

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 Nos. 264, 341 & 346

NOTICE OF SALE, BIDDING PROCEDURES, AUCTION, AND SALE HEARING

PLEASE TAKE NOTICE that, on May 1, 2024, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) in these chapter 11 cases, filed with the United States Bankruptcy Court for the District of Delaware (the “Court”) a motion [Docket No. 264] (the “Motion”) for the entry of an order (the “Bid Procedures Order”)² (i) approving (a) the Bidding Procedures, substantially in the form attached to the Bid Procedures Order as Exhibit 1; (b) authorizing the Debtors to designate one or more stalking horse bidders (the “Stalking Horse Bidders”); (c) setting the deadline for potential bidders to submit a proposal to purchase the Assets (the “Bid Deadline”), authorizing and scheduling an auction (the “Auction”), and authorizing and scheduling hearings with respect to the approval of a proposed sale transaction (the applicable “Sale Hearing”); (d) authorizing and approving the form and manner of the Sale Notice; (e) authorizing and approving the Notice of Assumption, Assignment, and Sale regarding the Debtors’ potential assumption and assignment of the Assigned Contracts and of the Debtors’ calculation of the amount necessary to cure any defaults thereunder (the “Cure Costs”); and (f) authorizing and approving procedures for the assumption and assignment of the Assigned Contracts and the determination of Cure Costs with respect thereto (collectively, the “Assumption and Assignment Procedures”); (ii) authorizing the sale of all or substantially all of the Debtors’ assets (the “Assets”), free and clear of all liens, claims, encumbrances, and other interests pursuant to section 363(f) of the Bankruptcy Code (collectively, the “Sale Transactions”); and (iii) granting related relief.

PLEASE TAKE FURTHER NOTICE that, on May 21, 2024 the Court entered the Bid Procedures Order authorizing the Debtors to solicit bids for the purchase of the Assets and, if one

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.

² Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Motion, Bid Procedures Order, and the Bidding Procedures, as applicable. Any summary of the Bid Procedures Order or the Bidding Procedures contained herein is qualified in its entirety by the actual terms and conditions thereof. To the extent that there is any conflict between any such summary and such actual terms and conditions, the actual terms and conditions shall control.



or more Qualified Bids are received within the requirements and timeframe specified by the Bidding Procedures, conduct the Auction to select the Successful Bidder. If held, the Auction will be governed by the Bidding Procedures approved pursuant to the Bid Procedures Order.

PLEASE TAKE FURTHER NOTICE of the following important dates and deadlines in connection with the Sale Process:

- **Stalking Horse Deadline**: Any party or entity wishing to serve as a Stalking Horse Bidder for the Assets or any subset thereof must be designated as a Stalking Horse Bidder no later than the Stalking Horse Deadline, June 14, 2024.
- **Bid Deadline**. Any person or entity interested in participating in the Auction must submit a Qualified Bid on or before June 23, 2024 at 6:00 p.m. (ET)/5:00 p.m. (CT) (the “Bid Deadline”).
- **Auction**. An Auction, if necessary, has been scheduled for June 25, 2024 at 10:00 a.m. (ET)/9:00 a.m. (CT) to be held at the offices of Winston & Strawn LLP, 25 W. Wacker Drive, Chicago, IL 60601 or via zoom.
- **Contract and Sale Objection Deadline**. Objections to any proposed assumption or assignment of an Assigned Contract or to the Sale Transactions, including any objection to the sale of the Assets free and clear of all claims and interests, must be (i) filed in accordance with the Bidding Procedures and (ii) filed with the Court by no later than July 2, 2024 at 6:00 p.m. (ET)/5:00 p.m. (CT) (the “Contract and Sale Objection Deadline”).
- **Sale Hearing**. A hearing to approve the Sale Transactions shall be held before the Court before the Honorable Thomas M. Horan on July 10, 2024 at 10:00 a.m. (ET) (the “Sale Hearing”).

PLEASE TAKE FURTHER NOTICE that the Debtors may assign to a Successful Bidder, pursuant to an asset purchase agreement, certain contracts, agreements, leases and other assets, including assets constituting real property interests (including all fee surface interests in land, surface leases, easements, rights of way, servitudes, licenses, franchises, road, railroad, and other surface use permits or agreements), free and clear of **all liens, claims, interests, and encumbrances** (other than certain permitted post-closing liabilities, liens, or as otherwise provided in the applicable purchase agreement). Subject to approval by the Court, if any party objects to such assignment, including any objection based on any alleged approval or consent right or anti-assignment provision contained in or applicable to any contract, lease, or other agreement (a “Consent Right”), then such party must file with the Court an objection identifying (i) the contract(s), lease(s), or other agreement(s), (ii) the basis for objecting to the assignment of such contract(s), lease(s), or other agreement(s), and (iii) all supporting documentation (each, an “Assignment Objection”), no later than the Contract and Sale Objection Deadline.

PLEASE TAKE FURTHER NOTICE THAT IF A PARTY FILES AN ASSIGNMENT OBJECTION IN A MANNER THAT IS CONSISTENT WITH THE

REQUIREMENTS SET FORTH ABOVE, AND THE PARTIES ARE UNABLE TO CONSENSUALLY RESOLVE THE DISPUTE PRIOR TO THE SALE HEARING, SUCH OBJECTION WILL BE HEARD BY THE COURT AT THE SALE HEARING OR AT A TIME TO BE DETERMINED BY THE DEBTORS AND THE OBJECTING PARTY.

PLEASE TAKE FURTHER NOTICE THAT any person failing to timely file an Assignment Objection will be (i) forever barred from objecting to the transfer, sale, assumption, and/or assignment of the Debtors' right, title, and interest in, to and under the assets to be sold, assumed, and/or assigned in connection with a Sale Transaction, free and clear of all liens, claims, interests, and encumbrances, including Consent Rights (other than certain permitted liens), and (ii) deemed to consent to and approve the transfer, sale, and assumption and/or assignment of the Debtors' right, title, and interest in, to and under such assets free and clear of all liens, claims, interests, and encumbrances, including Consent Rights (other than certain permitted liens), regardless of whether such consent must be in writing pursuant to the terms of any contract, lease, or other agreement.

PLEASE TAKE FURTHER NOTICE that if any person files an Assignment Objection in accordance herewith, the Debtors and other parties in interest will have the opportunity to object to any alleged rights asserted by such person by filing a response to the Assignment Objection (and serving such response on the objecting party) at any time prior to the Sale Hearing. Upon the filing of such response to such objection, any rights asserted will be deemed to be disputed and the Debtors will be entitled to assert that a bona fide dispute exists as to such rights asserted. Nothing herein will be deemed a waiver of any rights of the Debtors or any other parties in interest to contest any rights asserted by any person in such objections, and all such rights of the Debtors are expressly preserved.

PLEASE TAKE FURTHER NOTICE that any party interested in submitting a bid should contact the Debtors' proposed investment banker, Walker & Dunlop Investment Sales, LLC (Attn: Mark Myers (mmyers@walkerdunlop.com)). Copies of the Motion, the Bid Procedures Order, and the Bidding Procedures may be obtained free of charge at the website dedicated to the Debtors' chapter 11 cases maintained by their claims and noticing agent and administrative advisor, Kurtzman Carson Consultants LLC, located at www.kccllc.net/Petersen.

PLEASE TAKE FURTHER NOTICE that, except as otherwise set forth in the Bidding Procedures, the Debtors reserve the right, in their reasonable business judgment, in a manner consistent with their fiduciary duties and applicable law, and (except to the extent set forth herein) in consultation with the Consultation Parties, to modify the Bidding Procedures; waive terms and conditions set forth herein with respect to all Potential Bidders (as defined below); extend the deadlines set forth herein; announce at the Auction modified or additional procedures for conducting the Auction; alter the assumptions set forth herein; *provided, that* the Debtors shall not be authorized to make material modifications to the Bidding Procedures with respect to the Assets without further order of the Court. The Debtors may provide reasonable accommodations to any Potential Bidder(s) with respect to such terms, conditions, and deadlines of the bidding and Auction process to promote further bids on the Debtors' assets, in each case, to the extent not materially inconsistent with the Bidding Procedures and the Bid Procedures Order, as applicable. All parties reserve their rights to seek Court relief with regard to the Auction, the Bidding Procedures, and any related items (including, if necessary, to seek an extension of the Bid

Deadline). In addition, the Debtors reserve their right to cancel the Bidding Procedures and the Auction with respect to any of the Assets if the Debtors determine, in their reasonable business judgment, in a manner consistent with their fiduciary duties and applicable law, and in consultation with the Consultation Parties, to proceed with a private sale of such assets.

PLEASE TAKE FURTHER NOTICE THAT FAILURE TO ABIDE BY THE BIDDING PROCEDURES, THE BID PROCEDURES ORDER, OR ANY OTHER ORDER OF THE COURT IN THESE CHAPTER 11 CASES MAY RESULT IN THE REJECTION OF YOUR BID.

PLEASE TAKE FURTHER NOTICE THAT THE FAILURE OF ANY PERSON OR ENTITY TO FILE AN OBJECTION IN ACCORDANCE WITH THE BID PROCEDURES ORDER BY THE CONTRACT AND SALE OBJECTION DEADLINE SHALL FOREVER BAR SUCH PERSON OR ENTITY FROM ASSERTING ANY OBJECTION TO THE MOTION, THE ORDER APPROVING THE SALE TRANSACTIONS, THE PROPOSED SALE TRANSACTIONS, OR ANY OTHER AGREEMENT EXECUTED BY THE DEBTORS AND A SUCCESSFUL BIDDER AT THE AUCTION.

[Signature Page Follows]

Dated: May 21, 2024
Wilmington, Delaware

Respectfully submitted,

**YOUNG CONAWAY STARGATT &
TAYLOR, LLP**

/s/ Shella Borovinskaya

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