII) Granting Related Relief* [Docket No. 313].

7. To the extent there is a transaction or transactions outside of the Debtors' Chapter 11 Cases for one or more of the Excluded Facilities (as defined and set forth in Section 2.09 of the Stalking Horse APA), the Break-up Fee and Expense Reimbursement shall not be paid from the proceeds of any such transaction(s).

EXHIBIT B

Blackline

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

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