

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. 662

**CERTIFICATION OF COUNSEL REGARDING ORDER (I) AUTHORIZING AND
APPROVING PROCEDURES FOR THE SALE, TRANSFER, OR ABANDONMENT
OF CERTAIN *DE MINIMIS* ASSETS, AND (II) GRANTING RELATED RELIEF**

On July 15, 2024, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed the *Debtors’ Motion for an Order (I) Authorizing and Approving Procedures for the Sale, Transfer, or Abandonment of Certain De Minimis Assets, and (II) Granting Related Relief* [Docket No. 662] (the “Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”). A proposed order (the “Proposed Order”) was attached to the Motion as Exhibit A. The deadline to file objections or otherwise respond to the Motion was established as July 23, 2024 at 4:00 p.m. (ET) (as may have been extended by the Debtors for any party, the “Objection Deadline”).²

Prior to the Objection Deadline, the Bank of Rantoul (“Rantoul”) filed the *Objection of Bank of Rantoul to Debtors’ Motion for an Order (I) Authorizing and Approving Procedures for the Sale, Transfer, or Abandonment of Certain De Minimis Assets, 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, 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 The Debtors extended the Objection Deadline for the Committee and the U.S. Trustee (each as defined below).



(II) *Granting Related Relief* [Docket No. 671], Community State Bank (“Community State”) filed the *Joinder of Community State Bank to Objection of Bank of Rantoul to Debtors’ Motion for an Order (I) Authorizing and Approving Procedures for the Sale, Transfer, or Abandonment of Certain De Minimis Assets, and (II) Granting Related Relief* [Docket No. 686], and the Bank of Farmington (“Farmington”) filed the *Joinder of the Bank of Farmington to Objection of Bank of Rantoul to Debtors’ Motion for an Order (I) Authorizing and Approving Procedures for the Sale, Transfer, or Abandonment of Certain De Minimis Assets, and (II) Granting Related Relief* [Docket No. 687]. In addition, the Debtors received informal responses from the Official Committee of Unsecured Creditors (the “Committee”), Column Financial, Inc. (“Column”), the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”), and JMB Capital Partners Lending, LLC (the “DIP Lender” and, collectively with Rantoul, Community State, Farmington, the Committee, Column, and the U.S. Trustee, the “Responding Parties”). In response to the objections filed by Rantoul, Community State, and Farmington, and the informal responses received by the Committee, Column, the U.S. Trustee, and the DIP Lender, and in resolution of all of the foregoing, the Debtors revised the Proposed Order, attached hereto as **Exhibit A** (the “Revised Proposed Order”). For the convenience of the Court and all interested parties, a blackline comparing the Revised Proposed Order against the Proposed Order is attached hereto as **Exhibit B**.

WHEREFORE, as the Debtors did not receive any objections or responses other than that described herein, and the Responding Parties do not object to entry of the Revised Proposed Order, the Debtors respectfully request that the Court enter the Revised Proposed Order without further notice or hearing at the Court’s earliest convenience.

Dated: July 26, 2024
Wilmington, Delaware

Respectfully submitted,

**YOUNG CONAWAY STARGATT &
TAYLOR, LLP**

/s/ Shella Borovinskaya

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*Counsel for the Debtors and Debtors in
Possession*

EXHIBIT A

Revised Proposed 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. 662

**ORDER (I) AUTHORIZING AND APPROVING PROCEDURES
FOR THE SALE, TRANSFER, OR ABANDONMENT OF CERTAIN
DE MINIMIS ASSETS, AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the Debtors for entry of an order (this “Order”) authorizing and approving, pursuant to sections 363 and 554 of the Bankruptcy Code, Bankruptcy Rules 6004 and 6007, and Local Rules 2014-1 and 2016-2, procedures for the sale, transfer, and/or abandonment of *De Minimis* Assets, all as more fully set forth in the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper 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 notice of the Motion was sufficient and the opportunity for a hearing on the Motion was

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² All capitalized terms used but otherwise not defined herein shall have the meanings set forth in the Motion.

appropriate 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”), as applicable; and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing, as applicable, establish just cause for the relief granted herein; 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 Motion is GRANTED as set forth herein.

2. Pursuant to section 363(b) of the Bankruptcy Code, the Debtors are authorized to sell or transfer *De Minimis* Assets without further order of this Court in accordance with the following *De Minimis* Asset Sale Procedures:

- (a) With regard to sales or transfers of *De Minimis* Assets in any individual transaction or series of related transactions to a single buyer or group of related buyers with an aggregate sale price less than or equal to \$75,000:
 - i. the Debtors are authorized to consummate such transactions if the Debtors determine in their reasonable exercise of business judgment that such sales are in the best interest of their estates, without further order of the Court or notice to any party (except that, as to sales between \$50,000 and \$75,000, the Debtors will, at least two (2) business days prior to closing such sale or effectuating such transfer, give Transaction Notice (as defined below) to the Office of The United States Trustee and the Official Committee of Unsecured Creditors, as set forth in subparagraphs 2(b)(ii) & (iii) below); *provided, however*, that if such transaction is with Mark B. Petersen (“Mr. Petersen”), any of his relatives, or any entity in which Mr. Petersen or his relatives have an ownership interest, then notice must be provided pursuant to the notice provisions of subparagraph (b) herein;
 - ii. any such transactions will be deemed final and fully authorized by the Court and free and clear of Liens with such Liens attaching only to the sale proceeds with the same validity, extent, and priority as immediately prior to the transaction;

iii. good-faith purchasers of assets pursuant to these *De Minimis* Asset Sale Procedures will be entitled to the protections of section 363(m) of the Bankruptcy Code.

(b) With regard to the sales or transfers of *De Minimis* Assets in any individual transaction or series of related transactions to a single buyer or group of related buyers with an aggregate sale price greater than \$75,000 and less than or equal to \$350,000:

i. the Debtors are authorized to consummate such transactions if the Debtors determine in the reasonable exercise of their business judgment that such sales are in the best interest of their estates, without further order of the Court, subject to the procedures set forth herein;

i. any such transactions will be free and clear of all Liens with such Liens attaching only to the sale proceeds with the same validity, extent, and priority as immediately prior to the transaction;

ii. the Debtors will, at least ten business days prior to closing such sale or effectuating such transfer, give written notice (which may be accomplished via email) of such sale or transfer (each notice, a “Transaction Notice”) to: (a) the Office of The United States Trustee, Attn.: Linda Richenderfer (linda.richenderfer@usdoj.gov); (b) counsel for the DIP Lenders, (i) Norton Rose Fulbright US LLP, Attn.: Robert M. Hirsh (robert.hirsh@nortonrosefulbright.com) and (ii) Morris James LLP, Attn.: Eric J. Monzo (emonzo@morrisjames.com); (c) counsel to the Official Committee of Unsecured Creditors, Greenberg Traurig LLP, Attn.: Anthony W. Clark (anthony.clark@gtlaw.com), Dennis A. Meloro (dennis.meloro@gtlaw.com), Nancy A. Peterman (petermann@gtlaw.com), Danny Duerdoth (duerdoth@gtlaw.com), and Shari L. Heyen (shari.heyen@gtlaw.com); and (d) counsel for Column, Attn: Tyler Layne (tyler.layne@hklaw.com); and (e) any known affected lender that may have a security interest in the *De Minimis* Asset(s) (each a “Notice Party”, and collectively, the “Notice Parties”);

iii. the content of the Transaction Notice will consist of: (a) identification of the *De Minimis* Assets being sold or transferred; (b) identification of the purchaser of the assets; (c) the purchase price; (d) whether any fees are owed to agents, brokers, auctioneers, and/or liquidators, and the nature and amount of the fee; (e) whether any prepetition secured lender asserted an interest in the subject *De Minimis* Assets; and (f) any other material terms of the sale or transfer;

iv. if no written objections are received or filed by the Notice Parties within five business days of service of such Transaction Notice, the Debtors are authorized to consummate such transaction immediately;

- v. if a written objection is received from a Notice Party within such five-business-day period that cannot be resolved, the relevant *De Minimis* Assets will only be sold upon withdrawal of such written objection or further order of the Court; provided that, if the objection is withdrawn or overruled, the Debtors shall be authorized to immediately negotiate, enter into, execute, consummate, and perform such transaction; and
 - vi. good-faith purchasers of assets pursuant to these *De Minimis* Asset Sale Procedures will be entitled to the protections of section 363(m) of the Bankruptcy Code.
- (c) With regard to the sales or transfers of *De Minimis* Assets in any individual transaction or series of related transactions to a single buyer or group of related buyers with an aggregate sale price greater than \$350,000:
- i. the Debtors are authorized to consummate such transactions if the Debtors determine in the reasonable exercise of their business judgment that such sales are in the best interest of their estates, without further order of the Court, subject to the procedures set forth herein;
 - ii. the Debtors are required to obtain consent of the Committee to any such transaction or, alternatively, confirmation that the Committee does not object to such transaction;
 - iii. any such transactions will be free and clear of all Liens with such Liens attaching only to the sale proceeds with the same validity, extent, and priority as immediately prior to the transaction;
 - iv. the Debtors will, at least ten business days prior to closing such sale or effectuating such transfer, provide a Transaction Notice to the Notice Parties other than the Committee;
 - v. the content of the Transaction Notice will consist of: (a) identification of the *De Minimis* Assets being sold or transferred; (b) identification of the purchaser of the assets; (c) the purchase price; (d) whether any fees are owed to agents, brokers, auctioneers, and/or liquidators, and the nature and amount of the fee; and (e) any other material terms of the sale or transfer;
 - vi. if no written objections are received or filed by the Notice Parties within five business days of service of such Transaction Notice, the Debtors are authorized to consummate such transaction immediately;
 - vii. if a written objection is received from a Notice Party within such five-business-day period that cannot be resolved, the relevant *De Minimis* Assets will only be sold upon withdrawal of such written objection or further order of the Court; provided that, if the objection is

withdrawn or overruled, the Debtors shall be authorized to immediately negotiate, enter into, execute, consummate, and perform such transaction; and

viii. good-faith purchasers of assets pursuant to these *De Minimis* Asset Sale Procedures will be entitled to the protections of section 363(m) of the Bankruptcy Code.

3. Sales and transfers of *De Minimis* Assets are free and clear of all Liens, with such Liens attaching to the proceeds of such sale or transfer with the same validity, extent, and priority as had attached to such *De Minimis* Assets immediately prior to such sale or transfer.

4. The absence of an objection to the relief requested in the Motion combined with the absence of a timely objection to the sale of property by a holder of a Lien or interest that has received notice of the *De Minimis* Asset Sale in accordance with the terms of this Order shall be determined to be “consent” to such sale within the meaning of section 363(f)(2) of the Bankruptcy Code.

5. Purchasers and transferees of *De Minimis* Assets are entitled to the protections afforded to good-faith purchasers under section 363(m) of the Bankruptcy Code.

6. Service of the Transaction Notice is sufficient notice of the sale or transfer of such *De Minimis* Assets.

7. The Debtors are authorized, pursuant to section 554(a) of the Bankruptcy Code, to abandon *De Minimis* Assets without further order of this Court or notice to any party, if they determine, within the reasonable exercise of their business judgment, that such abandonment or scrapping is in the best interest of the estates.

8. With respect to all sale transactions consummated pursuant to this Order, this Order is sufficient evidence of the transfer of title to any particular buyer, and the sale transactions consummated pursuant to this Order will be binding upon and will govern the acts of all persons and entities who may be required by operation of law, the duties of their office, or contract, to

accept, file, register, or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the property sold pursuant to this Order, including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, administrative agencies, governmental departments, secretaries of state and federal, state, and local officials.

9. The Debtors are authorized to pay those necessary fees and expenses incurred in connection with the sale, transfer, scrapping, or abandonment of *De Minimis* Assets, including commission fees to agents, brokers, auctioneers, and liquidators; *provided, however*, that any such professional must fill out a verified statement, substantially in the form attached hereto as **Exhibit 1**, to be included in the applicable Transaction Notice.

10. Nothing in this Order shall alter or amend the rights of JMB Capital Partners Lending, LLC (the “DIP Lender”) 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* (the “Final DIP Order”) [Docket No. 313].

11. The Debtors shall hold all cash proceeds received from any *De Minimis* Asset Sale in escrow at a bank that has executed a Uniform Depository Agreement with the Office of the United States Trustee for the District of Delaware, and shall not distribute any such proceeds until further order of this Court, and in no event shall the proceeds of any *De Minimis* Asset Sale be distributed until (i) all DIP Obligations (as defined in the Final DIP Order) are paid in full, (ii) the amount of all Consenting Lender Cost Allocation Adequate Protection Claims (as defined in the

Final DIP Order) have been determined by (a) agreement of the Debtors and all Consenting Lenders, or (b) order of this Court; and (iii) the amount of all Consenting Lender Diminution Adequate Protection Claims (as defined in the Final DIP Order) have been determined by (a) agreement of the Debtors and all Consenting Lenders, or (b) order of this Court. Such proceeds shall be subject to the liens and superpriority claims granted in favor of the DIP Lender under the Final DIP Order and may not be distributed or otherwise used until all DIP Obligations are paid in full.

12. This Order and the procedures approved hereby shall not apply to vehicles subject to respective liens held by Bank of Rantoul, Bank of Farmington, and Community State Bank (collectively, the “Excluded Banks” and such vehicles, the “Excluded Bank Vehicles”), the further disposition of which shall remain subject to any agreement recited on the record at the hearing conducted before this Court on July 10, 2024. For the avoidance of doubt, the Excluded Bank Vehicles may become subject to the procedures approved hereby upon the Debtors’ receipt of written confirmation from an Excluded Bank that such Excluded Bank consents to the disposition of any Excluded Bank Vehicles in accordance with this Order.

13. Nothing contained herein prejudices the rights of the Debtors to seek authorization for the sale of any asset under section 363 of the Bankruptcy Code.

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

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

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

EXHIBIT 1

Form of Sale Professional Declaration

**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. ____

VERIFIED STATEMENT PURSUANT TO BANKRUPTCY RULE 2014

I, [NAME], declare under penalty of perjury:

1. I am a [POSITION] of [COMPANY], located at [STREET, CITY, STATE, ZIP CODE] (the “Company”).

2. The above-captioned debtors and debtors-in-possession (collectively, the “Debtors”), have requested that the Company provide [____SPECIFIC DESCRIPTION____] services to the Debtors in connection with the sale of [____DESCRIPTION OF ASSETS____] (the “Assets”), and the Company has consented to provide such services.

3. Following a successful sale of the Assets, the Company shall receive the following compensation (the “Compensation”) in exchange for its services: [____DESCRIPTION OF COMPENSATION____].

4. The Company may have performed services in the past, may currently perform services, and may perform services in the future in matters unrelated to these chapter 11 cases for

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persons that are parties in interest in the Debtors' chapter 11 cases. The Company, however, does not perform services for any such person in connection with these chapter 11 cases, or have any relationship with any such person, their attorneys, or accountants that would be adverse to the Debtors or their estates.

5. Neither I nor any principal, partner, director, officer, etc. of, or professional employed by, the Company has agreed to share or will share any portion of the compensation to be received from the Debtors with any other person other than the principal and regular employees of the Company.

6. Neither I nor any principal, partner, director, officer, of, or professional employed by, the Company, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors or their estates with respect to the matter(s) upon which the Company is to be employed.

7. The Company is conducting further inquiries regarding its retention by any creditors of the Debtors, and upon conclusion of that inquiry, or at any time during the period of its employment, if the Company should discover any facts bearing on the matters described herein, the Company will supplement the information contained in this Declaration.

[Remainder of Page Intentionally Left Blank]

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

Date:

_____ 2024

[DECLARANT'S NAME]

EXHIBIT B

Blackline

**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. ~~662~~662

**ORDER (I) AUTHORIZING AND APPROVING PROCEDURES
FOR THE SALE, TRANSFER, OR ABANDONMENT OF CERTAIN
DE MINIMIS ASSETS, AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the Debtors for entry of an order (this “Order”) authorizing and approving, pursuant to sections 363 and 554 of the Bankruptcy Code, Bankruptcy Rules 6004 and 6007, and Local Rules 2014-1 and 2016-2, procedures for the sale, transfer, and/or abandonment of *De Minimis* Assets, all as more fully set forth in the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper 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 notice of the Motion was sufficient and the opportunity

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² All capitalized terms used but otherwise not defined herein shall have the meanings set forth in the Motion.

for a hearing on the Motion was appropriate 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”), as applicable; and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing, as applicable, establish just cause for the relief granted herein; 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 Motion is GRANTED as set forth herein.
2. Pursuant to section 363(b) of the Bankruptcy Code, the Debtors are authorized to sell or transfer *De Minimis* Assets without further order of this Court in accordance with the following *De Minimis* Asset Sale Procedures:

- (a) With regard to sales or transfers of *De Minimis* Assets in any individual transaction or series of related transactions to a single buyer or group of related buyers with an aggregate sale price less than or equal to \$75,000:
 - i. the Debtors are authorized to consummate such transactions if the Debtors determine in their reasonable exercise of business judgment that such sales are in the best interest of their estates, without further order of the Court or notice to any party (except that, as to sales between \$50,000 and \$75,000, the Debtors will, at least two (2) business days prior to closing such sale or effectuating such transfer, give Transaction Notice (as defined below) to the Office of The United States Trustee and the Official Committee of Unsecured Creditors, as set forth in subparagraphs 2(b)(ii) & (iii) below); *provided, however,* that if such transaction is with Mark B. Petersen (“Mr. Petersen”), any of his relatives, or any entity in which Mr. Petersen ~~has~~or his relatives have an ownership interest, then notice must be provided pursuant to the notice provisions of subparagraph (b) herein;~~and~~
 - ii. any such transactions will be deemed final and fully authorized by the Court and free and clear of Liens with such Liens attaching only to the sale proceeds with the same validity, extent, and priority as immediately prior to the transaction~~;~~.

iii. good-faith purchasers of assets pursuant to these *De Minimis* Asset Sale Procedures will be entitled to the protections of section 363(m) of the Bankruptcy Code.

(b) With regard to the sales or transfers of *De Minimis* Assets in any individual transaction or series of related transactions to a single buyer or group of related buyers with an aggregate sale price greater than \$75,000 and less than or equal to \$350,000:

i. the Debtors are authorized to consummate such transactions if the Debtors determine in the reasonable exercise of their business judgment that such sales are in the best interest of their estates, without further order of the Court, subject to the procedures set forth herein;

i. any such transactions will be free and clear of all Liens with such Liens attaching only to the sale proceeds with the same validity, extent, and priority as immediately prior to the transaction;

ii. the Debtors will, at least ten business days prior to closing such sale or effectuating such transfer, give written notice (which may be accomplished via email) of such sale or transfer (each notice, a “Transaction Notice”) to: (a) the Office of The United States Trustee, Attn.: Linda Richenderfer (linda.richenderfer@usdoj.gov); (b) counsel for the DIP Lenders, (i) Norton Rose Fulbright US LLP, Attn.: Robert M. Hirsh (robert.hirsh@nortonrosefulbright.com) and (ii) Morris James LLP, Attn.: Eric J. Monzo (emonzo@morrisjames.com); (c) counsel to the Official Committee of Unsecured Creditors, Greenberg Traurig LLP, Attn.: Anthony W. Clark (anthony.clark@gtlaw.com), Dennis A. Meloro (dennis.meloro@gtlaw.com), Nancy A. Peterman (petermann@gtlaw.com), Danny Duerdoth (duerdoth@gtlaw.com), and Shari L. Heyen (shari.heyen@gtlaw.com); and (d) counsel for Column, Attn: Tyler Layne (tyler.layne@hkllaw.com); and (e) any known affected lender that may have a security interest in the *De Minimis* Asset(s) (each a “Notice Party”, and collectively, the “Notice Parties”);

iii. the content of the Transaction Notice will consist of: (a) identification of the *De Minimis* Assets being sold or transferred; (b) identification of the purchaser of the assets; (c) the purchase price; (d) whether any fees are owed to agents, brokers, auctioneers, and/or liquidators, and the nature and amount of the fee; (e) whether any prepetition secured lender asserted an interest in the subject *De Minimis* Assets; and (f) any other material terms of the sale or transfer;

- iv. if no written objections are received or filed by the Notice Parties within five business days of service of such Transaction Notice, the Debtors are authorized to consummate such transaction immediately;
 - v. if a written objection is received from a Notice Party within such five-business-day period that cannot be resolved, the relevant *De Minimis* Assets will only be sold upon withdrawal of such written objection or further order of the Court; provided that, if the objection is withdrawn or overruled, the Debtors shall be authorized to immediately negotiate, enter into, execute, consummate, and perform such transaction; and
 - vi. good-faith purchasers of assets pursuant to these *De Minimis* Asset Sale Procedures will be entitled to the protections of section 363(m) of the Bankruptcy Code.
- (c) With regard to the sales or transfers of *De Minimis* Assets in any individual transaction or series of related transactions to a single buyer or group of related buyers with an aggregate sale price greater than \$350,000:
- i. the Debtors are authorized to consummate such transactions if the Debtors determine in the reasonable exercise of their business judgment that such sales are in the best interest of their estates, without further order of the Court, subject to the procedures set forth herein;
 - ii. the Debtors are required to obtain consent of the Committee to any such transaction or, alternatively, confirmation that the Committee does not object to such transaction;
 - iii. any such transactions will be free and clear of all Liens with such Liens attaching only to the sale proceeds with the same validity, extent, and priority as immediately prior to the transaction;
 - iv. the Debtors will, at least ten business days prior to closing such sale or effectuating such transfer, provide a Transaction Notice to the Notice Parties other than the Committee;
 - v. the content of the Transaction Notice will consist of: (a) identification of the *De Minimis* Assets being sold or transferred; (b) identification of the purchaser of the assets; (c) the purchase price; (d) whether any fees are owed to agents, brokers, auctioneers, and/or liquidators, and the nature and amount of the fee; and (e) any other material terms of the sale or transfer;

- vi. if no written objections are received or filed by the Notice Parties within five business days of service of such Transaction Notice, the Debtors are authorized to consummate such transaction immediately;
- vii. if a written objection is received from a Notice Party within such five-business-day period that cannot be resolved, the relevant *De Minimis* Assets will only be sold upon withdrawal of such written objection or further order of the Court; provided that, if the objection is withdrawn or overruled, the Debtors shall be authorized to immediately negotiate, enter into, execute, consummate, and perform such transaction; and
- viii. good-faith purchasers of assets pursuant to these *De Minimis* Asset Sale Procedures will be entitled to the protections of section 363(m) of the Bankruptcy Code.

3. Sales and transfers of *De Minimis* Assets are free and clear of all Liens, with such Liens attaching to the proceeds of such sale or transfer with the same validity, extent, and priority as had attached to such *De Minimis* Assets immediately prior to such sale or transfer.

4. The absence of an objection to the relief requested in the Motion combined with the absence of a timely objection to the sale of property by a holder of a Lien or interest that has received notice of the *De Minimis* Asset Sale in accordance with the terms of this Order shall be determined to be “consent” to such sale within the meaning of section 363(f)(2) of the Bankruptcy Code.

5. Purchasers and transferees of *De Minimis* Assets are entitled to the protections afforded to good-faith purchasers under section 363(m) of the Bankruptcy Code.

6. Service of the Transaction Notice is sufficient notice of the sale or transfer of such *De Minimis* Assets.

7. The Debtors are authorized, pursuant to section 554(a) of the Bankruptcy Code, to abandon *De Minimis* Assets without further order of this Court or notice to any party, if they

determine, within the reasonable exercise of their business judgment, that such abandonment or scrapping is in the best interest of the estates.

8. With respect to all sale transactions consummated pursuant to this Order, this Order is sufficient evidence of the transfer of title to any particular buyer, and the sale transactions consummated pursuant to this Order will be binding upon and will govern the acts of all persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register, or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the property sold pursuant to this Order, including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, administrative agencies, governmental departments, secretaries of state and federal, state, and local officials.

9. The Debtors are authorized to pay those necessary fees and expenses incurred in connection with the sale, transfer, scrapping, or abandonment of *De Minimis* Assets, including commission fees to agents, brokers, auctioneers, and liquidators; provided, however, that any such professional must fill out a verified statement, substantially in the form attached hereto as **Exhibit 1**, to be included in the applicable Transaction Notice.

10. Nothing in this Order shall alter or amend the rights of JMB Capital Partners Lending, LLC (the “DIP Lender”) 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* (the “Final DIP Order”) [Docket No. 313].

11. The Debtors shall hold all cash proceeds received from any *De Minimis* Asset Sale in escrow at a bank that has executed a Uniform Depository Agreement with the Office of the United States Trustee for the District of Delaware, and shall not distribute any such proceeds until further order of this Court, and in no event shall the proceeds of any *De Minimis* Asset Sale be distributed until (i) all DIP Obligations (as defined in the Final DIP Order) are paid in full, (ii) the amount of all Consenting Lender Cost Allocation Adequate Protection Claims (as defined in the Final DIP Order) have been determined by (a) agreement of the Debtors and all Consenting Lenders, or (b) order of this Court; and (iii) the amount of all Consenting Lender Diminution Adequate Protection Claims (as defined in the Final DIP Order) have been determined by (a) agreement of the Debtors and all Consenting Lenders, or (b) order of this Court. Such proceeds shall be subject to the liens and superpriority claims granted in favor of the DIP Lender under the Final DIP Order and may not be distributed or otherwise used until all DIP Obligations are paid in full.

12. This Order and the procedures approved hereby shall not apply to vehicles subject to respective liens held by Bank of Rantoul, Bank of Farmington, and Community State Bank (collectively, the “Excluded Banks” and such vehicles, the “Excluded Bank Vehicles”), the further disposition of which shall remain subject to any agreement recited on the record at the hearing conducted before this Court on July 10, 2024. For the avoidance of doubt, the Excluded Bank Vehicles may become subject to the procedures approved hereby upon the Debtors’ receipt of written confirmation from an Excluded Bank that such Excluded Bank consents to the disposition of any Excluded Bank Vehicles in accordance with this Order.

13. ~~10.~~ Nothing contained herein prejudices the rights of the Debtors to seek authorization for the sale of any asset under section 363 of the Bankruptcy Code.

14. ~~11.~~ The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

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

16. ~~13.~~ The Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

EXHIBIT 1

Form of Sale Professional Declaration

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. _____

VERIFIED STATEMENT PURSUANT TO BANKRUPTCY RULE 2014

I, [NAME], declare under penalty of perjury:

1. I am a [POSITION] of [COMPANY], located at [STREET, CITY, STATE, ZIP CODE] (the “Company”).

2. The above-captioned debtors and debtors-in-possession (collectively, the “Debtors”), have requested that the Company provide [SPECIFIC DESCRIPTION] services to the Debtors in connection with the sale of [DESCRIPTION OF ASSETS] (the “Assets”), and the Company has consented to provide such services.

3. Following a successful sale of the Assets, the Company shall receive the following compensation (the “Compensation”) in exchange for its services: [DESCRIPTION OF COMPENSATION].

4. The Company may have performed services in the past, may currently perform services, and may perform services in the future in matters unrelated to these chapter 11 cases

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 www.kccllc.net/Petersen.

for persons that are parties in interest in the Debtors' chapter 11 cases. The Company, however, does not perform services for any such person in connection with these chapter 11 cases, or have any relationship with any such person, their attorneys, or accountants that would be adverse to the Debtors or their estates.

5. Neither I nor any principal, partner, director, officer, etc. of, or professional employed by, the Company has agreed to share or will share any portion of the compensation to be received from the Debtors with any other person other than the principal and regular employees of the Company.

6. Neither I nor any principal, partner, director, officer, of, or professional employed by, the Company, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors or their estates with respect to the matter(s) upon which the Company is to be employed.

7. The Company is conducting further inquiries regarding its retention by any creditors of the Debtors, and upon conclusion of that inquiry, or at any time during the period of its employment, if the Company should discover any facts bearing on the matters described herein, the Company will supplement the information contained in this Declaration.

[Remainder of Page Intentionally Left Blank]

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

Date:

2024

[DECLARANT'S NAME]