

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

<p>In re:</p> <p>SC HEALTHCARE HOLDING, LLC, <i>et al.</i></p> <p style="text-align: right;">Debtors.¹</p>	<p>Chapter 11</p> <p>Case No. 24-10443 (TMH)</p> <p>(Jointly Administered)</p>
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**SUPPLEMENT TO HARTFORD FIRE INSURANCE COMPANY’S LIMITED
OBJECTION TO DEBTORS’ NOTICE OF CURE COSTS AND POTENTIAL
ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND
UNEXPIRED LEASES IN CONNECTION WITH SALE [DOC. NO. 535];
NOTICE OF SALE TRANSACTION [DOC. NO. 349] AND NOTICE OF FILING
OF PROPOSED SALE ORDER [DOC. NO. 569]**

Hartford Fire Insurance Company (the “Surety”), by and through its undersigned counsel, hereby submits this supplement [“Supplement”] to its limited objection (the “Limited Objection”) to the Debtors’ *Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Sale* [Doc. No. 535]; *Notice of Sale, Bidding Procedures, Auction, and Sale Hearing* [Doc. No. 349] and *Notice of Filing of Proposed Sale Order* [Doc. No. 569], which Limited Objection was filed as Doc. No. 601; and respectfully states as follows:

1. Since the filing of the Limited Objection, no notice has been filed advising of any potential buyer of any of the Debtors’ assets (other than notice of the Stalking Horse Bidder). The Surety objects to the potential assumption and/or assumption and assignment of any bond that is issued and any accompanying indemnity agreement, absent its consent, which consent cannot be granted absent knowledge of the identity of any such buyer and absent adequate assurance of 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 large number of debtors in these Chapter 11 Cases, 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 has been made available on a website of the Debtors’ claims and noticing agent at www.kccllc.net/Petersen.



ability of any such potential buyer to cure and to perform in the future under such bond and indemnity agreement (such as financial information of any potential buyer), so that the Surety can make a reasoned determination as to whether to consent to any proposed assumption and/or assumption or assignment of any issued bond and/or indemnity agreement.

2. In addition, on July 2, 2023, counsel for the Surety asked counsel for the Debtors for adequate assurance/financial information as to the highest bidder/bidders that may seek to assume any bonds issued by the Surety (which would require approval by the Surety of any such assumption). Counsel for the Surety has of yet, not been provided with any such information about any potential buyers.

3. As set forth in the Limited Objection, to the extent that a buyer seeks to assume any bond(s) issued by the Surety, such buyer also must assume the Indemnity Agreement (which assumptions can only take place with the Surety's consent). If there is more than one buyer of assets that seeks to assume bonds issued by the Surety, which is acceptable to the Surety, then only one buyer could assume the Indemnity Agreement, and all other buyers of assets must each execute a new indemnity agreement that is satisfactory to the Surety. Accordingly, the Surety objects to any sales transaction to the extent that this issue is not addressed.

RESERVATION OF RIGHTS

4. The submission of this Limited Objection by the Surety is not intended as, and shall not be construed as: (a) the Surety's admission of any liability or waiver of any defenses or limitation of any rights of Surety with respect to any claims against any one or more of the Bonds or under any indemnity agreement in favor of the Surety, including the Indemnity Agreement; (b) the Surety's waiver or release of any right to exoneration it may have against anyone with respect to any of the Bonds; (c) the Surety's waiver or release of its right to be subrogated to the rights of

one or more of the parties paid in connection with the Bonds; (d) an election of remedy; or (e) consent to the determination of any of the Debtors' liability to the Surety by any particular court, including, without limitation, the Bankruptcy Court.

5. The Surety reserves the right to object and put forth any argument in relation to any sale proposed by the Debtors, after an auction or otherwise, and to raise any arguments by any other party in their objection(s) to the Motions or any future sale hearing.

6. The Surety expressly reserves, and does not waive, any and all of its rights, claims, defenses, limitations, and/or exclusions in connection with its and any of the Debtors' or its affiliates' rights and obligations under the Indemnity Agreement, the Bonds, applicable law, or otherwise. Surety further reserves all rights to assert any and all such rights, claims, defenses, limitations and/or exclusions in any appropriate manner or forum whatsoever (including, without limitation, any of its rights to have any non-core matter relating to the interpretation of its contractual rights and Debtors' contractual obligations adjudicated by the United States District Court).

7. The Surety further reserves all of its rights to raise any issues contained in this Limited Objection and any other related issues in any procedurally appropriate contested matter and/or adversary proceeding, including, without limitation, (i) objections to confirmation of any plan; (ii) a separate adversary proceeding requesting any appropriate declaratory and/or injunctive relief; (iii) or an objection to any subsequent motion seeking approval of an asset sale to any prospective asset Buyer with respect to any contractual rights that may be adversely affected by a sale motion or the confirmation of any plan.

CONCLUSION

WHEREFORE, for the reasons set forth herein, the Surety respectfully requests that the Limited Objection and this Supplement be addressed in any Order approving the Assumption Schedule annexed to the Debtors *Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Sale* [Docket No. 535] as well as in any Order approving the Sale Transaction.

**McELROY, DEUTSCH, MULVANEY
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Dated: July 3, 2024

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CERTIFICATE OF SERVICE

Undersigned counsel hereby certifies that on Wednesday, July 3, 2024, the *Supplement to Hartford Fire Insurance Company’s Limited Objection to Debtors’ Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases In Connection With Sale* [Doc. No. 535], *Notice of sale Transaction* [Doc. No. 349], and *Notice of Filing of Proposed Sale Order* [Doc. No. 569] (the “Supplement”) was e-filed and served via CM/ECF on all parties registered to receive notification of such filings.

Additionally, the following parties were served the Supplement by e-mail:

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Dated: July 3, 2024

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