

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ROME DIVISION



IT IS ORDERED as set forth below:
 IN RE:)
 REGIONAL HOUSING & COMMUNITY)
 SERVICES CORP., et al.,)
 Debtors.)
 Date: August 18, 2023)
)
)
)

Jointly Administered Under
CASE NO. 21-41034-pwb

Paul W. Bonapfel
U.S. Bankruptcy Court Judge

ORDER (I) APPROVING THE SALE OF CERTAIN OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS, (II) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF CONTRACTS AND LEASES, AND (III) GRANTING RELATED RELIEF

Pursuant to that certain *Order Establishing Notice and Objection Procedures with Respect to Debtors' Motion for Authority to Sell Assets Free and Clear of Liens, Claims, and Encumbrances* dated August 5, 2022 (the "**Sale Procedures Order**") [Docket No. 173], this court (the "**Bankruptcy Court**") ordered that it would consider on an expedited basis executed asset purchase agreements for some or all of the Debtors' assets presented to the Bankruptcy Court for approval on the terms set forth in the Sale Procedures Order. On August 9, 2023, the above-captioned debtors and debtors-in-possession (the "**Debtors**") filed with the Bankruptcy Court an Asset Purchase Agreement (as it may be amended, modified or supplemented in accordance with its terms, the "**Agreement**")¹ between (i) West Property Realty LLC and SCAL LLC (together, the "**Buyer**") and (ii) RHCSC Social Circle AL Holdings LLC and RHCSC Social Circle Health Holdings LLC (the "**Social Circle Debtors**"; and together with the Buyer, the "**Parties**"), two of the Debtors in these Bankruptcy Cases, for the purchase and sale of the Debtors' facility located in Social Circle, Georgia and known as The Gardens of Social Circle. On August 16, 2023, the

¹ Except as otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Agreement.



Debtors filed amended exhibits and schedules to the Agreement. A complete copy of the Agreement with exhibits and schedules attached is attached hereto as **Exhibit A**.

Upon consideration of the *Debtors' First Motion (A) for Authority to Sell Assets Free and Clear of Liens, Claims, and Encumbrances; (B) to Assume and Assign Certain Executory Contracts, Leases and Licenses and Establish Cure Costs in Connection Therewith; (C) to Establish Procedures with Respect to Such Sale and the Assumption and Assignment of Executory Contracts and Leases; (D) to Consider Approval of Breakup Fee, and (E) to Shorten and Limit Notice* (the "**Sale Motion**") [Docket No. 141], the Sale Procedures Order, the Notice of Filing Asset Purchase Agreement (the "**Notice of APA**") [Docket No. 261], and the Notice of Proposed Sale, Hearing and Deadline to Object (the "**Notice of Sale Hearing**") [Dkt. No. 262]; and this Court having reviewed and considered the Agreement and the Sale Motion and any objections thereto; and this Court having provided parties an opportunity to be heard with respect to the Agreement and the Sale Motion and to present any objections thereto at a hearing (the "**Sale Hearing**"); and upon the full record of these Chapter 11 Cases; it appearing no other notice need be given; it further appearing the legal and factual bases set forth in the Sale Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause therefor:

THE COURT FINDS AND DETERMINES THAT:

Jurisdiction, Final Order, and Statutory Predicates

A. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Rule 7052 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as

such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.

C. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). The Debtors have confirmed their consent to the entry of a final order by this Court in connection with the Sale Motion to the extent it is later determined the Court, absent the consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

D. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

E. The bases for the relief requested in the Sale Motion are sections 105(a), 363, 365, 503, and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Bankruptcy Code**”), Bankruptcy Rules 2002, 6004, 6006, 9007, and 9014.

F. This order (the “**Sale Order**”) constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a). Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), and to any extent necessary under Bankruptcy Rule 9014 and Rule 54(b) of the Federal Rules of Civil Procedure, as made applicable by Bankruptcy Rule 7054, the Court expressly finds there is no just reason for delay in the implementation of this Sale Order, and waives any stay and expressly directs entry of judgment as set forth herein.

Retention of Jurisdiction

G. It is necessary and appropriate for the Court to retain jurisdiction to, among other things, interpret, implement, and enforce the terms and provisions of this Sale Order and the Agreement, including its related documents, all amendments thereto and any waivers and consents thereunder and each of the agreements executed in connection therewith to which the Debtors (including the Social Circle Debtors) are a party or which has been assigned by the Debtors

(including the Social Circle Debtors) to the Buyer, and to adjudicate, if necessary, any and all disputes involving the Debtors (including the Social Circle Debtors) concerning or relating in any way to, or affecting, the sale contemplated by the Agreement (the “Sale”) or the transactions contemplated in the Agreement, and related documents.

Corporate Authority; Consents and Approvals

H. Each of the Social Circle Debtors has, to the extent necessary or applicable, (a) the full corporate power and authority to execute and deliver the Agreement and all other documents contemplated thereby, (b) all corporate authority necessary to consummate the transaction contemplated by the Agreement, and (c) taken all corporate action necessary to authorize and approve the Agreement and the consummation of the transactions contemplated thereby. The Sale has been duly and validly authorized by all necessary corporate action. No consents or approvals, other than those expressly provided for in the Agreement, are required for the Social Circle Debtors to consummate the Sale, the Agreement, or the transactions contemplated thereby.

Notice of Sale, Sale Hearing, Agreement, and Assumption and Assignment

I. Actual written notice of the Sale Motion, the Sale, the Sale Hearing, and the transactions contemplated thereby, and a reasonable opportunity to object or be heard with respect to the Sale Motion (as it pertains to the Agreement and the Sale) and the relief requested therein, including pursuant to the Sale Procedures Order and at the Sale Hearing, has been afforded to all required interested entities and parties.

J. The Debtors have articulated good and sufficient reasons for this Court to grant the relief requested in the Sale Motion as to the Agreement and the Sale.

K. Proper, timely, adequate, and sufficient notice of the Sale Motion, the Sale Hearing, the Sale, and the transactions contemplated thereby has been provided in accordance with the Sale

Motion and the Sale Procedures Order, the Notice of Debtors' Intent to Assume and Assign Certain Unexpired Leases and Executory Contracts and Setting Forth the Cure Amounts [Docket No. 153], the Notice of APA, the Notice of Sale Hearing, and Bankruptcy Code sections 105(a), 363, and 365 and Bankruptcy Rules 2002, 6004, 6006, 9007, 9008, and 9014. The notices described herein were good, sufficient, and appropriate under the circumstances, and no other or further notice of the Sale Motion, the Sale Hearing, the Sale, or the assumption and assignment of contracts and leases to be assumed and assigned to the Buyer pursuant to the Agreement (the "**Assigned Contracts**") is or shall be required.

L. The disclosures made by the Debtors concerning the Sale Motion, the Agreement, the Sale Hearing, the Sale, and the assumption and assignment of the Assigned Contracts to the Buyer were good, complete, and adequate.

M. A reasonable opportunity to object and be heard with respect to the Sale and the Sale Motion, and the relief requested therein (including, without limitation, the assumption and assignment of the Assigned Contracts to the Buyer and any Cure Amounts relating thereto), has been afforded to the applicable notice parties.

Good Faith of the Buyer

N. The Agreement and each of the transactions contemplated therein were negotiated, proposed, and entered into by the Social Circle Debtors and the Buyer in good faith and without collusion in that, *inter alia*: (i) the Debtors fully marketed the assets of the Social Circle Debtors to allow prospective buyers the opportunity to purchase such assets in amounts greater than the consideration provided by the Buyer; (ii) the Buyer recognized the Debtors were free to deal with any other party interested in purchasing such assets; and (iii) the Buyer has not violated Bankruptcy Code section 363(n) by any action or inaction.

O. No party has objected to the Sale or the Agreement on the grounds of fraud or collusion.

P. Accordingly, the Buyer is purchasing the assets purchased pursuant to the Agreement (the “**Assets**”) in good faith and is a good-faith buyer within the meaning of Bankruptcy Code section 363(m). The Buyer is therefore entitled to all of the protections afforded under Bankruptcy Code section 363(m). Effective upon the Closing, it shall be judicially determined that neither the Debtors (including the Social Circle Debtors) nor the Buyer have engaged in any conduct what would cause or permit the Agreement to be avoided or costs and damages to be imposed under section 363(n) of the Bankruptcy Code.

Highest and Best Offer

Q. The Debtors marketed the Assets through their professionals. The terms set forth in the Agreement constitute the highest and best offer for the Assets, and will provide a greater recovery for the Debtors’ estates than would be provided by any other available alternative. The Debtors’ determination that the Agreement constitutes the highest and best offer for the Assets constitutes a valid and sound exercise of the Debtors’ business judgment.

R. The Agreement represents a fair and reasonable offer to purchase the Assets under the circumstances of these Chapter 11 Cases.

S. Approval of the Sale Motion and the Agreement and the consummation of the transactions contemplated thereby are in the best interests of the Debtors, their estates, their creditors, and other parties in interest.

T. The Debtors have demonstrated compelling circumstances and a good, sufficient, and sound business purpose and justification for the Sale of the Assets prior to, and outside of, a plan of reorganization.

U. Entry of an order approving the Agreement and all the provisions thereof is a necessary condition precedent to Buyer's consummation of the Sale, as set forth in the Agreement.

No Fraudulent Transfer

V. The consideration provided for the Assets under the Agreement is (a) is fair and reasonable, (b) is the highest or best offer for the Assets, and (c) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code, the Uniform Fraudulent Transfer Act, the Uniform Fraudulent Conveyance Act, and under the laws of the United States, any state, territory, possession, or the District of Columbia.

Validity of Transfer

W. The Agreement was not entered into for the purpose of hindering, delaying, or defrauding creditors under the Bankruptcy Code or under the laws of the United States, any of its states, territories, or possessions, or the District of Columbia. Neither the Social Circle Debtors nor the Buyer are entering into the transactions contemplated by the Agreement fraudulently, for the purposes of statutory and common law fraudulent conveyance and fraudulent transfer claims.

X. The Social Circle Debtors are the sole and lawful owner of the Assets. Subject to Bankruptcy Code section 363(f) (addressed below), the transfer of the Assets to the Buyer will be, as of the Closing Date, a legal, valid, and effective transfer of the Assets, which transfer vests or will vest the Buyer with all right, title, and interest of the Debtors to the Assets free and clear of:

(i) all liens (including any liens as that term is defined in Bankruptcy Code section 101(37)) and encumbrances relating to, accruing, or arising any time prior to the Closing Date (collectively, the "**Liens**"), and

(ii) all debts (as that term is defined in Bankruptcy Code section 101(12)) arising under, relating to, or in connection with any act of the Debtors or claims (as that term is defined in Bankruptcy Code section 101(5)), liabilities, obligations, demands, guaranties, options in favor of third parties, rights, contractual commitments, restrictions, interests, mortgages, hypothecations, charges, indentures, loan agreements, instruments, collective bargaining agreements, leases, licenses, deeds of trusts, security interests or similar interests, conditional sale or other title retention agreements and other similar impositions,

restrictions on transfer or use, pledges, judgments, claims for reimbursement, contribution, indemnity, exoneration, infringement, products liability, alter ego liability, suits, defenses, credits, allowances, options, limitations, causes of action, choses in action, rights of first refusal or first offer, rebate, chargeback, credit, or return, proxy, voting trust or agreement or transfer restriction under any shareholder or similar agreement or encumbrance, easements, rights of way, encroachments, liabilities, and matters of any kind and nature, whether arising prior to or subsequent to the Petition Date, whether known or unknown, legal or equitable, mature or unmatured, contingent or noncontingent, liquidated or unliquidated, asserted or unasserted, whether imposed by agreement, understanding, law, equity, or otherwise (including, without limitation, rights with respect to Claims (as defined below) and Liens (A) that purport to give any party a right or option to effect a setoff or recoupment against, or a right or option to effect any forfeiture, modification, profit sharing interest, right of first refusal, purchase or repurchase right or option, or termination of, any of the Debtors' or the Buyer's interests in the Assets, or any similar rights, if any, or (B) in respect of taxes, restrictions, rights of first refusal, charges of interests of any kind or nature, if any, including without limitation, any restriction of use, voting, transfer, receipt of income, or other exercise of any attribute of ownership), collectively, as defined in this clause (ii) relating to, accruing or arising any time prior to the entry of this Sale Order, with the exception of the Assumed Liabilities and the Permitted Exceptions (each as defined in the Agreement for conveyance purposes) to the extent set forth in the Agreement, and any covenants set forth in the Agreement (the "**Claims**")

Together, Liens and Claims are referred to herein as the "**Interests**".

Y. For the further avoidance of doubt, the Buyer is expressly assuming responsibility for the Assigned Contracts, including payment of the Cure Amounts and any obligations arising at or after the Closing Date under the Assigned Contracts, as set forth in the Agreement.

Bankruptcy Code Section 363(f) Is Satisfied

Z. The conditions of Bankruptcy Code section 363(f) have been satisfied in full; therefore, the Debtors (including the Social Circle Debtors) may sell the Assets free and clear of any Interests in the property other than any Permitted Exceptions and Assumed Liabilities.

AA. As described more fully in this Court's October 15, 2021 *Final Order (I) Authorizing (A) Secured Postpetition Financing; (B) Granting Security Interests to the Bondholders; (C) Superpriority Claims and Other Adequate Protection to the Bond Trustee and (II) Authorizing the Use of Cash Collateral by the Debtors* [Docket No. 80] (as amended, the "**DIP Order**"), the Assets are subject to: (i) the Post-Petition Liens (as defined in the DIP Order) in favor

of Ecofin Direct Municipal Opportunities Fund, LP (f/k/a Tortoise Direct Municipal Opportunities Fund, LP) and Ecofin Tax-Advantaged Social Impact Fund, Inc. (the “**DIP Lender**”); and (ii) the liens of UMB Bank, N.A., as successor trustee (the “**Bond Trustee**”) with respect to those certain Public Finance Authority Revenue Refunding Bonds (RHCSC The Gardens of Social Circle Project) Series 2018A, Public Finance Authority Revenue Refunding Bonds (RHCSC The Gardens of Social Circle Project) Taxable Series 2018B, Public Finance Authority Revenue Bonds (RHCSC The Gardens of Social Circle Project) Series 2018C, and Public Finance Authority Revenue Bonds (RHCSC The Gardens of Social Circle Project) Series 2018D (Taxable) (collectively, the “**Social Circle Bonds**”). As of the date of this Order, the DIP Lender has advanced not less than \$7,120,000 (the “**DIP Advanced Amount**”) to the Debtors.

BB. The Buyer would not have entered into the Agreement, and would not consummate the transactions contemplated thereby, if the Sale of the Assets to the Buyer and the assumption of any Assumed Liabilities by the Buyer were not free and clear of all Interests, other than Permitted Exceptions and the Assumed Liabilities, or if the Buyer would, or in the future could, be liable for any of such Interests (other than the Permitted Exceptions and the Assumed Liabilities).

CC. The Debtors (including the Social Circle Debtors) may sell the Assets free and clear of all Interests in such property of any entity other than the Debtors’ estates, including, without limitation, any Liens and Claims against the Debtors, their estates, or any of the Assets (other than the Permitted Exceptions and Assumed Liabilities) because, in each case, one or more of the standards set forth in Bankruptcy Code section 363(f)(1)-(5) has been satisfied. Specifically, the Bond Trustee and the DIP Lender have each consented to the sale of the Assets free and clear of their Liens and Claims, subject to the terms and conditions of this Sale Order, including but not limited to the distribution of the Sale Proceeds as set forth herein. Those holders of Interests in the

Assets, including, without limitation, holders of Liens and Claims against the Debtors, their estates, or any of the Assets, who did not object, or who withdrew their objections, to the Sale or the Sale Motion are deemed to have consented pursuant to Bankruptcy Code section 363(f)(2).

Assumption and Assignment of the Assigned Contracts

DD. The assumption and assignment of the Assigned Contracts pursuant to the terms of this Sale Order is integral to the Agreement and is in the best interest of the Debtors and their estates, their creditors, and all of the parties in interest, and represents the reasonable exercise of sound and prudent business judgment by the Debtors.

EE. The respective amounts set forth under the “Cure Amount” on **Exhibit B** attached hereto reflects the sole amounts necessary under Bankruptcy Code section 365(b) to cure all monetary defaults and pay all pecuniary losses under the Assigned Contracts (collectively, the “**Cure Amounts**”), and no other amounts are or shall be due in connection with the assumption by the Debtors (including the Social Circle Debtors) and the assignment to the Buyer of the Assigned Contracts.

FF. Pursuant to the terms of the Agreement, prior to the Closing Date the Debtors (including the Social Circle Debtors) (as compensated by the Buyer) shall to the extent necessary, cure any default existing prior to the date hereof with respect to the Assigned Contracts, within the meaning of Bankruptcy Code sections 365(b)(1)(A) and 365(f)(2)(A).

GG. As of the Closing Date, subject only to the Debtors’ (including the Social Circle Debtors’) payment of the Cure Amounts, as determined in accordance with the procedures identified in the Sale Motion and its accompanying and related documents, each of the Assigned Contracts will be in full force and effect and enforceable by the Buyer against any counterparty to an Assigned Contract thereto in accordance with its terms.

HH. The Debtors have, to the extent necessary, satisfied the requirements of Bankruptcy Code sections 365(b)(1) and 365(f) in connection with the Sale, the assumption and assignment of the Assigned Contracts, and shall upon assignment thereto on the Closing Date, be relieved from any liability for any breach thereof.

II. The Buyer has demonstrated it has the financial wherewithal to fully perform and satisfy the obligations under the Assigned Contracts as required by Bankruptcy Code sections 365(b)(1)(C) and 365(f)(2)(B). Pursuant to Bankruptcy Code section 365(f)(2)(B), the Buyer has provided adequate assurance of future performance of the obligations under the Assigned Contracts.

JJ. The Debtors' (including the Social Circle Debtors') payment of the Cure Amounts, together with Buyer's promise to perform the obligations under the Assigned Contracts after the Closing Date shall constitute adequate assurance of future performance within the meaning of Bankruptcy Code sections 365(b)(1)(C) and 365(f)(2)(B).

KK. Any objections to the assumption and assignment of any of the Assigned Contracts to the Buyer are hereby overruled or withdrawn. Any objections to the Cure Amounts are hereby overruled or withdrawn. To the extent any counterparty to an Assigned Contract failed to timely object to its Cure Amount or to the assumption and assignment of its Assigned Contracts to the Buyer, such counterparty to an Assigned Contract is deemed to have consented to such Cure Amount and the assignment of its Assigned Contract(s) to the Buyer and waived any other defaults under the Assigned Contracts.

LL. No sections or provisions of the Assigned Contracts that purport to (a) prohibit, restrict or condition the Debtors' (including the Social Circle Debtors') assignment of the Assigned Contracts, including, but not limited to, the conditioning of such assignment on the consent of the

non-debtor parties to such Assigned Contracts; (b) authorize the termination, cancellation or modification of the Assigned Contracts based on the filing of a bankruptcy case, the financial condition of any of the Debtors (including the Social Circle Debtors) or similar circumstances; or (c) declare a breach or default or otherwise give rise to a right of termination as a result of any change in control in respect of any of the Debtors (including the Social Circle Debtors), shall have any force and effect, and such provisions constitute unenforceable anti-assignment provisions under Bankruptcy Code section 365(f) and/or are otherwise unenforceable under Bankruptcy Code section 365(e). The (i) transfer of the Assets to the Buyer and (ii) assignment to the Buyer of the Assigned Contracts, will not subject the Buyer or any of its affiliates or designees to any liability whatsoever that arises prior to the Closing or by reason of such transfer under the laws of the United States, any state, territory, or possession thereof, or the District of Columbia, based, in whole or in part, directly or indirectly, on any theory of antitrust, successor, transferee, derivative, or vicarious liability or any similar theory and/or applicable state or federal law or otherwise.

Sound Business Purpose for the Sale

MM. Good and sufficient reasons for approval of the Agreement and the Sale have been articulated. The relief requested in the Sale Motion is in the best interests of the Debtors (including the Social Circle Debtors), their estates, their creditors, and other parties in interest.

NN. The Debtors have demonstrated both (a) good, sufficient, and sound business purposes and justifications for approving the Agreement and (b) compelling circumstances for the Sale outside the ordinary course of business, pursuant to Bankruptcy Code section 363(b) before, and outside of, a plan of reorganization, in that, among other things, the immediate consummation of the Sale to the Buyer is necessary and appropriate to maximize the value of the Debtors' estates, and the Sale will provide the means for the Debtors to maximize distributions to creditors.

Compelling Circumstances for an Immediate Sale

OO. To maximize the value of the Assets and preserve the viability of the business to which the Assets relate, it is essential the Sale of the Assets occur promptly. Therefore, time is of the essence in effectuating the Agreement and consummating the Sale. As such, the Social Circle Debtors and the Buyer intend to close the Sale of the Assets as soon as reasonably practicable. The Debtors have demonstrated compelling circumstances and a good, sufficient and sound business purpose and justification for immediate approval and consummation of the Agreement. Accordingly, there is sufficient cause to waive the stay provided in Bankruptcy Rules 6004(h) and 6006(d).

PP. Given all of the circumstances of these Chapter 11 Cases and the adequacy and fair value of the Purchase Price under the Agreement, the proposed Sale of the Assets to the Buyer constitutes a reasonable and sound exercise of the Debtors' business judgment and should be approved.

QQ. The consummation of the Sale and the assumption and assignment of the Assigned Contracts is legal, valid, and properly authorized under all applicable provisions of the Bankruptcy Code, including, without limitation Bankruptcy Code sections 105(a), 363(b), 363(f), 363(m), and 365, and all of the applicable requirements of such sections have been complied with in respect of the transaction.

RR. The Sale does not constitute a *sub rosa* or *de facto* chapter 11 plan for which approval has not been sought without the protections a disclosure statement would afford. The Sale neither impermissibly restructures the rights of the Debtors' creditors, nor impermissibly dictates a liquidating chapter 11 plan for the Debtors.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

General Provisions.

1. **Relief Granted.** The relief requested in the Sale Motion as to the Sale and the Agreement, and the transactions contemplated thereby, and by the Agreement are approved for the reasons set forth in this Sale Order and on the record of the Sale Hearing, which is incorporated herein as if fully set forth in this Sale Order.

2. **Objections Overruled.** All objections, statements, and reservations of rights to the Sale Motion and the relief requested therein that have not been withdrawn, waived, or settled, including, without limitation, any and all reservations of rights included in such objections or otherwise, are hereby denied and overruled on the merits, with prejudice. Those parties who did not object, or withdrew their objections, to the Sale Motion are deemed to have consented pursuant to Bankruptcy Code section 363(f)(2).

3. **Sale Order and Agreement Binding on All Parties.** This Sale Order and the Agreement shall be binding in all respects upon all creditors of and holders of equity interests in the Debtors (whether known or unknown), agents, trustees and collateral trustees, holders of Interests in, against, or on the Assets, or any portion thereof, all counterparties to Assigned Contracts and any other non-debtor parties to any contracts with the Social Circle Debtors (whether or not assigned), all successors and assigns of the Debtors (including the Social Circle Debtors), and any subsequent trustees appointed in the Chapter 11 Cases or upon a conversion of the Chapter 11 Cases to one or more cases under chapter 7 of the Bankruptcy Code and shall not be subject to rejection or unwinding. Nothing in any chapter 11 plan confirmed in the Chapter 11 Cases, the confirmation order confirming any such chapter 11 plan, any order approving the wind down or

dismissal of the Chapter 11 Cases, or any order entered upon the conversion of the Chapter 11 Cases to one or more cases under chapter 7 of the Bankruptcy Code or otherwise shall conflict with or derogate from the provisions of the Agreement or this Sale Order.

Approval of the Agreement

4. **Agreement Approved.** The Agreement and all other ancillary documents, and all of the terms and conditions thereof, are hereby approved.

5. **Authorization to Consummate Transactions.** Pursuant to Bankruptcy Code sections 363(b) and (f), the Debtors are authorized, empowered, and directed to use their reasonable best efforts to take any and all actions necessary or appropriate to (a) consummate the Sale pursuant to and in accordance with the terms and conditions of the Agreement, (b) close the Sale as contemplated in the Agreement and this Sale Order, and (c) execute and deliver, perform under, consummate, implement, and fully close the Agreement, including the assumption and assignment to the Buyer of the Assigned Contracts, together with additional instruments and documents that may be reasonably necessary or desirable to implement the Agreement and the Sale.

Transfer of the Assets

6. **Transfer of the Assets Authorized.** Pursuant to Bankruptcy Code sections 105(a), 363(b), 363(f), and 365 the Debtors are authorized and directed to (a) take any and all actions necessary or appropriate to perform, consummate, implement, and close the Sale in accordance with the terms and conditions set forth in the Agreement and this Sale Order, (b) assume and assign any and all Assigned Contracts, and (c) take all further actions and execute and deliver the Agreement and other related ancillary transaction documents and any and all additional instruments and documents that may be necessary or appropriate to implement the Agreement and

the other related documents and consummate the Sale in accordance with the terms thereof, all without further order of the Court. At Closing, all of the Debtors' (including the Social Circle Debtors') right, title, and interest in and to, and possession of, the Assets shall be immediately vested in the Buyer (or its designee). Such transfer shall constitute a legal, valid, enforceable, and effective transfer of the Assets.

7. **Transfer Free and Clear of Interests.** Upon the Closing, and other than Permitted Exceptions and Assumed Liabilities specifically set forth in the Agreement, the transfer of the Assets to the Buyer shall be free and clear of all Interests of any kind or nature whatsoever, including, without limitation, (a) successor or successor-in-interest liability, (b) Claims in respect of the Excluded Liabilities, and (c) any and all Contracts not assumed and assigned to the Buyer pursuant to the terms of the Agreement. For the avoidance of doubt, the Assets shall be sold to the Buyer free and clear of any Liens and Claims of (i) the Bond Trustee and/or holders of the Social Circle Bonds; (ii) the DIP Lender; (iii) Sherwin-Williams Company, 2800 Century Parkway, NW, Suite 1000, Atlanta, GA 30345, and (iv) Hitachi Capital America Corp, 7808 Creekridge Circle, Suite 250, Edina, MN 55439, and the Liens and Claims of such entities to the extent asserted against the Social Circle Debtors, shall be extinguished and disallowed. If any person or entity that has filed financing statements, mortgages, mechanic's liens, *lis pendens* or other documents or agreements evidencing encumbrances against or in the Assets shall not have delivered to the Debtors prior to the Closing of the Sale in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction or releases of all encumbrances that the person or entity has with respect to such Assets, then only with regard to the Assets that are purchased by the Buyer pursuant to the Agreement and this Sale Order, the Debtors are hereby authorized to execute and file such statements, instruments, releases and other documents on behalf

of the person or entity with respect to the Assets. Notwithstanding the foregoing, the liens and other adequate protection granted to the DIP Lender in the DIP Order, the DIP Order shall continue to be in effect and enforceable against any of the assets of the Debtors not being sold pursuant to the Agreement.

8. **Legal, Valid, and Marketable Transfer with Permanent Injunction.** The transfer of the Assets to the Buyer pursuant to the Agreement constitutes a legal, valid, and effective transfer of good and marketable title of the Assets, and vests, or will vest, the Buyer with all right, title, and interest to the Assets, free and clear of all Interests except as otherwise expressly stated as obligations of the Buyer under the Agreement. All persons holding interests or claims of any kind or nature whatsoever against the Debtors (including the Social Circle Debtors) or the Assets as a result of the operation of the Assets prior to the Closing Date, or otherwise are hereby and forever barred, estopped, and permanently enjoined from asserting against the Buyer, its successors or assigns, its property, or the Assets, any claim, interest or liability existing, accrued, or arising prior to the Closing.

9. **Recording Offices and Releases of Interests.** A certified copy of this Sale Order may be: (a) filed with the appropriate clerk; (b) recorded with the recorder; and/or (c) filed or recorded with any other governmental agency to act to cancel any Interests against the Assets, other than the Permitted Exceptions and Assumed Liabilities.

Assumption and Assignment of Contracts

10. **Authorization to Assume and Assign.** Upon the Closing, the Debtors (including the Social Circle Debtors) are authorized and directed, in accordance with Bankruptcy Code sections 105(a), 363 and 365, to assume and assign each of the Assigned Contracts to the Buyer free and clear of all Interests as of the Closing Date. The payment of the applicable Cure Amounts

(if any) by the Debtors (as compensated by the Buyer) shall (a) effect a cure of all defaults existing thereunder as of the Closing Date and (b) compensate for any actual pecuniary loss to such counterparty to an Assigned Contract resulting from such default. The Buyer shall then have assumed the Assigned Contracts and, pursuant to Bankruptcy Code section 365(f), the assignment by the Debtors (including the Social Circle Debtors) of such Assigned Contracts shall not be a default thereunder. After the payment of the relevant Cure Amounts, neither the Debtors, nor the Buyer shall have any further liabilities to the counterparties of the Assigned Contracts other than the Buyer's obligations under the Assigned Contracts, that accrue and become due and payable on or after the Closing Date.

11. **Consent to Assign.** The Contract Counterparties to each Assigned Contract shall be and hereby are deemed to have consented to such assumption and assignment under Bankruptcy Code section 365(c)(1)(B) or this Court has determined that no such consent is required, and the Buyer shall enjoy all of the rights and benefits under each such Assigned Contract as of the Closing Date without the necessity of obtaining the written consent of a counterparty to an Assigned Contract to the assumption and assignment thereof.

12. **Adequate Assurance Provided.** The requirements of Bankruptcy Code sections 365(b)(1) and 365(f)(2) are hereby deemed satisfied with respect to the Assigned Contracts based on the Buyer's evidence of its financial condition and wherewithal and without any further action by the Buyer, including but not limited to any other or further deposit. Pursuant to Bankruptcy Code section 365(f), the Buyer has provided adequate assurance of future performance of the obligations under the Assigned Contracts.

13. **No Fees.** There shall be no rent accelerations, assignment fees, increases or any other fees charged to the Buyer or the Debtors as a result of the assumption and assignment of the Assigned Contracts.

Prohibition of Actions Against the Buyer

14. **No Successor Liability.** Except for the Permitted Exceptions and Assumed Liabilities set forth in the Agreement, or as otherwise expressly provided for in this Sale Order or the Agreement, the Buyer shall not have any liability or other obligation of the Debtors arising under or related to any of the Assets. Without limiting the generality of the foregoing, and except as otherwise expressly provided herein or in the Agreement, the Buyer shall not be liable for any Claims against the Debtors or any of their predecessors or affiliates, and the Buyer shall have no successor or vicarious liabilities of any kind or character, including, without limitation, under any theory of antitrust, environmental, successor, or transfer liability, labor law, *de facto* merger, mere continuation, or substantial continuity, whether known or unknown as of the Closing Date, now existing, or hereafter arising, whether fixed or contingent, whether asserted or unasserted, whether legal or equitable, whether liquidated or unliquidated, including, without limitation, liabilities on account of warranties, intercompany loans, receivables among the Debtors and their affiliates, environmental liabilities, and any taxes arising, accruing, or payable under, out of, in connection with, or in any way relating to the operation of any of the Assets prior to the Closing.

15. Other than as expressly set forth in the Agreement, the Buyer shall not have any responsibility for (a) any liability or other obligation of the Debtors or related to the Assets or (b) any claims against the Debtors or any of their predecessors or affiliates. Except as expressly provided in the Agreement with respect to the Buyer, the Buyers shall not have any liability whatsoever with respect to the Debtors' (or their predecessors' or affiliates') respective businesses

or operations or any of the Debtors' (or their predecessors' or affiliates') obligations (as defined herein, "**Successor or Transferee Liability**") based, in whole or in part, directly or indirectly, on any theory of successor or vicarious liability of any kind of character, or based upon any theory of antitrust, environmental, successor, or transferee liability, de facto merger or substantial continuity, labor and employment or products liability, whether known or unknown as of the Closing, now existing or hereafter arising, asserted or unasserted, fixed or contingent, liquidated or unliquidated, including, without limitation, liabilities on account of (a) any taxes arising, accruing, or payable under, out of, in connection with, or in any way relating to the Assets or the Assumed Liabilities prior to the Closing or in respect of pre-Closing periods or (b) any plan, agreement, practice, policy, or program, whether written or unwritten, providing for pension, retirement, health, welfare, compensation, or other employee benefits which is or has been sponsored, maintained, or contributed to by any Debtor or with respect to which any Debtor has any liability, whether or not contingent, including, without limitation, any "multiemployer plan" (as defined in Section 3(37) of ERISA) or "pension plan" (as defined in Section 3(2) of ERISA) to which any Debtor has at any time contributed, or had any obligation to contribute. Except to the extent expressly included in the Assumed Liabilities with respect to the Buyer or as otherwise expressly set forth in the Agreement, the Buyer shall not have any liability or obligation under any applicable law, including, without limitation, (a) the Comprehensive Environmental Response Compensation and Liability Act, (b) the Age Discrimination and Employment Act of 1967 (as amended), (c) the Federal Rehabilitation Act of 1973 (as amended), (d) the National Labor Relations Act, 29 U.S.C. §§ 151 *et seq.*, or (e) any foreign, federal, state, or local labor, employment or environmental law, by virtue of the Buyer's purchase of the Assets, assumption of the Assumed Liabilities, or hiring of certain employees of the Debtors pursuant to the terms of the

Agreement. Without limiting the foregoing, the Buyer shall not have any liability or obligation with respect to any environmental liabilities of the Debtors or any environmental liabilities associated with the Assets except to the extent they are Assumed Liabilities set forth in the Agreement.

Application of Sale Proceeds and Cash on Hand

16. The Debtors are authorized and directed to pay from the RHCSC Social Circle Health Holdings LLC account ending in – 7314 the following amounts at the Closing:

- (i) \$86,400 to Senior Living Investment Brokerage on account of the Transaction Fee as authorized by this Court’s Order Granting Application for Authority to retain SLIB II, Inc. DBA Senior Living Investment Brokerage as Investment Banker to the Debtors [Docket No. 128]; and
- (ii) \$250,000 to the Debtors RHCSC operating account to fund the disbursement amount for week ending August 26, 2023 in the budget attached to the Stipulation (I) Extending Maturity Date for Secured Postpetition Financing, (II) Increasing Borrower Authority and (III) Authorizing Continued Use of Cash Collateral [Docket No. 255]. Once transferred to the RHCSC operating account, such amounts shall be treated the same as if advanced by the DIP Lender under the DIP Order.

All remaining cash held in account ending in – 7314, which amounts are anticipated to be approximately \$73,608 (the “**Social Circle Reserve**”), shall be held for remaining unpaid operating administrative expenses of the Social Circle Debtors following the transfer of the operations of the Social Circle Debtors to the Buyer, which is expected to occur on or around September 5, 2023. The Social Circle Reserve shall remain subject to the continuing lien of the DIP Lender and the Bond Trustee.

17. Upon receipt of the proceeds received from the Buyer at the Closing (the “**Sale Proceeds**”) on the terms set forth in the Agreement, the Debtors are authorized and directed to pay all Sale Proceeds directly to the DIP Lender in an amount up to the DIP Advanced Amount;

provided, however, the following amounts shall be paid directly at Closing prior to amounts paid to the DIP Lender:

- (i) \$30,000 to the Bond Trustee on account of fees and charges; and
- (ii) \$150,000 to Greenberg Traurig, LLP as counsel to the Bond Trustee.

The amounts transferred to the DIP Lender pursuant to this paragraph shall reduce the amounts owed to the DIP Lender authorized by the DIP Order.

Other Provisions

18. **LURAs.** The Assets being sold are subject to the following Land Use Restriction Agreement:

- (i) Land Use Restriction Agreement by and among Public Finance Authority, as Issuer, RHCSC Social Circle Health Holdings LLC and RHCSC Social Circle AL Holdings LLC as Borrowers and The Huntington National Bank, as Trustee;

(the “**LURA**”). Section 12 of the LURA provides that the LURA shall terminate and be of no further force and effect in the event of, among other things, a foreclosure or delivery of a deed in lieu of foreclosure whereby a third party shall take possession of the respective property and the Social Circle Bonds are retired within a reasonable period. Given (i) the Debtors’ events of default, that the Bond Trustee could have commenced foreclosure proceedings prior to the Petition Date, and (ii) as set forth in section 18 below, that the Social Circle Bonds are to be cancelled at the same time as the Closing (or shortly thereafter), the LURA is terminated. This Sale Order may be filed in the applicable land records to evidence the release and discharge of the LURA.

19. **Cancellation of Bonds and Bond Documents.** As of the Closing Date, the Social Circle Bonds, shall be cancelled without further action by any party, and the Social Circle Bonds and documents related to the Social Circle Bonds (the “**Social Circle Bond Documents**”) shall be deemed to continue in effect solely to the extent they relate to and are necessary to (i) allow

applicable distributions to the holders of the Social Circle Bonds (the “**Social Circle Bondholders**”), (ii) permit the Bond Trustee to be compensated for fees and reimbursed for expenses including expenses of its professionals, assert its charging lien, and enforce its indemnity and other rights and protections with respect to and pursuant to the Social Circle Bond Documents, (iii) permit the Bond Trustee to set one or more record dates and distribution dates with respect to the distribution of funds to the Social Circle Bondholders, (iv) permit the Bond Trustee to appear in these Chapter 11 Cases with respect to matters relevant to the Social Circle Bonds, (v) otherwise continue to govern relationships of the Bond Trustee and the Social Circle Bondholders; and (vi) permit the Bond Trustee to perform any functions that are necessary in connection with the foregoing clauses (i) through (v). The foregoing shall not in any way limit the rights of the Bond Trustee or the Social Circle Bondholders, for the benefit of the Social Circle Bondholders, to the proceeds of any sale, liquidation or other disposition of the remaining assets subject to the liens in favor of Bond Trustee or the Social Circle Bondholders. Nor shall any of the foregoing limit the rights of the Bond Trustee with respect to the Bonds related to the Debtors other than the Social Circle Bonds, or the holders of such Bonds.

20. **Effective Immediately.** For cause shown, pursuant to Bankruptcy Rules 6004(h), 6006(d), and 7062(g), this Sale Order shall not be stayed and shall be effective immediately upon entry, and the Debtors (including the Social Circle Debtors) and the Buyer are authorized to close the Sale immediately upon entry of this Sale Order. The Debtors (including the Social Circle Debtors) and the Buyer may consummate the Agreement at any time after entry of this Sale Order by waiving any and all closing conditions set forth in the Agreement that have not been satisfied and by proceeding to Close without any notice to the Court, any pre-petition or postpetition creditor of the Debtors and/or any other party in interest.

21. **Access to Books and Records.** Following the Closing of the Sale, the Social Circle Debtors shall have, and the Buyer shall provide, reasonable access to their books and records, to the extent they are included in the Assets transferred to the Buyer as part of the Sale as set forth in the Agreement.

22. **Bulk Sales Law.** No bulk sales law or any similar law of any state or other jurisdiction applies in any way to the Sale.

23. **Agreement Approved in Entirety.** The failure specifically to include any particular provision of the Agreement in this Sale Order shall not diminish or impair the effectiveness of such provision, it being the intent of this Court that the Agreement be authorized and approved in its entirety.

24. **Further Assurances.** From time to time, as and when requested, all parties shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as the requesting party may reasonably deem necessary or desirable to consummate the Sale, including such actions as may be necessary to vest, perfect, or confirm or record or otherwise in the Buyer its right, title, and interest in and to the Assets.

25. **Modifications to Agreement.** The Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto and in accordance with the terms thereof, in a writing signed by such parties, without further order of this Court, provided any such modification, amendment or supplement does not have a material adverse effect on the Debtors' estates.

26. **Standing.** The transactions authorized herein shall be of full force and effect, regardless of any Debtors' lack of good standing in any jurisdiction in which such Debtor is formed or authorized to transact business.

27. **Authorization to Effect Order.** The Debtors (including the Social Circle Debtors) are authorized to take all actions necessary to effect the relief granted pursuant to this Sale Order in accordance with the Sale Motion.

28. **Automatic Stay.** The automatic stay pursuant to Bankruptcy Code section 362 is hereby modified, lifted, and annulled with respect to the Debtors and the Buyer to the extent necessary, without further order of this Court, to (a) allow the Buyer to deliver any notice provided for in the Agreement and (b) allow the Buyer to take any and all actions permitted under the Agreement in accordance with the terms and conditions thereof. The automatic stay imposed by Bankruptcy Code section 362 is modified solely to the extent necessary to implement the preceding sentence, *provided, however*, that this Court shall retain exclusive jurisdiction over any and all disputes with respect thereto.

29. **No Other Bids.** No further bids or offers for the Assets shall be considered or accepted by the Debtors after the date hereof unless the Sale to the Buyer is not consummated or otherwise does not occur in accordance with the Agreement or its related documents.

30. **Order to Govern.** To the extent this Sale Order is inconsistent with any prior order entered or pleading filed in these Chapter 11 Cases, the terms of this Sale Order shall govern. To the extent there are any inconsistencies between the terms of this Sale Order and the Agreement (including all ancillary documents executed in connection therewith), the terms of this Sale Order shall govern.

31. **Retention of Jurisdiction.** This Court shall retain exclusive jurisdiction with respect to the terms and provisions of this Sale Order and the Agreement.

[END OF DOCUMENT]

Prepared and presented by:
SCROGGINS & WILLIAMSON, P.C.

/s/ Ashley R. Ray

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Counsel for the Debtors

Exhibit A to Sale Order

The Agreement

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the “**Agreement**”) is made and entered into as of this 8th day of August 2023 (the “**Effective Date**”), between (i) West Property Realty LLC (“Real Property Buyer”) and SCAL LLC (“Operations Buyer”) (collectively the “**Buyers**”) and (ii) RHCSC Social Circle AL Holdings LLC and RHCSC Social Circle Health Holdings LLC (together, the “**Sellers**” and collectively with the Buyers, the “**Parties**”). UMB Bank, N.A., serves as successor trustee (the “**Trustee**”) with respect to certain bonds (the “**Bonds**”) related to the Purchased Assets (as defined below), and as directed by the holder of the Bonds, consents to and acknowledges the transactions contemplated by this Agreement. This Agreement amends and restates the originally-executed version of the Agreement dated June 30, 2023, which version shall have no force or effect following execution of this Agreement.

RECITALS

A. On August 26, 2021, the Sellers and certain affiliated entities of the Sellers (collectively, the “**Debtors**”) ¹, filed cases under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). The cases are pending in the United States Bankruptcy Court for the Northern District of Georgia (the “**Bankruptcy Court**”) and are jointly administered under Case No. 21-41034 (the “**Bankruptcy Cases**”).

B. The Sellers, each limited liability companies organized in Georgia, own the real estate and personal property related to the following projects to be purchased and sold pursuant to this Agreement:

Facility	Address	Licensed Bed Capacity
The Gardens of Social Circle	621 North Cherokee Road Social Circle, GA 30025	Building I- 24 beds Building II-50 beds Building III-24 beds

(the “**Project**”).

C. The Trustee holds a first-priority lien and mortgage on all of the assets of the Sellers, including the Project, as set forth more fully in the Final Order (I) Authorizing (A) Secured Postpetition Financing; (B) Granting Security Interests to the Bondholders; (C) Superpriority

1 The Debtors include: Regional Housing & Community Services Corporation, RHCSC Columbus AL Holdings LLC, RHCSC Columbus Health Holdings LLC, RHCSC Douglas AL Holdings LLC, RHCSC Douglas Health Holdings LLC, RHCSC Gainesville AL Holdings LLC, RHCSC Gainesville Health Holdings LLC, RHCSC Montgomery I AL Holdings LLC, RHCSC Montgomery I Health Holdings LLC, RHCSC Montgomery II AL Holdings LLC, RHCSC Montgomery II Health Holdings LLC, RHCSC Rome AL Holdings LLC, RHCSC Rome Health Holdings LLC, RHCSC Savannah AL Holdings LLC, RHCSC Savannah Health Holdings LLC, RHCSC Social Circle AL Holdings LLC, and RHCSC Social Circle Health Holdings LLC.

Claims and Other Adequate Protection to the Bond Trustee; and (II) Authorizing the Use of Cash Collateral by the Debtors, as subsequently amended or modified [Dkt. Nos. 80 and 146] .

D. Buyers desire to purchase all of the Sellers' assets, including the Project, from Sellers, other than the Excluded Assets (as defined below), in exchange for the payment by Buyers of the consideration set forth herein and the assumption by Buyers of the Assumed Liabilities (as defined below), all upon the terms and conditions set forth herein.

E. The Trustee has consented to the sale as set forth herein, subject to certain conditions as set forth herein.

F. As a result of the foregoing, the Parties have entered into this Agreement which supersedes all prior documents and discussions regarding the purchase and sale of the Sellers' assets, and which sets forth the terms and conditions under which the Sellers will sell, and the Buyers will buy the Purchased Assets (as defined below).

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE I **PURCHASE OF ASSETS**

1.1 Purchased Assets. On the terms and subject to the conditions set forth herein, on the Closing (defined below), the Sellers shall sell, transfer, assign, convey and deliver to the Buyers, and the Buyers shall purchase and accept from the Sellers:

(a) Sellers' entire right, title, and interest in and to all of the real property described on **Schedule 1.1(a)** together with all improvements located thereon and appurtenances thereto (collectively, the "**Real Estate**"); and

(b) Sellers' entire right, title and interest in and to all of the Sellers' tangible personal property (including all furniture, fixtures and equipment, inventory and supplies), and intangible personal property, including, to the extent transferable consistent with applicable law, all licenses and permits, plans and specifications, warranties, guarantees, contract rights under the contracts and agreements listed in **Schedule 1.1(b)** (the "**Assigned Contracts**"), resident agreements and leases, those funds being held in trust on behalf of the residents, and security deposits, and all other rights, title and interest associated therewith (the "**Operating Assets**"). The Real Estate and Operating Assets of Section 1.1 are collectively the "**Purchased Assets**". Notwithstanding anything to the contrary in this Section 1.1(b), Buyers reserve the right, in their sole discretion, to exclude any contracts, agreements (including resident agreements), leases, and other assets of Sellers, from Purchased Assets.

1.2 Excluded Assets Notwithstanding anything contained herein to the contrary, the Purchased Assets shall not include (i) any cash or cash equivalents, (ii) accounts receivable existing as of the Proration Time (defined below); (iii) any funds held by the Trustee; (iv) Sellers' rights under this Agreement, (v) any funds in the accounts being maintained by the Sellers except for those funds being held in trust on behalf of the residents, (vi) any rights to any tax refunds owed to the Sellers

or any affiliates thereof related in any way to the Purchased Assets, including but not limited to Employee Retention Tax Credits; (vii) any prepaid expenses or deposits (other than security deposits); (viii) any causes of action existing as of the Proration Date other than those set forth on **Schedule 1.2(a)**, (ix) any insurance proceeds, insurance claims or insurance policies or contracts; and (x) any other items set forth on **Schedule 1.2(b)** (collectively, the “**Excluded Assets**”), which shall include any contracts which the Buyers desires to not have assigned to it. The sale, transfer, assignment and conveyance shall be evidenced by appropriate quitclaim deed(s) with respect to the Real Estate, bill(s) of sale with respect to the Operating Assets, other Closing deliverables described in Sections 4.3 and 4.4 to the parties entitled thereto, and such other instruments or documents of transfer, assignment and conveyance as may be reasonably necessary or appropriate to consummate the transactions contemplated by this Agreement, the forms of which are attached as **Exhibits B** and **C**.

ARTICLE II

CERTAIN LIABILITIES TO BE ASSUMED BY THE BUYER

2.1 **Liabilities.** The Buyers shall not assume or be required to pay, satisfy, discharge or perform, or take or agree to take, any of the Purchased Assets subject to, and shall not be deemed by virtue of the execution and delivery of this Agreement or any document delivered to or by the Buyers at the Closing pursuant hereto, or as a result of the consummation of the transaction which is the subject of this Agreement, to have successor liability for, or to have assumed, or to have agreed to assume, or to take, or to have agreed to take, or to pay, satisfy, discharge or perform, any liabilities of the Sellers or Project, whether accrued or contingent or known or unknown, whether arising in tort, contract, or otherwise, attributable to or arising from the operation of the Project prior to the Closing (“**Disclaimed Liabilities**”). Notwithstanding the foregoing, Buyers shall be liable for the performance of obligations first accruing after the Closing, any liabilities associated with the Assigned Contracts, and any liabilities set forth on **Schedule 2.1** (the “**Assumed Liabilities**”). The provisions of this Section 2.1 shall survive the Closing.

ARTICLE III

PURCHASE PRICE; DEPOSIT; DUE DILIGENCE

3.1 **Purchase Price.** In consideration of the conveyance to the Buyers of the Purchased Assets, and subject to the conditions and in accordance with the terms hereof, Buyers shall (a) pay through escrow with Escrow Agent to Sellers a purchase price of One Million Nine Hundred Twenty Thousand Dollars (\$1,920,000) (the “**Purchase Price**”) in cash, subject to those prorations and apportionments set forth in Sections 3.5, 3.8, and 3.9, and otherwise herein (the “**Adjustments**”). The Purchase Price shall be paid as provided in this Article III.

3.2 **Deposit.** Buyers have delivered an amount equal to Two Hundred Thirty Dollars (\$230,000) (together with all interest, if any, to accrue thereon, the “**Deposit**”) to Bouhan Falligant, LLP (the “**Escrow Agent**”), to be held and released by Escrow Agent from a non-interest bearing escrow account of Escrow Agent approved by Buyers, Sellers and the Trustee until the Closing in accordance with or as otherwise provided in this Agreement or the terms of an escrow agreement agreed to by the Parties, and approved by the Trustee. If the Closing takes place as provided herein, then the Deposit shall be a credit in favor of Buyers against the Purchase Price at Closing. If this

Agreement is terminated prior to the Closing, then the Deposit shall be disbursed by the Escrow Agent in accordance with Article XII below.

3.3 Payment of Purchase Price at Closing. At the Closing, the Buyers shall deposit with the Escrow Agent the Purchase Price, subject to the Adjustments, and less the Deposit, and the Escrow Agent shall consummate Closing by simultaneously (i) disbursing all amounts held by the Escrow Agent pursuant to Section 3.1 and 3.2 and otherwise in connection with the sale of the Purchased Assets pursuant to this Agreement, in accordance with the executed Closing Statement (defined below) and an order of the Bankruptcy Court approving the sale and authorizing the Sellers to enter into the sale, which shall be satisfactory to the Trustee (the “**Sale Order**”) (ii) delivering the deed(s) for recordation, and (iii) delivering the fully-executed other Closing deliveries described in Sections 4.3 and 4.4 to the parties entitled thereto.

3.4 Due Diligence. Buyers covenant that they have had the opportunity to conduct due diligence with respect to the Project. Further due diligence shall not be condition to Closing. In the event Buyers conduct additional due diligence it shall not result in a reduction of the Purchase Price.

3.5 Prorations and Apportionments. As a general principle it is agreed that Sellers shall be responsible for all expenses, and shall receive all income from the Purchased Assets, attributable to the period prior to and including the Proration Time; and that Buyers shall be responsible for all expenses, and shall receive all income from the Purchased Assets, attributable to the period after the Proration Time. Buyers and Sellers (subject to the approval of the Trustee) shall jointly prepare proposed proration schedules prior to the Closing Date (as defined below) including the items listed below and any other items the parties mutually determine to be necessary or proper. Buyers and Sellers shall use commercially reasonable efforts to finalize and agree on the final proration schedule, subject to the approval of the Trustee (the “**Proration Schedule**”) at least one (1) business day prior to the Closing. All items shall be prorated on the basis as of 11:59 p.m. (Eastern Time) on (the “**Proration Time**”) on the day before the Operations Transfer Date. The Operations Transfer Date is to be September 5, 2023 or such other date agreed to in an Operations Transfer Agreement in form satisfactory to the Trustee (the “**Operations Transfer Agreement**”), the purpose of which is to provide for an orderly transition of the Project to Buyers to begin to manage the Project as of the Closing, and for Sellers to pay for all expenses of the Project through the Proration Time, and to retain the benefit of all of the revenues of the Project through the Proration Time, and for Buyers to use of any licenses of Sellers required to operate the Project to the extent permitted by law, prior to obtaining a license to operate the Project between the Closing and the Operations Transfer Date. A copy of the Operations Transfer Agreement is attached as **Exhibit A** to this Agreement. The pro-rated items shall, without limitation, consist of:

(a) current (monthly or one-time) collected fees, charges, payments or reimbursements under Assigned Contracts and under resident agreements, leases or other occupancy agreements (“**Leases**”);

(b) utility charges, including, but not limited to, water, sewer and oil or gas charges, if any, unless Buyers are opening new accounts with the utility provider, in which event such utility charges shall not be prorated but shall be Disclaimed Liabilities,

(c) any amounts held in escrow or under deposit (other than security deposits) by third parties under any of the Assigned Contracts;

(d) any other item subject to proration or adjustment pursuant to the terms of this Agreement;

(e) ordinary course fees for customary annual or other periodic licenses and permits that are assignable and assigned to Buyers at Closing accrued through the Proration Time;

(f) any pre-paid insurance premiums on insurance policies assigned to Buyers or other pre-paid amounts on Assigned Contracts (but no other contracts or agreements); and

(g) any other items customarily apportioned for purchase and sale transactions of personal care homes or memory care facilities and not otherwise provided for under this Agreement.

3.6 Post Closing Receipts and Prorations. Notwithstanding anything to the contrary contained in this Agreement, the Parties agree that any amounts paid to and received by Sellers on account of the operations of the Project at any time from and after the Operations Transfer Date, shall be the property of Buyers and shall be promptly remitted and paid over by the Sellers to the Buyers. Any amounts paid to and received by Buyers on account of the operations of the Project prior to the Operations Transfer Date, shall be the property of the Sellers, subject to the liens of the Trustee and shall be promptly remitted and paid over by Buyers to the Trustee (unless the Trustee agrees such amounts should be remitted and paid to Sellers). To the extent possible, the credits, prorations and apportionments shall be made on the basis of a written Closing statement approved and executed by Buyers and Sellers, and consented to by the Trustee (the “**Closing Statement**”).

3.7 Permitted Exceptions. As used herein, “**Permitted Exceptions**” means the following: (1) the lien of any real estate taxes and assessments not yet due and payable for the year in which the Closing occurs and subsequent periods, provided that the same are prorated in accordance with this Agreement; (2) applicable building and zoning ordinances and land use regulations and any and all present and future laws, rules, regulations, statutes, ordinances or other legal requirements affecting the Real Estate; (3) those exceptions listed on a title commitment to be obtained by Buyers; (4) any and all Leases as may be updated for new occupants entered into after the Effective Date with the approval of Buyers; and (5) the Assigned Contracts.

3.8 Transfer Taxes. All personal property taxes and all Transfer Taxes incurred in connection with the sale of the Purchased Assets shall be split evenly between Buyers and Sellers and paid as such at Closing, or treated as Adjustments to the Purchase Price. The party that is required by applicable law to make the filings, reports or returns with respect to any applicable Transfer Taxes shall do so, and the other party shall cooperate with respect thereto as necessary. For purposes of this Agreement the term “**Transfer Taxes**” means all excise, sales, use, value added taxes. The Buyers shall pay all costs of recordation.

3.9 Cure Costs Association with Assigned Contracts. The Buyers shall pay at Closing any costs associated with the Assigned Contracts that are necessary to cure any defaults of the Sellers under such Assigned Contracts.

ARTICLE IV
EFFECTIVENESS AND CLOSING

4.1 Effectiveness. This Agreement shall become effective, and shall be binding upon and enforceable against the Parties, upon its execution and delivery by each of the Parties; *provided, however,* the parties acknowledge that the consummation of the transaction that is the subject of this Agreement is subject to the conditions to closing set forth in Article VII below for the benefit of Buyers and in Article VIII below for the benefit of Sellers, and the parties acknowledge that the Agreement shall not be binding on the Sellers until approved by an order of the Bankruptcy Court authorizing the Sellers to enter into the Agreement as required by the Bankruptcy Code. Buyers, at their own cost, will obtain any approvals of the Georgia Department of Community Health, Healthcare Facility Regulation Division, and any other state or local agencies (collectively, the “Regulatory Agencies”) necessary to enter into this Agreement and for Buyers to operate the Facility in the manner contemplated hereby. Buyers shall promptly and diligently execute and file any and all forms, notices, consents and applications with the Regulatory Agencies, as may be necessary to timely obtain any license required to operate the Facility on and after the Operations Transfer Date by no later than five (5) days after the Effective Date, and shall use best efforts to obtain all such licenses and consents as soon as is practicable in at Buyers’ sole expense. Sellers shall reasonably cooperate in the filing of any and all forms, notices, consents and applications with the State Agencies as may be necessary to assist Buyers in applying for the issuance or assumption of any license or provider agreement to operate the Facility. The obtaining of same shall not be a condition to Buyers’ obligations to close under this Agreement.

4.2 Closing. On the terms and subject to the conditions of this Agreement, the consummation of the transaction that is the subject of this Agreement providing for the transfer of the Purchased Assets to the Buyers (the “**Closing**”) shall be consummated through the mail (including electronic mail) with all deliveries required hereunder being made to Escrow Agent, on that date (the “**Closing Date**”) which is five (5) business days after all conditions set forth in Articles VII and VIII have been met, but no later than September 5, 2023 (the “**Outside Closing Date**”); provided, however, the transaction may close at such other place and on such other date as the Buyers and Sellers, with the consent of the Trustee, shall mutually agree. The Parties further agree to use commercially reasonable efforts to close by no later than August 21, 2023. For purposes of prorations, liabilities, and Adjustments, the Closing shall be deemed to be effective at the Proration Time. From and after the Closing Date, Sellers shall, hold and operate the Operating Assets and the portion of the Project relating thereto through the Operations Transfer Date on behalf of and for the sole benefit and detriment of Buyers, except as set forth in this Agreement or the Operations Transfer Agreement.

4.3 Sellers’ Deliveries at Closing. At or prior to the Closing, the Sellers shall deliver, through escrow with the Escrow Agent, to the Buyers each of the following items (in each case subject to the consent of the Trustee):

(a) Appropriate quit claim deed(s) executed by the Sellers in the form attached as **Exhibit B** hereto with respect to Real Estate included in the Purchased Assets;

(b) A general bill of sale and assignment executed by the Sellers in the form attached as **Exhibit C** hereto with respect to the Operating Assets;

- (c) A Sale Order entered by the Bankruptcy Court.
- (d) The executed copy of the Operations Transfer Agreement;
- (e) Physical possession and control of the Real Estate and control of the Operating Assets, however, if any of the Operating Assets may only be controlled by a licensed personal care home, then Sellers shall cede control of those assets as of the Operations Transfer Date;
- (f) The Closing Statement, executed by Seller; and
- (g) Any other documents and instruments of transfer reasonably requested by the Escrow Agent necessary to consummate the transactions contemplated by this Agreement.

4.4 Buyers' Deliveries at Closing. At or prior to Closing, the Buyers shall deliver through escrow with the Escrow Agent to the Sellers each of the following items:

- (a) An amount equal to the Purchase Price (plus or minus the amount of the Adjustments) less the Deposit by wire transfer of immediately available funds to an account designated by the Escrow Agent;
- (b) Written directions to the Escrow Agent to release the Deposit to the Sellers upon consummation of Closing;
- (c) The executed copy of the Operations Transfer Agreement;
- (d) The Closing Statement, executed by Buyers and in a form satisfactory to the Trustee; and
- (e) Any other documents and instruments reasonably requested by the Escrow Agent necessary to consummate the transactions contemplated by this Agreement.

ARTICLE V

EMPLOYEE AND EMPLOYMENT MATTERS

5.1 Employee Matters. Buyers and Seller have addressed employee and employment matters in the Operations Transfer Agreement.

ARTICLE VI

CONDITION OF PURCHASED ASSETS

6.1 Condition of Purchased Assets. Buyers acknowledge that Sellers are selling, and Buyers are buying and occupying, as applicable, the Real Estate and the Operating Assets, **as is, where is,** and **with all faults** and Buyers are acquiring the Real Estate and the Operating Assets solely in reliance on Buyers' own inspection and examination. Buyers acknowledge that Sellers have not made, do not intend to make, and hereby expressly disclaim any and all express or implied representations, warranties, statements or conditions of any kind or nature whatsoever as to the present, past or future physical condition or quality of the Real Estate and Operating Assets and

the Project, the business conducted at the Project prior to the Proration Time, or the income, expenses, or operation, thereof, or the merchantability, fitness for a particular purpose, or any other matter affecting or relating to the Project or the Sellers, the Real Estate and the Operating Assets, except for those representations and warranties of the Sellers set forth expressly, and not by implication, under Article IX hereof. Except for the Permitted Exceptions provided in Section 3.7, the Real Estate and Operating Assets shall be delivered to Buyers free and clear of all liens and other Disclaimed Liabilities.

6.2 Alternative to Foreclosure. Each of the Parties acknowledge and agrees that the Sellers are in default under the agreements with the Trustee, and that the Trustee would have the right to foreclose on all of the Sellers' assets, including the Real Estate and the Operating Assets. As an alternative to such foreclosure, the Trustee has consented to release its liens and mortgages on the Real Estate and Operating Assets in connection with the sale evidenced by this Agreement, solely on the terms and conditions set forth in this Agreement and solely upon the Closing and receipt by the Trustee of the proceeds from the sale pursuant to Section 3.3 hereof.

ARTICLE VII

REQUIREMENTS SELLERS MUST MEET BEFORE BUYERS REQUIRED TO CLOSE

The Buyers shall be obligated to consummate the transactions contemplated by this Agreement only upon the satisfaction, at or prior to the Closing, of all of the following conditions, any one or more of which may be waived in writing at the discretion of the Buyers:

7.1 Absence of Litigation. No action seeking a temporary restraining order, preliminary or permanent injunction or other order issued by any governmental entity of competent jurisdiction shall have been filed, or seeking any other legal restraint or prohibition preventing, delaying or voiding the consummation of the transaction.

7.2 Representations and Warranties of Sellers. Each of the representations and warranties of the Sellers in this Agreement shall be true and correct in all material respects, on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date except for changes to such representations or warranties arising or relating to any matter occurring during the period from the date hereof to the Closing Date that (i) is approved by Buyers or acceptable to Buyers in Buyers' sole discretion (or in Buyers' reasonable discretion if Buyers have agreed to not unreasonably withhold their consent with respect to the particular matter in question pursuant to the express terms of this Agreement), or (ii) is otherwise permitted pursuant to the express terms of this Agreement (it being understood, however, that for the purposes of this sentence the accuracy of any particular representation or warranty that expressly speaks as of a particular date shall be determined as of the date of this Agreement and the Closing Date solely with reference to such particular date).

7.3 Covenants of Sellers. Each of the covenants of the Sellers shall have been performed and complied with in all material respects prior to or as of the Closing Date.

7.4 Operations and Transfer Agreement. The Parties shall have executed the Operations Transfer Agreement.

7.5 Closing Deliveries. The Sellers shall have executed and delivered into escrow with Escrow Agent the documents and instruments that the Sellers are required to deliver under Section 4.3 above, and taken all other actions required of the Sellers under this Agreement.

ARTICLE VIII

REQUIREMENTS BUYER MUST MEET BEFORE SELLERS REQUIRED TO CLOSE

The Sellers shall be obligated to consummate the transactions contemplated by this Agreement only upon the satisfaction, at or prior to the Closing, of all of the following conditions, any one or more of which may be waived in writing at the discretion of the Sellers:

8.1 Absence of Litigation. No temporary restraining order, preliminary or permanent injunction or other order issued by any governmental entity of competent jurisdiction nor other legal restraint or prohibition preventing the consummation of the transaction shall be in effect.

8.2 Representations and Warranties of Buyers. Each of the representations and warranties of the Buyers in this Agreement shall be true and correct in all material respects, on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date except for changes to such representations or warranties arising or relating to any matter occurring during the period from the date hereof to the Closing Date that (i) is approved by Sellers or acceptable to Sellers in Sellers' sole discretion (or in Sellers' reasonable discretion if Sellers have agreed to not unreasonably withhold consent with respect to the particular matter in question pursuant to the express terms of this Agreement), or (ii) is otherwise permitted pursuant to the express terms of this Agreement (it being understood, however, that for the purposes of this sentence the accuracy of any particular representation or warranty that expressly speaks as of a particular date shall be determined as of the date of this Agreement and the Closing Date solely with reference to such particular date).

8.3 Buyers' Covenants. Each of the covenants of the Buyers shall have been performed and complied with in all material respects prior to or as of the Closing Date.

8.4 Closing Deliveries. The Buyers shall have executed and delivered into escrow with Escrow Agent the documents and instruments that the Buyers are required to deliver under Section 4.4 above, and taken all other actions required of the Buyers under this Agreement, including delivery of the Purchase Price to the Escrow Agent. In addition, the Sellers shall not be required to close until the Sale Order has been entered in form satisfactory to the Sellers and the Trustee.

ARTICLE IX

REPRESENTATIONS AND WARRANTIES OF THE SELLER

Sellers hereby makes the following representations and warranties to the Buyers, each of which shall be true and correct as of the date of this Agreement and as of the Closing Date.

9.1 Power, Authority, Binding Nature. (a) Sellers have and will have the requisite power and authority to deliver this Agreement and the other agreements, forms, deeds and documents to be executed and delivered by the Sellers in conjunction herewith (the "**Seller Ancillary Agreements**") and to execute and to perform Sellers' obligations hereunder and under the Seller Ancillary Agreements; and (b) this Agreement has been duly and validly executed and delivered

by the Sellers and constitutes, and each of the Seller Ancillary Agreements (when executed and delivered by the Sellers, with the consent of the Trustee) shall constitute, a valid and binding agreement of the Sellers enforceable in accordance with its (or their) terms (and assuming that this Agreement and each of the Seller Ancillary Agreements constitute the valid and binding agreements of the Buyers).

9.2 No Bar. Neither the execution nor delivery of this Agreement or the Seller Ancillary Agreements nor the consummation of the transactions contemplated hereby will: (i) violate or constitute a default in any material respects under any order, judgment, injunction, award or decree of any court, arbiter or governmental or regulatory body against or binding upon the Sellers; or (ii) result in the creation of any lien or encumbrance on any of the Real Estate and the Operating Assets; or (iii) violate, conflict with or cause a breach in any material respects of the terms of any agreement, lease or other binding contract or instrument to which Sellers are a party or by which Sellers are bound.

9.3 Brokers. No person, other than Senior Living Investment Brokerage (“**SLIB**”) is entitled to any brokerage or finder’s fee or commission in connection with the Transactions as a result of any action taken by or on behalf of Sellers. Payment of any and all fees, commissions or other charges which may be due to SLIB shall be paid at Closing to the extent authorized by the Sale Order.

9.4 Absence of Changes. To the knowledge of Sellers, since the date of this Agreement, there has not been any transfer, encumbrance or disposition by the Sellers of any of the Real Estate or Operating Assets, other than in the ordinary and usual course and not material, either individually or in the aggregate.

9.5 Absence of Litigation. To the knowledge of Sellers, other than as set forth on Schedule 9.5, there are no actions, suits or proceedings pending or threatened, before or by any judicial, administrative or union body, any arbiter or any governmental authority, against or affecting Sellers or the Project (or any portion thereof).

9.6 Existing Agreements. To the knowledge of Sellers, there are no agreements or understandings (whether written or oral) relating to the Project, and no party has any right to occupy any portion of the Project, except for and as set forth in the Permitted Exceptions, the Leases and the Assigned Contracts. No material amendments or waivers pertaining to the foregoing will be made prior to the Closing Date.

9.7 OFAC. To the knowledge of Sellers, the Sellers have not engaged in any dealings or transactions, directly or indirectly, (i) with any person appearing on the U.S. Treasury Department’s OFAC list of prohibited countries, territories, “specifically designated nationals (“**SDNs**”) or “blocked person” (each a “**Prohibited Person**”) (which lists can be accessed at the following web address: <http://www.ustreas.gov/offices/enforcement/ofac/>), including the making or receiving of any contribution of funds, goods or services to or for the benefit of any such Prohibited Person, (ii) in contravention of any U.S., international or other money laundering regulations or conventions, including, without limitation, the United States Bank Secrecy Act, the United States Money Laundering Control Act of 1986, the United States International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, Trading with the Enemy Act

(50 U.S.C. §1 et seq., as amended), or any foreign asset control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto, (iii) in contravention of Executive Order No. 13224 dated September 24, 2001 issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), as may be amended or supplemented from time to time (“**Anti-Terrorism Order**”) or on behalf of terrorists or terrorist organizations, including those persons or entities that are included on any relevant lists maintained by the United Nations, North Atlantic Treaty Organization, Organization of Economic Cooperation and Development, Financial Action Task Force, U.S. Office of Foreign Assets Control, U.S. Securities & Exchange Commission, U.S. Federal Bureau of Investigation, U.S. Central Intelligence Agency, U.S. Internal Revenue Service, or any country or organization, all as may be amended from time to time, or (iv) any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempting to violate, any of the prohibitions set forth in (i) the Foreign Corrupt Practices Act, (ii) the U.S. mail and wire fraud statutes, (iii) the Travel Act, (iv) any similar or successor statutes or (v) any regulations promulgated under the foregoing statutes. Neither Sellers nor any of their affiliates or constituents, (x) are or will be conducting any business or engaging in any transaction with any person appearing on the U.S. Treasury Department’s Office of Foreign Assets Control list of restrictions and prohibited persons, or (y) are a person described in section 1 of the Anti-Terrorism Order, and neither Sellers nor any of their affiliates have engaged in any dealings or transactions, or otherwise been associated with any such person.

As used in these representations and warranties the term “knowledge” with respect to any specific representation and/or warranty means the actual knowledge of Angela Lewis-Reid at the time the representation and/or warranty is made, without any requirement that the Sellers conduct any investigation, audit or review as to or concerning the specific subject matter of the representation or warranty. Except as expressly set forth in this Agreement, the representations and warranties of the Sellers set forth in this Article IX and elsewhere in this Agreement shall not survive the Closing.

ARTICLE X

REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyers hereby make the following representations and warranties to the Sellers, each of which shall be true and correct as of the date of this Agreement and as of the Closing Date in accordance with this Agreement (except as noted below).

10.1 Corporate Organization. Each of the Buyers are limited liability companies duly organized, validly existing and in good standing under the laws of Georgia and each has the requisite limited liability company power and authority to own, lease or otherwise hold its properties and assets and to carry on its business as presently conducted. The Buyers are qualified or licensed to do business as a limited liability company and are in good standing in every jurisdiction where the nature of the business conducted by it or the properties owned or leased by it requires such qualification, except where the failure to be so qualified, licensed or in good standing would not reasonably be expected to have a material adverse effect on the Buyers’ business or operations.

10.2 Authorization and Effect of Agreement and Buyers Ancillary Agreements. (a) The Buyers have the requisite power and authority to deliver this Agreement and the other agreements, forms, deeds and documents to be executed and/or delivered by the Buyers in conjunction herewith (the “**Buyers Ancillary Agreements**”; the Seller Ancillary Agreements and the Buyers Ancillary Agreements, collectively, the “**Ancillary Agreements**”) and to execute and to perform Buyers’ obligations hereunder and under the Buyers Ancillary Agreements; and (b) this Agreement has been duly and validly executed and delivered by the Buyers and constitutes, and each of the Buyers Ancillary Agreements (when executed and delivered by the Buyers) shall constitute, a valid and binding agreement of the Buyers enforceable against the Buyers in accordance with its and their terms.

10.3 Due Authorization by Buyers. The execution and delivery by the Buyers of this Agreement and the Buyers Ancillary Agreements and the performance by it of the transactions contemplated hereunder and thereunder have been duly authorized by all necessary action on the part of the Buyers.

10.4 No Conflicts; Consents and Approvals. The execution and delivery by the Buyers of this Agreement and the Buyers Ancillary Agreements do not and will not, and the performance by the Buyers of the transactions contemplated by this Agreement and the Buyers Ancillary Agreements will not, conflict with, or result in any violation of, or constitute a default under (a) any provision of the articles of organization or operating agreement of the Buyers, (b) any of the terms, conditions or provisions or any material agreement or other material document by which the Buyers is bound, or (c) any state, federal or local law or order applicable to or binding on the Buyers. The execution and delivery by the Buyers of this Agreement and the Buyers Ancillary Agreements do not and will not require any consent of any person or government or governmental agency.

10.5 Brokers. No person other than SLIB, who shall be paid as provided in Section 9.3 above, is entitled to any brokerage or rider’s fee or commission in connection with the transaction contemplated in this Agreement as a result of any action taken by or on behalf of the Buyers.

10.6 Absence of Litigation. As of the date hereof, there are no actions, suits, claims, investigations, hearings or proceedings of any type (or, to the knowledge of Buyers, threatened), at law or in equity, that might affect Buyers’ ability to close the transaction contemplated herein.

10.7 Licensure. As of the date hereof, Buyers are unaware of any reason which would prevent their ability to qualify for and obtain the necessary licenses to operate the Project. The purchase by Buyers of the Real Estate and Operating Assets is not conditioned upon obtaining any applicable licenses or permits to operate the Project.

10.8 Compliance with Legal Requirements. As of the date hereof, to the best of its knowledge, neither Buyers nor any of its affiliates are or have been the subject of any investigation by any federal or state enforcement or regulatory agency, and has not received any complaints from employees, independent contractors or vendors that would indicate Buyers or any of its affiliates have violated any material legal requirements. As of the date hereof, there are no material citations or deficiencies currently outstanding with respect to any assisted living facilities or memory care facilities owned or operated by Buyers or any of their affiliates.

10.9 No Financing Contingencies. The purchase by Buyers of the Real Estate and Operating Assets is not conditioned upon obtaining financing.

With respect to Sections 10.6 through 10.8, Buyers has the affirmative obligation to update such representations immediately (the “**Updated Representations**”) to the extent Buyers discover that due to actions or inactions of Buyers or their affiliates after the Effective Date, such representatives are no longer true or accurate.

As used in these representations and warranties the term “knowledge” with respect to any specific representation and/or warranty means the actual knowledge of those employees or agents of the Buyers who had devoted a substantial amount of time to this transaction prior to and at the time the representation and/or warranty is made, without any requirement that such individuals conduct any investigation, audit or review as to or concerning the specific subject matter of the representation or warranty.

ARTICLE XI **COVENANTS OF THE PARTIES**

11.1 Conduct of Business. During the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement or the Proration Time, unless the Buyers have consented in writing thereto, the Sellers shall not materially alter the operations of the Project from existing practices.

11.2 Efforts to Consummate; Certain Actions. Subject to the terms and conditions herein, each of the Parties agrees to use commercially reasonable efforts to cause to be taken all action, and to do, or cause to be done as promptly as practicable, all things reasonably necessary under applicable laws and regulations to consummate and make effective as promptly as practicable the transaction contemplated by this Agreement; and to cooperate with the other Party in obtaining all authorizations, consents, orders, licenses and approvals of any governmental authority that may be or become necessary in connection with the consummation of the transaction and to take all reasonable actions to avoid the entry of any order or decree by any governmental authority prohibiting the consummation of the transaction; and shall furnish to the other all such information in its possession as may be necessary for the completion of the notifications to be filed by the others.

11.3 Resident Medical Records. Buyers understand that, to the extent allowed by applicable law, all of Sellers’ medical records pertaining to residents of the Project (including those historic records required to be maintained under applicable law) that are in Sellers’ possession are being transferred hereunder to Buyers or their designee, and, with respect to all medical records, and all other records transferred to Buyers or their designee hereunder, including financial records, Buyers agrees that it or its designee, as applicable, will diligently maintain and preserve such records as and to the extent required by law, and allow Sellers, or Sellers’ agents or representatives, to examine from time to time such records relating to the period of Sellers’ operation of the Project and to make copies thereof at Buyers’ expense, subject to and only to the extent required by applicable laws and solely for Sellers’ reasonable business purposes. All patient records shall be maintained in full compliance with all state and federal laws relating to the confidentiality and preservation of medical records. Buyers agree to provide patients and residents with all required

notices required to be provided by Buyers in accordance with applicable law. Sellers agree to provide patients and residents with all required notices required to be provided by Sellers in accordance with applicable law.

ARTICLE XII
TERMINATION OF THIS AGREEMENT

12.1 Termination. This Agreement may be terminated at any time prior to the Closing by:

(a) The mutual written consent of Sellers (with the consent of the Trustee) and Buyers, in which case the Deposit shall be returned to Buyers as their full and complete remedy;

(b) Buyers, if there has been a material breach by Sellers of any representation, warranty, covenant or agreement set forth in this Agreement which is not cured by Sellers within ten (10) business days after written notice thereof, or if any of the conditions set forth in Article VII shall not have been satisfied or waived by the Outside Closing Date, in which case the Deposit shall be returned to Buyers as its full and complete remedy; provided, however, the Deposit shall not be returned to Buyers if Sellers /are entitled to terminate this Agreement pursuant to Section 12.1(d), in which case the Escrow Agent shall pay the Deposit to Sellers;

(c) Intentionally omitted;

(d) Sellers, if there has been a material breach by Buyers of any representation, warranty, covenant, or agreement set forth in this Agreement which is not cured by Buyers within ten (10) business days after written notice thereof, or if the conditions set forth in Article VIII shall not have been satisfied or waived, in which case the Escrow Agent shall pay the Deposit to Sellers; or

(e) Buyers or Sellers, if the Parties have failed to effectuate the Closing by the Outside Closing Date, in which case the Deposit shall be returned to Buyers unless Sellers are entitled to terminate this Agreement pursuant to Section 12.1(d), in which case the Escrow Agent shall pay the Deposit to Sellers.

12.2 Effect of Termination. In the event of the termination of this Agreement, this Agreement shall be of no further force or effect, except for those provisions of this Agreement that expressly survive the termination hereof, the obligations regarding the Deposit and other matters set forth in Section 12.1 and the obligations set forth in this Section 12.2, which shall survive the termination of this Agreement. Upon request therefor, each Party shall destroy or redeliver all documents, work papers and other material of another Party relating to the transactions contemplated hereby, whether obtained before or after the execution hereof, to the Party furnishing the same.

ARTICLE XIII
MISCELLANEOUS PROVISIONS

13.1 Publicity. Except as required by law, or in connection with any notice provided by the Trustee to the holders of the Bonds, any public announcements or statements made prior to the Closing by Buyers or Sellers concerning the contemplated transaction shall require the prior

written consent of Sellers or Buyers, as applicable, which consent shall not be unreasonably withheld.

13.2 Risk of Loss. Buyers agrees to the condition of the Purchased Assets as set forth in Section 6.1 and shall not be entitled to the assignment of any insurance policies or insurance proceeds for any damage to the Real Estate and Operating Assets existing as of the Effective Date. Following the Effective Date, the Sellers assume all risk of destruction, loss, or damage to the Real Estate and the Operating Assets due to fire, storm, or other casualty up to the Closing. In case of any destruction, loss, or damage to the Real Estate and the Operating Assets in excess of \$750,000 (the "Loss Threshold Amount"), the Buyers shall have the right to: (a) terminate this Agreement in accordance with Section 12.1(a), and Sellers shall be deemed to have mutually consented to such termination; or (b) proceed to the Closing and accept from Sellers an assignment of all insurance proceeds payable in connection with such destruction, loss or damage, without a credit against the Purchase Price. In the case of any destruction, loss, or damage to the Real Estate and the Operating Assets in an amount less than the Loss Threshold Amount, Buyers shall proceed to the Closing and accept from Sellers an assignment of all insurance proceeds payable in connection with such destruction, loss or damage, without a credit against the Purchase Price.

13.3 Further Assurances. From time to time following the Closing, Sellers and Buyers shall, at the other party's reasonable request, execute, acknowledge and deliver such additional documents, instruments of conveyance, transfer, assignment, assumption or assurances and take such other action as Buyers or Seller, as the case may be, may reasonably request to more effectively assign, convey and transfer the Real Estate and Operating Assets to Buyers and fully vest title to Buyers in the Real Estate and Operating Assets, or for Buyers to more effectively assume the Assumed Liabilities, as the case may be, provided that in no event shall the liabilities of a party be increased thereby. All such reasonable costs and expenses incurred by the non-requesting party shall be reimbursed by the requesting party. The obligations contained in this Section 13.3 shall survive the Closing.

13.4 Notices. All notices and other communications required or permitted hereunder shall be in writing and, unless otherwise provided in this Agreement, shall be deemed to have been duly given when delivered in person or when dispatched by email notification (confirmed in writing by mail promptly dispatched) or one (1) business day after having been dispatched by a nationally recognized overnight courier service to the appropriate party at the address specified below:

(a) If to the Sellers, to:

Regional Housing & Community Services Corp.
Katie S. Goodman
GGG Partners, LLC
2780 Peachtree Road #502
Atlanta, GA 30305
kgoodman@gggmgt.com

with a copy to:

Ashley R. Ray

Scroggins & Williamson, P.C.
4401 Northside Parkway
Suite 450
Atlanta, GA 30327
aray@swlawfirm.com

(b) If to the Buyers, to:

Ira Schwartz
153 Harborview N
Lawrence, NY 11559
schwartziralawyer@gmail.com

Jacqueline Cohen
4802 12th Avenue
Unit 3H
Brooklyn, NY 11219
cohjac@gmail.com

with a copy to:

Shayna A. Bowen
Bouhan Falligant, LLP
1 West Park Avenue
Savannah, GA 31401
sabowen@bouhan.com

(c) If to the Trustee, to:

Mark Heer
Senior Vice President
UMB Bank, National Association
928 Grand Blvd.
Kansas City, MO 64106
Mark.heer@umb.com

with a copy to:

Charles W. Azano
Greenberg Traurig, LLP
One International Place
Suite 2000
Boston, MA 02110
azano@gtlaw.com

or to such other address or addresses or email address as any such noticed party may from time to time designate as to itself by like notice. Any notice to be given by a party hereto may be given by such party's counsel.

13.5 Expenses. Each party hereto shall pay and be responsible for its respective expenses (including legal fees) incurred by it and incident to this Agreement and in preparing to consummate and consummating the contemplated transaction.

13.6 Waiver. Either the Sellers (with the consent of the Trustee), on the one hand, or the Buyers, on the other hand, may by written notice to the other (a) extend the time for performance of any of the obligations of the other party under this Agreement, (b) waive any inaccuracies in the representations or warranties of the other party contained in this Agreement, (c) waive compliance with any of the conditions or covenants of the other party contained in this Agreement, or (d) waive or modify performance of any of the obligations of the other party under this Agreement; provided, however, that no such party may, without the prior written consent of the other party, make or grant such extension of time, waiver of inaccuracies or compliance or waiver or modification of performance with respect to its representations, warranties, conditions or covenants hereunder. Except as provided in the immediately preceding sentence, no action taken pursuant to this Agreement shall be deemed to constitute a waiver of compliance with any representations, warranties, conditions or covenants contained in this Agreement or shall operate or be construed as a waiver of any subsequent breach, whether of a similar or dissimilar nature.

13.7 Entire Agreement. This Agreement, which includes the Schedules and the Exhibits hereto, supersedes any other agreement, whether written or oral, that may have been made or entered into by any party relating to the matters contemplated hereby.

13.8 Amendments, Supplements, Etc. This Agreement may be amended or supplemented at any time by additional written agreements as may mutually be determined by the Parties (with the consent of the Trustee) to be necessary, desirable or expedient to further the purposes of this Agreement or to clarify the intention of the parties.

13.9 Rights of the Parties. This Agreement is solely for the benefit of the Buyers (and the Buyers's permitted successors and/or assigns), the Sellers, the Trustee and the holders of the Bonds. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon or give any person other than the parties hereto and their permitted successors and assigns any rights or remedies under or by reason of this Agreement or any transaction contemplated hereby, nor shall any other person be entitled to rely upon the terms, covenants and provisions of this Agreement.

13.10 Inconsistencies. In the event of any inconsistency between the terms and provisions of this Agreement and the terms and provisions of any of the Ancillary Agreements, the terms and provisions of this Agreement shall prevail.

13.11 Governing Law and Choice of Forum. The validity and interpretation of this Agreement shall be construed in accordance with and governed by the laws of the State of Georgia without regard to the choice-of-law principles of this or any other jurisdiction. Any suit, action, claim or proceeding seeking to enforce any provision of or based on any matter arising out of or in

connection with this Agreement or the Ancillary Documents shall be brought in a court with appropriate jurisdiction in the State of Georgia, and the Parties hereby irrevocably submit and consent to the exclusive jurisdiction of such court (and of the appropriate appellate courts therefrom) in any such suit or proceeding and irrevocably waive, to the fullest extent permitted by law, any objection and defenses which he, she or it may now have or hereafter may have based on forum, venue, or personal or subject matter jurisdiction as they may relate to any suit, action or proceeding in any such court. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without jurisdiction of said court. The Parties agree that the relief sought from the court as a result of any dispute brought in connection with this Agreement or the Ancillary Agreements may include, but is not necessarily limited to, injunctive relief, specific performance or monetary damages.

13.12 Waiver of Jury Trial. EACH OF THE PARTIES WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE ANCILLARY AGREEMENTS, OR THE TRANSACTION IN ANY COURT IN WHICH SUCH ACTION OR PROCEEDING MAY BE BROUGHT.

13.13 Execution in Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docuSign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

13.14 Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations under this Agreement of Seller, on the one hand, and Buyers, on the other hand, shall not be adversely affected thereby: (a) such provision shall be fully severable; (b) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; (c) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement; and (d) in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

13.15 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other parties hereto which shall not be unreasonably withheld.

13.16 Time/Non Business Days. Whenever action must be taken (including the giving of notice or the delivery of documents) under this Agreement during a certain period of time (or by a particular date) that ends (or occurs) on a non-business day, then such period (or date) shall be extended until the immediately following business day. As used herein, “**business day**” means any day other than a Saturday, Sunday or federal or Georgia holiday.

13.17 Time of the Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

13.18 Headings. The headings contained in this Agreement are inserted for convenience reference only and shall not constitute a part hereof.

13.19 Interpretation. This Agreement shall be construed in a neutral manner without regard to any presumption or rule requiring construction against the party who drafted or caused the drafting of this Agreement.

13.20 Schedules and Exhibits. The Disclosure Schedules and all Exhibits and Schedules referred to in this Agreement will be attached hereto on the Closing Date

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Asset Purchase Agreement as of the day and year first above written.

BUYERS:

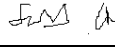
West Property Realty LLC

By:  _____

Name: Ira Schwartz _____

Title: Manager _____

SCAL LLC

By:  _____

Name: Jacqueline Cohen _____

Title: Manager _____

SELLERS:

By: _____

Name: _____

Title: _____

ACKNOWLEDGED BY THE TRUSTEE:

UMB Bank, N.A., as Trustee

By: _____


Name: _____

Title: _____

IN WITNESS WHEREOF, the parties hereto have executed this Asset Purchase Agreement as of the day and year first above written.

BUYERS:

West Property Realty LLC

By: 

Name: Ira Schwartz

Title: Manager

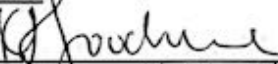
SCAL LLC

By: 

Name: Jacqueline Cohen

Title: Manager

SELLERS:

By: 

Name: K. Goodman

Title: Chief Restructuring Officer

ACKNOWLEDGED BY THE TRUSTEE:

UMB Bank, N.A., as Trustee

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the parties hereto have executed this Asset Purchase Agreement as of the day and year first above written.

BUYERS:

West Property Realty LLC

By: _____

Name: _____

Title: _____

SCAL LLC

By: _____

Name: _____

Title: _____

SELLERS:

By: _____

Name: _____

Title: _____

ACKNOWLEDGED BY THE TRUSTEE:

UMB Bank, N.A., as Trustee

By: Mark Heer

Name: Mark Heer

Title: Senior Vice President

Exhibit A

Operations Transfer Agreement

OPERATIONS TRANSFER AGREEMENT

THIS OPERATIONS TRANSFER AGREEMENT (“**Agreement**”) is made and entered into as of this ___ day of August 2023 (the “**Effective Date**”) by and among (i) West Property Realty LLC and SCAL LLC (the “**Buyers**”); and (ii) RHCSC Social Circle AL Holdings LLC and RHCSC Social Circle Health Holdings LLC (the “**RHCSC Social Circle**”; and together with the Buyers, the “**Parties**” and each a “**Party**”). UMB Bank, N.A., serves as successor trustee (the “**Trustee**”) with respect to certain bonds related to the Project (as defined below), and as directed by the holders of such bonds, consents to and acknowledges the transactions contemplated by this Agreement.

RECITALS

A. The two companies defined above as RHCSC Social Circle are each limited liability companies organized in Georgia, and own the real estate and personal property related to the following project:

Facility	Address	Licensed Bed Capacity
The Gardens of Social Circle	621 North Cherokee Road Social Circle, GA 30025	Building I- 24 beds Building II-50 beds Building III-24 beds

(the “**Project**”).

B. On August 26, 2021, RHCSC Social Circle and certain affiliated entities of RHCSC Social Circle (collectively, the “**Debtors**”) ¹, filed cases under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). The cases are pending in the United States Bankruptcy Court for the Northern District of Georgia (the “**Bankruptcy Court**”) and are jointly administered under Case No. 21-41034 (the “**Bankruptcy Cases**”).

C. On August 8, 2023, the Parties executed that certain Asset Purchase Agreement (“**APA**”) pursuant to which the Buyer agreed to purchase, and RHCSC Social Circle agreed to sell, the Project. The APA was filed with the Bankruptcy Court, along with a request that the Bankruptcy Court enter an order approving the proposed sale (the “**Sale Order**”) on certain conditions set forth in the APA. Capitalized terms not otherwise defined herein have the meanings given to them in the APA.

D. The Buyers have requested that RHCSC Social Circle AL Holdings LLC “**Current Operator**” continue to manage the Project from the Closing Date (as defined below)

¹ The Debtors include: Regional Housing & Community Services Corporation, RHCSC Columbus AL Holdings LLC, RHCSC Columbus Health Holdings LLC, RHCSC Douglas AL Holdings LLC, RHCSC Douglas Health Holdings LLC, RHCSC Gainesville AL Holdings LLC, RHCSC Gainesville Health Holdings LLC, RHCSC Montgomery I AL Holdings LLC, RHCSC Montgomery I Health Holdings LLC, RHCSC Montgomery II AL Holdings LLC, RHCSC Montgomery II Health Holdings LLC, RHCSC Rome AL Holdings LLC, RHCSC Rome Health Holdings LLC, RHCSC Savannah AL Holdings LLC, RHCSC Savannah Health Holdings LLC, RHCSC Social Circle AL Holdings LLC, and RHCSC Social Circle Health Holdings LLC.

until September 5, 2023, or such other date as is mutually agreed upon by the Parties (the “Operations Transfer Date”), including continuing to utilize the permits and licenses required under applicable law currently issued to Current Operator until Buyers are able to procure any required permits and licenses. RHCSC Social Circle AL Holdings LLC is willing to provide such services in accordance with this Agreement. The Parties intend for the Operations Transfer Date to be September 5, 2023.

E. Heretofore, HMP Senior Solutions, LLC (“**Outgoing Manager**”) has been managing the Project for the benefit of RHCSC Social Circle pursuant to a Management Agreement dated effective as of October 31, 2021 (the “**Outgoing Management Agreement**”). Effective as of the Operations Transfer Date, Buyer or its designee will manage the Project and neither the Sellers nor the Outgoing Manager shall have any further obligation with respect to the operation or management of the Project.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants of the parties set forth herein, THE PARTIES HEREBY AGREE AS FOLLOWS:

AGREEMENT

1. Transfer of Operations.

1.1. Effective as of the date of the consummation of the transaction that is the subject to the APA (the “**Closing Date**”), RHCSC Social Circle hereby agrees to transfer all its rights in and to the Project and Purchased Assets to Buyers, subject to all the terms and conditions of the APA and this Agreement. Notwithstanding the foregoing, in accordance with the terms of the APA, including that the Closing Date as it relates to the Real Estate and Operating Assets is scheduled for on or around August 21, 2023, all financial activity and obligations occurring and accruing as of 11:59 p.m. (Eastern Time) on the day before the Operations Transfer Date (the “**Proration Time**”) shall be the responsibility of (and accrue to the benefit of) RHCSC Social Circle. Buyers and RHCSC Social Circle may extend the Proration Time, subject to the consent of the Trustee, for additional consideration of \$1,000 to be paid by Buyers for each day the Proration Time is extended. All right, title and interest of RHCSC Social Circle to be transferred in accordance with this Agreement or the APA shall be **AS IS, WHERE IS, AND WITHOUT ANY WARRANTIES OF WHATSOEVER NATURE, EXPRESS OR IMPLIED, EXCEPT AS EXPRESSLY SET FORTH HEREIN. IT IS THE INTENTION OF THE PARTIES EXPRESSLY TO NEGATE AND EXCLUDE ALL WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE. BUYER ACKNOWLEDGES AND AGREES THAT RHCSC SOCIAL CIRCLE AND ANY AGENTS AND AFFILIATES OF RHCSC SOCIAL CIRCLE HAVE NOT MADE, DO NOT MAKE AND SPECIFICALLY NEGATE AND DISCLAIM ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROJECT AND THE OPERATION THEREOF. WITHOUT LIMITING THE FOREGOING, BUYER ACKNOWLEDGES AND AGREES THAT RHCSC SOCIAL CIRCLE IS ASSIGNING**

ANY AND ALL OF ITS INTEREST IN THE OPERATING CONTRACTS (AS DEFINED BELOW) WITHOUT WARRANTY.

1.2. In the event that that the Operations Buyer is unable to obtain licensure in its own name by September 15, 2023 or a later date as mutually agreed upon by the Parties, then the Parties will work together to effect the orderly wind-down of operations of the Project in accordance with all applicable laws within thirty (30) days. Buyers shall be solely responsible for payment of all costs and expenses incurred during the shut-down period, including but not limited to the additional consideration in Section 1.1 to Current Operator of \$1,000 for each day of operations during the wind-down period.

2. Cooperation. The Parties agree to cooperate to effect an orderly transfer and smooth transition of ownership of the Project and all Purchased Assets on the Closing Date, and to transfer operation and management of the Project, including but not limited to Project personnel, as of the Operations Transfer Date.

3. Management. At least fourteen (14) days before the Operations Transfer Date, Operations Buyer shall inform RHCS Social Circle and Outgoing Manager whether Operations Buyer will self-manage the Project or provide RHCS Social Circle and Outgoing Manager with contact information for a third-party management company. Current Operator shall terminate Outgoing Manager and the Outgoing Management Agreement as it relates to the Project at the Operations Transfer Date. At the Operations Transfer Date, Operations Buyer or its designee shall assume and be responsible for the day-to-day management of the Project.

4. Transfer of Resident Funds.

4.1. Within five (5) business days after Effective Date, Current Operator shall provide to Operations Buyer a schedule (properly reconciled) of any resident deposits or other resident funds, if any, held by RHCS Social Circle, and will update such information not less than five (5) business days prior to the Operations Transfer Date (collectively the “**Resident Funds**”). RHCS Social Circle shall provide to residents and their responsible parties or agents notice of the transfer of operations and, if applicable, the transfer of the Resident Funds.

4.2. Operations Buyer agrees to be liable for the Resident Funds as accounted for and transferred by Current Operator on the Operations Transfer Date. Operations Buyer will accept the actually transferred Resident Funds in trust for the residents of the Project, in accordance with applicable statutory and regulatory requirements.

4.3. The parties agree to execute any documents required by the Georgia Department of Community Health (“**DCH**”), or other applicable licensing authorities, to reflect this transfer.

5. Employees.

5.1. It is the intention of Operations Buyer to make offers of employment to substantially all of RHCS Social Circle’s employees (the “**Re-Hired Employees**”); *provided, however,* that Operations Buyer shall have the right to conduct customary employee background checks prior to offering employment to any such employee. Operations Buyer will grant to all

Re-Hired Employees service credit for previous service recognized by RHCSC Social Circle for purposes of vacation and other benefits (whether or not accrued on the financial statements of RHCSC Social Circle), and will credit Re-Hired Employees with their prior service (whether or not accrued on the financial statements of RHCSC Social Circle) for purposes of calculating vacation time earning in the period following the Closing Date.

5.2. Within five (5) business days after the Effective Date, RHCSC Social Circle will deliver to Operations Buyer (a) a schedule (the “**Employee Schedule**”) which reflects among other things the following: (i) the name of all employees at the Project (“**Employees**”) as of the date of the Employee Schedule, (ii) their positions, (iii) rates of pay, (iv) dates of service; and (b) a schedule of employee benefits and all Accrued PTO (as defined below) for each employee. The Employee Schedule shall also include any individuals that regularly work at the Project pursuant to third-party agency employment contracts, shall identify such individuals as contract employees, and by their contract rate of pay. RHCSC Social Circle will update the Employee Schedule not less than five (5) business days prior to the Operations Transfer Date.

5.3. Effective as of the Proration Time, RHCSC Social Circle shall terminate the employment of the Employees.

5.4. In respect of notices and payments relating to events occurring prior to the Operations Transfer Date or as a result of the transactions contemplated by this Agreement, Operations Buyer shall be responsible for and assume any liability of RHCSC Social Circle for any and all payments, fines, and penalties, if any, under the Worker Adjustment and Retraining Notification Act, and any other applicable state or local mini-WARN acts (collectively, the “**WARN Acts**”) in connection with the transaction set forth in this Agreement (including any such liability for failure to furnish required notices under the WARN Acts).

5.5. Operations Buyer shall administer any group health plan continuation coverage pursuant to the requirements of Section 601, et seq. of the Employee Retirement Income Security Act of 1974 and Section 498B of the Internal Revenue Code (collectively, “**COBRA**”) to all of the Employees of the Project that are eligible for such coverage under applicable law. RHCSC Social Circle shall have no liability for COBRA insurance continuation coverage or unemployment benefit costs.

5.6. RHCSC Social Circle will have no obligation to provide workers compensation or other employee-related insurance coverage with respect to any Employee after the Proration Time. All such insurance coverage, to the extent required by applicable law, will be the responsibility of Operations Buyer on and after the Operations Transfer Date.

5.7. Nothing expressed or implied in this Section 5 will confer upon any Employee or any legal representative of any such Employee, any rights or remedies, including any right to employment or continued employment for any specified period, of any nature or kind whatsoever under or by reason of this Agreement. Nothing in this Agreement (i) will limit or restrict in any way the right of Operations Buyer to modify, amend, terminate or establish employee benefit plans or arrangements in whole or in part at any time after the Operations Transfer Date, (ii) shall be construed to establish, amend, or modify any benefit plan, program, agreement or arrangement, or (iii) is intended to confer upon any individual (including

Employees, retirees, or dependents or beneficiaries of Employees or retirees) any right as a third-party beneficiary of this Agreement

5.8. As of the Operations Transfer Date, all Re-Hired Employees shall cease participation in any employee benefit plans of RHCSC Social Circle, except with respect to benefits accrued as of, or claims incurred on or prior to, such time, all such accrued benefits and claims being Disclaimed Liabilities (as such term is defined in the APA). Beginning at 12:01 a.m. on the day after the Operations Transfer Date, Operations Buyer will provide employee benefit coverage for Re-Hired Employees under new or existing plans sponsored by Operations Buyer.

5.9. Operations Buyer shall offer Re-Hired Employees positions performing comparable services and at substantially the same base wage as such Re-Hired Employees enjoyed prior to the Operations Transfer Date. Notwithstanding the foregoing, Operations Buyer shall pay or otherwise credit the Re-Hired Employees for any accrued paid time off and accrued vacation time.

5.10. RHCSC Social Circle shall remain solely responsible for the satisfaction of all claims for medical, dental, life insurance, health accident or disability benefits brought by or in respect of current or former Employees, officers, directors, independent contractors or consultants of RHCSC Social Circle's business or the spouses, dependents or beneficiaries thereof, which claims relate to events occurring on or prior to the Proration Time. RHCSC Social Circle also shall remain solely responsible for all worker's compensation claims of any current or former employees, officers, directors, independent contractors or consultants of the Project or operating at the Project which relate to events occurring on or prior to the Operations Transfer Date. RHCSC Social Circle shall pay, or cause to be paid, all such amounts to the appropriate persons as and when due.

6. Billing, Accounts Receivable, Accounts Payable.

6.1. The Parties to this Agreement acknowledge and agree that the interests of RHCSC Social Circle in the Project, including the operation thereof, the income and revenues thereof, and the liabilities and other obligations of the Project, are limited by and subject to the terms and conditions of orders of the Bankruptcy Court. Accordingly, RHCSC Social Circle will provide to Operations Buyer, as of the Operations Transfer Date, a complete and accurate schedule of the accounts receivable and accounts payable and other obligations relating to the Project as of the Operations Transfer Date, and the processing of accounts receivable and accounts payable and other obligations for the Project during the transition period will be handled as set forth below.

6.2. Within ten (10) business days following the Operations Transfer Date, RHCSC Social Circle will mail out final reconciled invoices to all residents at the Project (with a copy of such final invoices to Operations Buyer) showing payments received by RHCSC Social Circle through the Operations Transfer Date, showing any remaining balances due from residents as of the Operations Transfer Date, and directing Project residents to send any future payments to Operations Buyer at an address to be provided by Operations Buyer. All payments received by RHCSC Social Circle prior to the Operations Transfer Date will be applied to outstanding

resident balances and accounted for in accordance with any applicable remittance advice, and standard receivable policies.

6.3. If the Operations Transfer Date occurs before the fifteenth (15th) day of the applicable calendar month, RHCSC Social Circle shall in the ordinary course of business consistent with past practices bill for such amounts of the calendar month of Closing, but not for the calendar month after Closing. As of the Operations Transfer Date, RHCSC Social Circle will not have any rights or interest in the continuing revenues of the Project which relate to the period after the Operations Transfer Date. Except as set forth herein or agreed to by RHCSC Social Circle and the Operations Buyer, RHCSC Social Circle shall remain responsible for billing and collection of all revenues which relate to the period prior to the Operations Transfer Date. Operations Buyer shall become responsible for billing and collection of all revenues which relate to the period beginning on and after the Operations Transfer Date.

6.4. All payments received by a Party from and after the Operations Transfer Date shall be handled as follows:

- a) Payments which specifically indicate on the check or on an accompanying remittance advice, or if the Parties agree, that they relate to the period prior to the Operations Transfer Date, shall be credited to RHCSC Social Circle.
- b) Payments which specifically indicate on the check or on an accompanying remittance advice, or if the Parties agree, that they relate to the period from and after the Operations Transfer Date, shall be credited to Operations Buyer.
- c) Payments from or on behalf of Residents with an outstanding balance as of the Operations Transfer Date which do not specify the rent or service dates to which such payment relates (or which the Parties cannot otherwise agree as to) will be applied as follows: (1) if such payment is received during the first thirty (30) days after the Operations Transfer Date, then such payment shall be first credited to RHCSC Social Circle as payment against such Resident's outstanding balance for rent and services rendered prior to the Operations Transfer Date, with any excess credited to Operations Buyer as payment for rents and services rendered after the Operations Transfer Date, and (2) if such payment is received more than thirty (30) days after the Operations Transfer Date, then such payment shall be first credited to Operations Buyer as payment for rents and services rendered after the Operations Transfer Date, with any excess credited to RHCSC Social Circle as payment against such Resident's outstanding balance for rent and services rendered prior to the Operations Transfer Date, if any, until payment in full of any such outstanding balance.

6.5. RHCSC Social Circle agrees to provide to Operations Buyer, within five (5) business days after the Operations Transfer Date, an electronic file detailing all Resident Funds, receivables and or other amounts owed to or by the Residents.

6.6. If, following the Operations Transfer Date, RHCSC Social Circle inadvertently receives any payments related to the Project for the period after the Operations Transfer Date, RHCSC Social Circle shall remit the same to Operations Buyer within fifteen (15) days after receipt. If following the Operations Transfer Date, Operations Buyer inadvertently receives any payments related to the Project for the period prior the Operations Transfer Date, Operations Buyer shall remit the same to RHCSC Social Circle within fifteen (15) days after receipt.

6.7. In the event a payment is received for services provided by the Project both prior to and after the Operations Transfer Date, the Parties shall remit to the appropriate Party that portion of such payment allocable to services provided prior to the Operations Transfer Date for RHCSC Social Circle or after the Operations Transfer Date for Operations Buyer.

6.8. RHCSC Social Circle will continue to process and pay accounts payable and other obligations of the Project for periods prior to the Operations Transfer Date solely to the extent and as set forth in the Sale Order. Operations Buyer shall commence to process and pay all accounts payable and other obligations of the Project for all periods after the Operations Transfer Date. In the event that an account payable obligation is received for services or goods obtained by the Project both prior to and after the Operations Transfer Date, the Parties agree to work together to reasonably prorate such obligations using the Operations Transfer Date as a gage to determine each respective Party's financial obligations.

6.9. MatrixCare is the Facility's electronic health record provider. RHCSC Social Circle shall provide Operations Buyer or its designee with continued administrative access, with its own separate login, to the MatrixCare clinical software until the earlier of (a) such time as Operations Buyer or its designee notifies RHCSC Social Circle that its access to MatrixCare may be terminated, or (b) ninety (90) days from the Operations Transfer Date. Operations Buyer shall pay RHCSC Social Circle the cost of maintaining the MatrixCare clinical software at the Project related to Operations Buyer's use after the Operations Transfer Date.

7. Access to Records.

7.1. As of the Operations Transfer Date, RHCSC Social Circle shall deliver to Operations Buyer at the Project all of the records of the Project, including, but not limited to, resident medical and financial records and copies of non-confidential and non-proprietary employee records ("**Books and Records**"); provided, however, that nothing herein shall be construed as precluding RHCSC Social Circle from removing from the Project prior to the Operations Transfer Date the financial records which relate to operations at the Project and/or to its overall corporate operations, as long as any resident financial records are kept onsite at the Project so Operations Buyer can comply with any and all regulatory requirements.

7.2. Subsequent to the Operations Transfer Date, Operations Buyer shall allow RHCSC Social Circle, and its agents and representatives to have reasonable access to (upon

reasonable prior notice and during normal business hours), and to make copies of, the Books and Records and supporting material of the Project relating to the period prior to the Operations Transfer Date, to the extent reasonably necessary to enable RHCSC Social Circle to properly discharge its duties in the Bankruptcy Cases for purposes of litigation, legal proceeding or administrative action. In addition, Operations Buyer shall provide a license and online access to RHCSC Social Circle and Outgoing Manager to enable RHCSC Social Circle and Outgoing Manager to have continued access to any accounting software for the period prior to the Operations Transfer Date.

7.3. RHCSC Social Circle (and its affiliates) shall be entitled to remove the originals of any records delivered to Operations Buyer, for purposes of litigation, legal proceeding or administrative action involving a resident or Employee to whom such record relates, if RHCSC Social Circle (or its affiliates) or their respective counsel certifies that such original must be produced in order to comply with applicable law or the order of a court of competent jurisdiction in connection with such litigation, legal proceeding or administrative action. Any record so removed shall promptly be returned to Operations Buyer following its use.

7.4. Operations Buyer agrees to maintain such books, records and other material comprising records of the Project's operations prior to the Operations Transfer Date that have been received by Operations Buyer from RHCSC Social Circle or otherwise, including, but not limited to, resident records and records of resident funds, to the extent required by law, but in no event for no less than one (1) year, and shall notify and allow RHCSC Social Circle a reasonable opportunity to remove such documents, at RHCSC Social Circle's expense, as may be applicable, at such time after such record retention period as may be required by law has expired or as Operations Buyer shall decide to dispose of such documents.

8. Contracts. Within five (5) business days of the Effective Date, RHCSC Social Circle shall provide to Operations Buyer copies of all vendor, service, referral, placement, medical director, maintenance, operating, collective bargaining, equipment leases, vehicle leases and all other agreements which relate to the operation of the Project, including those for goods, services and equipment being provided or to be provided in connection with the operation of the Facility (the "**Operating Contracts**"). Subject to an order of the Bankruptcy Court, effective as of the Operations Transfer Date, RHCSC Social Circle shall transfer and assign to Operations Buyer and Operations Buyer hereby accepts such assignment, all of the RHCSC Social Circle's rights and interest, if any and only to the extent assignable by RHCSC Social Circle, in those Operating Contracts that are listed on Schedule 1.1(b) of the APA and attached as **Exhibit A** hereto. The Operating Contracts listed in **Exhibit A** hereto are Operating Contracts that the Operations Buyer, in its sole and absolute discretion, has determined are (i) in good standing, (ii) necessary or desirable to ensure the ongoing operation of the Project (iii) capable of being assigned to and assumed by Operations Buyer pursuant to an assignment and assumption agreement and order of the Bankruptcy Court and (iv) were identified by Operations Buyer as being Operating Contracts Operations Buyer would like to have assumed and assigned to it, and were assumed and assigned to it, pursuant to the APA. RHCSC Social Circle and Operations Buyer hereby agree to cooperate as may reasonably be necessary in the transition of the Operating Contracts. Operations Buyer shall not assume and shall not be liable for any obligations under any Operating Contracts other than those explicitly listed in **Exhibit A** hereto. To the extent Operations Buyer assumes any Operating Contracts, Operations Buyer shall be

responsible for payment of any and all amounts necessary to cure defaults as contemplated in Section 365 (the “**Cure Obligations**”).

9. Intentionally Omitted.

10. Licenses.

10.1. Preservation of Current License. Prior to the Operations Transfer Date, RHCSC Social Circle shall not:

- a) take any action or commit any omission that would result in the termination, suspension, surrendering, or jeopardizing of the current permits and licenses required under applicable law and regulations, including by DCH to operate the Project as presently operated (the “**Current Facility License**”);
- b) reduce the number of licensed beds or certified beds at the Project;
- c) move or transfer the right to any and all of licensed or certified beds of the Project to any other location; and
- d) amend or otherwise change the Project’s authorized bed capacity and/or the approved number of beds.

10.2. Regulatory Survey and Licensure Matters. In connection with any regulatory survey or licensure matters occurring prior to the Operations Transfer Date required for Operations Buyer to obtain any licenses or permits to operate the Project, or in connection with the day-to-day management and operation of the Project, RHCSC Social Circle and Operations Buyer agree to cooperate fully with each other in preparing, filing, prosecuting, and taking any other commercially reasonable actions with respect to any applications, requests, or actions that are or may be reasonable and necessary to obtain all such licenses and permits in Operations Buyer’s name. Notwithstanding the foregoing, nothing herein shall require either party to pay any material costs for improving or repairing the physical condition of the Project required to satisfy licensure related inspections.

10.3. New Facility License.

- a) RHCSC Social Circle shall use reasonable commercial efforts to assist Operations Buyer in obtaining a new license from DCH to operate the Project (the “**New Facility License**”), including to the extent within the control of RHCSC Social Circle, supplying any and all information and documentation that DCH may request to approve such new license, which obligation shall extend through the earlier of termination of this Agreement or the date that Operations Buyer obtains such new license.
- b) Pursuant to the APA, Operations Buyer has filed a Change of Ownership Application with DCH to obtain the New Facility License

and also to obtain any and all other licenses and permits as may be required to authorize Operations Buyer to operate the Project as currently operated. To the extent permitted by applicable law and regulation, and pursuant to the terms of this Agreement, RHCSC Social Circle shall allow Operations Buyer to operate the Project under the Current Facility License until the earlier of such time as DCH issues the New Facility License or the Operations Transfer Date. Provided, however, that for the avoidance of doubt RHCSC Social Circle shall retain, to the extent required by applicable laws and regulations, ultimate authority with respect to operation of the Project until the issuance of the New Facility License. Operations Buyer hereby agrees to indemnify and hold RHCSC Social Circle harmless from and against any and all cost, expense, liability, claim, penalty, fine or damage arising out of or resulting from Operations Buyer's use of the Current Facility License on or after the Effective Date. **Operations Buyer acknowledges that RHCSC Social Circle makes no representations, warranties or covenants concerning Operations Buyer's ability and authority under applicable law to operate the Project under the current Facility License for any period of time.**

11. Resident Agreements. Subject to an order of the Bankruptcy Court, RHCSC Social Circle shall transfer, convey and assign to Operations Buyer on the Operations Transfer Date all of its right, title and interest in and to all existing agreements with residents and any guarantors thereof, to the extent assignable by RHCSC Social Circle, and Operations Buyer shall assume all of the rights and obligations under the existing agreements effective as of the Operations Transfer Date.

12. Proprietary Materials and Intellectual Property.

12.1. Intellectual Property Rights. All United States and foreign patents, patent applications, licenses, trademarks (whether registered or unregistered), service marks, trade names, logos, copyrights and any applications therefor of RHCSC Social Circle, including all rights to the names “The Gardens of Social Circle” and any other proprietary rights of RHCSC Social Circle, including, without limitation, know-how, inventions, discoveries and improvements, trade secrets, specifications, designs and other technical information owned by or licensed to RHCSC Social Circle relating to the Project and all of the goodwill associated with the foregoing (collectively, “**Intellectual Property Rights**”) shall be transferred to Operations Buyer pursuant to the APA, or this Agreement. Notwithstanding the foregoing, Intellectual Property Rights does not include any United States and foreign patents, patent applications, licenses, trademarks (whether registered or unregistered), service marks, trade names, logos, copyrights and any applications therefor of any affiliates of RHCSC Social Circle, including, without limitation, know-how, inventions, discoveries and improvements, trade secrets, specifications, designs and other technical information owned by or licensed to such affiliates and all of the goodwill associated with the foregoing (collectively, “**Excluded IP**”). Operations Buyer acknowledges and agrees that no rights to any Excluded IP are transferred under this Agreement and Operations Buyer has no rights with respect to any Excluded IP.

12.2. Removal of Proprietary Property. All proprietary property of RHCSC Social Circle, if any, including any and all Excluded IP of RHCSC Social Circle, will be removed from the Project on or as soon as practicable (not more than seven (7) days) after the Operations Transfer Date. RHCSC Social Circle, and the Operations Buyer agree to cooperate as reasonably necessary to ensure the prompt removal of such property and materials from the Project within such time period. All use of all Intellectual Property Rights of RHCSC Social Circle at the Project will cease within seven (7) days after the Operations Transfer Date.

12.3. Marketing Database. All leads and professional sources for the Project, including names of prospective residents and their families, professional contacts and referral sources and all relevant contact information, phone numbers and addresses in the Project marketing database and/or tracking systems related solely to the Project will be transitioned to Operations Buyer through accessing the data out of the electronic software program. Operations Buyer shall have the option to assume the contract for the software program pursuant to the APA, in which case it will be able to access the information in the software to obtain relevant information. Operations Buyer will be responsible for maintaining the program and paying for any obligation arising from the software license after the Operations Transfer Date. RHCSC Social Circle will take steps to protect information prior to the Operations Transfer Date so that data is not deleted or removed prior to the Operations Transfer Date. If any referral or lead generating sources were used by RHCSC Social Circle prior to the Operations Transfer Date that resulted in a debt due to such source, RHCSC Social Circle shall be responsible for such payments, it being the intention of the Parties that the Operations Buyer shall not be responsible for resident referral fees that resulted in resident move-ins to the Project prior to the Operations Transfer Date.

13. Telephone Number. Operations Buyer shall have the right to utilize the present telephone number(s) at the Project on the condition that Operations Buyer pays for all charges

against said number(s) incurred after the Operations Transfer Date and makes all necessary arrangements for and pays all costs associated with the transfer of the number(s) to its name. RHCSC Social Circle agrees to pay all prior outstanding charges against said number(s) owed as of the Operations Transfer Date and to fully cooperate in successfully completing the transfer of the telephone number(s) to Operations Buyer.

14. Insurance, Legal Actions, Claims, and Liabilities

14.1. All insurance coverage carried by RHCSC Social Circle relating to the Project, Project employees, and Project residents, will be terminated with respect to the Project as of the Operations Transfer Date. RHCSC Social Circle will not have any responsibility for continuing to provide insurance of any kind, including property and casualty insurance, at the Project after the Operations Transfer Date. RHCSC Social Circle agrees to cooperate with Buyers and provide Buyers with any reasonable information regarding Project insurance coverage, loss notification, loss record, and other related insurance items so that Operations Buyer may properly acquire and bind new insurance policies for the Project.

14.2. Buyers will be responsible for securing and paying for all necessary insurance with respect to the Project beginning on the Operations Transfer Date in compliance with any applicable laws and regulations.

14.3. RHCSC Social Circle will be made an additional named insured by endorsement, at no cost to RHCSC Social Circle, on all property and casualty and general commercial liability insurance policies related to the Project after the Proration Time until such time as RHCSC Social Circle no longer has any interest in the Project or thirty (30) days after Operations Buyer has obtained all necessary licenses and permits to operate the Project. Any self-insured retention or deductible provided for under the insurance policies shall be at Operations Buyer's expense. Operations Buyer agrees to provide to RHCSC Social Circle, upon its request, an endorsement evidencing coverage required in this Agreement and showing RHCSC Social Circle's interest as a named insured.

14.4. EXCEPT AS SET FORTH IN THE APA, OR IN THIS AGREEMENT, BUYERS SHALL NOT BE OBLIGATED TO PAY, PERFORM OR OTHERWISE BE RESPONSIBLE FOR ANY LIABILITIES, CLAIMS, OBLIGATIONS, JUDGMENTS, ORDERS, PENALTIES, ASSESSMENTS, OR DUTIES OF ANY KIND OR NATURE WHATSOEVER WHICH AROSE OUT OF, ACCRUED, OR RELATE IN ANY WAY TO EVENTS THAT OCCURRED PRIOR TO THE PRORATION TIME, INCLUDING, BUT NOT LIMITED TO, ANY LIABILITY OF RHCSC SOCIAL CIRCLE, ITS AFFILIATES, SUBSIDIARIES, PREDECESSORS-IN-INTEREST, OR RELATED ENTITIES, WHETHER KNOWN OR UNKNOWN, CONTINGENT OR OTHERWISE, (I) FOR TAXES OF ANY KIND OR NATURE RELATED TO THE PERIOD PRIOR TO THE PRORATION TIME; (II) ANY LIABILITY FOR PAYMENTS UNDER ANY FINANCIAL INSTRUMENT; (III) PROFESSIONAL, OPERATIONAL, EMPLOYMENT, OR MALPRACTICE LIABILITIES; (IV) ANY ERRORS OR OMISSIONS; (V) ANY CONTRACTUAL ARRANGEMENTS, DUTIES, OR OBLIGATIONS; AND (VI) ANY OTHER LIABILITIES, DUTIES, OR OBLIGATIONS TO THE EXTENT ARISING FROM OR RELATED IN ANY WAY TO THE

OPERATION AND MANAGEMENT OF THE PROJECT PRIOR TO THE PRORATION TIME (COLLECTIVELY, THE “**BUYER EXCLUDED LIABILITIES**”).

14.5. EXCEPT AS SET FORTH IN THE APA, THIS AGREEMENT, OR AS ORDERED BY THE BANKRUPTCY COURT, RHCSC SOCIAL CIRCLE SHALL NOT BE OBLIGATED TO PAY, PERFORM OR OTHERWISE BE RESPONSIBLE FOR ANY LIABILITIES, CLAIMS, OBLIGATIONS, JUDGMENTS, ORDERS, PENALTIES, ASSESSMENTS, OR DUTIES OF ANY KIND OR NATURE WHATSOEVER WHICH AROSE OUT OF, ACCRUED, OR RELATE IN ANY WAY TO EVENTS THAT OCCURRED AFTER THE PRORATION TIME, INCLUDING, BUT NOT LIMITED TO, ANY LIABILITY OF BUYER, THEIR AFFILIATES, SUBSIDIARIES, PREDECESSORS-IN-INTEREST, OR RELATED ENTITIES, WHETHER KNOWN OR UNKNOWN, CONTINGENT OR OTHERWISE, (I) FOR TAXES OF ANY KIND OR NATURE RELATED TO THE PERIOD AFTER THE PRORATION TIME; (II) ANY LIABILITY FOR PAYMENTS UNDER ANY FINANCIAL OBLIGATION ENTERED INTO BY BUYER AFTER THE PRORATION TIME; (III) PROFESSIONAL, OPERATIONAL, EMPLOYMENT, OR MALPRACTICE LIABILITIES; (IV) ANY ERRORS OR OMISSIONS; (V) ANY CONTRACTUAL ARRANGEMENTS, DUTIES, OR OBLIGATIONS; AND (VI) ANY OTHER LIABILITIES, DUTIES, OR OBLIGATIONS TO THE EXTENT ARISING FROM OR RELATED IN ANY WAY TO THE OPERATION, AND MANAGEMENT OF THE PROJECT AFTER THE PRORATION TIME (COLLECTIVELY, THE “**RHCSC SOCIAL CIRCLE EXCLUDED LIABILITIES**”).

15. Information Technology and Telecommunications.

15.1. RHCSC Social Circle will provide to Operations Buyer, within five (5) business days of the Effective Date, a list of all providers of telecommunications, data and Internet connectivity services at the Project to permit Operations Buyer to take appropriate action to ensure that such services remain uninterrupted. RHCSC Social Circle shall update such information not less than five (5) business days prior to the Proration Time. Operations Buyer will be responsible for completing all vendor Transfer Service Agreement (“TSA”) requirements. TSA requirements shall be completed or in progress with each relevant vendor on the Proration Time.

15.2. All wireless devices located at the Project and owned by RHCSC Social Circle will remain with the Project following the Operation Transfer Date. The service (telephone numbers) associated with the devices, shall also remain with the Project. Wireless accounts at the Project will not be disconnected by RHCSC Social Circle on the Operations Transfer Date, but shall be transferred to such names as Operations Buyer shall direct.

15.3. All other computer hardware and equipment owned by RHCSC Social Circle at the Project (PCs, printers, internal hubs and switches) will remain at the Project following the Operations Transfer Date.

15.4. Operations Buyer shall certify to RHCSC that, in the case of each item of hardware at the Project, with any proprietary software owned, leased or licensed by RHCSC Social Circle or Outgoing Manager, Operations Buyer has removed all licensed and proprietary

software and erased all hard drives within five (5) days of the Operations Transfer Date. Operations Buyer will provide its own software licenses as of the Operations Transfer Date; provided, however, that upon Operations Buyer's request, RHCSC Social Circle shall cooperate with the Operations Buyer and use commercially reasonable efforts to transfer any resident clinical or financial data, or other Project operations data, to any software platform utilized by the Operations Buyer, and not to destroy or otherwise abandon said data without prior consultation with the Operations Buyer.

15.5. Any life safety, resident call, resident monitoring, or other security systems located at the Project will remain with the Project. The Parties agree to execute any documents that may be necessary to transfer such systems to Operations Buyer on the Operations Transfer Date. RHCSC Social Circle acknowledges and agrees that to the extent that any of these systems have data stored within software that RHCSC Social Circle intends to remove from the Project on the Operations Transfer Date, RHCSC Social Circle shall cooperate with the Operations Buyer, at Operations Buyer's request, and use commercially reasonable efforts to transfer such data to the Operations Buyer, and not to destroy or otherwise abandon said data without prior consultation with the Operations Buyer.

16. Vehicles. RHCSC Social Circle agrees to cooperate as reasonably necessary at no cost to itself and for no additional consideration, to transfer title to any and all vehicles owned by RHCSC Social Circle and used in connection with the Project, in accordance with the directives of the Operations Buyer as soon as reasonably practicable after the Operations Transfer Date. Any insurance coverage on such vehicle placed by RHCSC Social Circle will be cancelled as of the Proration Time and will thereafter be the responsibility of Operations Buyer. RHCSC Social Circle further agrees to cooperate as reasonably necessary with the Operations Buyer should any title issues arise regarding any vehicle transfer. Operations Buyer agrees to provide its reasonable cooperation in connection with such vehicle title transfer process.

17. Project Inventory and Maintenance. As of the Operations Transfer Date, inventories of food, supplies, medicines, towels and linens on-hand at the Project shall be at levels, in quantity or value, consistent with RHCSC Social Circle's past operating practices and as reflected on the most recent financial statements. Until the Operations Transfer Date, the Project will be operated only in the normal course with due regard for property maintenance and repair of the Project.

18. Termination.

18.1. Termination Under APA. This Agreement shall be subject to the same termination and remedy provisions as described in the APA; it being the intention of the Parties that the Parties shall have the same rights, duties, obligations, and remedies as outlined in the termination and remedy provisions of the APA. Except as expressly set forth herein, the closing of the transactions contemplated by this Agreement will occur simultaneously with (and are contingent upon) the occurrence of the "Closing" under the APA. In the event the transactions contemplated by the APA do not close, and the APA is terminated according to its terms, the Parties shall use commercially best efforts to undo the actions taken pursuant to this Agreement in order to return operations of the Project to RHCSC Social Circle, but shall not be obligated to

reverse any losses or gains that either Party may have incurred in the process of transferring the operations of the Project pursuant to the terms of this Agreement and the APA.

19. General Provisions.

19.1. Further Assurances. Each of the Parties hereto agrees to execute and deliver any and all further agreements, documents or instruments necessary to effectuate this Agreement and the transactions referred to herein or contemplated hereby or reasonably requested by the other party to perfect or evidence their rights hereunder.

19.2. Notices. All notices to be given by any Party to this Agreement to the other Party hereto shall be in writing, and shall be (a) given in person, (b) deposited in the United States mail, certified or registered, postage prepaid, return receipt requested, or (c) sent by national overnight courier service, each addressed as follows:

a) If to RHCSC Social Circle, to:

Regional Housing & Community Services Corp.
Katie S. Goodman
GGG Partners, LLC
2780 Peachtree Road #502 Atlanta, GA 30305
kgoodman@gggmgt.com

with copy to:

Ashley R. Ray
Scroggins & Williamson, P.C.
4401 Northside Parkway
Suite 450
Atlanta, GA 30327
aray@swlawfirm.com

b) If to the Buyers, to:

Ira Schwartz
153 Harborview N
Lawrence, NY 11559
schwartziralawyer@gmail.com

Jacqueline Cohen
4802 12th Avenue
Unit 3H
Brooklyn, NY 11219
cohjac@gmail.com

with a copy to:

Shayna A. Bowen
Bouhan Falligant, LLP
1 West Park Avenue
Savannah, GA 31401
sabowen@bouhan.com

c) If to the Trustee, to:

Mark Heer
Senior Vice President
UMB Bank, National Association
928 Grand Blvd.
Kansas City, MO 64106
Mark.heer@umb.com

With copy to:

Charles W. Azano
Greenberg Traurig, LLP
One International Place
Suite 2000
Boston, MA 02110
azano@gtlaw.com

Any such notice personally delivered shall be deemed delivered when actually received, any such notice deposited in the United States mail, registered or certified, return receipt requested, with all postage prepaid, shall be deemed to have been given on the earlier of the date received or the date when delivery is first refused, and any notice deposited with an overnight courier service for delivery shall be deemed delivered on the business day following such deposit. Any Party to whom notices are to be sent pursuant to this Agreement may from time to time change its address for further communications thereunder by giving notice in the manner prescribed herein to all other parties hereto.

19.3. Payment of Expenses. Each Party hereto shall bear its own legal, accounting and other expenses incurred in connection with the preparation and negotiation of this Agreement and the consummation of the transactions contemplated hereby, whether or not the transactions are consummated, provided that RHCSC Social Circle's obligations hereunder shall be met in accordance with any applicable orders of the bankruptcy Court.

19.4. Entire Agreement; Amendment; Waiver. Other than the APA, this Agreement constitutes the entire understanding between the Parties with respect to the subject matter hereof, superseding all negotiations, prior discussions and preliminary agreements. This Agreement may not be modified or amended except in writing signed by the Parties hereto. No waiver of any term, provision or condition of this Agreement in any one or more instances, shall

be deemed to be or be construed as a further or continuing waiver of any such term, provision, condition or rights granted hereunder.

19.5. Assignment. Neither this Agreement nor the rights, duties or obligations arising hereunder shall be assignable or delegable by any Party hereto without the express prior written consent of each other Party hereto; provided, however, Operations Buyer may assign some or all of its rights hereunder to an affiliate or related entity without the prior written consent of RHCSC Social Circle; provided further, however, that Operations Buyer and its assignee will thereafter be jointly and severally liable for all obligations and liabilities arising out of this Agreement.

19.6. Joint Venture; Third Party Beneficiaries. Nothing contained herein shall be construed as forming a joint venture or partnership between the Parties hereto with respect to the subject matter hereof. The Parties hereto do not intend that any third party shall have any rights under this Agreement; provided, however, that the Trustee and the holders of the Bonds (as defined in the APA) are expressly recognized by the Parties as beneficiaries of this Agreement.

19.7. Captions. The section headings contained herein are for convenience only and shall not be considered or referred to in resolving questions of interpretation.

19.8. Counterparts. This Agreement may be executed in one or more counterparts and all such counterparts taken together shall constitute a single original Agreement.

19.9. Governing Law; Jurisdiction and Venue. This Agreement shall be governed in accordance with the laws of the State of Georgia and exclusive jurisdiction and venue for the resolution of any and all disputes between the parties shall reside with the Court.

19.10. Severability. This Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision hereof shall be prohibited or invalid under any such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating or nullifying the remainder of such provision or any other provisions of this Agreement.

19.11. Limitation on Liability. Other than enforcing the obligations set forth in this Agreement, no party to this Agreement, including their members, directors, and affiliates, shall have any liability to the other parties to this Agreement for actions taken in contemplation with this Agreement or otherwise with respect to the transition of the operations of the Facility to Operations Buyer as set forth herein.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereby execute this Agreement as of the day and year first set forth above.

BUYER:

West Property Realty LLC

By: _____

Name: _____

Title: _____

SCAL LLC

By: _____

Name: _____

Title: _____

SELLERS:

By: _____

Name: _____

Title: _____

ACKNOWLEDGED BY THE TRUSTEE:

UMB Bank, N.A., as Trustee

By: _____

Name: _____

Title: _____

Exhibit B

Quit Claim Deed(s)

ABOVE SPACE FOR RECORDING INFORMATION ONLY

Prepared by:

**BOUHAN
FALLIGANT**
ATTORNEYS & COUNSELORS AT LAW
One West Park Avenue
Savannah, Georgia 31401
ATTN: Heather H. Lundy
(912) 644-5741
File No: 21949-0001

QUITCLAIM DEED

THIS INDENTURE, is made and entered into as of the ____ day of _____, 2023, by and between **RHCSC SOCIAL CIRCLE HEALTH HOLDINGS LLC**, a Georgia limited liability company (“Grantor”) and **WEST PROPERTY REALTY LLC**, a Georgia limited liability company (“Grantee”) (the words “Grantor” and “Grantee” to include their respective heirs, legal representatives, successors and assigns where the context requires or permits).

W I T N E S S E T H, T H A T:

GRANTOR, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration, in hand paid at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold, aliened, conveyed, confirmed, and quitclaimed, and by these presents does grant, bargain, sell, alien, convey, confirm and quitclaim unto said Grantee, all of Grantor’s right, title and interest in and to all those tracts or parcels of land lying and being located in Walton County, Georgia, and being known as **Tract No. 1 containing 8.734 acres**, and more particularly described on Exhibit “A”, attached hereto and incorporated herein by this reference (hereinafter referred to as the “Property”).

TO HAVE AND TO HOLD the said described Property to the said Grantee, so that neither the said Grantor nor any person or persons claiming under the said Grantor, shall at any time, by any means or ways, have, claim or demand any right or title to the said described Property or appurtenances, or any rights thereof.

IN WITNESS WHEREOF, the Grantor has signed and sealed this Deed on the day and year first above written.

Signed, sealed and delivered
in the presence of:

GRANTOR:

**RHCSC SOCIAL CIRCLE HEALTH
HOLDINGS, LLC,**
a Georgia limited liability company

Unofficial Witness

By: _____

Notary Public

Its: _____

My Commission Expires:

[NOTARY SEAL]

EXHIBIT "A"

All that tract or parcel of land lying and being in Land Lot 82, of the First (1st) Land District of Walton County, Georgia, being known and designated as Tract No. 1, containing 8.734 acres, as shown on a plat of survey prepared by John F. Brewer, Georgia Registered Land Surveyor No. 2905, dated June 5, 2014, recorded in Plat Book 110, Page 11, Office of the Clerk of Court for Walton Superior Court. Said plat is incorporated herein and made a part hereof by reference thereto.

Also conveyed is all right title and interest in and to that 30' Joint Drive Easement and the 20' Ingress/Egress Easement as shown on said plat.

Exhibit C

Bill of Sale

BILL OF SALE

FOR VALUE RECEIVED, RHCSC Social Circle AL Holdings, LLC, a Georgia corporation, Debtor and Debtor in Possession (the "Assignor") does hereby sell, assign, transfer, and convey unto SCAL LLC, a Georgia limited liability company (the "Assignee"), free and clear of all security interests, liens, or other encumbrances, all of their right, title and interest in and to the Property, as such term is defined in that certain Asset Purchase Agreement between Assignors and Assignee dated August 8, 2023 (collectively, the "Purchased Assets").

Said Purchased Assets are transferred "AS IS, WHERE IS," with no representation or warranty except as expressly set forth herein. This Bill of Sale, and the terms of sale, are expressly subject to the terms and conditions contained in the "Order Approving Asset Purchase Agreement and Authorizing Sale" entered by the U.S. Bankruptcy Court for the Northern District of Georgia in Assignor's pending jointly administered Bankruptcy Case, Case No. 21-41034-pwb, on _____, 2023.

IN WITNESS WHEREOF, Assignor has caused this Bill of Sale to be executed by its respective duly authorized officer as of the ___ day of _____, 2023.

"ASSIGNOR"

RHCSC SOCIAL CIRCLE AL HOLDINGS,
LLC

By:
Title:

Sworn to and subscribed before me this
the ___ day of _____, 2023.

Notary Public

Acceptance

The foregoing Bill of Sale is hereby accepted by the Assignee as of the above date.

SCAL LLC

By:
Title:

Sworn to and subscribed before me this
the ___ day of _____, 2023.

Notary Public

Schedule 1.1(a)

Real Estate

All that tract or parcel of land lying and being in Land Lot 82, of the First (1st) Land District of Walton County, Georgia, being known and designated as Tract No. 1, containing 8.734 acres, as shown on a plat of survey prepared by John F. Brewer, Georgia Registered Land Surveyor No. 2905, dated June 5, 2014, recorded in Plat Book 110, Page 11, Office of the Clerk of Court for Walton Superior Court. Said plat is incorporated herein and made a part hereof by reference thereto.

Also conveyed is all right title and interest in and to that 30' Joint Drive Easement and the 20' Ingress/Egress Easement as shown on said plat.

Said property contains improvements located thereon more commonly known under the present numbering system as 621 North Cherokee Road, Social Circle, Georgia, 30025; having a Walton County Tax P.I.N. of SC130-00000-123-B00.

Schedule 1.1(b)

Assigned Contracts

RHCSC Social Circle AL Holdings LLC

Counterparty	Description	Cure Amount
RHCSC Social Circle Health Holdings LLC	Real Property Lease for Facility Located at The Gardens of Social Circle	\$0.00
Georgia Department of Community Health	Medicaid Provider Agreement	\$0.00

RHCSC Social Circle Health Holdings LLC

Counterparty	Description	Cure Amount
RHCSC Social Circle AL Holdings LLC	Real Property Lease for Facility Located at The Gardens of Social Circle	\$0.00

Schedule 1.2(a)

Causes of Action

NONE.

Schedule 1.2(b)

Excluded Assets

NONE.

Schedule 2.1

Assumed Liabilities

NONE.

Schedule 9.5

Litigation

***In re Regional Housing & Community Services Corp., et al.*, Chapter 11 Case No. 21-41034-pwb (jointly admin.), United States Bankruptcy Court, Northern District of Georgia, Rome Division**

Exhibit B to Sale Order

Assigned Contracts

RHCSC Social Circle AL Holdings LLC

Counterparty	Description	Cure Amount
RHCSC Social Circle Health Holdings LLC	Real Property Lease for Facility Located at The Gardens of Social Circle	\$0.00
Georgia Department of Community Health	Medicaid Provider Agreement	\$0.00

RHCSC Social Circle Health Holdings LLC

Counterparty	Description	Cure Amount
RHCSC Social Circle AL Holdings LLC	Real Property Lease for Facility Located at The Gardens of Social Circle	\$0.00

Distribution List

Ashley R. Ray
Scroggins & Williamson, P.C.
4401 Northside Parkway
Suite 450
Atlanta, GA 30327

Thomas W. Dworschak
Office of the United States Trustee
362 Richard Russell Federal Building
75 Ted Turner Drive, SW
Atlanta, GA 30303

Charles W. Azano
Greenberg Traurig, LLP
One International Place
Suite 2000
Boston, MA 02110