

**IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

In re:)	
)	Chapter 11
LAVIE CARE CENTERS, LLC, <i>et al.</i> ¹)	Case No. 24-55507 (PMB)
)	
Debtors.)	(Joint Administration Requested)
)	

DEBTORS’ EMERGENCY MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO (A) OBTAIN POSTPETITION FINANCING AND (B) UTILIZE CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED PARTIES, (III) MODIFYING THE AUTOMATIC STAY, (IV) SCHEDULING A FINAL HEARING, AND (V) GRANTING RELATED RELIEF

LaVie Care Centers, LLC (“LaVie”) and certain of its affiliates and subsidiaries, as debtors and debtors-in-possession in the above-captioned chapter 11 cases (collectively, the “Debtors”), hereby move (the “Motion”) for entry of interim and final orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B** (the “Interim Order” and the “Final Order,” respectively), granting the relief described below. In support thereof, the Debtors rely upon the (a) *Declaration of Michael Krakovsky in Support of Debtors’ Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* (the “DIP Declaration”) and (b) *Declaration of M. Benjamin Jones in Support of Chapter 11*

¹ The last four digits of LaVie Care Centers, LLC’s federal tax identification number are 5592. There are 282 Debtors in these chapter 11 cases, for which the Debtors have requested joint administration. A complete list of the Debtors and the last four digits of their federal tax identification numbers are not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://www.kccllc.net/LaVie>. The location of LaVie Care Centers, LLC’s corporate headquarters and the Debtors’ service address is 1040 Crown Pointe Parkway, Suite 600, Atlanta, GA 30338.



Petitions and First Day Pleadings (the “First Day Declaration”),² filed contemporaneously herewith. In further support of the Motion, the Debtors respectfully represent as follows:

RELIEF REQUESTED

1. By the Motion, the Debtors respectfully request entry of the Interim Order and the Final Order (collectively, the “DIP Orders”):

- ***DIP Facility***: authorizing the Debtors to obtain postpetition financing on a secured superpriority basis, consisting of a new money term loan facility (the “DIP Facility,” and the loans issued thereunder, the “DIP Loans”) in an aggregate principal amount of up to \$20,000,000 pursuant to the terms and conditions set forth in the Interim Order and that certain term sheet attached to the Interim Order as Exhibit 1 (as may be amended, restated, supplemented, waived, or otherwise modified from time to time in accordance with the terms hereof and thereof, the “DIP Term Sheet”), executed by LaVie, as borrower (the “DIP Borrower”), and those certain Debtors identified as guarantors in the DIP Credit Agreement (the “DIP Guarantors” and, together with the DIP Borrower, the “DIP Loan Parties”), OHI DIP Lender, LLC, as lender under the DIP Facility (in such capacity, the “OHI DIP Lender”) and, upon execution of the DIP Credit Agreement, administrative agent (in such capacity, the “DIP Administrative Agent”), TIX 33433 LLC as a DIP Lender (the “TIX DIP Lender”) and together with OHI DIP Lender, the “DIP Lenders”) and upon execution of the DIP Credit Agreement collateral agent (in such capacity, the “DIP Collateral Agent” and, together with the DIP Administrative Agent, the “DIP Agents” and, each of the DIP Agents together with the DIP Lenders, the “DIP Secured Parties”);
- ***DIP Loan Documents***: authorizing the Debtors to enter into the DIP Term Sheet and, subject to a final order, that certain loan agreement by and among the DIP Borrower, the DIP Guarantors, the DIP Lenders, and the DIP Agents (the “DIP Credit Agreement”) and that certain promissory note evidencing the obligations due and owing under the DIP Credit Agreement (the “DIP Note”) and any other agreements, instruments, pledge agreements, guarantees, indemnities, security agreements, intellectual property security agreements, control agreements, escrow agreements, instruments, notes, and documents executed in accordance and connection therewith (each as amended, restated, supplemented, waived, or otherwise modified from time to time in accordance with the terms hereof and thereof, and collectively with the DIP Term Sheet, the DIP Credit Agreement, and the DIP Note, the “DIP Loan Documents”);

² Capitalized terms used but not otherwise defined in this Motion shall have the meanings ascribed to them in the DIP Term Sheet, the DIP Declaration, or the First Day Declaration, as applicable.

- ***DIP Facility Obligations:*** authorizing the DIP Borrower to incur, and for the DIP Guarantors to guarantee on an unconditional joint and several basis, obligations for principal, interest, fees, costs, expenses, obligations (whether contingent or otherwise), and all other amounts, as and when due and payable under and in accordance with the Interim Order, the DIP Term Sheet, and the other DIP Loan Documents (collectively, the “DIP Facility Obligations”);
- ***Authorization:*** authorizing the DIP Loan Parties to perform such other and further acts as may be necessary or desirable in connection with the Interim Order, the DIP Term Sheet, the other DIP Loan Documents, and the transactions contemplated hereby and thereby;
- ***DIP Liens:*** granting each of the OHI DIP Lender and the TIX DIP Lender, jointly and severally, and authorizing the DIP Loan Parties to incur, the DIP Liens (as defined below), as applicable, in all DIP Collateral (as defined below) having the priority described in the Interim Order;
- ***DIP Superpriority Claims:*** granting each of the OHI DIP Lender and the TIX DIP Lender, jointly and severally, and authorizing the DIP Loan Parties to incur, allowed superpriority administrative expense claims against each of the DIP Loan Parties in respect of all DIP Facility Obligations, in each case, in accordance with the terms of the Interim Order;
- ***Cash Collateral:*** authorizing the DIP Loan Parties’ use of Prepetition Collateral (as defined below), including Cash Collateral (as defined below), as well as the proceeds of the DIP Facility, subject to the terms and conditions set forth in the Interim Order and the DIP Loan Documents;
- ***Adequate Protection:*** providing adequate protection to the Prepetition Secured Parties (as defined below) on account of any Diminution in Value (as defined in the Interim Order) of the Prepetition Secured Parties’ interest in the Prepetition Collateral;
- ***Automatic Stay; Immediate Effectiveness:*** modifying the automatic stay imposed by section 362 of the Bankruptcy Code solely to the extent necessary to implement and effectuate, including the right to exercise remedies following an Event of Default (as defined below) and expiration of any applicable notice period, the terms and provisions of the Interim Order and the DIP Loan Documents, waiving any applicable stay (including under Bankruptcy Rule 6004) with respect to the effectiveness and enforceability of the Interim Order, and providing for the immediate effectiveness of the Interim Order;
- ***506(c) and Equities of the Case Waivers:*** upon entry of a Final Order providing for such relief and as set forth in paragraphs 24 and 26 of the Interim Order, authorizing the Debtors to waive as to the DIP Lenders and Prepetition Secured Parties (a) any rights to surcharge the DIP Collateral or any Prepetition Collateral

(as defined below) pursuant to section 506(c) of the Bankruptcy Code, and (b) any “equities of the case” exception under section 552(b) of the Bankruptcy Code;

- ***Marshalling Waiver***: upon entry of a Final Order providing for such relief, waiving the equitable doctrine of “marshaling” and other similar doctrines with respect to (a) the DIP Collateral, for the benefit of any party other than the DIP Secured Parties, and (b) the Prepetition Collateral, for the benefit of any party other than the Prepetition Secured Parties (as defined below), subject to the Carve Out (as defined below); and
- ***Final Hearing***: scheduling a final hearing (the “Final Hearing”) to consider entry of the Final Order, and approving the form of notice with respect to the Final Hearing

2. The Debtors also request that the Interim Order and the Final Order authorize the Debtors’ banks and other financial institutions (collectively, the “Banks”) to receive, process, honor, and pay any and all checks and other forms of payment drawn on the Debtors’ bank accounts, including fund transfers and electronic payment requests, to the extent they relate to any of the foregoing and to rely on the Debtors’ direction to pay amounts authorized under the Motion, provided that sufficient funds are available in the applicable accounts to make such payments.

JURISDICTION AND VENUE

3. The Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these cases and the Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

4. The legal predicates for the relief requested herein are sections 105, 361, 362, 363 364(c), 364(d)(1), 364(e), 503 and 507 of title 11 of the United States Code (the “Bankruptcy Code”), Rule(s) 2002, 4001, 6003, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Rules 7007-1, 9013-1, 9013-4, and 9014-2 of the Local Rules of Practice for the United States Bankruptcy Court for the Northern District of Georgia (the “Local Rules”), and *Second Amended and Restated General Order 26-2019*,

Procedures for Complex Chapter 11 Cases, dated February 6, 2023 (the “Complex Case Procedures”).

BACKGROUND

I. The Chapter 11 Cases

5. On the date hereof (the “Petition Date”), each Debtor commenced a case by filing a petition for relief under chapter 11 of the Bankruptcy Code (collectively, the “Chapter 11 Cases”) in the United States Bankruptcy Court for the Northern District of Georgia, Atlanta Division (the “Court”). The Debtors continue to operate their business and manage their property as debtors and debtors-in-possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

6. To date, the Office of the United States Trustee for Region 21 (the “U.S. Trustee”) has not appointed an official committee in the Chapter 11 Cases, nor has any trustee or examiner been appointed.

7. Additional information regarding the Debtors and these Chapter 11 Cases, including the Debtors’ business operations, capital structure, financial condition, and the reasons for and objectives of these Chapter 11 Cases, is set forth in the First Day Declaration.

II. Proposed Postpetition Financing

8. As discussed in the First Day Declaration, the skilled nursing sector has yet to fully recover and facility operators like the Company continue to grapple with its aftermath. First Day Decl. ¶¶ 59-62. As a result, the Company was forced to exit operations at many unprofitable facilities including nearly all of their Florida facilities. Although these divestitures have been both necessary and successful from an operational and future performance standpoint by stemming operating losses, they did not address the substantial legacy liabilities at the remaining corporate entities that previously operated the Debtors’ now-divested facilities.

9. As a result, the Company, with the assistance of its advisors, began to evaluate potential in-court scenarios to ensure that its existing facility portfolio could continue operating without interruption. Accordingly, though chapter 11 was never the Company's preferred restructuring option, it became the only viable alternative that presented the Company with the ability to obtain necessary funding to deal with all outstanding claims and related issues.

10. Over the weeks and months prior to the commencement of these Chapter 11 Cases, the Debtors worked collaboratively with Omega, who is the Debtors' largest landlord and secured lender. Because Omega is landlord on 30 of the Debtors' remaining 43 licensed facilities and holds a second lien position on substantially all of the Debtors' assets, coupled with the substantial payment arrearage on Omega's lease, any viable restructuring path requires the consent and cooperation of Omega.

11. Fortunately, the Debtors are entering chapter 11 with the necessary support of Omega, with agreement to co-fund critical DIP financing and a clear path to an effective reorganization or sale process that ultimately protects the interests of their residents. And the necessary support of Omega is also strengthened with additional support from the Debtors' Pre-Petition ABL Lender, as well as TIX 33433 LLC³, that—alongside Omega—is co-sponsoring critical **junior** debtor-in-possession financing to ensure a smooth landing in chapter 11.

12. The DIP financing is memorialized in the DIP Term Sheet, proposed to be entered into by the DIP Loan Parties and the DIP Secured Parties, which will supply the Debtors with critical and necessary postpetition debtor-in-possession financing. The DIP Facility and the Debtors' ability to use Cash Collateral are essential to the Debtors' ability to maintain their business relationships with their employees, landlords, administrative personnel, vendors, and

³ The Debtors have been advised that there is some commonality among the beneficial owners of TIX 33433 LLC, and the Debtors' ultimate parent entity, FC Investors XXI, LLC.

suppliers, and to meet their ongoing obligations to their residents. In short, access to the proceeds of the DIP Facility and the use of Cash Collateral is crucial to the Debtors' continued viability during the Chapter 11 Cases. Any disruption in operations would likely have a grave and immediate impact on the Debtors' businesses and negatively impact their chapter 11 efforts.

13. The DIP Facility consists of a postpetition junior secured debtor-in-possession credit facility in the form of a new money term loan facility in an aggregate principal amount of up to \$20 million, with a maximum principal amount of \$9 million available upon entry of the Interim Order, available upon satisfaction of certain conditions set forth in the DIP Term Sheet. The DIP Facility will be secured by (a) valid, binding, continuing, enforceable, fully-perfected first priority senior security interests in and liens on all property of the DIP Loan Parties, whether existing on the Petition Date or thereafter acquired, that, on or as of the Petition Date is not subject to valid, perfected and non-avoidable liens (or perfected after the Petition Date to the extent permitted by section 546(b) of the Bankruptcy Code), (b) valid, binding, continuing, enforceable, fully-perfected first priority senior priming security interests in and liens on all property of the DIP Loan Parties, whether existing on the Petition Date or thereafter acquired, that is encumbered by the Prepetition Omega Term Loan Liens and the Prepetition Omega Master Lease Liens, solely to the extent that the Prepetition Omega Term Loan Liens and the Prepetition Omega Master Lease Liens are senior to any other security interests in and liens on such property (if any) as of the Petition Date, and (c) valid, binding, continuing, enforceable, fully-perfected second priority security interests in and liens on all prepetition and postpetition property of each DIP Loan Party, whether now existing or hereafter acquired, that is subject to valid, perfected, and unavoidable liens that are (i) senior to the Prepetition Omega Term Loan Liens and the Prepetition Omega Master Lease Liens and (ii)(A) in existence immediately prior to the Petition Date or (B) perfected

subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code (collectively, the “Permitted Liens”). For the avoidance of doubt, the Prepetition ABL Liens shall constitute Permitted Liens and the Prepetition ABL Liens and the ABL Adequate Protection Liens are senior to the DIP Liens and the Omega Adequate Protection Liens and the Omega Master Lease Adequate Protection Liens.

14. If approved, the proposed DIP Facility will provide the Debtors with access to much needed liquidity that will enable the Debtors to, among other things, honor employee wages and benefits, procure goods and services, fund general and corporate operating needs and the administration of these Chapter 11 Cases, and, most importantly, continue to provide quality care at the Debtors’ facilities, in each case in accordance with the DIP Budget (as defined below) agreed upon by the Debtors and the DIP Lenders and attached as Exhibit 2 to the Interim Order.

15. In addition, by this Motion, the Debtors seek the Court’s authorization to use Cash Collateral. The nature of the Debtors’ business requires the Debtors to have immediate use of Cash Collateral. Without it, the Debtors would be unable to operate their business and administer their estates, which would immediately and irreparably harm their stakeholders. With access to Cash Collateral, the Debtors will be able to continue their operations and preserve value for the benefit of their estates and stakeholders. The Debtors’ prepetition secured lenders have consented to the continued use of Cash Collateral under the terms included in the Interim Order (and as summarized in detail below).

16. It is particularly important that the Debtors be granted authority to use Cash Collateral subject to the Prepetition ABL Liens. Pursuant to the Prepetition ABL Documents, the Prepetition ABL Agent, for the benefit of itself and the Prepetition ABL Lenders, holds a priority lien on the Debtors’ cash. While the Prepetition ABL Lenders expressed support for the Debtors’

overall restructuring strategy, because of the Debtors' existing borrowing base and reserve requirements imposed by the Prepetition ABL Documents, it was unclear to the Debtors whether the Prepetition ABL Lenders would provide the Debtors with any additional liquidity. Accordingly, by this Motion, the Debtors are seeking the authority to use the Cash Collateral subject to the Prepetition ABL Liens on a consensual basis.

17. Overall, the DIP Facility is the culmination of extensive prepetition negotiations between the Debtors and the DIP Secured Parties, and is the only actionable proposal that the Debtors' received. Access to the proposed DIP Facility will send a clear signal to the Debtors' stakeholders that the Debtors' business is on the path to solid footing, encouraging them to work cooperatively with the Debtors through the restructuring. As set forth in the First Day Declaration, the Debtors and their estates would suffer immediate and irreparable harm if the Debtors were denied the financing needed to sustain ongoing business operations during the critical first weeks of these Chapter 11 Cases. First Day Decl. ¶¶ 79–80. The DIP Facility ensures that the Debtors (a) have sufficient funding to consummate a value-maximizing restructuring transaction and (b) can continue to operate uninterrupted in these Chapter 11 Cases. Further, as set forth in the DIP Declaration, the terms of the DIP Facility are reasonable under the circumstances, and were the product of good faith, arm's-length negotiations.

18. Accordingly, the relief requested by this Motion is necessary, both to preserve the Debtors' operations and provide a bridge to consummation of a comprehensive restructuring transaction. For the reasons set forth in this Motion, the First Day Declaration, and the DIP Declaration, the Debtors firmly believe that the DIP Facility and continued use of Cash Collateral, on the terms set forth in the Interim Order, are necessary to avoid immediate and

irreparable harm and are in the best interests of the Debtors, their estates, and all stakeholders. The Debtors respectfully request that the Court enter the Interim Order.

III. Concise Summary of Terms of DIP Facility

A. Summary of Material Terms

19. Under the disclosure requirements of Bankruptcy Rule 4001(b), (c) and (d) and Section G.1.b of the Complex Chapter 11 Procedures, the following table concisely summarizes the significant terms of the DIP Facility and the Interim Order⁴:

MATERIAL TERMS OF THE PROPOSED POSTPETITION FINANCING	
<p><u>Borrower</u></p> <p><i>Fed. R. Bankr. P. 4001(c)(1)(B)</i></p>	<p>LaVie Care Centers, LLC, a Delaware limited liability company, in its capacity as a debtor and debtor-in-possession.</p> <p>(DIP Term Sheet, Borrower)</p>
<p><u>Guarantors</u></p> <p><i>Fed. R. Bankr. P. 4001(c)(1)(B)</i></p>	<p>Each of the Borrower’s direct and indirect affiliates and subsidiaries that commence Chapter 11 Cases on or after the Petition Date, including without limitation such affiliates and subsidiaries as set forth on <u>Exhibit B</u> of the DIP Term Sheet.</p> <p>(DIP Term Sheet, Guarantors)</p>
<p><u>DIP Secured Parties</u></p> <p><i>Fed. R. Bankr. P. 4001(c)(1)(B)</i></p>	<p>DIP Lenders: OHI DIP Lender, LLC and TIX 33433 LLC.⁵</p> <p>DIP Agents: OHI DIP Lender, LLC, as the DIP Administrative Agent, and TIX 33433 LLC, as DIP Collateral Agent.</p> <p>(DIP Term Sheet, DIP Secured Parties)</p>
<p><u>Amount and Type of Facilities</u></p> <p><i>Fed. R. Bankr. P. 4001(c)(1)(B)</i></p>	<p>A junior secured debtor-in-possession credit facility comprised of a term loan credit facility available in at least two draws in an aggregate principal amount equal to \$20,000,000, which shall be available as term loans upon entry of the Interim Order and satisfaction of the other conditions set forth therein in an initial amount not to exceed \$9 million and the remainder available upon entry of the Final Order.</p> <p>(DIP Term Sheet, at 2–3)</p>
<p><u>Interest Rates, Fees, and Expenses</u></p>	<p><u>Interest Rate.</u> 10.00%, with such interest payable monthly in arrears in kind (i.e., by adding such outstanding interest to the aggregate principal amount of the DIP Loans) on the monthly anniversary of the Petition Date,</p>

⁴ The summaries contained in this Motion are qualified in their entirety by the provisions of the documents referenced including, without limitation, the DIP Term Sheet and the Interim Order. To the extent anything in this Motion is inconsistent with such documents, the terms of the applicable documents shall control.

⁵ The Debtors have been advised that there is some commonality among the beneficial owners of TIX 33433 LLC and the Debtors’ ultimate parent entity, FC Investors XXI, LLC.

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<p><i>Fed. R. Bankr. P. 4001(c)(1)(B)</i></p>	<p>computed based on a 360-day year.</p> <p>(DIP Term Sheet, Interest Rate)</p> <p>Default Rate. 2.00% above the applicable interest rate if an Event of Default under the DIP Loan Documents has occurred and is continuing.</p> <p>(DIP Term Sheet, Default Interest)</p> <p>Upfront Fee: Each DIP Lender shall receive an upfront fee, payable-in-kind (i.e., by adding such fee to the aggregate principal amount of the DIP Loans) equal to 3.00% of such DIP Lender’s DIP Commitment under the DIP Facility, which shall be fully earned, non-refundable, and due and payable upon the Closing Date.</p> <p>Exit Fee: Each DIP Lender shall receive a payable-in-cash exit fee (the “Exit Fee”) equal to 3.00% of such DIP Lender’s initial DIP Commitment, which shall be fully earned and non-refundable on the Closing Date, and payable on the DIP Termination Date; <i>provided, however</i>, if the DIP Termination Date has occurred solely as a result of the occurrence and continuation of an Event of Default under the DIP Loan Documents, then the Exit Fee shall not be payable until the DIP Facility Obligations have been accelerated by the DIP Lenders.</p> <p>(DIP Term Sheet, Fees)</p> <p>Expenses: All fees, including reasonable and documented out-of-pocket legal and other professional fees (limited to the reasonable and documented fees of the advisors) related to negotiating, documenting, approving, administering, monitoring or enforcing any rights under the DIP Facility of each DIP Lender shall be paid by the Debtors promptly upon written demand and without the requirement of Court approval.</p> <p>(DIP Term Sheet, Expenses)</p>
<p><u>Maturity</u></p> <p><i>Fed. R. Bankr. P. 4001(c)(1)(B)</i></p>	<p>All DIP Facility Obligations will be due and payable in full in cash unless otherwise agreed to in writing (email being sufficient) by each DIP Lender and the Prepetition ABL Agent on the earliest of (i) the date that is 150 calendar days after the Petition Date (or such later date as agreed to by each DIP Lender), (ii) if the Final Order has not been entered, thirty-five (35) calendar days after the Petition Date (or such later date as agreed to by each DIP Lender), (iii) the acceleration of the DIP Loans and the termination of the DIP Commitments upon the occurrence of an event referred to below under “Termination”, (iv) the effective date of any chapter 11 plan of reorganization or liquidation of the Borrower or any other Loan Parties (the “Plan”), (v) the date the Court converts any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, (vi) the date the Court dismisses any of the Chapter 11 Cases, (vii) the closing of any sale of assets under section 363 of the U.S. Bankruptcy Code, which when taken together with all other sales of assets since the Closing Date, constitutes a sale of all or substantially all of the assets of the Loan Parties, and (iv) the date an order is entered in any Bankruptcy Case appointing a chapter 11 trustee or examiner with enlarged powers (the earliest of any such date, the “DIP Termination Date”). Principal of, and</p>

MATERIAL TERMS OF THE PROPOSED POSTPETITION FINANCING	
	<p>accrued interest on, the DIP Loans and all other amounts owing to the DIP Lenders under the DIP Facility shall be due and payable in cash on the DIP Termination Date.</p> <p>The occurrence of the DIP Termination Date shall terminate the ability of the Borrower to borrow the Initial Draw or any Subsequent Draws and shall terminate the DIP Commitments and any further obligation each DIP Lender has to make any DIP Loans under the DIP Loan Documents.</p> <p>(DIP Term Sheet, Maturity Date)</p>
<p><u>Mandatory Prepayments</u></p> <p><i>Fed. R. Bankr. P. 4001(c)(1)(B)</i></p>	<p>Subject to the prior payment and satisfaction of the ABL Obligations, Prepetition ABL Liens, the ABL Adequate Protection Liens and ABL Adequate Protection Superpriority Claims, the following amounts shall be indefeasibly paid in cash in satisfaction of the DIP Facility Obligations within two (2) business days of receipt, except as such amounts are set forth in the DIP Budget and are necessary to satisfy the expenditures set forth in the DIP Budget:</p> <ul style="list-style-type: none"> (i) 100% of the net proceeds of asset sales. (ii) 100% of the net proceeds of insurance and condemnation awards. (iii) 100% of the net proceeds of any debt issuance or equity issuance. (iv) 100% of proceeds of claims and causes of action. <p>(DIP Term Sheet, Mandatory Prepayments)</p>
<p><u>Security and Priority</u></p> <p><i>Fed. R. Bankr. P. 4001(c)(1)(B)(i)</i></p>	<p>As security for the DIP Facility Obligations, effective and automatically perfected upon the date of the Interim Order, and without the necessity of the execution, recordation of filings by the Debtors of mortgages, security agreements, control agreements, pledge agreements, financing statements, or other similar documents, or the possession or control by any DIP Lender of, or over, any DIP Collateral, the following security interests and liens will be granted by the Debtors to the DIP Lenders, subject only to the ABL Obligations, Prepetition ABL Liens and ABL Adequate Protection, payment of the Carve Out to the extent provided for herein and the Permitted Liens (if any) (all such liens and security interests granted to the DIP Lenders under the Interim Order and the DIP Loan Documents, the “<u>DIP Liens</u>,” and the property subject to the DIP Liens, collectively, the “<u>DIP Collateral</u>”):</p> <ul style="list-style-type: none"> (a) <u>First Lien on Unencumbered Property</u>: Pursuant to section 364(c)(2) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority senior security interest in and lien upon the all property of the DIP Loan Parties, whether existing on the Petition Date or thereafter acquired, that, on or as of the Petition Date that is not subject to (i) valid, perfected and non-avoidable liens, or (ii) perfected after the Petition Date to the extent permitted by section 546(b) of the Bankruptcy Code, including, but not limited to, all of the DIP Loan Parties’ respective rights, title, or interest in and to the following assets to the extent unencumbered: cash and any investment of such cash, accounts, inventory, goods, contract rights, mineral rights,

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instruments, documents, chattel paper, patents, trademarks, copyrights and licenses therefor, accounts receivable, receivables and receivables records, general intangibles, payment intangibles, tax or other refunds, insurance proceeds, letters of credit, intercompany claims, contracts, owned real estate, real property leaseholds and proceeds therefrom, fixtures, deposit accounts, commercial tort claims, securities accounts, instruments, investment property, letter-of-credit rights, supporting obligations, vehicles, machinery and equipment, real property, all of the issued and outstanding capital stock of each DIP Loan Party, other equity or ownership interests, including equity interests in subsidiaries and non-wholly-owned subsidiaries, beneficial interests in any trust, money, investment property, causes of action (including, for the avoidance of doubt, but subject to entry of the Final Order, all proceeds of the DIP Loan Parties' respective claims and causes of action under sections 502(d), 544, 545, 547, 548, 549, 550, and 553 of the Bankruptcy Code and any other avoidance or similar action under the Bankruptcy Code or similar state law (the "Avoidance Actions")), and all cash and non-cash proceeds, rents, products, substitutions, accessions, profits, and supporting obligations of any of the collateral described above, whether existing on the Petition Date or thereafter acquired, and wherever located, and the proceeds, products, rents, and profits of the foregoing whether arising under section 552(b) of the Bankruptcy Code or otherwise (all of the foregoing collectively, the "DIP Priority Collateral"); for the avoidance of doubt, the DIP Priority Collateral excludes assets that qualify as ABL Senior Collateral (as defined below);

- (b) Liens Priming the Prepetition Omega Term Loan Liens and Prepetition Omega Master Lease Liens: Pursuant to section 364(d)(1) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority senior priming security interest in and lien on all property of the DIP Loan Parties, whether existing on the Petition Date or thereafter acquired, that is encumbered by the Prepetition Omega Term Loan Liens and the Prepetition Omega Master Lease Liens, solely to the extent that the Prepetition Omega Term Loan Liens and the Prepetition Omega Master Lease Liens are senior to any other security interests in and liens on such property (if any) as of the Petition Date, including, but not limited to, all of the DIP Loan Parties' respective rights, title, or interest in and to the following assets: cash and any investment of such cash, accounts, inventory, goods, contract rights, mineral rights, instruments, documents, chattel paper, patents, trademarks, copyrights and licenses therefor, accounts receivable, receivables and receivables records, general intangibles, payment intangibles, tax or other refunds, insurance proceeds, letters of credit, intercompany claims, contracts, owned real estate, real property leaseholds and proceeds therefrom,

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fixtures, deposit accounts, commercial tort claims, securities accounts, instruments, investment property, letter-of-credit rights, supporting obligations, vehicles, machinery and equipment, real property, all of the issued and outstanding capital stock of each DIP Loan Party, other equity or ownership interests, including equity interests in subsidiaries and non-wholly-owned subsidiaries, beneficial interests in any trust, money, investment property, causes of action (including, for the avoidance of doubt, but subject to entry of the Final Order, all proceeds of Avoidance Actions), and all cash and non-cash proceeds, rents, products, substitutions, accessions, profits, and supporting obligations of any of the collateral described above, whether in existence on the Petition Date or thereafter created, acquired, or arising and wherever located (collectively, the “DIP Priming Collateral”); subject and subordinate only to the Prepetition ABL Obligations, Prepetition ABL Liens and the ABL Adequate Protection.

- (c) Liens Junior to Certain Other Liens: Pursuant to section 364(c)(3) of the Bankruptcy Code, a valid, binding, continuing, enforceable, non-avoidable, automatically and properly perfected, security interest in and lien upon all tangible and intangible prepetition and postpetition property of the Debtors that is subject to (i) valid, perfected and non-avoidable senior liens in existence immediately prior to the Petition Date (other than the Primed Liens) or (ii) valid and non-avoidable senior liens in existence immediately prior to the Petition Date that are perfected subsequent to the Petition Date, as permitted by section 546(b) of the Bankruptcy Code (the “Other Encumbered Prepetition Collateral” and, the Other Encumbered Prepetition Collateral, together with the DIP Priority Collateral, the DIP Priming Collateral and the Prepetition Collateral, the “DIP Collateral”), which shall be (x) immediately junior and subordinate to any valid, perfected and non-avoidable liens in existence immediately prior to the Petition Date, and (y) any such valid and non-avoidable liens in existence immediately prior to the Petition Date that are perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code ((x) and (y) together, the “Permitted Liens”). For the avoidance of doubt, the Prepetition ABL Liens and the ABL Adequate Protection Liens shall constitute Permitted Liens and the Prepetition ABL Liens and the ABL Adequate Protection Liens are senior to the DIP Liens, the Omega Term Loan Adequate Protection Liens and the Omega Master Lease Adequate Protection Liens.

For the avoidance of doubt, the term “DIP Collateral” shall include all assets and properties of each of the Debtors of any kind or nature whatsoever, whether tangible or intangible, real, personal or mixed, whether now owned by or owing to, or hereafter acquired by, or arising in favor of, any of the Debtors, whether prior to or after the Petition Date, whether owned or

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	<p>consigned by or to, or leased from or to, the Debtors, and wherever located, including, without limitation, each of the Debtors’ rights, title and interests in (i) all Prepetition Collateral, and (ii) all proceeds, products, offspring, and profits of each of the foregoing and all accessions to, substitutions, and replacements for, each of the foregoing, including any and all proceeds of any insurance, indemnity, warranty, or guaranty payable to any Debtor from time to time with respect to any of the foregoing.</p> <p>Except to the extent expressly permitted in the DIP Term Sheet or the Interim Order, subject to the Carve Out, the DIP Liens (i) shall not be made subject or subordinate to or <i>pari passu</i> with (A) any lien, security interest, or claim heretofore or hereinafter granted in any of the Chapter 11 Cases or any successor cases, including any subsequently converted Chapter 11 Case of the Debtor to a case under chapter 7 of the Bankruptcy Code and any lien or security interest granted in favor of any federal, state, municipal, or other governmental unit (including any regulatory body), commission, board, or court for any liability of the Debtors, (B) any lien or security interest that is avoided or preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or otherwise, (C) any intercompany or affiliate claim, lien, or security interest of the Debtors or their affiliates, or (D) any other lien, security interest, or claim arising under section 363 or 364 of the Bankruptcy Code granted on or after the date hereof, and (ii) shall not be subject to sections 506(c) (to the extent a Final Order is entered providing for such relief), 510, 549, 550, or 551 of the Bankruptcy Code.</p> <p>(DIP Term Sheet, Priority and Security under DIP Facility; Interim Order, ¶ 5)</p>
<p><u>DIP Budget and Reporting</u></p> <p><i>Fed. R. Bankr. P. 4001(c)(1)(B)</i></p>	<p>Subject to the satisfaction of the conditions precedent set forth below, use of cash shall be subject to a 13-week cash flow forecast commencing on the Petition Date, which forecast shall include an itemized list of expenses to be incurred during each week along with information sufficient to denote the purpose of such expenses and shall be in form and substance acceptable to the DIP Lenders and Prepetition ABL Agent in their discretion (the “<u>DIP Budget</u>,”) and shall, at a minimum, contain the categories set forth in the DIP Budget attached as <u>Exhibit A</u> (each, a “<u>Reporting Category</u>”).</p> <p>By no later than 5:00 pm ET on the fourth business day of each week, commencing with the fourth full week after the Petition Date (each, a “<u>Reporting Date</u>”), Borrower shall deliver to the DIP Lenders and Prepetition ABL Agent a variance report (each, a “<u>Variance Report</u>”) showing comparisons of actual results for each line item against such line item in the DIP Budget. Each Variance Report shall indicate whether there are any adverse variances that exceed the allowed variances, which means, in each case measured on a cumulative basis for the prior four-week period and for the period from the Petition Date, (x) up to 15% in the aggregate for all “Total Operating Disbursements,” excluding, for the avoidance of doubt, “Non-Operating Disbursements” and “Restructuring Disbursements” and</p>

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	<p>(y) up to 15% in the aggregate for all “Total Receipts” (all as defined in the DIP Budget) (each, a “<u>Permitted Variance</u>”).</p> <p>If necessary, the Debtors may provide to the DIP Lenders and Prepetition ABL Agent an updated 13-week cash flow forecast, containing line items of sufficient detail to reflect the Debtors’ projected cash receipts and disbursements for such 13-week period on a weekly basis (the “<u>Updated 13-Week Forecast</u>”). Such Updated 13-Week Forecast shall be acceptable to the Prepetition ABL Agent and DIP Lenders in their sole discretion, and upon acceptance by the DIP Lenders, such Updated 13-Week Forecast shall become the new DIP Budget commencing on such week, and promptly after the DIP Lenders and Prepetition ABL Agent approve the new DIP Budget, the Debtors shall deliver the new DIP Budget, together with any amendments or modifications thereto approved by the DIP Lenders and Prepetition ABL Agent. In the event that the DIP Lenders and the Debtors do not agree to an updated Budget, the DIP Budget shall be the then-existing DIP Budget or such DIP Budget as may be approved by the Court after a hearing.</p> <p>(DIP Term Sheet, Financial Reporting Requirements)</p>
<p><u>Lending Conditions</u></p> <p><i>Fed. R. Bankr. P. 4001(c)(1)(B)</i></p>	<p>The DIP Lenders’ obligations to fund the Initial Draw will be subject to each of the following conditions precedent satisfied to each DIP Lender’s sole discretion:</p> <ul style="list-style-type: none"> • All “first day” motions, including those related to the DIP Facility, filed by the Debtors and related interim and final orders, as applicable, entered within 3 business days of the Petition Date by the Court in the Chapter 11 Cases shall be in form and substance reasonably satisfactory to the DIP Lenders. • The DIP Lenders shall have received a Budget in form and substance satisfactory to each DIP Lender. Entry by the Court of the Interim Order authorizing the secured financing under the DIP Facility on the terms and conditions contemplated by the DIP Term Sheet, authorizing the Debtors’ use of DIP Collateral subject to the terms provided herein, and otherwise on terms reasonably acceptable to the DIP Lenders no later than 3 business days after the Petition Date, and such Interim Order shall be in full force and effect and not have been vacated, reversed, stayed, modified or amended (except in the case of a modification or amendment as consented to by the DIP Lenders, in their reasonable discretion) and shall not be subject to a stay pending appeal or motion for leave to appeal or other proceeding to set aside any such order or the challenge to the relief provided for in it, except as consented to by the DIP Lenders. • Entry by the Court of an order authorizing, on an interim basis, the use of Cash Collateral and providing for adequate protection in favor of the Prepetition Secured Parties on terms satisfactory to the

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Prepetition Secured Parties, including for the avoidance of doubt the Prepetition ABL Lenders.

- The DIP Lenders shall have a valid and perfected lien on and security interest in the DIP Collateral of the Debtors on the basis and with the priority set forth herein.
- All out-of-pocket costs, fees and expenses required to be paid to the DIP Lenders under the DIP Term Sheet, the DIP Loan Documents or the Interim Order shall have been paid.
- No default or Event of Default shall have occurred, and shall be continuing, under the DIP Term Sheet immediately prior to the funding of the DIP Loans or would result from such borrowing of the DIP Loans.
- The Borrower shall have delivered to the DIP Lenders a customary borrowing notice.
- Other than the Chapter 11 Cases, as stayed upon the commencement of the Chapter 11 Cases, or as disclosed in writing to the DIP Lenders prior to the Petition Date, there shall exist no action, suit, investigation, litigation or proceeding pending or threatened in writing in any court or before any arbitrator or governmental authority that (a) would reasonably be expected to result in a material adverse effect, or (b) restrains, prevents or purports to affect materially adversely the legality, validity or enforceability of the DIP Facility or the consummation of the transactions contemplated thereby.
- The making of the Initial Draw shall not violate any requirement of law and shall not be enjoined, temporarily, preliminarily, or permanently.

The DIP Lender's obligation to fund any Subsequent Draw (as defined in the DIP Term Sheet) will be subject to each of the following conditions precedent:

- All documentation relating to the DIP Facility, including the DIP Loan Agreement, shall be in form and substance satisfactory to each DIP Lender and shall have been duly executed and delivered by all parties thereto.
- The Interim Order, as entered by the Court, shall not have been reversed, modified, amended, stayed or vacated, without the consent of each DIP Lender, and the Borrower shall be in compliance in all respects with the Interim Order.
- The Court shall have entered the Final Order within thirty-five (35) calendar days following the Petition Date, in form and substance consistent with the terms and conditions set forth herein, authorizing

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the Debtors' use of DIP Collateral subject to the terms provided herein, and otherwise satisfactory to the DIP Lenders, which Final Order shall include, an updated Budget (as necessary) as an exhibit thereto, entered on notice to such parties as may be satisfactory to the DIP Lenders and otherwise as required by the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules of the Court, (a) authorizing and approving, on a final basis, the DIP Facility and the transactions contemplated thereby, including, without limitation, the granting of the superpriority status, security interests and priming liens, and the payment of all fees, referred to herein; (b) authorizing, on a final basis, the lifting or modification of the automatic stay to permit the Borrower and the Guarantors to perform their obligations, and the DIP Lenders to exercise their rights and remedies, with respect to the DIP Facility; (c) authorizing, on a final basis, the use of cash collateral and providing for adequate protection in favor of the Prepetition Secured Parties as and to the extent provided herein; and (d) reflecting such other terms and conditions that are mutually satisfactory to the DIP Lenders and the Debtors, in their respective discretion, in each case, on the terms and conditions set forth herein; which Final Order shall be in full force and effect, shall not have been reversed, vacated or stayed and shall not have been amended, supplemented or otherwise modified without the prior written consent of the DIP Lenders.

- The DIP Lenders shall have received a borrowing notice from the Borrower at least two (2) business days prior to the anticipated date of the Subsequent Draw.
- The representations and warranties of the Loan Parties under the DIP Loan Documents shall be true and correct in all material respects (or in the case of representations and warranties with a "materiality" qualifier, true and correct in all respects).
- No default or Event of Default shall have occurred, and shall be continuing, under the DIP Loan Documents immediately prior to the funding of the DIP Loans or would result from such borrowing of the DIP Loans.
- No default or "Event of Default" shall have occurred, and shall be continuing, under the Omega Master Lease Agreement unless otherwise waived by the prior written consent with respect to timely payment of Rent (as defined in the Omega Master Lease Agreement) (email being sufficient) of the Omega Landlords.
- The Debtors have delivered to the DIP Lenders the most recent Budget and such other information as requested by the DIP Lenders, in form and substance satisfactory to the DIP Lenders.

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	<ul style="list-style-type: none"> • The Debtors are in compliance with the Milestones as of that date. • Since the Petition Date, other than the Chapter 11 Cases, there shall not have occurred or there shall not exist any event, condition, circumstance or contingency that, individually, or in the aggregate, (a) has had or could reasonably be expected to have a material adverse effect on the business, operations, properties, assets, performance or financial condition of the Loan Parties taken as a whole; (b) has resulted in, or could reasonably be expected to result in, a material adverse effect on the validity or enforceability of, or the rights, remedies or benefits available to the DIP Lenders; or (c) has had or could reasonably be expected to have, a material adverse effect on the ability of the Loan Parties to perform their obligations under any DIP Document. • All reasonable and documented costs, fees, expenses (including, without limitation, legal fees and expenses) incurred in connection negotiating, documenting, approving, administering, monitoring or enforcing any rights under the DIP Facility set forth in the DIP Loan Documents or otherwise to be paid to the DIP Lenders shall have been paid when due. • The amounts requested by the Borrower shall be used for an authorized purpose as defined under “Use of Proceeds” in the DIP Term Sheet and in accordance with the DIP Budget, subject to a Permitted Variance. • The Loan Parties are in compliance with (a) the Interim Order; (b) the Final Order; and (c) the DIP Budget (subject to Permitted Variances). <p>(DIP Term Sheet, Conditions Precedent to Initial Draw; DIP Term Sheet, Conditions Precedent to Subsequent Draws)</p>
<p><u>Entities with an Interest in Cash Collateral</u></p> <p><i>Fed. R. Bankr. P. 4001(b)(1)(B)(i)</i></p>	<p>As of the Petition Date, the following secured parties have an interest in Cash Collateral:</p> <ul style="list-style-type: none"> • the Prepetition ABL Secured Parties; • the Prepetition Omega Term Loan Secured Parties; and • the Omega Landlords. <p>(Interim Order, ¶ E)</p>
<p><u>Use of Proceeds</u></p> <p><i>Fed. R. Bankr. P. 4001(b)(1)(B)(ii), 4001(c)(1)(B)</i></p>	<p>Proceeds of the DIP Loans and Cash Collateral shall be used, in each case subject to the DIP Budget (including Permitted Variances) and the terms and conditions of the DIP Term Sheet, the Interim Order, the Final Order, and the DIP Loan Documents, to (i) provide working capital and for other general corporate purposes of the Debtors,(ii) fund the costs of the administration of</p>

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the Chapter 11 Cases (including professional fees and expenses), and (iii) fund interest, fees, and other payments contemplated in respect of the DIP Facility.

Without in any way limiting the foregoing, no DIP Collateral, DIP Proceeds, Cash Collateral or any portion of the Carve Out or any other amounts may be used directly or indirectly by any of the Debtors, any official committee appointed in the Chapter 11 Cases (the “Committee”), if any, or any trustee or other estate representative appointed in the Chapter 11 Cases (or any successor case) or any other person or entity (or to pay any professional fees, disbursements, costs or expenses incurred in connection therewith): (a) to seek authorization to obtain liens or security interests that are senior to, or *pari passu* with, the DIP Liens or the Prepetition Liens (except to the extent expressly set forth herein); or (b) to investigate (including by way of examinations or discovery proceedings), prepare, assert, join, commence, support or prosecute any action for any claim, counter-claim, action, proceeding, application, motion, objection, defense, or other contested matter seeking any order, judgment, determination or similar relief against, or adverse to the interests of, in any capacity, against the Prepetition ABL Secured Parties, OHI DIP Lender, LLC, the Prepetition Omega Secured Parties, and each of their respective officers, directors, controlling persons, employees, agents, attorneys, affiliates, assigns, or successors of each of the foregoing (all in their capacities as such) (collectively, the “Released Parties”), with respect to any transaction, occurrence, omission, action or other matter (including formal discovery proceedings in anticipation thereof), including, without limitation, (i) any claims or causes of action arising under chapter 5 of the Bankruptcy Code; (ii) any so-called “lender liability” claims and causes of action; (iii) any action with respect to the validity, enforceability, priority and extent of, or asserting any defense, counterclaim, or offset to, the ABL Obligations, Prepetition ABL Liens, Prepetition ABL Documents, DIP Facility Obligations, the DIP Claims, the DIP Liens, the DIP Loan Documents, the Prepetition Omega Loan Documents, or the Prepetition Omega Secured Obligations; (iv) any action seeking to invalidate, modify, set aside, avoid or subordinate, in whole or in part, the ABL Obligations, DIP Facility Obligations or the Prepetition Omega Secured Obligations; (v) any action seeking to modify any of the rights, remedies, priorities, privileges, protections and benefits granted to either (A) the Prepetition ABL Secured Parties under the Interim Order or under any of the Prepetition ABL Documents, (B) the DIP Lenders under the Interim Order or under any of the DIP Loan Documents, or (C) the Prepetition Omega Secured Parties under any of the Prepetition Omega Loan Documents (in each case, including, without limitation, claims, proceedings or actions that might prevent, hinder or delay the DIP Lenders’ assertions, enforcements, realizations or remedies on or against the DIP Collateral in accordance with the applicable DIP Loan Documents, the Interim Order, and the Final Order); or (vi) objecting to, contesting, or interfering with, in any way, the DIP Lenders’ enforcement or realization upon any of the DIP Collateral once an Event of Default has occurred; provided, however, that no more than \$50,000 in the aggregate of the DIP Collateral, the Carve Out or Cash Collateral, proceeds from the borrowings under the DIP Facility or any other amounts, may be used by the

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	<p>Committee, if any, to investigate claims and/or liens of the Prepetition Secured Parties under the Prepetition Loan Documents.</p> <p>(DIP Term Sheet, Use of Proceeds; Interim Order, ¶ 22)</p>
<p><u>Stipulations as to Prepetition Liens and Claims</u></p> <p><i>Fed. R. Bankr. P. 4001(c)(1)(B)(iii)</i></p>	<p>After consultation with their attorneys and financial advisors, and without prejudice to the rights of parties in interest, the Debtors, on their behalf and on behalf of their estates, admit, stipulate, acknowledge, and agree to certain stipulations regarding the validity and extent of the Prepetition Secured Parties’ claims and liens, but subject to paragraph 23 of the Interim Order.</p> <p>(Interim Order, ¶¶ E, 23)</p>
<p><u>Effect of Stipulations</u></p> <p><i>Fed. R. Bankr. P. 4001(c)(1)(B)(iii)</i></p>	<p>The Debtors’ Stipulations shall be binding on the Debtors in all circumstances upon entry of the Interim Order. The Debtors’ Stipulations shall be binding on each other party in interest upon the occurrence of the Challenge Deadline, including, without limitation, any official committee, unless, and solely to the extent that a Challenge Proceeding is commenced prior to the Challenge Deadline.</p> <p>(Interim Order, ¶ 23)</p>
<p><u>Adequate Protection</u></p> <p><i>Fed. R. Bankr. P. 4001(c)(1)(B)(ii)</i></p>	<p><u>ABL Adequate Protection.</u> As adequate protection for the interests of the Prepetition ABL Secured Parties in the Prepetition ABL Collateral (including Cash Collateral), under sections 361, 362, and 363(e) of the Bankruptcy Code, and as a condition for the use of their Prepetition Collateral, including any Cash Collateral, the Prepetition ABL Secured Parties will be granted the following (collectively, the “<u>ABL Adequate Protection</u>”):</p> <p>(i) <u>ABL Adequate Protection Liens:</u> Solely to the extent of any Diminution in Value of any Prepetition ABL Secured Party’s interests in ABL Senior Collateral and in each case subject and subordinate to the Carve Out, the Prepetition ABL Secured Parties are granted the following security interests and liens (collectively, the “<u>ABL Adequate Protection Liens</u>”) under sections 361, 362, 363 of the Bankruptcy Code: valid, binding, enforceable, and perfected replacement liens on and security interests in the DIP Collateral and the Prepetition Collateral, including now-owned and hereafter-acquired real and personal property, assets, and rights of any kind or nature, wherever located, including, without limitation, all accounts receivable generated post-petition by Debtors, all other assets of the type and nature that would be deemed Prepetition Collateral but for the filing of these cases, and the proceeds thereof (collectively, the “<u>ABL Adequate Protection Collateral</u>”). The ABL Adequate Protection Liens shall be subordinate only to the Carve Out and any pre-petition Permitted Liens. For the avoidance of doubt, the DIP Liens, the Omega Term Loan Adequate Protection Liens (as defined below), and the Omega Master Lease Adequate Protection Liens (as defined below) shall be subject, subordinate, and junior to the Prepetition ABL Liens and all ABL Adequate</p>

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Protection Liens on the ABL Adequate Protection Collateral in favor of the Prepetition ABL Secured Parties.

(ii) ABL Adequate Protection Superpriority Claims: Solely to the extent of any Diminution in Value of any Prepetition ABL Secured Party's interest in Prepetition Collateral, and in each case, subject and subordinate to the Carve Out, the Prepetition ABL Secured Parties will be granted an allowed superpriority administrative expense claim under sections 503(b) and 507(b) of the Bankruptcy Code against the applicable Debtors (collectively, the "ABL Adequate Protection Superpriority Claims"). With respect to ABL Senior Collateral, all ABL Adequate Protection Superpriority Claims shall be junior only to the Carve Out, and otherwise have priority over any and all other administrative expenses and other claims against the applicable DIP Loan Parties now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under the Bankruptcy Code.

(iii) ABL Adequate Protection Payments:

a. No later than the fifth Business Day following entry of the Interim Order and on the fifth Business Day of each month hereafter, Debtors shall pay the Prepetition ABL Agent adequate protection in the form of interest, that has accrued at the non-default rate on the Prepetition ABL Obligations as of the Petition Date to be applied by the Prepetition ABL Agent in accordance with the Prepetition ABL Documents.

b. On the fifth Business Day of each month, beginning with the month of July, 2024, Debtors shall pay the Prepetition ABL Agent additional adequate protection (in the form of cash payments equal to the amount of accounts receivable received by or on behalf of any Debtor during the prior month (or, with respect to the first payment, on or after May 30, 2024 and ending on June 30, 2024) and relating to the operation by the Debtors of certain of their former skilled-nursing facilities prior to the transfer to new operators (each date of transfer, a "Transfer Date") to be applied by the Prepetition ABL Agent in accordance with the Prepetition ABL Documents. Receivables arising in respect of services provided by the Debtors prior to any Transfer Date are referred to as "Pre-Transfer Date Receivables" and receivables arising in respect of services provided by the new operators on or after a Transfer Date are referred to as "Post-Transfer Date Receivables". No Prepetition ABL Secured Party shall have any responsibility to determine the accuracy of any ABL

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Additional Adequate Protection Payment or any allocation by Debtors of payments received as Pre-Transfer Date Receivables or Post-Transfer Date Receivables, nor shall any Prepetition ABL Secured Party be liable to any third party, including a new operator, if proceeds of Post-Transfer Date Receivables are paid over to Prepetition ABL Agent other than to remit such Post-Transfer Date Receivables back to the Debtors.

- c. As further adequate protection, the Debtors will reimburse each Prepetition ABL Secured Party for all reasonable and documented out-of-pocket fees, costs and expenses of such Prepetition ABL Secured Party (limited, in the case of counsel, to all reasonable and documented out-of-pocket fees, costs, disbursements and expenses, including one (1) local counsel and one (1) prepetition credit counsel). All such fees, including reasonable and documented out-of-pocket legal and other professional fees shall be paid by the Debtors promptly upon written demand and without the requirement of Court approval.

For the avoidance of doubt and except for the ABL Adequate Protection Liens and ABL Adequate Protection Superpriority Claims (a) the respective rights, interests obligations, priority, and positions as between the Prepetition ABL Secured Parties and the Prepetition Omega Term Loan Secured Parties shall continue to be governed by the ABL/Omega Term Loan Intercreditor Agreement; and (b) the respective rights and interests of the rights, interests obligations, priority, and positions as between the Prepetition ABL Secured Parties and the Omega Landlords shall continue to be governed by the ABL/Omega Landlord Intercreditor Agreement.

Omega Term Loan Adequate Protection: As adequate protection for the interests of the Omega Secured Parties in the Prepetition Collateral (including Cash Collateral), under sections 361, 362 and 363(e) of the Bankruptcy Code, and as a condition for the use of the Prepetition Collateral, including any Cash Collateral, the Prepetition Omega Term Loan Secured Parties will be granted the following (collectively, the “Omega Term Loan Adequate Protection”):

- (i) Omega Term Loan Adequate Protection Liens. Solely to the extent of, and in an aggregate amount equal to, any Diminution in Value of any Prepetition Omega Term Loan Secured Party’s interests in such Prepetition Omega Term Loan Collateral, from and after the Petition Date, the Prepetition Omega Term Loan Secured Parties are granted the following security interests and liens (collectively, the “Omega Term Loan Adequate Protection Liens”) under sections 361, 362, and 363 of the Bankruptcy Code: valid, binding, enforceable, and perfected replacement liens on and security interests in the Prepetition Collateral, including now-owned and hereafter-acquired real and personal property, assets, and rights of any kind or nature, wherever

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located, which liens and security interests shall be junior to (a) the Carve Out, (b) the Permitted Liens, including the Prepetition ABL Liens and the ABL Adequate Protection Liens, and (c) the DIP Liens.

(ii) Omega Term Loan Adequate Protection Superpriority Claims. Solely to the extent of, and in an aggregate amount equal to, any Diminution in Value of its respective Prepetition Collateral, and in each case, subject and subordinate to the Carve Out, the ABL Adequate Protection Superpriority Claims (solely with respect to ABL Senior Collateral), and the DIP Superpriority Claims, each Omega Secured Party is hereby granted an allowed superpriority administrative expense claim under sections 503(b) and 507(b) of the Bankruptcy Code against the applicable Debtors (collectively, the “Omega Term Loan Adequate Protection Superpriority Claims”). All Omega Term Loan Adequate Protection Superpriority Claims shall be junior to (a) the Carve Out, (b) the ABL Adequate Protection Superpriority Claims (solely with respect to ABL Senior Collateral), and (c) the DIP Superpriority Claims, and otherwise have priority over any and all other administrative expenses and other claims against the applicable Loan Parties now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under the Bankruptcy Code.

(iii) As further adequate protection, the Debtors will reimburse each Prepetition Omega Term Loan Secured Party for all reasonable and documented out-of-pocket fees, costs and expenses of (limited, in the case of counsel, to all reasonable and documented out-of-pocket fees, costs, disbursements and expenses, including one (1) local counsel). All such fees, including reasonable and documented out-of-pocket legal and other professional fees shall be paid by the Debtors promptly upon written demand and without the requirement of Court approval; *provided, however*, that in the event such fees and expenses exceed the amounts set forth in the Approved DIP Budget, any excess amounts shall be added to the principal balance of the DIP Loans.

Omega Master Lease Adequate Protection: As adequate protection for the interests of the Omega Master Lease Secured Parties in the Prepetition Collateral (including Cash Collateral), under sections 361, 362 and 363(e) of the Bankruptcy Code, and as a condition for the use of the Prepetition Collateral, including any Cash Collateral, the Omega Master Lease Secured Parties are hereby granted the following (collectively, the “Omega Master Lease Adequate Protection”):

(i) Omega Master Lease Adequate Protection Liens: Solely to the extent of, and in an aggregate amount equal to, any Diminution in Value of any Omega Landlord’s interests in such Omega Landlord Collateral, from and after the Petition Date, the Omega Term Landlords are

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granted the following security interests and liens (collectively, the “Omega Master Lease Adequate Protection Liens” and, together with the ABL Adequate Protection Lines and the Omega Term Loan Adequate Protection Lines, the “Adequate Protection Lines”) under sections 361, 362, and 363 of the Bankruptcy Code: valid, binding, enforceable, and perfected replacement liens on and security interests in the Prepetition Collateral, including now-owned and hereafter-acquired real and personal property, assets, and rights of any kind or nature, wherever located, which liens and security interests shall be junior to (a) the Carve Out, (b) the Permitted Liens, including the Prepetition ABL Liens and the ABL Adequate Protection Liens, and (c) the DIP Liens.

(ii) Omega Master Lease Adequate Protection Superpriority Claims. Solely to the extent of, and in an aggregate amount equal to, any Diminution in Value of its respective Prepetition Collateral, and in each case, subject and subordinate to the Carve Out, the ABL Adequate Protection Superpriority Claims (solely with respect to ABL Senior Collateral), and the DIP Superpriority Claims, each Omega Landlord is hereby granted an allowed superpriority administrative expense claim under sections 503(b) and 507(b) of the Bankruptcy Code against the applicable Debtors (collectively, the “Omega Master Lease Adequate Protection Superpriority Claims,” and together with the Omega Term Loan Adequate Protection Superpriority Claims and the ABL Adequate Protection Superpriority Claims, the “Adequate Protection Superpriority Claims”). All Omega Master Lease Adequate Protection Superpriority Claims shall be junior to (a) the Carve Out, (b) the ABL Adequate Protection Superpriority Claims (solely with respect to ABL Senior Collateral), and (c) the DIP Superpriority Claims, and otherwise have priority over any and all other administrative expenses and other claims against the applicable Loan Parties now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under the Bankruptcy Code.

(iii) As further adequate protection, the Debtors will reimburse each Omega Landlord for all reasonable and documented out-of-pocket fees, costs and expenses of (limited, in the case of counsel, to all reasonable and documented out-of-pocket fees, costs, disbursements and expenses, including one (1) local counsel). All such fees, including reasonable and documented out-of-pocket legal and other professional fees shall be paid by the Debtors promptly upon written demand and without the requirement of Court approval; *provided, however,* that in the event such fees and expenses exceed the amounts set forth in the Approved DIP Budget, any excess amounts shall be added to the principal balance of the DIP Loans.

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	(DIP Term Sheet, Adequate Protection; Interim Order ¶ 9)
<p><u>Covenants</u></p> <p><i>Fed. R. Bankr. P. 4001(c)(1)(B)</i></p>	<p>Affirmative Covenants: Customary for transactions of this type (and to include reporting covenants (including with respect to the DIP Budget and Permitted Variances), the delivery of all material pleadings, motions and other material documents filed with the Court on behalf of the Debtors in the Chapter 11 Cases to the DIP Lenders and their counsel, to the extent practical under the circumstances, update meetings and/or calls with the DIP Lenders as reasonably requested).</p> <p>Negative Covenants: Customary for transactions of this type (and to include limitations on indebtedness, liens, investments, acquisitions, restricted payments, and dispositions of assets).</p> <p style="text-align: center;">(DIP Term Sheet, Affirmative Covenants, Negative Covenants)</p>
<p><u>Events of Default and DIP Termination</u></p> <p><i>Fed. R. Bankr. P. 4001(c)(1)(B)</i></p>	<p>“<u>Events of Default</u>” shall include the following and any other defaults specified as such in the DIP Orders, each of which may only be waived in writing by both the Prepetition ABL Agent, solely with respect to use of Cash Collateral, and the DIP Lenders:</p> <ul style="list-style-type: none"> • failure to make payments including adequate protection payments when due; • noncompliance with covenants (subject to customary cure periods as may be agreed with respect to certain covenants); • breaches of representations and warranties in any material respect, in either case, under the DIP Loan Documents; • invalidity of any material provision of the DIP Loan Documents; • change in ownership or control; • filing of a Plan by the Debtors that does not propose to indefeasibly repay the DIP Facility Obligations in full in cash on the Plan effective date, unless otherwise consented to in writing by the DIP Lenders prior to its filing; • any of the Debtors shall file a pleading seeking to vacate or modify the Interim Order or the Final Order over the objection of the DIP Lenders; • entry of an order without the prior written consent of the DIP Lenders amending, supplementing or otherwise modifying the Interim Order or the Final Order; • entry of an order without the express written consent of the DIP Lenders obtaining additional financing from a party other than the DIP Lenders under section 364(d) of the Bankruptcy Code except if such financing contemplates payment in full of the DIP Facility Obligations; reversal, vacatur or stay of the effectiveness

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	<p>of the Interim Order or the Final Order except to the extent reversed within ten (10) business days;</p> <ul style="list-style-type: none">• any violation of any material term of the Interim Order or the Final Order by the Debtors;• termination of the Debtors' limited use of any Cash Collateral;• entry of an order in favor of the objector, movant or plaintiff any timely filed Challenge Proceeding;• dismissal of the Chapter 11 Case of a Debtor with material assets or conversion of the Chapter 11 Case of a Debtor with material assets to a case under chapter 7 of the Bankruptcy Code, or any Debtor shall file a motion or other pleading seeking such dismissal or conversion of any Bankruptcy Case;• appointment of a chapter 11 trustee or examiner with enlarged powers, or any Debtor shall file a motion or other pleading seeking such appointment;• failure to meet a Milestone, unless extended or waived by the prior written consent (email being sufficient) of the DIP Lenders;• the Debtors' filing of a motion to reject the Omega Master Lease or modify the claim(s) of the Omega Landlords or the failure of the Debtors to make any payment when due of postpetition Rents (as defined in the Omega Master Lease) (and including, for the avoidance of doubt, such Rents due with respect to the month of June 2024) accruing on account of the Omega Master Lease Obligations, unless otherwise waived by the prior written consent (email being sufficient) of the Omega Landlords, or the failure of the Debtors to make any payment when due of other postpetition rents, unless otherwise waived by the prior written consent (email being sufficient) of the applicable landlord;• the Debtors' filing of (or supporting another party in the filing of) a motion seeking entry of, or the entry of an order by the Court, granting any superpriority claim or lien (except as contemplated herein) which is senior to or <i>pari passu</i> with the DIP Claims;• the Debtors shall seek, or shall support any other person's motion seeking (in any such case, verbally in any court of competent jurisdiction or by way of any motion or pleading filed with the Court, or any other writing to another party in interest by the Debtors), to challenge the validity or enforceability of any of the obligations of the parties under the Prepetition ABL Documents or Prepetition Secured Documents;• the Debtors file a motion for the Court to approve a sale of the DIP Collateral under section 363 of the Bankruptcy Code which proposed sale is not reasonably acceptable to the DIP Lenders,

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	<p>unless such proposed sale provides for payment in full of all DIP Facility Obligations;</p> <ul style="list-style-type: none">• the Debtors file any chapter 11 plan or any motion or other pleading seeking entry of an order by the Court permitting the assumption and/or assignment of the Omega Master Lease without the assumption and/or assignment of the Prepetition Omega Term Loan, which is an indivisible part of the Omega Master Lease;• any Debtor shall fail to execute and deliver to the DIP Lenders any agreement, financing statement, trademark filing, copyright filing, notices of lien or similar instruments or other documents that the DIP Lenders may reasonably request from time to time to more fully evidence, confirm, validate, perfect, preserve and enforce the DIP Liens created in favor of the DIP Lenders;• the Debtors shall assert in any pleading filed in any court that the guarantee contained in the DIP Loan Documents is not valid and binding, for any reason, to be in full force and effect, other than under the terms hereof or thereof;• payment of or granting adequate protection with respect to prepetition debt, other than as expressly provided herein or as otherwise consented to by the DIP Lenders;• expiration or termination of the period provided by section 1121 of the Bankruptcy Code for the exclusive right to file a plan with respect to a Debtor with material assets unless such expiration or termination was sought by any of the Prepetition Secured Parties or the DIP Lenders;• cessation of the DIP Liens or the DIP Claims to be valid, perfected and enforceable in all respects;• any Debtor asserting any right of subrogation or contribution against any other Debtor until all borrowings under the DIP Facility are paid in full and the commitments are terminated;• subject to entry of the Final Order, the allowance of any claim or claims under section 506(c) of the Bankruptcy Code or otherwise against any DIP Lender;• the entry of an order in any of the Chapter 11 Cases granting relief from any stay or proceeding (including, without limitation, the automatic stay) so as to allow a third party to proceed with foreclosure against a material portion of the Debtors' assets;• the entry of an order in any Bankruptcy Case avoiding or requiring repayment of any portion of the payments made on account of the DIP Facility Obligations owing under the DIP Loan Documents; and
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	<ul style="list-style-type: none"> the entry of an order by the Court providing relief adverse to the interests of any DIP Lender or any Prepetition Secured Party with respect to any motion, objection, application or adversary proceeding challenging the validity, enforceability, perfection or priority of, or seeking avoidance, subordination or characterization of, any portion of the Prepetition Secured Obligations and/or the liens and security interests securing the Prepetition Secured Obligations or asserting any other claim or cause of action against and/or with respect to the Prepetition Secured Obligations or the liens and security interests securing the Prepetition Secured Obligations, but excluding preliminary or final relief granting standing to any other party to prosecute such claims, causes of action or proceeding. <p>Upon the occurrence and during the continuance of an Event of Default, the DIP Lenders may by written notice to the Borrower, its counsel, the U.S. Trustee and counsel for any statutory committee, terminate the DIP Facility, declare the obligations in respect thereof to be immediately due and payable and exercise all rights and remedies under the DIP Loan Documents, the Interim Order, and the Final Order.</p> <p>(DIP Term Sheet, Events of Default; DIP Term Sheet, Remedies; Interim Order, ¶¶ 17, 18)</p>
<p><u>Remedies</u></p> <p><i>Fed. R. Bankr. P. 4001(c)(1)(B)</i></p>	<p>The DIP Lenders shall have customary remedies upon the occurrence and during the continuance of an Event of Default, including, without limitation, the following:</p> <p>Without further order from the Bankruptcy Court, and subject to the terms of the Interim Order and the Final Order (including in respect of any required notices), the automatic stay provisions of section 362 of the Bankruptcy Code shall be vacated and modified to the extent necessary to permit the DIP Lenders to exercise, upon the occurrence and during the continuance of any Event of Default under the DIP Loan Documents, all rights and remedies provided for in the DIP Loan Documents, and to take any or all of the following actions without further order of or application to the Bankruptcy Court (as applicable): (a) immediately terminate the Debtors’ limited use of any cash collateral; (b) cease making any DIP Loans under the DIP Facility to the Debtors; (c) declare all DIP Obligations to be immediately due and payable; (d) freeze monies or balances in the Debtors’ accounts (and, with respect to the DIP Loan Documents and the DIP Facility, sweep all funds contained in any account subject to a control agreement); (e) immediately set-off any and all amounts in accounts maintained by the Debtors with the DIP Lenders against the DIP Obligations, or otherwise enforce any and all rights against the DIP Collateral in the possession of the DIP Lenders, including, without limitation, disposition of the DIP Collateral solely for application towards the DIP Obligations; and (f) take any other actions or exercise any other rights or remedies permitted under the Interim Order and the Final Order, the DIP Loan Documents or applicable law to effect the repayment of the DIP Obligations; <u>provided, however</u>, that the DIP Lenders must provide the Debtors with five (5) business days’ written notice (which may be by email</p>

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	<p>and a copy of which shall be sent to the Prepetition ABL Agent) before exercising any enforcement rights or remedies with respect to the DIP Collateral or the Prepetition Collateral other than funds contained in any account subject to a control agreement; <u>provided, further</u>, that neither the Debtors, the Committee nor any other party-in-interest shall have the right to contest the enforcement of the remedies set forth in the Interim Order and the Final Order and the DIP Loan Documents on any basis other than an assertion that an Event of Default has not occurred or has been cured within the cure periods expressly set forth in the applicable DIP Loan Documents.</p> <p>(DIP Term Sheet, Remedies; Interim Order, ¶¶ 17, 18)</p>
<p><u>Carve Out</u></p> <p><i>Fed. R. Bankr. P. 4001(c)(1)(B)</i></p>	<p>“<u>Carve Out</u>” means an amount equal to the sum of the following: (i) all fees required to be paid to the Clerk of the Court and to the Office of the United States Trustee under 28 U.S.C. § 1930(a) plus interest under 31 U.S.C. § 3717 (without regard to the notice set forth in clause (iii) below); (ii) all reasonable fees and expenses incurred by a trustee under section 726(b) of the Bankruptcy Code in an aggregate amount not to exceed \$50,000 (without regard to the notice set forth in clause (iii) below); and (iii) to the extent allowed by the Court at any time, whether by Interim Order, procedural order, final order or otherwise, all accrued and unpaid fees, disbursements, costs and expenses incurred by persons or firms retained by the Debtors under section 327, 328 or 363 of the Bankruptcy Code (the “<u>Debtor Professionals</u>”) and all accrued unpaid fees, disbursements, costs and expenses incurred by the Committee (if any) under section 328 and 1103 of the Bankruptcy Code (the “<u>Committee Professionals</u>,” together with the Debtor Professionals, the “<u>Estate Professionals</u>,” and such Estate Professional fees, the “<u>Allowed Professional Fees</u>”), at any time before or on the first business day following delivery by the DIP Lenders of a Carve Out Trigger Notice (as defined below), whether allowed by the Court prior to or after delivery of a Carve Out Trigger Notice; and (iv) Allowed Professional Fees of Estate Professionals in an aggregate amount not to exceed \$500,000 incurred after the first business day following delivery by DIP Lenders of a Carve Out Trigger Notice, to the extent consistent with the DIP Budget and allowed at any time, whether by Interim Order, procedural order, final order, or otherwise (the amounts set forth in this clause (iv), the “<u>Post-Carve Out Trigger Notice Cap</u>”); <u>provided, however</u>, nothing herein shall be construed to impair the ability of any party to object to any fees, expenses, reimbursement or compensation sought by any such professionals or any other person or entity. For purposes of the foregoing, “<u>Carve Out Trigger Notice</u>” shall mean a written notice (which may be delivered by e-mail (or other electronic means)) by the DIP Lenders to the Debtors and their counsel, the United States Trustee, and lead counsel to any Committee appointed in the Chapter 11 Cases, which notice may be delivered following the occurrence of an Event of Default, stating that the Post-Carve Out Trigger Notice Cap has been invoked.</p> <p>For the avoidance of doubt and notwithstanding anything to the contrary herein, the Carve Out shall be senior to all liens and claims securing the DIP</p>

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	<p>Facility, and all other forms of adequate protection, liens, or claims securing the DIP Facility Obligations or the Prepetition Secured Obligations.</p> <p>(DIP Term Sheet, Carve Out; Interim Order, ¶ 21)</p>
<p><u>Milestones</u></p> <p><i>Fed. R. Bankr. P. 4001(c)(1)(v), (vi)</i></p>	<p>The obligations of the DIP Lenders to advance the DIP Loans shall be subject to the Debtors satisfying, or causing the satisfaction of, the milestones listed below (collectively, the “<u>Milestones</u>”) by the specified or by such later date as the DIP Lenders may agree in writing (email being sufficient):</p> <ul style="list-style-type: none"> • No later than three (3) calendar days after the Petition Date, the Court shall have entered the Interim Order. • No later than ten (10) calendar days after the Petition Date, the Debtors shall have filed a motion for approval of procedures for the marketing and sale of some or all of the Debtors’ business enterprise (the “<u>Transaction</u>”) under section 363 of the Bankruptcy Code or as sponsor of the Plan (the “<u>Bidding Procedures Motion</u>”), which motions and proposed bidding procedures shall be in form and substance reasonably acceptable to the DIP Lenders. • No later than fourteen (14) calendar days after entry of the Interim Order, all documentation relating to the DIP Facility, including the DIP Loan Agreement, shall be in form and substance satisfactory to each DIP Lender and shall have been duly executed and delivered by all parties thereto. • No later than thirty-five (35) calendar days after the Petition Date, the Court shall have entered an order granting the Bidding Procedures Motion (the “<u>Bidding Procedures Order</u>”), which order shall be in form and substance reasonably acceptable to the DIP Lenders. • No later than thirty-five (35) calendar days after the Petition Date, the Court shall have entered the Final Order. • No later than forty-five (45) calendar days following the Petition Date, the Debtors shall have filed with the Court a Plan and a related disclosure statement (the “<u>Disclosure Statement</u>”), in each case, in form and substance reasonably acceptable to the DIP Lenders. • The deadline for submitting final qualified bids under the Bidding Procedures Order shall be no later than ninety-five (95) calendar days after the Petition Date. • Any auction to select a winning bidder under the Bidding Procedures shall be conducted no later than one hundred (100) days following the Petition Date.

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	<ul style="list-style-type: none"> No later than one hundred ten (110) calendar days after the Petition Date, the Court shall have entered an order approving the Transaction either by (a) approving the sale of some or all of the Debtors’ assets under section 363 of the Bankruptcy Code; or (b) confirming the Plan, which order shall be in form and substance reasonably acceptable to the DIP Lenders. <p>(DIP Term Sheet, Milestones)</p>
<p><u>Automatic Stay</u></p> <p><i>Fed. R. Bankr. P. 4001(c)(1)(B)(iii)</i></p>	<p>The Interim Order provides for lifting of the automatic stay to allow the DIP Lenders and Prepetition Secured Parties to exercise all rights and remedies provided for in the DIP Loan Documents and the Interim Order.</p> <p>(Interim Order ¶ 11)</p>
<p><u>Marshalling and Waiver of 506(c) and 552(b) Claims</u></p> <p><i>Fed. R. Bankr. P. 4001(c)(1)(B)(x)</i></p>	<p>Effective upon entry of the Final Order, the DIP Lenders and the Prepetition Secured Parties shall not be subject to the equitable doctrine of “marshalling” or any similar doctrine with respect to the DIP Collateral or the Prepetition Collateral, as applicable, and all proceeds shall be received and applied under the Final Order and the DIP Loan Documents notwithstanding any other agreement or provision to the contrary.</p> <p>Effective upon entry of the Final Order, the Debtors (on behalf of themselves and their estates) shall waive, and shall not assert in the Chapter 11 Cases or any successor cases, (i) any surcharge claim under sections 105(a) and/or 506(c) of the Bankruptcy Code or otherwise for any costs and expenses incurred in connection with the preservation, protection or enhancement of, or realization by the DIP Lenders and the Prepetition Secured Parties, upon the DIP Collateral or the Prepetition Collateral, and (ii) the DIP Lenders and the Prepetition Secured Parties shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and the “equities of the case” exception under section 552(b) of the Bankruptcy Code shall not apply to the DIP Lenders and the Prepetition Secured Parties with respect to proceeds, product, offspring or profits of any of the Prepetition Collateral or DIP Collateral.</p> <p>(Interim Order, ¶¶ 24–26)</p>
<p><u>Liens on Avoidance Actions</u></p> <p><i>Fed. R. Bankr. P. 4001(c)(1)(B)(xi)</i></p>	<p>Subject to entry of the Final Order, the DIP Liens and the Adequate Protection Liens shall attach to the proceeds of claims and causes of action under chapter 5 of the Bankruptcy Code.</p> <p>(Interim Order, ¶ 5)</p>
<p><u>Indemnification</u></p>	<p>The Debtors shall indemnify, pay and hold harmless the DIP Lenders (and their directors, officers, employees and agents) against any loss, liability, cost or expense incurred in respect of the financing contemplated hereby or the use or the proposed use of proceeds thereof (except to the extent resulting from</p>

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<i>Fed. R. Bankr. P. 4001(c)(1)(B)(ix)</i>	<p>the gross negligence, bad faith, fraud, or willful misconduct of the indemnified party, as determined by a final, non-appealable judgment of a court of competent jurisdiction).</p> <p>(DIP Term Sheet, Indemnification; Interim Order, ¶ 19)</p>

B. Provisions to Be Highlighted

20. The Debtors hereby disclose the below provisions (collectively, the “Highlighted Provisions”) pursuant to Complex Case Procedures Section (G)(1)(a):

- ***Cross-Collateralization Provisions:*** No such provision is contained in the Interim Order. *See* Complex Case Procedures, § G.1.a.i.
- ***Findings of Fact:*** Pursuant to paragraph E of the Interim Order, the Debtors have provided the Debtors’ Stipulations concerning the Prepetition Loan Documents, the Prepetition Secured Obligations, and the Prepetition Liens, and a release and indemnification of the Prepetition Secured Parties and certain of the DIP Secured Parties, among other things. The stipulations are subject to challenge by parties in interest (other than the Debtors), subject to the limitations set forth in paragraph 23 of the Interim Order, and will not be binding upon any such parties in interest until occurrence of the Challenge Deadline. The Challenge Deadline is the earliest of (a) if no committee has been appointed, 75 days after the Petition Date or (b) if a committee has been appointed, 60 days after the date of formation of such committee. *See* Complex Case Procedures, § G.1.a.ii.
- ***506(c) Waiver:*** Pursuant to paragraph 24 of the Interim Order, the Debtors are seeking approval of a waiver of rights under Bankruptcy Code section 506(c) against the DIP Collateral and, upon entry of the Final Order, the Prepetition Collateral. Accordingly, parties will have notice of (and an opportunity to object to) the Debtors’ proposed waiver. *See* Complex Case Procedures, § G.1.a.iii.
- ***Liens on Avoidance Actions:*** Pursuant to paragraph 5 of the Interim Order, the Debtors are seeking approval to grant liens on the proceeds of Avoidance Actions upon entry of the Final Order. Accordingly, parties will have notice of (and an opportunity to object to) the liens. *See* Complex Case Procedures, § G.1.a.iv.
- ***Provisions Authorizing “Roll Up” or Repayment of Prepetition Debt:*** No such provision is contained in the Interim Order. *See* Complex Case Procedures, § G.1.a.v.
- ***Disparate Treatment of Debtor and Creditors’ Committee Professionals in Carve Out:*** No such provision is contained in the Interim Order. *See* Complex Case Procedures, § G.1.a.vi.

- ***Non-Consensual Priming of Prepetition Liens:*** While the DIP Facility does provide for “priming” liens, as discussed below, the priming liens are on a consensual basis. *See* Complex Case Procedures, § G.1.a.vii.
- ***552(b) Waiver:*** Pursuant to paragraph 26 of the Interim Order, each Prepetition Secured Party shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and the “equities of the case” exception under section 552(b) of the Bankruptcy Code shall not apply to the Prepetition Secured Parties with respect to the proceeds, product, offspring, or profits of the Prepetition Collateral. *See* Complex Case Procedures, § G.1.a.viii.

IV. Prepetition Capital Structure

A. Secured Debt Obligations

21. Because the Debtors do not own the underlying real property and hold only leasehold interests in their Facilities, the primary collateralized assets owned by the Debtors are cash and accounts receivable. As described more fully below, (a) the Prepetition ABL Secured Parties hold a first priority security interest in the Debtors’ cash and accounts receivable and (b) the Prepetition Omega Term Loan Secured Parties hold a second priority security interest in the Debtors’ cash and accounts receivable, subject to the priorities in the Intercreditor Agreements (as defined below).

i. Prepetition ABL Credit Facility

22. The Debtors have outstanding obligations under that certain Second Amended and Restated Credit and Security Agreement, dated as of March 25, 2022 (as otherwise amended, supplemented, or otherwise modified from time to time, the “Prepetition ABL Credit Agreement,” and together with any other documents executed and delivered in connection therewith, collectively, the “Prepetition ABL Documents”), by and among, LV CHC Holdings I, LLC, and certain of its affiliates designated therein as borrowers (such borrowers, collectively, the “Prepetition ABL Borrowers” or the “Prepetition ABL Obligors”), MidCap Funding IV Trust and the other financial institutions party thereto from time to time as lenders (the “Prepetition ABL

Lenders”), MidCap Funding IV Trust, as agent for the Prepetition ABL Lenders (in such capacity, the “Prepetition ABL Agent,” and together with the Prepetition ABL Lenders, the “Prepetition ABL Secured Parties”), pursuant to which the Prepetition ABL Lenders provided a first lien asset-based lending credit facility to the Prepetition ABL Borrowers (the “Prepetition ABL Credit Facility,” and the loans provided thereunder, the “Prepetition ABL Loans”).

23. Under the Prepetition ABL Loan Documents, the Prepetition ABL Borrowers granted to the Prepetition ABL Agent, for the benefit of itself and the Prepetition ABL Lenders, valid and properly perfected continuing liens on and security interests in (the “Prepetition ABL Liens”) all “Collateral” (as defined in the Prepetition ABL Documents) (such collateral, the “ABL Senior Collateral”).

24. As of the Petition Date, the Debtors were justly and lawfully indebted and liable to the Prepetition ABL Agent and Prepetition ABL Lenders, without defense, counterclaim, or offset of any kind, in the aggregate amount of not less than \$33,042,676.16 on account of the Prepetition ABL Loans outstanding under the Prepetition ABL Documents, plus any and all unpaid interest (including default interest), reimbursement obligations, fees, costs, expenses (including, without limitation, attorneys’ fees, financial advisors’ fees, related expenses and disbursements), charges, disbursements, indemnification obligations, and any other amounts, contingent or otherwise, whenever arising or accruing, that may be due, owing, or chargeable in respect thereof, in each case, to the extent provided in the Prepetition ABL Documents, (collectively, the “Prepetition ABL Obligations”).

ii. Omega Term Loan Credit Facility

25. The Debtors have obligations under that certain Credit and Security Agreement, dated as of March 25, 2022 (as otherwise amended, supplemented, or otherwise modified from time to time, the “Prepetition Omega Term Loan Credit Agreement,” and together with any other

documents executed and delivered in connection therewith, collectively, the “Prepetition Omega Term Loan Documents”), by and among the Borrowers (as defined in the Prepetition Omega Term Loan Credit Agreement), the other parties thereto as guarantors (the “Prepetition Omega Term Loan Guarantors,” and together with the Borrowers, collectively, the “Prepetition Omega Term Loan Obligors”), OHI Mezz Lender, LLC and the other financial institutions party thereto from time to time as lenders (the “Prepetition Omega Term Loan Lenders”), and OHI Mezz Lender, LLC, as agent for the Prepetition Omega Term Loan Lenders (in such capacity, the “Prepetition Omega Term Loan Agent,” and together with the Prepetition Omega Term Loan Lenders, collectively, the “Prepetition Omega Term Loan Secured Parties”). Under the Prepetition Omega Term Loan Credit Agreement, the Prepetition Omega Term Loan Lenders provided term loans and other financial accommodations to the Borrowers (the “Prepetition Omega Term Loan Facility,” and the loans provided thereunder, the “Prepetition Omega Term Loans”).

26. As of the Petition Date, the Debtors were justly and lawfully indebted and liable to the Prepetition Omega Term Loan Agent and the Prepetition Omega Term Loan Lenders, without defense, counterclaim, or offset of any kind, in the aggregate amount of not less than \$26,952,146.54 on account of Prepetition Omega Term Loans outstanding under the Prepetition Omega Term Loan Documents, plus any and all unpaid interest (including default interest), reimbursement obligations, fees, costs, expenses (including, without limitation, attorneys’ fees, financial advisors’ fees, related expenses and disbursements), charges, disbursements, indemnification obligations, and any other amounts, contingent or otherwise, whenever arising or accruing, that may be due, owing, or chargeable in respect thereof, in each case, to the extent provided in the Prepetition Omega Term Loan Documents, (collectively, the “Prepetition Omega Term Loan Obligations”).

27. The Prepetition Omega Term Loan Obligations are secured by second priority security interests in and liens on property of the Prepetition Omega Term Loan Obligors constituting ABL Senior Collateral and first priority security interests in and liens on any other property of the Prepetition Omega Term Loan Obligors as set forth in the Prepetition Omega Term Loan Documents (such collateral, the “Prepetition Omega Term Loan Collateral” and such security interests in and liens on the Prepetition Omega Term Loan Collateral, the “Prepetition Omega Term Loan Liens”).

iii. ABL/Omega Term Loan Intercreditor Agreement

28. The relative contractual rights of the Prepetition ABL Secured Parties and the Prepetition Omega Term Loan Secured Parties are governed by that certain Intercreditor Agreement, dated as of March 25, 2022 (as otherwise amended, supplemented, or otherwise modified from time to time, the “ABL/Omega Term Loan Intercreditor Agreement”), among the Prepetition ABL Agent and the Prepetition Omega Term Loan Agent, and acknowledged by the Prepetition ABL Obligors and the Prepetition Omega Term Loan Obligors.

B. Capital Lease Obligations

29. The Debtors do not own the underlying real property at the Facilities, but rather lease or sublease their respective facilities from four landlords. Collectively, the Debtors lease (a) 30 Facilities in North Carolina, Virginia, Mississippi, and Pennsylvania (collectively, the “Omega Facilities”) from certain indirect affiliates and subsidiaries of Omega Healthcare Investors, Inc. (“Omega” and, collectively, the “Omega Landlords”); (b) nine Facilities in Virginia (collectively, the “Welltower Facilities”) from Welltower NNN Group, LLC (the “Welltower Landlord”); (c) three Facilities in North Carolina (collectively, the “Elderberry Facilities”) from Elderberry of Hayesville, LLC, Elderberry of Charlotte, LLC, and Elderberry of Lincolnton, LLC, respectively (collectively, the “Elderberry Landlords”); and (d) one Facility in Florida (“Harts

Harbor”) from Jacksonville Nursing Home, Ltd. (the “Harts Harbor Landlord”). The obligations owed to the Omega Landlords and the Welltower Landlord are secured, while the obligations owed to the Elderberry Landlords and the Harts Harbor Landlord are unsecured.

i. Omega Master Lease Obligations

30. The Omega Facilities are currently subject to (a) that certain Amended and Restated Consolidated Master Lease, dated as of March 25, 2022 (as subsequently amended, modified, renewed, or restated from time to time, the “Omega Master Lease,” and together with all other agreements, documents, and instruments executed and/or delivered with, to or in favor of the Omega Landlords, including, without limitation, all security agreements, notes, guarantees, mortgages, Uniform Commercial Code financing statements, documents, and instruments, including any fee letters, executed and/or delivered in connection therewith or related thereto, the “Omega Master Lease Documents”; the Omega Master Lease Documents, together with the Prepetition ABL Documents and the Prepetition Omega Term Loan Documents, collectively, the “Prepetition Secured Documents”),⁶ by and among Debtor Alpha Health Care Properties, LLC (“Alpha”) and certain Omega Landlords (the Omega Landlords, together with the Prepetition Omega Term Loan Secured Parties, collectively, the “Prepetition Omega Secured Parties”; the Prepetition Omega Secured Parties, together with the Prepetition ABL Secured Parties, collectively, the “Prepetition Secured Parties”); and (b) certain subleases between Alpha and each Debtor that operates an Omega Facility (collectively, the “Omega Facility Debtors”). Certain of the Debtors, the Omega Facility Debtors and other parties guaranteed the obligations due and owing under the Omega Master Lease Documents (each an “Omega Master Lease Guarantor”, and

⁶ The Omega Master Lease was subsequently amended on August 31, 2022, December 29, 2022, January 31, 2023, April 1, 2023, April 17, 2023, July 31, 2023, September 29, 2023, November 1, 2023, November 30, 2023, December 15, 2023, February 29, 2024, April 1, 2024, and April 30, 2024.

collectively with Alpha and the Omega Facility Debtors, the “Omega Master Lease Obligors,” and, together with the Prepetition Omega Term Loan Obligors, the “Prepetition Omega Obligors” and, the Prepetition Omega Obligors together with the Prepetition ABL Obligors, the “Prepetition Obligors”). Information regarding the Omega Facilities is summarized below:

Omega Landlord	Facility Name	Facility Debtor	City & State
OHI Asset (VA) Ashland, LLC	Ashland Nursing and Rehabilitation Center	Ashland Facility Operations, LLC	Ashland, Virginia
FC Encore Cary, LLC	Cary Health and Rehabilitation Center	Cary HealthCare, LLC	Cary, North Carolina
CSE Woodfin LP	Emerald Ridge Rehabilitation and Care Center	Emerald Ridge HealthCare, LLC	Asheville, North Carolina
FC Encore Albemarle, LLC	Forrest Oakes Healthcare Center	Forrest Oakes HealthCare, LLC	Albemarle, North Carolina
CSE Lenoir LP	Gateway Rehabilitation and Healthcare	Gateway HealthCare, LLC	Lenoir, North Carolina
FC Encore Natchez, LLC	Glenburney Health Care and Rehabilitation Center	Glenburney HealthCare, LLC	Natchez, Mississippi
FC Encore Union, LLC	Hilltop Manor Health and Rehabilitation Center	Hilltop Mississippi HealthCare, LLC	Union, Mississippi
FC Encore Kannapolis, LLC	Transitional Health Services of Kannapolis	Kannapolis HealthCare, LLC	Kannapolis, North Carolina
Mifflin Re Owner LLC	Locust Grove Retirement Village	Locust Grove Facility Operations, LLC	Mifflin, Pennsylvania
	The Cottage at Locust Grove		
Pottsville Re Owner LLC	Luther Ridge at Seiders Hill	Luther Ridge Facility Operations, LLC	Pottsville, Pennsylvania
Hazleton Re Owner LLC	The Manor at St. Luke Village	Manor at St. Luke Village Facility Operations, LLC	Hazleton, Pennsylvania
FC Encore McComb, LLC	Courtyard Rehabilitation and Healthcare	McComb HealthCare, LLC	McComb, Mississippi
OHI Asset (VA) Norfolk, LLC	Consulate Health Care of Norfolk	Norfolk Facility Operations, LLC	Norfolk, Virginia
FC Encore Rutherfordton, LLC	Oak Grove Healthcare Center	Oak Grove HealthCare, LLC	Rutherfordton, North Carolina
CSE Arden LP	The Oaks at Sweeten Creek	Oaks at Sweeten Creek HealthCare, LLC	Arden, North Carolina
Hazleton Re Owner LLC	The Pavilion at St. Luke Village		Hazleton, Pennsylvania

Omega Landlord	Facility Name	Facility Debtor	City & State
	Amity Village	Pavilion at St. Luke Village Facility Operations, LLC	
Selinsgrove Re Owner LLC	The Manor at Penn Village	Penn Village Facility Operations, LLC	Selinsgrove, Pennsylvania
	Pennsfield Apartments		
Everett Re Owner LLC	Pennknoll Village	Pennknoll Village Facility Operations, LLC	Everett, Pennsylvania
FC Encore Meridian, LLC	The Oaks Rehabilitation and Healthcare Center	Riley HealthCare, LLC	Meridian, Mississippi
FC Encore Starkville, LLC	Starkville Manor Health Care and Rehabilitation Center	Starkville Manor HealthCare, LLC	Starkville, Mississippi
FC Encore Andrews, LLC	Valley View Care and Rehabilitation Center	Valley View HealthCare, LLC	Andrews, North Carolina
CSE Walnut Cove LP	Walnut Cove Health and Rehabilitation Center	Walnut Cove HealthCare, LLC	Walnut Cove, North Carolina
CSE Knightdale LP	Wellington Rehabilitation and Healthcare	Wellington HealthCare, LLC	Knightdale, North Carolina
FC Encore Archdale, LLC	Westwood Health and Rehabilitation Center	Westwood HealthCare, LLC	Archdale, North Carolina
FC Encore Yadkinville, LLC	Willowbrook Rehabilitation and Care Center	Willowbrook HealthCare, LLC	Yadkinville, North Carolina
FC Encore Charlotte, LLC	Wilora Lake Healthcare Center	Wilora Lake HealthCare, LLC	Charlotte, North Carolina
FC Encore Winona, LLC	Winona Manor Health Care and Rehabilitation Center	Winona Manor HealthCare, LLC	Winona, Mississippi

31. The Omega Master Lease’s term expires on December 31, 2037 with two ten-year renewal options. Current monthly rent under the Omega Master Lease is approximately \$3.0 million. As of the Petition Date, the Omega Master Lease Obligors were justly and lawfully indebted and liable to the Omega Landlords, without defense, counterclaim or offset of any kind, with respect to \$32,617,019.44 in principal amount of unpaid Rent (as defined in the Omega Master Lease), plus accrued and unpaid interest thereon and fees, expenses (including any attorneys’, accountants’, appraisers’ and financial advisors’ fees, in each case, solely to the extent

that they are chargeable or reimbursable under the Omega Master Lease Documents), charges, indemnities and all other obligations arising under the Omega Master Lease Documents incurred in connection therewith (whether arising before, on, or after the Petition Date) as provided in the Omega Master Lease Documents (collectively, the “Omega Master Lease Obligations” and, together with the Prepetition Omega Term Loan Obligations, the “Prepetition Omega Secured Obligations” and, the Prepetition Omega Secured Obligations together with the Prepetition ABL Obligations, the “Prepetition Secured Obligations”), which Omega Master Lease Obligations have been guaranteed on a joint and several basis by the Omega Master Lease Guarantors.

32. The Omega Master Lease Obligations are secured by second priority security interests in and liens on property of the Omega Master Lease Obligors constituting ABL Senior Collateral and first priority security interests in and liens on any other property of the Omega Master Lease Obligors as set forth in the Omega Master Lease Documents (the “Omega Landlord Collateral,” and together with the Prepetition Omega Term Loan Collateral, the “Prepetition Omega Collateral” and, the Prepetition Omega Collateral together with the ABL Senior Collateral, the “Prepetition Collateral”; and such liens on and security interests in the Omega Landlord Collateral, the “Omega Landlord Liens,” and together with the Prepetition Omega Term Loan Liens, the “Prepetition Omega Liens” and, the Prepetition Omega Liens with the Prepetition ABL Liens, the “Prepetition Liens”).

33. The Prepetition ABL Agent, the Omega Landlords and certain of the Debtors party to the Omega Master Lease Documents entered into that certain Seventh Amended and Restated Subordination and Intercreditor Agreement, dated as of April 1, 2024 (the “ABL/Omega Landlord Intercreditor Agreement,” and together with the ABL/Omega Term Loan Intercreditor Agreement, the “Intercreditor Agreements”), to govern the respective rights, interests, obligations, priority and

positions of the Prepetition ABL Obligations and the Omega Master Lease Obligations with respect to certain of the Prepetition ABL Collateral and the Omega Landlord Collateral (it being understood that certain Prepetition ABL Collateral is not also Omega Landlord Collateral subject to the ABL/Omega Landlord Intercreditor Agreement because certain ABL Borrowers are not also Omega Master Lease Obligors).

ii. Welltower Master Lease Obligations

34. The Welltower Facilities are currently subject to (a) that certain Master Lease Agreement, dated as of August 23, 2018 (as subsequently amended, modified, renewed, or restated from time to time, the “Welltower Master Lease”),⁷ by and among Debtor QCPMT, LLC (“QCPMT”) and the Welltower Landlord; and (b) certain subleases between QCPMT and each Active Facility Debtor that operates a Welltower Facility (collectively, the “Welltower Facility Debtors”). Information regarding the Welltower Facilities is summarized below:

Welltower Landlord	Facility Name	Facility Debtor	City & State
Welltower NNN Group, LLC	Augusta Nursing & Rehab Center	Augusta Facility Operations, LLC	Fishersville, Virginia
	Grayson Rehabilitation and Health Care Center	Grayson Facility Operations, LLC	Independence, Virginia
	Kings Daughters Community Health & Rehab	Kings Daughters Facility Operations, LLC	Staunton, Virginia
	Newport News Nursing and Rehabilitation Center	Newport News Facility Operations, LLC	Newport News, Virginia
	Pheasant Ridge Nursing & Rehab Center	Pheasant Ridge Facility Operations, LLC	Roanoke, Virginia
	Skyline Nursing & Rehabilitation Center	Skyline Facility Operations, LLC	Floyd, Virginia
	Consulate Health Care of Williamsburg	Williamsburg Facility Operations, LLC	Williamsburg, Virginia

⁷ The Welltower Master Lease was subsequently amended on November 16, 2018 and July 1, 2022.

Welltower Landlord	Facility Name	Facility Debtor	City & State
	Consulate Health Care of Windsor	Windsor Facility Operations, LLC	Windsor, Virginia
	Consulate Health Care of Woodstock	Woodstock Facility Operations, LLC	Woodstock, Virginia

35. The Welltower Master Lease expires on June 30, 2037 with two five-year renewal options. Current monthly rent under the Welltower Master Lease is approximately \$1.125 million. As of the Petition Date, the Debtors are current on rent obligations owed under the Welltower Master Lease.

36. The Debtors’ obligations under the Welltower Master Lease are secured by liens in favor of the Welltower Landlord (the “Prepetition Welltower Landlord Liens”) encumbering the “Collateral” as defined in the Welltower Master Lease, including, among other things, the Debtors’ personal property, general intangibles, and other assets related to the Welltower Facilities. Pursuant to that certain Landlord Agreement, dated as of September 30, 2022, by and between the Welltower Landlord and the Prepetition ABL Agent, the Prepetition Welltower Landlord Liens do not consist of any liens on the Welltower Facilities’ accounts receivable. Moreover, pursuant to that certain Intercreditor Agreement, dated as of September 30, 2022, by and between the Welltower Landlord, the Prepetition Omega Term Loan Agent, QCMPT, LaVie, and LVO, the Welltower Landlord agreed to subordinate the Prepetition Welltower Landlord Liens to the Prepetition Omega Term Loan Liens.

V. Proposed Postpetition Financing

A. The Debtors’ Need for the DIP Facility and Development of the DIP Budget

37. As described in the DIP Declaration and in the First Day Declaration, the Debtors require immediate access to the DIP Facility in addition to continued use of Cash Collateral to fund operations, capital expenditures, and the administrative costs of these Chapter 11 Cases. As

of the Petition Date, the Debtors' cash on hand was approximately \$5.2 million, which is insufficient to operate their enterprise and continue paying their obligations as they come due. The Debtors' business is cash-intensive, and without sufficient liquidity to satisfy obligations to the Debtors' contract counterparties, landlords, vendors, workforce, and other stakeholders, the Debtors will be unable to maintain their critical role as a healthcare provider in the communities in which the Debtors operate.

38. As described in the DIP Declaration, the Debtors, in consultation with Ankura, reviewed and analyzed the Debtors' projected cash receipts and disbursements and prepared a budget outlining the Debtors' postpetition cash needs in the initial 13 weeks of the Chapter 11 Cases, a copy of which is attached as Exhibit 2 to the Interim Order. The Debtors relied on these forecasts to determine the amount of postpetition financing required to fund operations and administer these Chapter 11 Cases. More specifically, the Debtors determined that they require immediate access to DIP financing to fund the costs of these Chapter 11 Cases and ongoing business operations.

39. Importantly, the Debtors' business requires immediate liquidity to satisfy their obligations owed to employees, vendors, and suppliers, all of whom are critical to ensuring that the Debtors can continue providing safe, high-quality healthcare in the communities in which they operate. Furthermore, obtaining access to the DIP Facility will allow the Debtors to send a clear message to the Debtors' stakeholders—including, most critically, vendors on whose continued partnership the Debtors rely to provide high quality care to residents—that the Debtors will continue to be a reliable partner in spite of the difficulties facing the Debtors' business. The proposed DIP Facility will provide much needed stabilization to the Debtors' business operations. The DIP Facility will also provide the funding means to accomplish a comprehensive restructuring

and ensure the Debtors' ability to operate as a going concern, preserving value of the Debtors' estates for the benefit of all of their stakeholders.

B. The Debtors' Efforts to Obtain Postpetition Financing

40. As described herein and in the DIP Declaration and the First Day Declaration, the Debtors and their advisors have engaged in extensive discussions and diligence with key stakeholders to reach a framework for Chapter 11 Cases. The current framework contemplates that postpetition financing will be necessary to transition the Debtors' facilities to new operators and subsequently liquidate the Debtors' remaining assets.

41. Beginning in late May 2024, the Debtors and their advisors engaged in efforts to obtain alternative postpetition financing led by Stout Capital, LLC ("Stout"). DIP Decl. ¶ 8. In total, Stout contacted six potential financing sources, in addition to the Debtors' existing lenders. *Id.* ¶ 10. Five of the six parties responded to Stout and declined to propose a DIP facility under the facts and circumstances facing the Debtors. *Id.* The feedback from these parties was conclusive: no party was willing to provide postpetition DIP financing based upon the inability of the Debtors to offer a priming lien, a lack of unencumbered collateral, and the required timing to consummate a financing. *Id.* Thus, Debtors, in consultation with their advisors and in their exercise of sound business judgment, concluded that any workable financing likely would require the support of, and be provided by, the Debtors' existing secured parties, including the Prepetition ABL Secured Parties, the Prepetition Omega Term Loan Secured Parties, and the Omega Landlords.

42. Following those efforts, it became clear that there are no alternative sources of financing reasonably available to the Debtors that are on better terms than those contemplated by the DIP Term Sheet. DIP Decl. ¶ 11. Given, among other things, the Debtors' financial

circumstances and funded indebtedness under the Debtors' Prepetition ABL Facility and Prepetition Omega Term Loans, no other party was willing to provide postpetition financing on anything other than a "priming" basis with respect to substantially all of the Debtors' assets. Any "priming" liens likely would not have been consented to by the Prepetition ABL Lenders, the Prepetition Omega Term Loan Lenders, or the Omega Landlords and would likely have led to a protracted priming dispute. *Id.* Accordingly, the DIP Facility pending approval before the Court is reasonable and appropriate under the circumstances and are the Debtors' best—and only—available options. Notwithstanding the foregoing, however, as set forth in the DIP Declaration, the Debtors and their advisors will remain open to proposals from potential lenders, prior to entry of the Final Order should any such parties indicate an interest to provide debtor-in-possession financing consistent with the terms of the DIP Term Sheet and the Interim Order.

43. As it became increasingly clear that the Debtors would be unable to obtain financing on more favorable terms from third-party lenders, the Debtors pushed forward in negotiations with and the DIP Lenders who had indicated that they would be willing to provide postpetition financing for a chapter 11 process. *Id.* ¶¶ 12–13. Over the course of multiple weeks, the Debtors and their advisors engaged in extensive negotiations and discussions with the DIP Lenders and the Prepetition ABL Lenders to achieve the best possible terms for the DIP Facility. *Id.*

44. The DIP Facility is critical to the Debtors' ability to pay the administrative costs of the Chapter 11 Cases and should provide the Debtors with sufficient liquidity to operate their business without creating a "priming" or valuation dispute at the outset of the Chapter 11 Cases. *Id.* ¶ 16. The DIP Facility, therefore, should provide a path to emergence that the Debtors believe is important to reassure residents, protect operations, and maximize value for all stakeholders. *Id.*

BASIS FOR RELIEF REQUESTED

I. The Debtors Should Be Authorized to Obtain Postpetition Financing Through the DIP Loan Documents

A. Entry into the DIP Loan Documents Is an Exercise of the Debtors' Sound Business Judgment

45. The Court should authorize the Debtors, as an exercise of their sound business judgment, to enter into the DIP Loan Documents, obtain access to the DIP Facility, and continue using the Cash Collateral. Section 364 of the Bankruptcy Code authorizes a debtor to obtain secured or superpriority financing under certain circumstances discussed in detail below. Courts grant a debtor-in-possession considerable deference in acting in accordance with its business judgment in obtaining postpetition secured credit, so long as the agreement to obtain such credit does not run afoul of the provisions of, and policies underlying, the Bankruptcy Code. *See, e.g., In re Trans World Airlines, Inc.*, 163 B.R. 964, 974 (Bankr. D. Del. 1994) (approving a postpetition loan and receivables facility because such facility “reflect[ed] sound and prudent business judgment”); *In re L.A. Dodgers LLC*, 457 B.R. 308, 313 (Bankr. D. Del. 2011) (“[C]ourts will almost always defer to the business judgment of a debtor in the selection of the lender.”); *In re Ames Dep’t Stores, Inc.*, 115 B.R. 34, 40 (Bankr. S.D.N.Y. 1990) (“[C]ases consistently reflect that the court’s discretion under section 364 is to be utilized on grounds that permit reasonable business judgment to be exercised so long as the financing agreement does not contain terms that leverage the bankruptcy process and powers or its purpose is not so much to benefit the estate as it is to benefit a party in interest”).

46. To determine whether the business judgment standard is met, a court need only “examine whether a reasonable business person would make a similar decision under similar circumstances.” *In re Exide Techs.*, 340 B.R. 222, 239 (Bankr. D. Del. 2006); *see also In re Curlew Valley Assocs.*, 14 B.R. 506, 513–14 (Bankr. D. Utah 1981) (noting that courts should not second

guess a debtor's business decision when that decision involves "a business judgment made in good faith, upon a reasonable basis, and within the scope of the debtor's authority under the [Bankruptcy] Code").

47. In considering whether the terms of postpetition financing are fair and reasonable, courts consider the terms in light of the relative circumstances of both the debtor and the potential lender. *See In re Farmland Indus., Inc.*, 294 B.R. 855, 886 (Bankr. W.D. Mo. 2003) (while many of the terms favored the DIP lenders, "taken in context, and considering the relative circumstances of the parties," the court found them to be reasonable); *see also In re Elingsen McLean Oil Co., Inc.*, 65 B.R. 358, 365 n.7 (W.D. Mich. 1986) (recognizing a debtor may have to enter into "hard bargains" to acquire funds for its reorganization).

48. The Debtors' determination to move forward with the DIP Facility is a sound exercise of their business judgment following an arm's-length process and careful evaluation of available alternatives. The Debtors require significant postpetition financing to support their working capital needs and to operate smoothly in chapter 11. As discussed herein, the Debtors and their advisors determined that the DIP Facility is the only reasonable financing option available to the Debtors, and no alternative financing is available on more favorable economic terms. The Debtors and their advisors also determined that the DIP Facility provides certainty with respect to the capital necessary for the administration of these Chapter 11 Cases through emergence. The fees, rates, and other economics provided for in the DIP Facility, taken as a whole, are in the Debtors' best interests and the DIP Facility is the best and only reasonable financing option currently available to the Debtors under the circumstances. *Id.* ¶¶ 16–18. The Debtors simply do not have any actionable alternatives.

49. The Debtors negotiated the DIP Loan Documents in good faith, at arm's-length, and with the assistance of their advisors, and they have obtained the best financing available under the circumstances. After extensive negotiations with the DIP Lenders and careful consideration of the alternatives, the Debtors determined that the proposed DIP Facility was the only viable alternative as it provided immediate liquidity and avoided a costly priming fight. Accordingly, the Court should authorize the Debtors' entry into the DIP Loan Documents as a reasonable exercise of the Debtors' business judgment.

B. The Debtors Should Be Authorized to Grant Liens and Superpriority Claims to the DIP Secured Parties

50. The Debtors propose to obtain financing under the DIP Facility by providing security interests and liens as set forth in the DIP Loan Documents pursuant to section 364(c) of the Bankruptcy Code. Specifically, the Debtors propose to provide to the DIP Secured Parties postpetition security interest in and liens on the DIP Collateral and Prepetition Collateral that are valid, perfected, allowed, enforceable, non-avoidable and not subject to challenge, dispute, or subordination immediately upon entry of the Interim Order.

51. The statutory requirement for obtaining postpetition credit under section 364(c) of the Bankruptcy Code is a finding, made after notice and hearing, that a debtor is "unable to obtain unsecured credit allowable under Section 503(b)(1) of [the Bankruptcy Code]." 11 U.S.C. § 364(c); *see In re Crouse Grp., Inc.*, 71 B.R. 544, 549 (Bankr. E.D. Pa. 1987) (secured credit under section 364(c) of the Bankruptcy Code is authorized, after notice and hearing, upon showing that unsecured credit cannot be obtained). Courts have articulated a three-part test to determine whether a debtor is entitled to financing under section 364(c) of the Bankruptcy Code. Specifically, courts look to whether:

- the debtor is unable to obtain unsecured credit under section 364(b) of the Bankruptcy Code, i.e., by allowing a lender only an administrative claim;

- the credit transaction is necessary to preserve the assets of the estate; and
- the terms of the transaction are fair, reasonable, and adequate, given the circumstances of the debtor-borrower and proposed lenders.

See Ames Dep't Stores, 115 B.R. at 37–40; *see also In re St. Mary Hosp.*, 86 B.R. 393, 401–02 (Bankr. E.D. Pa. 1988); *Crouse Grp.*, 71 B.R. at 549.

52. The Debtors meet each part of this test. As described above, no lenders were willing to provide sufficient postpetition financing on a junior lien or an unsecured or administrative priority basis. *See* DIP Decl. ¶¶ 9–11. Given the Debtors' dire cash position, the lack of an alternative lender willing to provide financing on more favorable terms, the DIP Facility is reasonable under the circumstances and necessary to obtain critical financing and, by extension, maintain ordinary course operations for the benefit of all parties in interest including, especially, the Debtors' residents.

53. In the event that a debtor is unable to obtain unsecured credit allowable as an administrative expense under section 503(b)(1) of the Bankruptcy Code, section 364(c) of the Bankruptcy Code provides that a court "may authorize the obtaining of credit or the incurring of debt (a) with priority over any or all administrative expenses of the kind specified in section 503(b) or 507(b) of [the Bankruptcy Code]; (b) secured by a lien on property of the estate that is not otherwise subject to a lien; or (c) secured by a junior lien on property of the estate that is subject to a lien." As described above, the Debtors are unable to obtain unsecured credit. Therefore, approving (a) superpriority claims in favor of the DIP Lenders, (b) liens in favor of the DIP Lenders on unencumbered property of the estate, and (c) junior liens in favor of the DIP Lenders on ABL Senior Collateral is reasonable and appropriate.

54. Section 364(d) of the Bankruptcy Code provides that a debtor may obtain credit secured by a senior or equal lien on property of the estate already subject to a lien, after notice and

a hearing, where the debtor is “unable to obtain such credit otherwise” and “there is adequate protection of the interest of the holder of the lien on the property of the estate on which such senior or equal lien is proposed to be granted.” 11 U.S.C. § 364(d)(1). The Debtors may incur “priming” liens under the DIP Facility if either (a) the Prepetition Secured Parties have consented or (b) the Prepetition Secured Parties’ interest in collateral are adequately protected. *See Anchor Savs. Bank FSB v. Sky Valley, Inc.*, 99 B.R. 117, 122 (N.D. Ga. 1989) (“[B]y tacitly consenting to the superpriority lien, those [undersecured] creditors relieved the debtor of having to demonstrate that they were adequately protected.”).

55. Further, section 364(d) provides that a debtor may obtain credit secured by a senior or equal lien on property of the estate already subject to a lien where the debtor is “unable to obtain such credit otherwise” and “there is adequate protection of the interest of the holder of the lien on the property of the estate on which such senior or equal lien is proposed to be granted.” 11 U.S.C. § 364(d)(1). Accordingly, the Debtors may incur “priming” liens under the DIP Facility if they are unable to obtain unsecured or junior secured credit and either (a) the Prepetition Secured Parties have consented or (b) the Prepetition Secured Parties’ interests in collateral are adequately protected.

56. Here, the Prepetition Omega Term Loan Secured Parties and the Omega Landlords affirmatively consented to the DIP Facility and actively participated in facilitating the proposed DIP Facility. As set forth more fully herein and in the Interim Order, the Debtors propose to provide a variety of adequate protection to protect the interests of the Prepetition Omega Term Loan Secured Parties and the Omega Landlords. Therefore, the relief requested pursuant to section 364(d)(1) of the Bankruptcy Code is appropriate.

C. No Comparable Alternative to the DIP Facility Is Reasonably Available on More Favorable Overall Terms

57. A debtor need only demonstrate “by a good faith effort that credit was not available without” the protections afforded to potential lenders by sections 364(c) of the Bankruptcy Code. *In re Snowshoe Co., Inc.*, 789 F.2d 1085, 1088 (4th Cir. 1986); *see also In re Plabell Rubber Prods., Inc.*, 137 B.R. 897, 900 (Bankr. N.D. Ohio 1992). In circumstances where only a few lenders likely can or will extend the necessary credit to a debtor, “it would be unrealistic and unnecessary to require [the debtor] to conduct such an exhaustive search for financing.” *In re Sky Valley, Inc.*, 100 B.R. 107, 113 (Bankr. N.D. Ga. 1988), *aff’d sub nom. Anchor Sav. Bank FSB v. Sky Valley, Inc.*, 99 B.R. 117, 120 n.4 (N.D. Ga. 1989); *see also Snowshoe Co.*, 789 F.2d at 1088 (demonstrating that credit was unavailable absent the senior lien by establishment of unsuccessful contact with other financial institutions in the geographic area); *In re Stanley Hotel, Inc.*, 15 B.R. 660, 663 (D. Colo. 1981) (bankruptcy court’s finding that two national banks refused to grant unsecured loans was sufficient to support conclusion that section 364 requirement was met); *Ames Dep’t Stores*, 115 B.R. at 37–39 (debtor must show that it made reasonable efforts to seek other sources of financing under section 364(a) and (b)).

58. As noted above, the Debtors do not believe that any more favorable alternative DIP financing is reasonably available given the realities imposed by the Debtors’ existing capital structure and the Debtors’ solicitation of alternative financing proposals. Furthermore, as set forth in the DIP Declaration, the Debtors engaged with certain stakeholders and third parties regarding potential financing for a chapter 11 process but ultimately they did not receive any offer or combination of offers superior to the DIP Facility. DIP Decl. ¶ 10. Simply put, the DIP Facility provides the Debtors with the liquidity they need at the lowest cost available while simultaneously placing the Debtors on an optimal path for a successful restructuring. Therefore, the requirement

of section 364 of the Bankruptcy Code that alternative credit on more favorable terms be unavailable to the Debtors is satisfied.

II. The Debtors Should Be Authorized to Use Cash Collateral

59. Section 363 of the Bankruptcy Code generally governs the use of estate property. Section 363(c)(2)(A) of the Bankruptcy Code permits a debtor in possession to use cash collateral with the consent of the secured party. Here, the DIP Secured Parties and the Prepetition Secured Parties consent or are deemed to consent to the Debtors' use of the Cash Collateral, subject to the terms and limitations set forth in the Interim Order. As described above and in the DIP Declaration and the First Day Declaration, access to Cash Collateral on an interim basis is essential to the continued operation of the Debtors' businesses and smooth entry into the Chapter 11 Cases. Use of Cash Collateral is in the best interests of the Debtors' estates and all of their stakeholders, including the Prepetition Secured Parties, and should be approved.

III. Adequate Protection Provided to the Prepetition Secured Parties Is Appropriate

60. Section 363(e) of the Bankruptcy Code provides for adequate protection of interests in property when a debtor uses cash collateral. Further, section 362(d)(1) of the Bankruptcy Code provides for adequate protection of interests in property due to the imposition of the automatic stay. *See In re Cont'l Airlines*, 91 F.3d 553, 556 (3d Cir. 1996) (en banc). While section 361 of the Bankruptcy Code provides examples of forms of adequate protection, such as granting replacement liens and administrative claims, courts decide what constitutes sufficient adequate protection on a case-by-case basis. *See, e.g., In re Swedeland Dev. Grp., Inc.*, 16 F.3d 552, 564 (3d Cir. 1994) (explaining that the "determination of whether there is adequate protection is made on a case by case basis"); *In re Satcon Tech. Corp.*, 2012 WL 6091160, at *6 (Bankr. D. Del. Dec. 7, 2012) (same); *In re N.J. Affordable Homes Corp.*, 2006 WL 2128624, at *14 (Bankr. D.N.J.

June 29, 2006) (“the circumstances of the case will dictate the necessary relief to be given”); *In re Columbia Gas Sys., Inc.*, Nos. 91-803, 91-804, 1992 WL 79323, at *2 (Bankr. D. Del. Feb. 18, 1992) (“[W]hat interest is entitled to adequate protection and what constitutes adequate protection must be decided on a case-by-case basis.”); *see also In re Dynaco Corp.*, 162 B.R. 389, 394 (Bankr. D.N.H. 1993) (citing 2 Collier on Bankruptcy ¶ 361.01 [1] at 361–66 (15th ed. 1993) (explaining that adequate protection can take many forms and “must be determined based upon equitable considerations arising from the particular facts of each proceeding”)).

61. As described more fully herein, and as set forth in the Interim Order, the Debtors propose to provide the Prepetition Secured Parties with a variety of adequate protection to protect against the postpetition diminution in value of the Cash Collateral resulting from the use, sale, or lease of the Cash Collateral by the Debtors and the imposition of the automatic stay. The adequate protection package includes (a) the ABL Adequate Protection Liens, Omega Term Loan Adequate Protection Liens, and the Omega Master Lease Adequate Protection Liens, (b) the ABL Adequate Protection Superpriority Claims, the Omega Term Loan Adequate Protection Superpriority Claims, and the Omega Mater Lease Adequate Protection Superpriority Claims and (c) the ABL Adequate Protection Payments (collectively, the “Adequate Protection Package”). In light of the foregoing, the proposed Adequate Protection Package to be provided for the benefit of the Prepetition Secured Parties is appropriate. The Debtors’ provision of the liens provided for under the Adequate Protection Package is not only necessary to protect against any diminution in value but is fair and appropriate under the circumstances of these Chapter 11 Cases to ensure the Debtors are able to continue using the Cash Collateral, subject to the terms and limitations set forth in the Interim Order, for the benefit of all parties in interest and their estates.

IV. The Scope of the Carve Out Is Appropriate

62. The proposed adequate protection is subject to the Carve Out contained in the DIP Orders. Without the Carve Out, the Debtors and other parties in interest may be deprived of certain rights and powers because the services for which professionals may be paid in these Chapter 11 Cases would be restricted. *See Ames Dep't Stores*, 115 B.R. at 40 (observing that courts insist on carve outs for professionals representing parties in interest because “[a]bsent such protection, the collective rights and expectations of all parties-in-interest are sorely prejudiced”). The Carve Out does not directly or indirectly deprive the Debtors’ estates or other parties in interest of possible rights and powers. Additionally, the Carve Out protects against administrative insolvency during the course of the Chapter 11 Cases by ensuring that assets remain for the payment of the Clerk of the Court, U.S. Trustee fees, and professional fees of the Debtors and any statutory committee appointed under section 1102 of the Bankruptcy Code in these Chapter 11 Cases.

V. The Debtors Should Be Authorized to Pay the Fees Required by the DIP Lenders under the DIP Loan Documents

63. In connection with negotiating the DIP Facility, the Debtors have agreed, subject to Court approval, to incur certain fees and premiums to the DIP Lenders. In particular, as noted above, the Debtors have agreed to incur the fees consisting of the following:

- Upfront Fee: Each DIP Lender shall receive an upfront fee, payable-in-kind (i.e., by adding such fee to the aggregate principal amount of the DIP Loans) equal to 3.00% of such DIP Lender’s DIP Commitment under the DIP Facility, which shall be fully earned, non-refundable, and due and payable upon the Closing Date.
- Exit Fee: Each DIP Lender shall receive a payable-in-cash exit fee (the “Exit Fee”) equal to 3.00% of such DIP Lender’s initial DIP Commitment, which shall be fully earned and non-refundable on the Closing Date, and payable on the DIP Termination Date; provided, however, if the DIP Termination Date has occurred solely as a result of the occurrence and continuation of an Event of Default under the DIP Loan Documents, then the Exit Fee shall not be payable until the DIP Facility Obligations have been accelerated by the DIP Lenders.

64. As set forth in the DIP Declaration, the interest and fees to be incurred under the DIP Facility are consistent with the market and appropriate, particularly in light of the circumstances of these Chapter 11 Cases and the marketing process undertaken, and represent the only viable option presently available to the Debtors. *See* DIP Decl. ¶¶ 10–13. The fees and rates to be paid under the proposed DIP Facility (a) were the subject of arm’s-length negotiation between the Debtors and the DIP Lenders, and (b) are an integral component of the overall terms of the proposed DIP Facility. *Id.* ¶ 13. The Debtors considered the fees described above when determining in their sound business judgment that the DIP Facility is reasonable and constitutes the best terms on which the Debtors can obtain the postpetition financing necessary to continue their operations, prosecute their cases, and benefit the Debtors’ estates. Accordingly, the Court should authorize the Debtors to pay the interest and fees provided under the DIP Loan Documents in connection with the DIP Facility.

VI. The DIP Secured Parties Should Be Afforded Good-Faith Protection under Section 364(e) of the Bankruptcy Code

65. Section 364(e) of the Bankruptcy Code protects a good-faith lender’s right to collect on loans extended to a debtor, and its right in any lien securing those loans, even if the authority of the debtor to obtain such loans or grant such liens is later reversed or modified on appeal. Section 364(e) of the Bankruptcy Code provides that:

The reversal or modification on appeal of an authorization under this section [364 of the Bankruptcy Code] to obtain credit or incur debt, or of a grant under this section of a priority or a lien, does not affect the validity of any debt so incurred, or any priority or lien so granted, to an entity that extended such credit in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and the incurring of such debt, or the granting of such priority or lien, were stayed pending appeal.

66. As explained herein, the DIP Loan Documents are the result of: (a) the Debtors’ reasonable and informed determination that the DIP Secured Parties provided the best postpetition

financing alternative available under the circumstances and (b) extended arm's-length, good-faith negotiations between the Debtors and the DIP Secured Parties. The terms and conditions of the DIP Loan Documents are reasonable under the circumstances, and the proceeds of the DIP Facility will be used only for purposes that are permissible under the Bankruptcy Code. Further, the Debtors market-tested the terms of the DIP Facility before determining that the DIP Facility provided the best terms available. Accordingly, the Court should find that the DIP Secured Parties are "good faith" lenders within the meaning of section 364(e) of the Bankruptcy Code and are entitled to all of the protections afforded by that section.

VII. The Automatic Stay Should Be Modified on a Limited Basis

67. The proposed Interim Order provides that the automatic stay provisions of section 362 of the Bankruptcy Code will be modified to allow the DIP Agents to file any financing statements, security agreements, notices of liens, and other similar instruments and documents to validate and perfect the liens and security interests granted to them under the Interim Order. The proposed Interim Order further provides that the automatic stay is modified as necessary to permit the Debtors to grant liens to the DIP Secured Parties and the Prepetition Secured Parties and to incur all liabilities and obligations set forth in the Interim Order. The automatic stay should be modified to allow the Debtors and the DIP Secured Parties to effectuate the terms of the Interim Order.

VIII. Failure to Obtain Immediate Interim Access to the DIP Facility and Cash Collateral Would Cause Immediate and Irreparable Harm

68. Bankruptcy Rules 4001(b) and 4001(c) provide that a final hearing on a motion to obtain credit pursuant to section 364 of the Bankruptcy Code may not be commenced earlier than 14 days after the service of such motion. Upon request, however, the Court may conduct a

preliminary, expedited hearing on the motion and authorize the obtaining of credit to the extent necessary to avoid immediate and irreparable harm to a debtor's estate.

69. The Debtors request that the Court hold and conduct a hearing to consider entry of the Interim Order authorizing the Debtors, from and after entry of the Interim Order until the Final Hearing, to withdraw and borrow funds under the DIP Facility to the extent permitted in the Interim Order. The Debtors require access to the DIP Facility prior to the Final Hearing and entry of the Final Order to continue operating in the ordinary course by paying their administrative expenses and implementing the relief requested in the Debtors' other "first day" motions. This and such other relief is necessary for the Debtors to avoid immediate and irreparable harm to the Debtors' estates and to preserve and maximize value for the benefit of all parties in interest.

IX. Cause Exists to Authorize the Debtors' Financial Institutions to Honor Checks and Electronic Fund Transfers

70. The Debtors also request that all applicable banks and other financial institutions be authorized to receive, process, honor, and pay all checks presented for payment, and to honor all electronic payment requests made by the Debtors, related to the obligations described herein, whether such checks were presented or electronic requests were submitted prior to or after the Petition Date. The Debtors further request that all such banks and financial institutions be authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved pursuant to the Motion. The Debtors represent that they have sufficient availability of funds to pay any amounts described herein.

EMERGENCY CONSIDERATION

71. The Debtors respectfully request emergency consideration of this Motion pursuant to Bankruptcy Rule 6003, which empowers a court to grant relief within the first 21 days after the commencement of a chapter 11 case "to the extent that relief is necessary to avoid immediate and

irreparable harm.” Fed. R. Bankr. P. 6003. Here, the Debtors believe an immediate and orderly transition into chapter 11 is critical to the viability of their operations and that any delay in granting the relief requested could hinder the Debtors’ operations and cause irreparable harm. Furthermore, the failure to receive the requested relief during the first 21 days of these Chapter 11 Cases would severely disrupt the Debtors’ operations at this critical juncture. Accordingly, the Debtors submit that it has satisfied the “immediate and irreparable harm” standard of Bankruptcy Rule 6003 and, therefore, respectfully request that the Court approve the relief requested in this Motion on an emergency basis.

WAIVER OF ANY APPLICABLE STAY

72. The Debtors seek a waiver of any stay of the effectiveness of the order granting this Motion. Pursuant to Bankruptcy Rule 6004(h), any “order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” The Debtors submit that the relief requested in this Motion is necessary to avoid immediate and irreparable harm to the Debtors for the reasons set forth herein. Accordingly, the Debtors submit that ample cause exists to justify a waiver of the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent applicable.

RESERVATION OF RIGHTS

73. Nothing in the Motion should be construed as (a) authority to assume or reject any executory contract or unexpired lease of real property, or as a request for the same; (b) an admission as to the validity, priority, or character of any claim or other asserted right or obligation, or a waiver or other limitation on the Debtors’ ability to contest the same on any ground permitted by bankruptcy or applicable non-bankruptcy law; (c) a promise or requirement to pay any claim

or other obligation; or (d) granting third-party-beneficiary status, bestowing any additional rights on any third party, or being otherwise enforceable by any third party.

NOTICE

74. The Debtors will provide notice of the Motion to: (a) the U.S. Trustee for Region 21; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) counsel to the Prepetition ABL Agent; (d) counsel to the Omega Term Loan Agent, (e) counsel to the Omega Landlords; (f) counsel to the Welltower Landlord; (g) the United States Department of Housing and Urban Development, (h) the United States Attorney's Office for the Northern District of Georgia; (i) the Internal Revenue Service; (j) the United States Securities and Exchange Commission; (k) the state attorneys general for states in which the Debtors conduct business; (l) the Attorney General for the State of Georgia; (m) the Georgia Department of Revenue, and (n) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that no other or further notice is required.

NO PRIOR REQUEST

75. No previous request for the relief sought herein has been made to this or any other court.

[Remainder of Page Intentionally Left Blank]

WHEREFORE, the Debtors respectfully request that the Court enter the Interim and Final Orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B**, respectively, granting the relief requested herein and such other and further relief as may be just and proper.

Dated: Atlanta, Georgia
June 2, 2024

MCDERMOTT WILL & EMERY LLP

/s/ Daniel M. Simon

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*Proposed Counsel for the Debtors and
Debtors-in-Possession*

CERTIFICATE OF SERVICE

I hereby certify that on this date a true and correct copy of the foregoing Motion was served by the Court's CM/ECF system on all counsel of record registered in these Chapter 11 Cases through CM/ECF. Subject to the Court's approval of their retention and access to filing privileges, the Debtors' proposed claims and noticing agent, Kurtzman Carson Consultants LLC, will be filing a supplemental certificate of service on the docket to reflect any additional service of the foregoing Motion.

Dated: Atlanta, Georgia
June 2, 2024

MCDERMOTT WILL & EMERY LLP

/s/ Daniel M. Simon

Daniel M. Simon (Georgia Bar No. 690075)

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*Proposed Counsel for the Debtors and
Debtors-in-Possession*

EXHIBIT A

Proposed Interim Order

IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

)	
In re:)	Chapter 11
)	
LAVIE CARE CENTERS, LLC, <i>et al.</i> ¹)	Case No. 24-55507 (PMB)
)	
Debtors.)	(Jointly Administered)
)	
)	Related to Docket No. __

**INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO (A) OBTAIN
POSTPETITION FINANCING AND (B) UTILIZE CASH COLLATERAL,
(II) GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED
PARTIES, (III) MODIFYING THE AUTOMATIC STAY, (IV) SCHEDULING
A FINAL HEARING, AND (V) GRANTING RELATED RELIEF**

Upon the motion (the “DIP Motion”)² of LaVie Care Centers, LLC (“LaVie”) and its

¹ The last four digits of LaVie Care Centers, LLC’s federal tax identification number are 5592. There are 282 Debtors in these chapter 11 cases, for which the Debtors have requested joint administration. A complete list of the Debtors and the last four digits of their federal tax identification numbers are not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://www.kccllc.net/LaVie>. The location of LaVie Care Centers, LLC’s corporate headquarters and the Debtors’ service address is 1040 Crown Pointe Parkway, Suite 600, Atlanta, GA 30338.

² Capitalized terms used herein and not herein defined have the meaning ascribed to such terms in the DIP Motion or the DIP Term Sheet (as defined herein).

affiliated debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases,” and any such successor cases, collectively, the “Successor Cases”) for entry of an interim order (this “Interim Order”) and a final order (“Final Order”), under sections 105, 361, 362, 363, 364, 503, 506, and 507 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2002, 4001, 6003, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rules 7007-1, 9013-1, 9013-4, and 9014-2 of the Local Bankruptcy Rules (the “Local Rules”) for the United States Bankruptcy Court for the Northern District of Georgia, and the Procedures for Complex Chapter 11 Bankruptcy Cases (the “Complex Case Procedures”) seeking, *inter alia*:

(i) authorizing the Debtors to obtain postpetition financing on a secured junior basis, consisting of a new money term loan facility (the “DIP Facility,” and the loans issued thereunder, the “DIP Loans”) in an aggregate principal amount of up to \$20,000,000 pursuant to the terms and conditions set forth in this Interim Order and that certain term sheet annexed hereto as **Exhibit 1** (as may be amended, restated, supplemented, waived, or otherwise modified from time to time in accordance with the terms hereof and thereof, the “DIP Term Sheet”), executed by LaVie, as borrower (the “DIP Borrower”), and those certain Debtors identified as guarantors in the DIP Term Sheet (the “DIP Guarantors” and, together with the DIP Borrower, the “DIP Loan Parties”), OHI DIP Lender, LLC, as lender under the DIP Facility (in such capacity, the “OHI DIP Lender”) and , upon execution of the DIP Credit Agreement, administrative agent (in such capacity, the “DIP Administrative Agent”), TIX 33433 LLC as a DIP Lender (the “TIX DIP Lender”) and together with OHI DIP Lender, the “DIP Lenders”) and upon execution of the DIP Credit Agreement collateral agent (in such capacity, the “DIP Collateral Agent” and, together with the DIP Administrative Agent, the “DIP Agents” and, each of the DIP Agents together with

the DIP Lenders, the “DIP Secured Parties”);

(ii) authorizing the Debtors to enter into the DIP Term Sheet and, subject to a final order, that certain loan agreement by and among the DIP Borrower, the DIP Guarantors, the DIP Lenders, and the DIP Agents (the “DIP Credit Agreement”) and that certain promissory note evidencing the obligations due and owing under the DIP Credit Agreement (the “DIP Note”) and any other agreements, instruments, pledge agreements, guarantees, indemnities, security agreements, intellectual property security agreements, control agreements, escrow agreements, instruments, notes, and documents executed in accordance and connection therewith (each as amended, restated, supplemented, waived, or otherwise modified from time to time in accordance with the terms hereof and thereof, and collectively with the DIP Term Sheet, the DIP Credit Agreement, and the DIP Note, the “DIP Loan Documents”);

(iii) authorizing the DIP Borrowers to incur, and for the DIP Guarantors to guarantee on an unconditional joint and several basis, obligations for principal, interest, fees, costs, expenses, obligations (whether contingent or otherwise), and all other amounts, as and when due and payable under and in accordance with this Interim Order, the DIP Term Sheet, and the DIP Loan Documents (collectively, the “DIP Facility Obligations”);

(iv) authorizing the DIP Loan Parties to perform such other and further acts as may be necessary or desirable in connection with this Interim Order, the DIP Term Sheet, the DIP Loan Documents, and the transactions contemplated hereby and thereby;

(v) granting each of the OHI DIP Lender and the TIX DIP Lender, jointly and severally, and authorizing the DIP Loan Parties to incur, the DIP Liens (as defined below), as applicable, in all DIP Collateral (as defined below) having the priority described in this Interim Order;

(vi) granting each of the OHI DIP Lender and the TIX DIP Lender, jointly and severally, and authorizing the DIP Loan Parties to incur, allowed superpriority administrative expense claims against each of the DIP Loan Parties in respect of all DIP Facility Obligations, in each case, in accordance with the terms of this Interim Order;

(vii) authorizing the DIP Loan Parties' use of Prepetition Collateral (as defined below), including Cash Collateral (as defined below), as well as the proceeds of the DIP Facility, subject to the terms and conditions set forth in this Interim Order and the DIP Loan Documents;

(viii) providing adequate protection to the Prepetition Secured Parties (as defined below) on account of any Diminution in Value (as defined below) of the Prepetition Secured Parties' interest in the Prepetition Collateral;

(ix) modifying the automatic stay imposed by section 362 of the Bankruptcy Code solely to the extent necessary to implement and effectuate, including the right to exercise remedies following an Event of Default (as defined below) and expiration of any applicable notice period, the terms and provisions of this Interim Order and the DIP Loan Documents, waiving any applicable stay (including under Bankruptcy Rule 6004) with respect to the effectiveness and enforceability of this Interim Order, and providing for the immediate effectiveness of this Interim Order;

(x) upon entry of a Final Order providing for such relief and as set forth in paragraphs 24 and 26 herein, authorizing the Debtors to waive as to the DIP Lenders and Prepetition Secured Parties (a) any rights to surcharge the DIP Collateral or any Prepetition Collateral (as defined herein) pursuant to section 506(c) of the Bankruptcy Code, and (b) any "equities of the case" exception under section 552(b) of the Bankruptcy Code;

(xi) upon entry of a Final Order providing for such relief, waiving the equitable doctrine of “marshaling” and other similar doctrines with respect to (a) the DIP Collateral, for the benefit of any party other than the DIP Secured Parties, and (b) the Prepetition Collateral, for the benefit of any party other than the Prepetition Secured Parties (as defined herein), subject to the Carve Out (as defined below); and

(xii) scheduling a final hearing (the “Final Hearing”) to consider entry of the Final Order, and approving the form of notice with respect to the Final Hearing.

This Court having considered the DIP Motion, the DIP Term Sheet, the proposed Interim Order, the *Declaration of Michael Krakovsky in Support of Debtors’ Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* (the “DIP Declaration”) and the *Declaration of M. Benjamin Jones in Support of Chapter 11 Petitions and First Day Pleadings* (the “First Day Declaration”), the pleadings filed with this Court, the evidence submitted and arguments proffered or adduced at the hearing held before this Court on June [•], 2024 (the “Interim Hearing”), and upon the record of these Chapter 11 Cases; and adequate notice of the Interim Hearing having been given in accordance with Bankruptcy Rules 2002, 4001 and 9014; and it appearing that no other or further notice need be provided; and any objections, responses and reservations of rights with respect to the entry of the Interim Order or the relief requested in the DIP Motion having been withdrawn, resolved, or overruled by this Court; and it appearing to this Court that granting the interim relief requested in the DIP Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates pending the Final Hearing, and otherwise is fair and reasonable and in the best

interests of the Debtors, their estates, and their creditors, represents a sound exercise of the Debtors' business judgment, and is necessary for the continued operation of the Debtors' businesses; and after due deliberation and consideration, and for good and sufficient cause appearing therefor:

THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:³

A. **Petition Date.** On June 2, 2024 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Georgia (this "Court") commencing these Chapter 11 Cases. On June [•], 2024, this Court entered an order approving the joint administration of the Chapter 11 Cases for procedural purposes only.

B. **Debtors-in-Possession.** The Debtors continue in possession of and to manage and operate their businesses and properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in any of these Chapter 11 Cases.

C. **Committee Formation.** As of the date hereof, the United States Trustee for Region 21 (the "U.S. Trustee") has not appointed an official committee of unsecured creditors in these Chapter 11 Cases (the "Official Committee").

D. **Jurisdiction and Venue.** This Court has jurisdiction over the Debtors, property of the Debtors' estates, the Chapter 11 Cases, the DIP Motion, and the parties and property

³ The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that 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.

affected hereby pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue for these Chapter 11 Cases and the proceedings on the DIP Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The predicates for the relief set forth herein are sections 105, 361, 362, 363, 364, and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6004, and 9014, and Local Rules 7007-1, 9013-1, 9013-4, and 9014-2.

E. **Debtors' Stipulations.** Subject to the limitations thereon contained in paragraph 23 hereof, the Debtors, on behalf of their estates, admit, stipulate, acknowledge, and agree having considered and reviewed the facts and circumstances and record, that the following statements are true and correct:

(i) ***Prepetition ABL Credit Agreement.***

(a) LV CHC Holdings I, LLC, and certain of its affiliates designated therein as borrowers (such borrowers, collectively, the "Prepetition ABL Borrowers" or the "Prepetition ABL Obligors"), MidCap Funding IV Trust and the other financial institutions party thereto from time to time as lenders (the "Prepetition ABL Lenders"), MidCap Funding IV Trust, as agent for the Prepetition ABL Lenders (in such capacity, the "Prepetition ABL Agent," and together with the Prepetition ABL Lenders, the "Prepetition ABL Secured Parties"), entered into that certain Second Amended and Restated Credit and Security Agreement, dated as of March 25, 2022 (as otherwise amended, supplemented, or otherwise modified from time to time, the "Prepetition ABL Credit Agreement," and together with any other documents executed and delivered in connection therewith, the "Prepetition ABL Documents").

(b) As of the Petition Date, the Prepetition ABL Obligors were justly and lawfully indebted and liable to the Prepetition ABL Secured Parties, without defense, counterclaim or offset of any kind, in the aggregate principal amount of not less than

\$33,042,676.16, *plus* accrued and unpaid interest (including default interest) thereon and reimbursement obligations, fees, costs, and expenses (including, without limitation, any attorneys', accountants', appraisers' financial advisors' fees, and related costs and expenses, in each case, solely to the extent that they are chargeable or reimbursable under the Prepetition ABL Documents), charges, disbursements, indemnification obligations, and any other amounts, contingent or otherwise, whenever arising or accruing, that may be due, owing, or chargeable in respect thereof, and all other Obligations (as defined in the Prepetition ABL Agreement) incurred or accrued in connection therewith (whether arising before, on, or after the Petition Date), owing, in each case under or in connection with the Prepetition ABL Documents without defense, counterclaim, or offset of any kind (collectively, the "Prepetition ABL Obligations").

(c) The Prepetition ABL Obligations are secured by valid, binding, perfected, and enforceable first priority security interests in and liens on all "Collateral" (as defined in the Prepetition ABL Documents) (such collateral, the "ABL Senior Collateral" and such security interests in and liens on the ABL Senior Collateral, the "Prepetition ABL Liens").

(ii) ***Prepetition Omega Term Loan Credit Agreement.***

(a) LaVie Care Centers, LLC, and certain of its affiliates designated therein, as borrowers (such borrowers, collectively, the "Prepetition Omega Term Loan Borrowers"), certain other parties designated as guarantors thereto (such guarantors collectively, the "Prepetition Omega Term Loan Guarantors" and, together with the Prepetition Omega Term Loan Borrowers, the "Prepetition Omega Term Loan Obligors"), OHI Mezz Lender, LLC and the other financial institutions party thereto from time to time as lenders (the "Prepetition Omega Term Loan Lenders"), and OHI Mezz Lender, LLC, as administrative agent for the Prepetition Term Loan Lenders (in such capacity, the "Prepetition Omega Term Loan Agent," and together with the

Prepetition Term Loan Lenders, the “Prepetition Omega Term Loan Secured Parties”) entered into that certain Credit and Security Agreement, dated as of March 25, 2022 (as otherwise amended, supplemented, or otherwise modified from time to time, the “Prepetition Omega Term Loan Credit Agreement,” and together with any other documents executed and delivered in connection therewith, the “Prepetition Omega Term Loan Documents”).

(b) As of the Petition Date, the Prepetition Omega Term Loan Obligors were justly and lawfully indebted and liable to the Prepetition Omega Term Loan Secured Parties, without defense, counterclaim or offset of any kind in the aggregate principal amount of at least \$26,952,146.54, *plus* accrued and unpaid interest thereon and fees, expenses (including any attorneys’, accountants’, appraisers’ and financial advisors’ fees, in each case, solely to the extent that they are chargeable or reimbursable under the Prepetition Omega Term Loan Documents), charges, indemnities and all other Obligations (as defined in the Prepetition Omega Term Loan Credit Agreement) incurred or accrued in connection therewith (whether arising before, on, or after the Petition Date), owing in each case under or in connection with the Prepetition Omega Term Loan Documents without defense, counterclaim, or offset of any kind (collectively, the “Prepetition Omega Term Loan Obligations”), which Prepetition Omega Term Loan Obligations have been guaranteed on a joint and several basis by the Prepetition Omega Term Loan Guarantors.

(c) The Prepetition Omega Term Loan Obligations are secured by second priority security interests in and liens on property of the Prepetition Omega Term Loan Obligors constituting ABL Senior Collateral and first priority security interests in and liens on any other property of the Prepetition Omega Term Loan Obligors as set forth in the Prepetition Omega Term Loan Documents (such collateral, the “Prepetition Omega Term Loan Collateral” and such security interests in and liens on the Prepetition Omega Term Loan Collateral, the “Prepetition

Omega Term Loan Liens”).

(iii) ***Prepetition Omega Master Lease Agreement.***

(a) Alpha Health Care Properties, LLC (the “Omega Master Tenant”) entered into that certain Amended and Restated Consolidated Master Lease, dated as of March 25, 2022 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the “Omega Master Lease Agreement” and, together with all other agreements, documents, and instruments executed and/or delivered with, to or in favor of the Omega Landlords (as defined therein) including, without limitation, all security agreements, notes, guarantees, including the Omega Master Lease Guaranty (as defined below), mortgages, Uniform Commercial Code financing statements, documents, and instruments, including any fee letters, executed and/or delivered in connection therewith or related thereto, the “Omega Master Lease Documents” and together with the Prepetition Omega Term Loan Documents and the Prepetition ABL Documents, the “Prepetition Secured Documents”) by and among the Omega Master Tenant and the Omega Landlords (the “Omega Landlords” and, together with the Prepetition Omega Term Loan Secured Parties, the “Prepetition Omega Secured Parties” and, the Prepetition Omega Secured Parties together with the Prepetition ABL Secured Parties, the “Prepetition Secured Parties”). The Omega Master Tenant has subleased the facilities leased to the Omega Master Tenant under the Omega Master Lease Agreement to certain operators set forth therein (the “Existing Operators”).

(b) Certain of the Debtors, the Existing Operators and other parties (each an “Omega Master Lease Guarantor” and, collectively with the Omega Master Tenant, the “Omega Master Lease Obligors,” and, together with the Prepetition Omega Term Loan Obligors, the “Prepetition Omega Obligors” and, the Prepetition Omega Obligors together with

the Prepetition ABL Obligors, the “Prepetition Obligors”) have entered into that certain Lease Guaranty, dated as of February 10, 2017 with the Omega Landlords (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, in respect of the Omega Master Lease Agreement, the “Omega Master Lease Guaranty”).

(c) As of the Petition Date, the Omega Master Lease Obligors were justly and lawfully indebted and liable to the Omega Landlords, without defense, counterclaim or offset of any kind in the aggregate principal amount of at least \$32,617,019.44 unpaid Rent (as defined in the Omega Master Lease Agreement), plus accrued and unpaid interest thereon and fees, expenses (including any attorneys’, accountants’, appraisers’ and financial advisors’ fees, in each case, solely to the extent that they are chargeable or reimbursable under the Omega Master Lease Documents), charges, indemnities and all other Obligations (as defined in the Omega Master Lease) incurred or accrued in connection therewith (whether arising before, on, or after the Petition Date) owing, in each case under or in connection with the Omega Master Lease Documents without defense, counterclaim, or offset of any kind (collectively, the “Omega Master Lease Obligations” and, together with the Prepetition Omega Term Loan Obligations, the “Prepetition Omega Secured Obligations” and, the Prepetition Omega Secured Obligations together with the Prepetition ABL Obligations, the “Prepetition Secured Obligations”), which Omega Master Lease Obligations have been guaranteed on a joint and several basis by the Omega Master Lease Guarantors.

(d) The Omega Master Lease Obligations are secured by second priority security interests in and liens on property of the Omega Master Lease Obligors constituting ABL Senior Collateral and first priority security interests in and liens on any other property of the Omega Master Lease Obligors as set forth in the Omega Master Lease Documents (the “Omega Landlord Collateral,” and together with the Prepetition Omega Term Loan Collateral,

the “Prepetition Omega Collateral” and, the Prepetition Omega Collateral together with the ABL Senior Collateral, the “Prepetition Collateral”; and such liens on and security interests in the Omega Landlord Collateral, the “Omega Landlord Liens,” and together with the Prepetition Omega Term Loan Liens, the “Prepetition Omega Liens” and, the Prepetition Omega Liens with the Prepetition ABL Liens, the “Prepetition Liens”).

(e) The Omega Master Lease Agreement constitutes one indivisible and non-severable executory contract under section 365 of the Bankruptcy Code. The Prepetition Omega Term Loan Facility was entered into in connection with the Omega Master Lease Agreement, is an integral component of the transactions contemplated thereunder, and the Omega Master Lease Agreement and the Prepetition Omega Term Loan Facility represent a single integrated transaction.

(iv) ***Intercreditor Agreements.*** As of the Petition Date the Prepetition ABL Agent was party to (A) that certain Intercreditor Agreement dated as of March 25, 2022, by and among the Prepetition ABL Agent, in its capacity as revolving agent for itself and the Prepetition ABL Lenders, and the Prepetition Omega Term Loan Agent, in its capacity as administrative agent for itself and the Prepetition Omega Term Loan Lenders (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the “Prepetition ABL-TL Intercreditor Agreement”), which governs, among other things, the rights, interests obligations, priority, and positions of the Prepetition ABL Secured Parties and the Prepetition Omega Term Loan Secured Parties with respect to collateral on which both the Prepetition ABL Secured Parties and the Prepetition Omega Term Loan Secured Parties hold liens; and (B) that certain Seventh Amended and Restated Intercreditor Agreement dated as of April 1, 2024, by and among the Prepetition ABL Agent in its capacity as revolving agent for itself and the Prepetition ABL Lenders

and the Omega Landlords (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the “Prepetition ABL-ML Intercreditor Agreement”), which governs, among other things, the rights, interests obligations, priority, and positions of the Prepetition ABL Secured Parties and the Omega Landlords with respect to collateral on which both the Prepetition ABL Secured Parties and the Omega Landlords hold liens.

(v) ***Prepetition Secured Obligations.*** As of the Petition Date, the Prepetition Secured Obligations owing to the Prepetition Secured Parties constitute legal, valid, and binding obligations of the Debtors and their applicable affiliates, enforceable against them in accordance with their respective terms (other than in respect of the stay of enforcement arising from section 362 of the Bankruptcy Code); and no portion of the Prepetition Secured Obligations owing to, or any transfers made to any or all of the Prepetition Secured Parties is subject to avoidance, recharacterization, reduction, set-off, offset, counterclaim, cross-claim, recoupment, defenses, disallowance, impairment, recovery, subordination (whether equitable or otherwise), or any other legal or equitable challenges pursuant to the Bankruptcy Code or applicable non-bankruptcy law or regulation by any person or entity.

(vi) ***Prepetition Liens.*** The Prepetition Liens granted to the Prepetition Secured Parties respectively constitute legal, valid, binding, enforceable (other than in respect of the stay of enforcement arising from section 362 of the Bankruptcy Code), non-avoidable, and properly perfected liens on and security interests in the Prepetition Collateral and were granted to, or for the benefit of, the applicable Prepetition Secured Parties for fair consideration and reasonably equivalent value, and are not subject to defense, counterclaim, recharacterization, subordination (equitable or otherwise), avoidance, or recovery pursuant to the Bankruptcy Code or applicable non-bankruptcy law or equity or regulation by any person or entity, including in any Successor

Cases.

(vii) *No Challenges/Claims.* No offsets, challenges, objections, defenses, claims or counterclaims of any kind or nature to any of the Prepetition Liens or Prepetition Secured Obligations exist, no facts or occurrence supporting or giving rise to any offset, challenge, objection, defense, claim or counterclaim of any kind or nature to any of the Prepetition Liens or Prepetition Secured Obligations exist, and no portion of the Prepetition Liens or Prepetition Secured Obligations are subject to any challenge or defense including, without limitation, avoidance, disallowance, disgorgement, recharacterization, or subordination (equitable or otherwise) pursuant to the Bankruptcy Code or applicable non-bankruptcy law or equity. The Debtors and their estates have no valid Claims (as such term is defined in section 101(5) of the Bankruptcy Code), objections, challenges, causes of action, and/or choses in action, including “lender liability” causes of action, derivative claims, or basis for any equitable relief against any of the Prepetition Secured Parties or DIP Lenders or any of their respective predecessors, affiliates, agents, attorneys, advisors, professionals, officers, directors, and employees with respect to the Prepetition ABL Documents, the Prepetition Omega Term Loan Documents, the Omega Master Lease Documents, the Prepetition Secured Obligations, the Prepetition Liens, the DIP Loan Documents, the DIP Liens, or otherwise, whether arising at law or at equity, including, without limitation, any challenge, recharacterization, subordination, avoidance, recovery, disallowance, reduction, or other Claims arising under or pursuant to sections 105, 502, 510, 541, 542 through 553, inclusive, or 558 of the Bankruptcy Code or applicable non-bankruptcy law equivalents. The Prepetition Secured Obligations constitute allowed, secured claims within the meaning of sections 502 and 506 of the Bankruptcy Code. The Debtors waive, discharge, and release any right to challenge any of the Prepetition Secured Obligations, including the amount, allowance,

character and priority of the Debtors' Obligations thereunder and the validity, binding, legal, enforceability, allowance, amount, characterization, extent and priority as to the Prepetition Secured Liens.

(viii) **Indemnity.** The DIP Agents, the DIP Lenders, and the Prepetition Secured Parties have acted in good faith, and without negligence or violation of public policy or law, in respect of all actions taken by them in connection with or related in any way to negotiating, implementing, documenting, or obtaining the requisite approvals of the DIP Facility and the use of Cash Collateral, including in respect of the granting of the DIP Liens and the Adequate Protection Liens (as defined below), the DIP Superpriority Claims (as defined below), and the Adequate Protection Superpriority Claims (as defined below), and all documents related to any and all transactions contemplated by the foregoing. Accordingly, the Prepetition Secured Parties, the DIP Agents, and the DIP Lenders shall be and hereby are indemnified and held harmless by the Debtors, joint and severally, in respect of any Claim or liability incurred in respect thereof or in any way related thereto, provided that no such party will be indemnified for any loss, cost, expense, or liability to the extent determined in a final, non-appealable judgment of a court of competent jurisdiction to have resulted primarily from any such party's gross negligence or willful misconduct. No exception or defense exists in contract, law, or equity as to any obligation set forth in this paragraph, in the Prepetition ABL Documents, the Prepetition Omega Term Loan Documents, the Omega Master Lease Documents, or in the DIP Loan Documents, to the Debtors' obligation to indemnify and/or hold harmless the Prepetition Secured Parties, the DIP Agents, or the DIP Lenders, as the case may be.

(ix) **Releases.** Effective as of the date of entry of this Interim Order, as to the Debtors only, subject solely to the rights and limitations set forth in paragraphs 23 herein, each of

the Debtors and the Debtors' estates, on its and their own behalf, on behalf of its and their respective past, present and future predecessors, heirs, successors, subsidiaries, and assigns, hereby absolutely, unconditionally and irrevocably releases and forever discharges and acquits OHI DIP Lender, LLC in its capacities as DIP Lender and DIP Administrative Agent, the Prepetition Omega Secured Parties, the Prepetition ABL Secured Parties, and each of their respective Representatives (as defined herein) (collectively, the "Released Parties"), from any and all (a) obligations and liabilities to the Debtors (and their successors and assigns), and (b) claims, counterclaims, demands, defenses, offsets, debts, accounts, contracts, liabilities, actions and causes of action arising prior to the date of this Interim Order of any kind, nature or description, whether matured or unmatured, known or unknown, asserted or unasserted, foreseen or unforeseen, accrued or unaccrued, suspected or unsuspected, liquidated or unliquidated, pending or threatened, arising in law or equity, upon contract or tort or under any state or federal law or otherwise, in each case arising out of or related to (as applicable) the Prepetition Omega Term Loan Documents, the Prepetition ABL Documents, the Omega Master Lease Documents, the DIP Loan Documents, and the obligations owing and financial obligations made thereunder, the negotiation thereof and of the transactions and agreements reflected thereby, and the obligations and financial obligations made thereunder, in each case that the Debtors at any time had, now have or may have, or that their predecessors, successors or assigns at any time had or hereafter can or may have against any of the Released Parties for or by reason of any act, omission, matter, cause or thing whatsoever arising at any time on or prior to the date of this Interim Order. For the avoidance of doubt, nothing in this release shall relieve the DIP Lenders or the Debtors of the Prepetition Secured Obligations or their obligations under the DIP Loan Documents or from and after the date of this Interim Order.

(x) ***Sale and Credit Bidding.*** The Debtors and the Prepetition Obligors admit, stipulate, acknowledge, and agree that any one or more of the DIP Lenders, the DIP Agents, or the Prepetition Secured Parties, shall have the right to credit bid the entirety of (or any portion of) the Prepetition Secured Obligations and/or the DIP Facility Obligations, as applicable, secured by their respective Prepetition Liens.

(xi) ***Cash Collateral.*** Any and all of the DIP Loan Parties' cash and other amounts on deposit or maintained in any account or accounts by the Debtors, whether existing as of the Petition Date or thereafter, wherever located, including any amounts generated by the collection of accounts receivable or other disposition of the Prepetition Collateral existing as of the Petition Date, constitutes or will constitute "cash collateral" within the meaning of section 363(a) of the Bankruptcy Code (the "Cash Collateral").

(xii) ***Bank Accounts.*** The Debtors acknowledge and agree that as of the Petition Date, none of the Debtors has either opened or maintains any bank accounts other than the accounts listed in the exhibit attached to any order authorizing the Debtors to continue to use the Debtors' existing cash management system.

F. **Findings Regarding Corporate Authority.** Subject to entry of this Interim Order, each DIP Loan Party has all requisite power and authority to execute and deliver the DIP Loan Documents to which it is a party and to perform its obligations thereunder.

G. **Findings Regarding Postpetition Financing and Use of Cash Collateral.**

(i) ***Good Cause.*** Good and sufficient cause has been shown for the entry of this Interim Order and for authorization of the Debtors to obtain financing pursuant to the DIP Facility and the DIP Loan Documents, and to use Cash Collateral as set forth herein and consistent with the Approved DIP Budget (as defined below), subject to Permitted Variances

(as defined in the DIP Term Sheet).

(ii) ***Immediate Need for Postpetition Financing and Use of Cash Collateral.***

The Debtors' need to use the Prepetition Collateral (including Cash Collateral) and to obtain credit pursuant to the DIP Facility as provided for herein is immediate and critical to avoid serious and irreparable harm to the Debtors, their estates, their creditors, and other parties in interest. The Debtors have an immediate need to obtain the DIP Loans and other financial accommodations and to continue to use the Prepetition Collateral (including Cash Collateral) in order to, among other things: (a) permit the orderly continuation of the operation of their businesses; (b) maintain the health, safety, and well-being of their residents; (c) maintain, amend, renew, or modify insurance policies in the ordinary course of business; (d) maintain business relationships with customers, vendors, and suppliers, including purchasing necessary materials and services to maintain compliance with all applicable regulatory and safety requirements; (e) make payroll; (f) satisfy other working capital, capital improvement, and operational needs; (g) make postpetition payments arising under the Omega Master Lease Agreement; (h) pay professional fees, expenses, and obligations; (i) pay costs, fees, and expenses associated with or payable under the DIP Facility, subject to the terms of this Interim Order and the DIP Loan Documents; and (j) make adequate protection payments as set forth herein. The Debtors' use of Cash Collateral alone would be insufficient to meet the Debtors' cash disbursement needs during the period of effectiveness of this Interim Order. The access by the Debtors to sufficient working capital and liquidity through the use of Cash Collateral and other Prepetition Collateral, incurrence of new indebtedness under the DIP Loan Documents, and other financial accommodations provided under the DIP Loan Documents are necessary and vital to preserve and maintain the value of the Debtors' assets. The terms of the proposed DIP Facility pursuant to the DIP Loan Documents, and this Interim Order

are fair and reasonable, reflect each Debtor's exercise of its prudent business judgment, and are supported by reasonably equivalent value and fair consideration.

(iii) *No Credit Available on More Favorable Terms.* The Debtors have been unable to obtain financing and other financial accommodations from sources other than the DIP Lenders on terms more favorable than those provided under the DIP Facility and the DIP Loan Documents. The Debtors have been unable to obtain adequate unsecured credit allowable as an administrative expense under section 503(b)(1) of the Bankruptcy Code. The Debtors also have been unable to obtain adequate credit for money borrowed (a) having priority over administrative expenses of the kind specified in sections 503(b), 507(a), and 507(b) of the Bankruptcy Code, or (b) secured only by a lien on property of the Debtors and their estates that is not otherwise subject to a lien. Postpetition financing is not otherwise available without (i) as with respect to the DIP Lenders: (1) granting to each of the DIP Lenders, jointly and severally, the DIP Liens on all DIP Collateral, as set forth herein, (2) the DIP Superpriority Claims, and (3) the other protections set forth in this Interim Order; (ii) as with respect the Prepetition ABL Agent for the benefit of the Prepetition ABL Lenders: (1) the ABL Adequate Protection Liens on all ABL Adequate Protection Collateral (each as defined below), as set forth herein, (2) the ABL Adequate Protection Superpriority Claims (as defined below), (3) the ABL Adequate Protection Payments (as defined below), and (4) the other protections set forth in this Interim Order; and (iii) as with respect to the Prepetition Omega Secured Parties (as defined below): (1) the Omega Term Loan Adequate Protection Liens and the Omega Master Lease Adequate Protection Liens (each as defined below), as set forth herein, (2) the Omega Term Loan Adequate Protection Superpriority Claims and the Omega Master Lease Adequate Protection Superpriority Claims (each as defined below), and (3) the other protections set forth in this Interim Order. After considering all alternatives, the

Debtors have properly concluded, in the exercise of their sound business judgment, that the DIP Facility represents the best financing available to them at this time, and are in the best interests of all of their stakeholders.

(iv) ***Use of Proceeds of the DIP Facility and Cash Collateral.*** As a condition to entry into the DIP Facility, the extension of credit and other financial accommodations made under the DIP Facility and the consent to use Cash Collateral (including, without limitation, the proceeds of the DIP Facility), each of the Prepetition ABL Secured Parties and DIP Secured Parties requires, and the Debtors have agreed, that Cash Collateral, the proceeds of the DIP Facility, and all other cash or funds of the Debtors, shall be used solely in accordance with the terms and conditions of this Interim Order and the DIP Loan Documents, and only for the expenditures set forth in and consistent with the Approved DIP Budget (as defined below) (subject to Permitted Variances), and for no other purpose.

(v) ***Adequate Protection.*** The Debtors have agreed, pursuant to sections 361, 362, 363, and 364 of the Bankruptcy Code, to provide the Prepetition Secured Parties adequate protection, as and to the extent set forth in this Interim Order, against the risk of any diminution in the value of their respective interests in the Prepetition Collateral which is as a result of, or arises from, or is attributable to, the imposition of the automatic stay, or the use, sale or lease of such Prepetition Collateral, or the grant of a lien under section 364 of the Bankruptcy Code and applicable case law interpreting the same (any such diminution, “Diminution in Value”). Based on the DIP Motion, the DIP Declaration, the First Day Declaration, or other evidence filed in support of the DIP Motion, and the record presented to this Court in connection with the Interim Hearing, the terms of the adequate protection arrangements and of the use of Prepetition Collateral (including Cash Collateral) are fair and reasonable, reflect the Debtors’ prudent exercise of

business judgment and constitute reasonably equivalent value and fair consideration for the use of Prepetition Collateral (including Cash Collateral).

(vi) **Consent.** The Prepetition Secured Parties have consented to the Debtors' use of Prepetition Collateral (including Cash Collateral) and the DIP Loan Parties' entry into the DIP Facility and the DIP Loan Documents, in each case, solely in accordance with and subject to the terms and conditions of this Interim Order and the DIP Loan Documents.

(vii) **Limitation on Charging Expenses Against Collateral.** Upon entry of a Final Order providing for such relief and as set forth in paragraph 23 herein, no costs or expenses of administration of the Chapter 11 Cases or any Successor Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the DIP Collateral or any Prepetition Collateral (in each case, including Cash Collateral) as to the Prepetition Secured Parties pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the DIP Secured Parties with respect to DIP Collateral or the Prepetition Secured Parties with respect to the Prepetition Collateral, and no consent shall be implied from any other action, inaction or acquiescence by the DIP Secured Parties or the Prepetition Secured Parties, respectively, and nothing contained in this Interim Order or the DIP Loan Documents shall be deemed to be a consent by the DIP Secured Parties or the Prepetition Secured Parties to any charge, lien, assessment, or claims against the DIP Collateral or the Prepetition Collateral, respectively, under section 506(c) of the Bankruptcy Code or otherwise.

(viii) **No Marshaling.** Upon entry of a Final Order providing for such relief, in no event shall the DIP Secured Parties or the Prepetition Secured Parties be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to the DIP Collateral, the DIP Facility

Obligations, the Prepetition Collateral, or the Prepetition Secured Obligations. Further, upon entry of a Final Order providing for such relief, in no event shall the “equities of the case” exception in section 552(b) of the Bankruptcy Code apply to the Prepetition Secured Parties or the Prepetition Collateral.

(ix) ***Business Judgment and Good Faith Pursuant to Section 364(e)***. Based on the DIP Motion, the DIP Declaration, the First Day Declaration, and the record presented to this Court at the Interim Hearing, (a) the extension of credit and other financial accommodations made under the DIP Facility; (b) the terms of the DIP Loan Documents; (c) the fees and other amounts paid and to be paid thereunder; (d) the terms of adequate protection granted to the Prepetition Secured Parties; (e) the terms on which the Debtors may continue to use Prepetition Collateral (including Cash Collateral); and (f) the Cash Collateral arrangements described therein and herein, in each case, pursuant to this Interim Order and the DIP Loan Documents, (1) are fair, reasonable, and the best available to the Debtors under the circumstances; (2) reflect the Debtors’ exercise of prudent business judgment consistent with their fiduciary duties; (3) are supported by reasonably equivalent value and fair consideration; and (3) represent the best financing available. The DIP Facility and the use of Prepetition Collateral (including Cash Collateral) were negotiated in good faith and at arm’s length among the Debtors, the DIP Secured Parties, and the Prepetition Secured Parties. The use of Prepetition Collateral (including Cash Collateral) and the credit to be extended under the DIP Facility shall be deemed to have been so allowed, advanced, made, used, and/or extended in good faith, and for valid business purposes and uses, within the meaning of section 364(e) of the Bankruptcy Code, and the DIP Secured Parties are therefore entitled to the protection and benefits of section 364(e) of the Bankruptcy Code and this Interim Order.

(x) ***Good Faith of DIP Secured Parties.*** The DIP Facility, the adequate protection granted to the Prepetition Secured Parties, and the use of Prepetition Collateral (including Cash Collateral) hereunder have been negotiated in good faith and at arm's length among the Debtors, the DIP Secured Parties, and their respective advisors, and all of the Debtors' obligations and indebtedness arising under, in respect of, or in connection with, the DIP Facility and the DIP Loan Documents, including, without limitation, all loans and other financial accommodations made to and guarantees issued by the Debtors pursuant to the DIP Loan Documents and any DIP Facility Obligations shall be deemed to have been extended by the DIP Secured Parties and their respective affiliates in good faith, as that term is used in section 364(e) of the Bankruptcy Code, and in express reliance upon the protections offered by section 364(e) of the Bankruptcy Code, and the claims, security interests and liens, and other rights, benefits, and protections granted to the DIP Secured Parties (and the successors and assigns thereof) pursuant to this Interim Order and the DIP Loan Documents shall each be entitled to the full protection of section 364(e) of the Bankruptcy Code in the event that this Interim Order or any provision hereof is reversed or modified on appeal.

(xi) ***Good Faith of Prepetition Secured Parties.*** The Prepetition Secured Parties have acted in good faith regarding the DIP Facility and the Debtors' continued use of Prepetition Collateral (including Cash Collateral) to fund the administration of the Debtors' estates and continued operation of their businesses (including the incurrence and payment of any adequate protection obligations and the granting of adequate protection liens), in accordance with the terms hereof.

(xii) ***Initial DIP Budget.*** The Debtors have prepared and delivered to the DIP Secured Parties the initial itemized cash flow forecast set forth on **Exhibit 2** attached hereto

(the “Initial DIP Budget”), which is acceptable to the Required Lenders (as defined in the DIP Term Sheet and hereinafter referred to as the “Required DIP Lenders”) and the Prepetition ABL Agent, setting forth all line-item and cumulative cash receipts and operating disbursements on a weekly basis for the period beginning as of the week including the Closing Date (as defined in the DIP Term Sheet) through and including the end of the thirteenth calendar week following such week. The DIP Secured Parties are relying upon the Debtors’ agreement to comply with the Initial DIP Budget (as may be updated by the Debtors and approved by the Required DIP Lenders and the Prepetition ABL Agent from time to time pursuant to and in accordance with the terms hereof and of the DIP Term Sheet, the “Approved DIP Budget”), in determining to enter into the postpetition financing arrangements provided for in this Interim Order and to allow the Debtors to use DIP Collateral (including Cash Collateral) subject to the terms of this Interim Order, respectively. Notwithstanding the foregoing, in no circumstances shall an Approved DIP Budget include budgeted fees and expenses for persons or firms retained by the Debtors pursuant to section 327, 328, or 363 of the Bankruptcy Code (the “Debtor Professionals”), the Official Committee pursuant to section 328 or 1103 of the Bankruptcy Code (the “Committee Professionals”), or, if a patient care ombudsman (the “PCO”) is appointed by order of this Court, by the PCO pursuant to section 327, 328, or 333 of the Bankruptcy Code (together with the PCO, the “PCO Professionals” and, together with the Debtor Professionals and the Committee Professionals, the “Professional Persons”).

(xiii) **Notice.** Notice of the Interim Hearing and the emergency relief requested in the DIP Motion has been provided by the Debtors, whether by facsimile, email, overnight courier, or hand delivery, to certain parties in interest, including: (a) the U.S. Trustee for Region 21; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated

basis); (c) counsel to the Prepetition ABL Agent; (d) counsel to the Omega Term Loan Agent, (e) counsel to the Omega Landlords; (f) counsel to the Welltower Landlord; (g) the United States Department of Housing and Urban Development, (h) the United States Attorney's Office for the Northern District of Georgia; (i) the Internal Revenue Service; (j) the United States Securities and Exchange Commission; (k) the state attorneys general for states in which the Debtors conduct business; (l) the Attorney General for the State of Georgia; (m) the Georgia Department of Revenue, and (n) any party that has requested notice pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties"). Under the circumstances, such notice of the Interim Hearing and the relief requested in the DIP Motion constitutes due, sufficient, and appropriate notice and complies with section 102(1) of the Bankruptcy Code, Bankruptcy Rules 2002 and 4001(b) and (c), and Procedure D of the Second Amended and Restated General Order No. 26-2019, Procedures for Complex Chapter 11 Cases, dated February 6.

(xiv) ***Relief Essential; Necessity of Immediate Entry.*** The Debtors have requested immediate entry of this Interim Order pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2). Absent entry of this Interim Order, the Debtors' businesses, properties, and estates will be immediately and irreparably harmed. This Court concludes that entry of this Interim Order is in the best interests of the Debtors' estates, and is necessary, essential, and appropriate for the continued operation of the Debtors' businesses and the management and preservation of their assets and properties.

NOW THEREFORE, based upon the foregoing findings and conclusions, the DIP Motion, the DIP Declaration, the First Day Declaration, and the record before this Court, and after due consideration, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. **DIP Motion Approved.** The DIP Motion is granted on an interim basis, and the Interim Financing (as defined below) is authorized and approved, in each case, in accordance with and subject to the terms and conditions of this Interim Order and the DIP Term Sheet. Any objections or other statements to any of the relief set forth in this Interim Order that have not been withdrawn, waived, or settled, and all reservation of rights inconsistent with this Interim Order, are hereby overruled; *provided* that, the rights of all parties in interest to object to the entry of a Final Order on the DIP Motion are fully reserved.

2. **Authorization of DIP Facility.**

(a) Subject to the terms and conditions of this Interim Order, each of the DIP Loan Parties is hereby authorized to execute, enter into, guarantee (as applicable), and perform all obligations under the DIP Loan Documents, and such additional documents, instruments, certificates and agreements as may be reasonably required or requested by the DIP Secured Parties to implement the terms or effectuate the purposes of this Interim Order and the DIP Loan Documents. To the extent not entered into as of the date hereof, the Debtors and the DIP Secured Parties shall negotiate the DIP Loan Documents in good faith, and in all respects such DIP Loan Documents shall be, subject to the terms of this Interim Order and the Final Order, consistent with the terms of the DIP Loan Documents and otherwise acceptable to the DIP Secured Parties. Upon entry of this Interim Order, the Interim Order, the DIP Term Sheet, and other DIP Loan Documents shall govern and control the DIP Facility.

(b) Upon entry of this Interim Order through the entry of the Final Order, the DIP Borrowers are authorized to incur, and the DIP Guarantors are hereby authorized to unconditionally guarantee, on a joint and several basis, all of the DIP Loan Parties' DIP Facility Obligations on account of such incurrence under the DIP Facility, up to aggregate principal amount of \$20,000,000 in new money DIP Loans on an interim basis, together with applicable interest, protective advances, fees, and other charges payable in connection with the DIP Facility; *provided*, that prior to entry of the Final Order, such amount shall be reduced to \$11,000,000 until the Final Order is entered (the "Interim Financing"), as applicable, in each case, subject to the terms and conditions set forth in this Interim Order and the DIP Term Sheet.

(c) Without limiting the foregoing, and without the need for further approval of this Court, each DIP Loan Party is authorized to perform all acts to make, execute, and deliver all instruments and documents and to pay all fees or expenses that are authorized by the DIP Loan Documents and this Interim Order.

(d) No DIP Secured Party shall have any obligation or responsibility to monitor any Debtor's use of the DIP Facility, and each DIP Secured Party may rely upon each DIP Loan Party's representations that the amount of the DIP Facility requested at any time and the use thereof are in accordance with the requirements of this Interim Order, the DIP Term Sheet, and Bankruptcy Rule 4001(c)(2).

3. **DIP Facility Obligations.** Upon entry of this Interim Order and execution and delivery of the DIP Term Sheet, the DIP Term Sheet shall constitute valid, binding, enforceable, and non-avoidable obligations of each of the DIP Loan Parties, and shall be fully enforceable against each of the DIP Loan Parties, their estates, and any successors thereto, including, without limitation, any estate representative or trustee appointed in any of the Chapter 11 Cases, or any

case under chapter 7 of the Bankruptcy Code upon the conversion of any of the Chapter 11 Cases, or in any other proceedings superseding or relating to any of the foregoing and/or upon the dismissal of any of the Chapter 11 Cases or any Successor Cases, and their creditors and other parties in interest, in each case, in accordance with the terms thereof and this Interim Order. Upon execution and delivery of the DIP Loan Documents, the Debtors shall file the same with the Court within three (3) business days of their execution, and the DIP Facility Obligations will include all postpetition loans and any other indebtedness or obligations, contingent or absolute, now existing or hereafter arising, which may from time to time be or become owing by any of the DIP Loan Parties to any of the DIP Agents or DIP Lenders, in each case, under, or secured by, and in accordance with, the DIP Loan Documents or this Interim Order, including all principal, interest, costs, fees, expenses, and other amounts under the DIP Loan Documents (including this Interim Order). The DIP Loan Parties shall be jointly and severally liable for the DIP Facility Obligations. Subject to paragraph 17 of this Interim Order and after the expiration of the DIP Remedies Notice Period (as defined below), the DIP Facility Obligations shall be due and payable, without notice or demand, and the use of Cash Collateral shall automatically cease during the continuation of a DIP Termination Event (as defined below) or the occurrence and continuance of any event or condition set forth in paragraph 17 of this Interim Order. No obligation, payment, transfer, or grant of security under the DIP Term Sheet or this Interim Order to the DIP Secured Parties shall be stayed, restrained, voidable, or recoverable under the Bankruptcy Code or under any applicable law (including, without limitation, under sections 362, 502(d), 544, 548, or 549 of the Bankruptcy Code, any applicable Uniform Voidable Transfer Act, Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or other similar state statute or common law), or subject to any defense, reduction, recoupment, recharacterization, subordination, disallowance, impairment,

cross-claim, claim, counterclaim, offset, or any other challenge under the Bankruptcy Code or any applicable law unless in accordance with paragraph 17 of this Interim Order.

4. **No Obligation to Extend Credit.** The DIP Secured Parties shall have no obligation to make any loan or advance under the applicable DIP Term Sheet unless all of the conditions precedent to the making of such extension of credit by the DIP Secured Parties under the DIP Term Sheet and this Interim Order have been satisfied in full or waived in accordance with the terms of the DIP Term Sheet.

5. **DIP Liens.**

(a) As security for the DIP Facility Obligations, effective and perfected upon the date of this Interim Order, and without the necessity of the execution, recordation of filings by the Debtors or any other party of mortgages, security agreements, control agreements, pledge agreements, financing statements, or other similar documents, or the possession or control by the OHI DIP Lender and/or the TIX DIP Lender of or over any DIP Collateral, the following security interests and liens are hereby jointly and severally granted by the Debtors to the OHI DIP Lender and the TIX DIP Lender, subject to (x) the Prepetition ABL Obligations, Prepetition ABL Liens, and ABL Adequate Protection, (y) the Permitted Liens (as defined below) and (z) the Carve Out (all such liens and security interests granted to each of the OHI DIP Lender and the TIX DIP Lender, jointly and severally, pursuant to this Interim Order and the DIP Loan Documents, the "DIP Liens"):

(1) ***First Priority Lien on Unencumbered Property.*** Pursuant to section 364(c)(2) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority senior security interest in and lien upon the all property of the DIP Loan Parties, whether existing on the Petition Date or thereafter acquired, that, on or as of

the Petition Date that is not subject to (i) valid, perfected and non-avoidable liens, or (ii) perfected after the Petition Date to the extent permitted by section 546(b) of the Bankruptcy Code, including, but not limited to, all of the DIP Loan Parties' respective rights, title, or interest in and to the following assets to the extent unencumbered: cash and any investment of such cash, accounts, inventory, goods, contract rights, mineral rights, instruments, documents, chattel paper, patents, trademarks, copyrights and licenses therefor, accounts receivable, receivables and receivables records, general intangibles, payment intangibles, tax or other refunds, insurance proceeds, letters of credit, intercompany claims, contracts, owned real estate, real property leaseholds and proceeds therefrom, fixtures, deposit accounts, commercial tort claims, securities accounts, instruments, investment property, letter-of-credit rights, supporting obligations, vehicles, machinery and equipment, real property, all of the issued and outstanding capital stock of each DIP Loan Party, other equity or ownership interests, including equity interests in subsidiaries and non-wholly-owned subsidiaries, beneficial interests in any trust, money, investment property, causes of action (including, for the avoidance of doubt, but subject to entry of the Final Order, all proceeds of the DIP Loan Parties' respective claims and causes of action under sections 502(d), 544, 545, 547, 548, 549, 550, and 553 of the Bankruptcy Code and any other avoidance or similar action under the Bankruptcy Code or similar state law (the "Avoidance Actions")), and all cash and non-cash proceeds, rents, products, substitutions, accessions, profits, and supporting obligations of any of the collateral described above, whether existing on the Petition Date or thereafter acquired, and wherever located, and the proceeds, products, rents, and profits of the foregoing whether arising under section 552(b) of the Bankruptcy Code or otherwise (all of the foregoing collectively,

the “DIP Priority Collateral”); for the avoidance of doubt, the DIP Priority Collateral excludes assets that qualify as ABL Senior Collateral (as defined herein).

(2) ***Liens Priming the Prepetition Omega Liens.*** Pursuant to section 364(d)(1) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority senior priming security interest in and lien on all property of the DIP Loan Parties, whether existing on the Petition Date or thereafter acquired, that is encumbered by the Prepetition Omega Term Loan Liens and the Prepetition Omega Master Lease Liens, solely to the extent that the Prepetition Omega Term Loan Liens and the Prepetition Omega Master Lease Liens are senior to any other security interests in and liens on such property (if any) as of the Petition Date, including, but not limited to, all of the DIP Loan Parties’ respective rights, title, or interest in and to the following assets: cash and any investment of such cash, accounts, inventory, goods, contract rights, mineral rights, instruments, documents, chattel paper, patents, trademarks, copyrights and licenses therefor, accounts receivable, receivables and receivables records, general intangibles, payment intangibles, tax or other refunds, insurance proceeds, letters of credit, intercompany claims, contracts, owned real estate, real property leaseholds and proceeds therefrom, fixtures, deposit accounts, commercial tort claims, securities accounts, instruments, investment property, letter-of-credit rights, supporting obligations, vehicles, machinery and equipment, real property, all of the issued and outstanding capital stock of each DIP Loan Party, other equity or ownership interests, including equity interests in subsidiaries and non-wholly-owned subsidiaries, beneficial interests in any trust, money, investment property, causes of action (including, for the avoidance of doubt, but subject to entry of the Final Order, all proceeds of Avoidance Actions), and all cash and non-cash proceeds, rents, products,

substitutions, accessions, profits, and supporting obligations of any of the collateral described above, whether in existence on the Petition Date or thereafter created, acquired, or arising and wherever located (collectively, the “DIP Priming Collateral”); subject and subordinate only to the Prepetition ABL Obligations, Prepetition ABL Liens and the ABL Adequate Protection.

(3) ***Junior Liens.*** Pursuant to section 364(c)(3) of the Bankruptcy Code, a valid, binding, continuing, enforceable, non-avoidable, automatically and properly perfected, security interest in and lien upon all tangible and intangible prepetition and postpetition property of the Debtors that is subject to (i) valid, perfected and non-avoidable senior liens in existence immediately prior to the Petition Date (other than the Primed Liens) or (ii) valid and non-avoidable senior liens in existence immediately prior to the Petition Date that are perfected subsequent to the Petition Date, as permitted by section 546(b) of the Bankruptcy Code (the “Other Encumbered Prepetition Collateral” and, the Other Encumbered Prepetition Collateral, together with the DIP Priority Collateral, the DIP Priming Collateral and the Prepetition Collateral, the “DIP Collateral”), which shall be (x) immediately junior and subordinate to any valid, perfected and non-avoidable liens in existence immediately prior to the Petition Date, and (y) any such valid and non-avoidable liens in existence immediately prior to the Petition Date that are perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code ((x) and (y) together, the “Permitted Liens”). For the avoidance of doubt, the Prepetition ABL Liens and the ABL Adequate Protection Liens shall constitute Permitted Liens and the Prepetition ABL Liens and the ABL Adequate Protection Liens are senior to the DIP Liens,

the Omega Term Loan Adequate Protection Liens and the Omega Master Lease Adequate Protection Liens.

(b) For the avoidance of doubt, the term “DIP Collateral” shall include all assets and properties of each of the Debtors of any kind or nature whatsoever, whether tangible or intangible, real, personal or mixed, whether now owned by or owing to, or hereafter acquired by, or arising in favor of, any of the Debtors, whether prior to or after the Petition Date, whether owned or consigned by or to, or leased from or to, the Debtors, and wherever located, including, without limitation, each of the Debtors’ rights, title and interests in (i) all Prepetition Collateral, and (ii) all proceeds, products, offspring, and profits of each of the foregoing and all accessions to, substitutions, and replacements for, each of the foregoing, including any and all proceeds of any insurance, indemnity, warranty, or guaranty payable to any Debtor from time to time with respect to any of the foregoing.

(c) Except as expressly provided in this Interim Order, the DIP Liens (i) shall not be made subject or subordinate to or *pari passu* with (A) any lien, security interest, or claim heretofore or hereinafter granted in any of the Chapter 11 Cases or any successor cases, including any subsequently converted Chapter 11 Case of the Debtor to a case under chapter 7 of the Bankruptcy Code and any lien or security interest granted in favor of any federal, state, municipal, or other governmental unit (including any regulatory body), omission, board, or court for any liability of the Debtors, (B) any lien or security interest that is avoided or preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or otherwise, (C) any intercompany or affiliate claim, lien, or security interest of the Debtors or their affiliates, or (D) any other lien, security interest, or claim arising under section 363 or 364 of the Bankruptcy Code

granted on or after the date hereof, and (ii) shall not be subject to sections 506(c) (to the extent a Final Order is entered providing for such relief), 510, 549, 550, or 551 of the Bankruptcy Code.

(d) To the extent a Final Order is entered providing for such relief, any provision of any lease, loan document, easement, use agreement, proffer, covenant, license, contract, organizational document, or other instrument or agreement that requires the consent, or the payment of any fees or obligations to, any governmental entity or non-governmental entity in order for the DIP Loan Parties to pledge, grant, mortgage, sell, assign, or otherwise transfer any fee or leasehold interest in any property or the proceeds thereof, is and shall hereby be deemed to be inconsistent with the provisions of the Bankruptcy Code, and shall have no force or effect with respect to the DIP Liens or Adequate Protection Liens on such leasehold interests or other applicable DIP Collateral or the proceeds of any assignment and/or sale thereof by any DIP Loan Parties, in favor of the DIP Secured Parties or the Prepetition Secured Parties in accordance with the terms of the DIP Loan Documents and this Interim Order.

6. **DIP Superpriority Claims.** Effective immediately upon entry of this Interim Order, the OHI DIP Lender and the TIX DIP Lender are hereby jointly and severally granted, pursuant to section 364(c)(1) and 503(b) of the Bankruptcy Code, an allowed superpriority administrative expense claim in each of the DIP Loan Parties' Chapter 11 Cases and any Successor Cases thereof on account of the DIP Facility Obligations, with priority over any and all administrative expenses of the kind that are specified in or ordered pursuant to sections 105, 328, 330, 331, 364(c)(1), 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 1113, 1114, or any other provisions of the Bankruptcy Code and any other claims against the DIP Loan Parties, subject only to (x) the Carve Out, (y) the Prepetition ABL Obligations, and (z) the ABL Adequate Protection (the "DIP Superpriority Claims"). The DIP Superpriority Claims shall, for purposes of section

1129(a)(9)(A) of the Bankruptcy Code, be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code. The DIP Superpriority Claims shall have recourse against each of the DIP Loan Parties, on a joint and several basis. Notwithstanding anything contained herein or in any of the DIP Term Sheet to the contrary, the DIP Superpriority Claims shall, at all times be (x) in respect of any DIP Priming Collateral or proceeds or products thereof, (i) junior in right of payment to Permitted Liens, including the Prepetition ABL Liens and the ABL Adequate Protection Liens, as applicable, and (ii) senior to any and all other administrative expense claims or other claims against the DIP Loan Parties or their estates, in the Chapter 11 Cases and any Successor Cases; and (y) in respect of any DIP Priority Collateral or proceeds or products thereof, senior to any and all other administrative expense claims or other claims against the DIP Loan Parties or their estates, in the Chapter 11 Cases and any Successor Cases.

7. **Use of Proceeds of the DIP Facility and Cash Collateral.** The use of Prepetition Collateral (in each case, including Cash Collateral) is authorized and approved, in each case, in accordance with and subject to the terms and conditions of this Interim Order and the DIP Term Sheet. From and after the date of entry of this Interim Order, so long as no DIP Termination Event has occurred and is continuing the DIP Loan Parties shall be (x) authorized to use Prepetition Collateral (including Cash Collateral), and (y) permitted to draw upon the Interim Financing and the proceeds thereof, subject, in each case, subject to the terms and conditions of this Interim Order and the DIP Term Sheet, and in accordance with the Approved DIP Budget (subject to Permitted Variances), including, without limitation: (i) payment of any amounts due to DIP Secured Parties under the DIP Term Sheet; (ii) payment of any adequate protection payments expressly approved by the Court; (iii) to fund the Carve Out; (iv) to provide working capital and for other general corporate purposes of the DIP Loan Parties; and (v) to pay administration costs of the Chapter 11

Cases and claims or amounts approved by this Court, including in the “first day” or “second day” orders or as required under the Bankruptcy Code. For the avoidance of doubt, none of the DIP Loan Parties will use any DIP Loans, the proceeds of the DIP Facility or DIP Collateral (including Cash Collateral) in a manner or for a purpose other than those consistent with the Approved DIP Budget, the DIP Loan Documents, and this Interim Order unless otherwise ordered by this Court. Except as expressly permitted in this Interim Order, the DIP Term Sheet, or the Approved DIP Budget, nothing in this Interim Order shall otherwise authorize the disposition of any assets of the Debtors or their estates outside the ordinary course of business, or any of the Debtors’ use of any DIP Collateral (including Cash Collateral) or other proceeds resulting therefrom. All collections and proceeds, whether from ordinary course collections, asset sales, debt or equity issuances, insurance recoveries, condemnations, or otherwise, will be deposited and applied as required by this Interim Order and the DIP Loan Documents.

8. **Disposition of DIP Collateral.** The Debtors shall not sell, transfer, lease, encumber, or otherwise dispose of any portion of the DIP Collateral or Prepetition Collateral (in each case, including Cash Collateral) (and, in each case, the Debtors shall not enter into any binding agreement to do so) other than in accordance with the DIP Loan Documents or otherwise in the ordinary course of business without the prior written consent of the Required DIP Lenders and no such consent shall be implied from any other action, inaction, or acquiescence by the DIP Lenders.

9. **Adequate Protection.** The Prepetition Secured Parties are entitled, pursuant to sections 361, 362, 363(e), and 507 of the Bankruptcy Code, to adequate protection of their interests in all Prepetition Collateral (in each case, including Cash Collateral), to the extent of any Diminution in Value of such Prepetition Secured Parties’ interests in the Prepetition

Collateral (including Cash Collateral) from and after the Petition Date, (such claims the “Adequate Protection Claims”). In consideration of the foregoing, the Prepetition Secured Parties, as applicable, are hereby granted the following adequate protection:

(a) ***Adequate Protection to the Prepetition ABL Secured Parties.*** The Prepetition ABL Secured Parties will be granted the following (collectively, the “ABL Adequate Protection”).

(1) ***Adequate Protection ABL Liens.*** Solely to the extent of any Diminution in Value of any Prepetition ABL Secured Party’s interests in ABL Senior Collateral and in each case subject and subordinate to the Carve Out, the Prepetition ABL Secured Parties are granted the following security interests and liens (collectively, the “ABL Adequate Protection Liens”) under sections 361, 362, 363 of the Bankruptcy Code: valid, binding, enforceable, and perfected replacement liens on and security interests in the DIP Collateral and the Prepetition Collateral, including now-owned and hereafter-acquired real and personal property, assets, and rights of any kind or nature, wherever located, including, without limitation, all accounts receivable generated post-petition by Debtors, all other assets of the type and nature that would be deemed Prepetition Collateral but for the filing of these cases, and the proceeds thereof (collectively, the “ABL Adequate Protection Collateral”). The ABL Adequate Protection Liens shall be subordinate only to the Carve Out and any pre-petition Permitted Liens. For the avoidance of doubt, the DIP Liens, the Omega Term Loan Adequate Protection Liens (as defined below), and the Omega Master Lease Adequate Protection Liens (as defined below) shall be subject, subordinate, and junior to the Prepetition ABL Liens and all ABL Adequate Protection Liens on the ABL Adequate Protection Collateral in favor of the Prepetition ABL Secured Parties.

(2) ***ABL Adequate Protection Superpriority Claims.*** Solely to the extent of any Diminution in Value of any Prepetition ABL Secured Party's interest in Prepetition Collateral, and in each case, subject and subordinate to the Carve Out, the Prepetition ABL Secured Parties will be granted an allowed superpriority administrative expense claim under sections 503(b) and 507(b) of the Bankruptcy Code against the applicable Debtors (collectively, the "ABL Adequate Protection Superpriority Claims"). With respect to ABL Senior Collateral, all ABL Adequate Protection Superpriority Claims shall be junior only to the Carve Out, and otherwise have priority over any and all other administrative expenses and other claims against the applicable DIP Loan Parties now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under the Bankruptcy Code.

(3) ***ABL Adequate Protection Payments:*** No later than the fifth Business Day following entry of the Interim Order and on the fifth (5th) Business Day of each month hereafter, Debtors shall pay the Prepetition ABL Agent adequate protection (the "ABL Adequate Protection Payment") in the form of interest, that has accrued at the non-default rate on the Prepetition ABL Obligations as of the Petition Date to be applied by the Prepetition ABL Agent in accordance with the Prepetition ABL Documents.

(4) As further adequate protection, the Debtors will reimburse each Prepetition ABL Secured Party for all reasonable and documented out-of-pocket fees, costs and expenses of such Prepetition ABL Secured Party (limited, in the case of counsel, to all reasonable and documented out-of-pocket fees, costs, disbursements and expenses, including one (1) local counsel and one (1) prepetition credit counsel). All such fees,

including reasonable and documented out-of-pocket legal and other professional fees shall be paid by the Debtors promptly upon written demand and without the requirement of Court approval.

(5) On the fifth Business Day of each month, beginning with the month of July, 2024, Debtors shall pay the Prepetition ABL Agent additional adequate protection in the form of cash payments equal to the amount of accounts receivable received by or on behalf of any Debtor during the prior month (or, with respect to the first payment, on or after May 30, 2024 and ending on June 30, 2024) and relating to the operation by the Debtors of certain of their former skilled-nursing facilities prior to the transfer to new operators (each date of transfer, a “Transfer Date”) to be applied by the Prepetition ABL Agent in accordance with the Prepetition ABL Documents. Receivables arising in respect of services provided by the Debtors prior to any Transfer Date are referred to as “Pre-Transfer Date Receivables” and receivables arising in respect of services provided by the new operators on or after a Transfer Date are referred to as “Post-Transfer Date Receivables”. No Prepetition ABL Secured Party shall have any responsibility to determine the accuracy of any ABL Additional Adequate Protection Payment or any allocation by Debtors of payments received as Pre-Transfer Date Receivables or Post-Transfer Date Receivables, nor shall any Prepetition ABL Secured Party be liable to any third party, including a new operator, if proceeds of Post-Transfer Date Receivables are paid over to Prepetition ABL Agent other than to remit such Post-Transfer Date Receivables back to the Debtors.

(b) ***Adequate Protection to the Prepetition Omega Term Loan Secured Parties.***

(1) ***Omega Term Loan Adequate Protection Liens.*** Solely to the extent of, and in an aggregate amount equal to, any Diminution in Value of any Prepetition Omega Term

Loan Secured Party's interests in such Prepetition Omega Term Loan Collateral, from and after the Petition Date, the Prepetition Omega Term Loan Secured Parties are granted the following security interests and liens (collectively, the "Omega Term Loan Adequate Protection Liens") under sections 361, 362, and 363 of the Bankruptcy Code: valid, binding, enforceable, and perfected replacement liens on and security interests in the Prepetition Collateral, including now-owned and hereafter-acquired real and personal property, assets, and rights of any kind or nature, wherever located, which liens and security interests shall be junior to (a) the Carve Out, (b) the Permitted Liens, including the Prepetition ABL Liens and the ABL Adequate Protection Liens, and (c) the DIP Liens.

(2) ***Omega Term Loan Adequate Protection Superpriority Claims.*** Solely to the extent of, and in an aggregate amount equal to, any Diminution in Value of its respective Prepetition Collateral, and in each case, subject and subordinate to the Carve Out, the ABL Adequate Protection Superpriority Claims (solely with respect to ABL Senior Collateral), and the DIP Superpriority Claims, each Omega Secured Party is hereby granted an allowed superpriority administrative expense claim under sections 503(b) and 507(b) of the Bankruptcy Code against the applicable Debtors (collectively, the "Omega Term Loan Adequate Protection Superpriority Claims"). All Omega Term Loan Adequate Protection Superpriority Claims shall be junior to (a) the Carve Out, (b) the ABL Adequate Protection Superpriority Claims (solely with respect to ABL Senior Collateral), and (c) the DIP Superpriority Claims, and otherwise have priority over any and all other administrative expenses and other claims against the applicable Loan Parties now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative expenses

of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under the Bankruptcy Code.

(3) As further adequate protection, the Debtors will reimburse each Prepetition Omega Term Loan Secured Party for all reasonable and documented out-of-pocket fees, costs and expenses of (limited, in the case of counsel, to all reasonable and documented out-of-pocket fees, costs, disbursements and expenses, including one (1) local counsel). All such fees, including reasonable and documented out-of-pocket legal and other professional fees shall be paid by the Debtors promptly upon written demand and without the requirement of Court approval; *provided, however*, that in the event such fees and expenses exceed the amounts set forth in the Approved DIP Budget, any excess amounts shall be added to the principal balance of the DIP Loans.

(c) ***Adequate Protection to the Omega Landlords***

(1) ***Omega Master Lease Adequate Protection Liens.*** Solely to the extent of, and in an aggregate amount equal to, any Diminution in Value of any Omega Landlord's interests in such Omega Landlord Collateral, from and after the Petition Date, the Omega Term Landlords are granted the following security interests and liens (collectively, the "Omega Master Lease Adequate Protection Liens" and, together with the ABL Adequate Protection Lines and the Omega Term Loan Adequate Protection Lines, the "Adequate Protection Lines") under sections 361, 362, and 363 of the Bankruptcy Code: valid, binding, enforceable, and perfected replacement liens on and security interests in the Prepetition Collateral, including now-owned and hereafter-acquired real and personal property, assets, and rights of any kind or nature, wherever located, which liens and security interests shall be junior to (a) the Carve Out, (b) the Permitted Liens, including

the Prepetition ABL Liens and the ABL Adequate Protection Liens, and (c) the DIP Liens.

(2) ***Omega Master Lease Adequate Protection Superpriority Claims.*** Solely to the extent of, and in an aggregate amount equal to, any Diminution in Value of its respective Prepetition Collateral, and in each case, subject and subordinate to the Carve Out, the ABL Adequate Protection Superpriority Claims (solely with respect to ABL Senior Collateral), and the DIP Superpriority Claims, each Omega Landlord is hereby granted an allowed superpriority administrative expense claim under sections 503(b) and 507(b) of the Bankruptcy Code against the applicable Debtors (collectively, the “Omega Master Lease Adequate Protection Superpriority Claims,” and together with the Omega Term Loan Adequate Protection Superpriority Claims and the ABL Adequate Protection Superpriority Claims, the “Adequate Protection Superpriority Claims”). All Omega Master Lease Adequate Protection Superpriority Claims shall be junior to (a) the Carve Out, (b) the ABL Adequate Protection Superpriority Claims (solely with respect to ABL Senior Collateral), and (c) the DIP Superpriority Claims, and otherwise have priority over any and all other administrative expenses and other claims against the applicable Loan Parties now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under the Bankruptcy Code.

(3) As further adequate protection, the Debtors will reimburse each Omega Landlord for all reasonable and documented out-of-pocket fees, costs and expenses of (limited, in the case of counsel, to all reasonable and documented out-of-pocket fees, costs, disbursements and expenses, including one (1) local counsel). All such fees, including

reasonable and documented out-of-pocket legal and other professional fees shall be paid by the Debtors promptly upon written demand and without the requirement of Court approval; *provided, however*, that in the event such fees and expenses exceed the amounts set forth in the Approved DIP Budget, any excess amounts shall be added to the principal balance of the DIP Loans.

(d) ***Reservation of Rights.*** Under the circumstances and given that the above-described adequate protection is consistent with the Bankruptcy Code, including section 506(b) thereof, this Court finds that the adequate protection provided herein is reasonable and sufficient to protect the interests of the Prepetition Secured Parties.

10. **Budget and Access to Records.**

(a) All borrowings under the DIP Facility, and the use of Cash Collateral shall at all times comply with the Approved DIP Budget (subject to Permitted Variances) and the DIP Term Sheet. On the first Thursday of each weekly period after the Reporting Date (as defined in the DIP Term Sheet), the Debtors shall deliver updates to the Initial DIP Budget (or the previously supplemented Approved DIP Budget, as the case may be), covering the 13-week period that commences with the beginning of the week immediately following the week in which the supplemental budget is required to be delivered, consistent with the form and level of detail set forth in the Initial DIP Budget (each such supplemental budget, an “Updated DIP Budget”) and the Updated DIP Budget will replace the Initial DIP Budget (or the previously supplemented Approved DIP Budget, as the case may be), unless the Required Lenders or Prepetition ABL Agent otherwise object within two (2) Business Days of the receipt thereof to the substance of such Updated DIP Budget on the basis of such Updated DIP Budget not being based on reasonable assumptions, as being inconsistent with the terms, conditions and covenants under the DIP Loan

Documents, or being based on information that is incorrect in any material respect, in which case the Updated DIP Budget will be as agreed reasonably and in good faith by the Required Lenders, the Prepetition ABL Agent, and the Debtors; provided that, in the event of an objection to the Updated DIP Budget in accordance with this paragraph, the then-current Approved DIP Budget shall remain in effect, effective as of the beginning of the week immediately following the week in which it was delivered. Each Approved DIP Budget shall be filed with this Court.

(b) By no later than 5:00 pm ET on the fourth business day of each week, commencing with the fourth full week after the Petition Date (each, a “Reporting Date”), Borrower shall deliver to the DIP Lenders and Prepetition ABL Agent a variance report (each, a “Variance Report”) showing comparisons of actual results for each line item against such line item in the Budget. Each Variance Report shall indicate whether there are any adverse variances that exceed the allowed variances, which means, in each case measured on a cumulative basis for the prior four-week period and for the period from the Petition Date, (x) up to 15% in the aggregate for all “Total Operating Disbursements” (as defined in the Approved DIP Budget), excluding, for the avoidance of doubt, “Non-Operating Disbursements” and “Restructuring Disbursements” (each as defined in the Approved DIP Budget) and (y) up to 15% in the aggregate for all “Total Receipts” (as defined in the Approved DIP Budget) (each, a “Permitted Variance”).

(c) *Access to Records.* The Debtors shall provide the advisors to the DIP Secured Parties with all reporting and other information required to be provided to the DIP Agents or DIP Lenders under the DIP Loan Documents. In addition to, and without limiting, whatever rights to access the DIP Secured Parties have under the DIP Loan Documents, upon reasonable notice to Debtors’ counsel (email being sufficient), the Debtors shall permit representatives, agents, and employees of the DIP Secured Parties to have reasonable access to (i) inspect the Debtors’ assets,

and (ii) all information (including historical information and the Debtors' books and records) and personnel, including regularly scheduled meetings as mutually agreed with senior management of the Debtors and other company advisors (during normal business hours), and the DIP Secured Parties shall be provided with access to all information they shall reasonably request, excluding any information for which confidentiality is owed to third parties, information subject to attorney client or similar privilege, or where such disclosure would not be permitted by any applicable requirements of law.

11. **Modification of Automatic Stay.** Subject to paragraph 18 hereof, the automatic stay imposed by section 362(a) of the Bankruptcy Code is hereby modified as necessary to permit: (a) the DIP Loan Parties to grant the DIP Liens and the DIP Superpriority Claims, and to perform such acts as the DIP Secured Parties may reasonably request, to assure the perfection and priority of the DIP Liens and the DIP Superpriority Claims; (b) the DIP Loan Parties to incur all liabilities and obligations, including all the DIP Facility Obligations, to the DIP Secured Parties as contemplated under this Interim Order and the DIP Loan Documents, and to perform under the DIP Loan Documents any and all other instruments, certificates, agreements, and documents that may be reasonably required, necessary, or prudent for the performance by the applicable DIP Loan Parties under the DIP Loan Documents and any transactions contemplated therein or in this Interim Order in each case in accordance therewith or herewith; (c) the DIP Loan Parties to take all appropriate actions to grant the DIP Liens, and to take all appropriate actions (including such actions as the Prepetition Secured Parties may reasonably request) to ensure that the ABL Adequate Protection Liens, Omega Term Loan Adequate Protection Liens, and Omega Master Lease Adequate Protection Liens granted hereunder are perfected and maintain the priority set forth herein; (d) the DIP Loan Parties to pay all amounts referred to, required under, in accordance

with, and subject to the DIP Loan Documents and this Interim Order; (e) the DIP Secured Parties and the applicable Prepetition Secured Parties to retain and apply payments made in accordance with the DIP Loan Documents and this Interim Order; (f) subject to paragraph 18 hereof, the DIP Secured Parties to exercise, upon the occurrence and during the continuance of any DIP Termination Event (as defined below), all rights and remedies provided for in the DIP Loan Documents and take any or all actions provided therein in accordance therewith; and (g) subject to paragraph 18 hereof, the implementation and exercise of all of the terms, rights, benefits, privileges, remedies, and provisions of this Interim Order and the DIP Loan Documents, in each case, in accordance herewith and therewith, without further notice, motion or application to, or order of this Court.

12. **Perfection of DIP Liens and Adequate Protection Liens.** This Interim Order shall be sufficient and conclusive evidence of the validity, perfection, and priority of all liens granted herein, including, without limitation, the DIP Liens and the Adequate Protection Liens, without the necessity of execution, filing, or recording any financing statement, mortgage, notice, or other instrument or document that may otherwise be required under the law or regulation of any jurisdiction or the taking of any other action (including, for the avoidance of doubt, entering into any deposit account control agreement) to validate or perfect (in accordance with applicable law) such liens, or to entitle the DIP Secured Parties and the Prepetition Secured Parties to the priorities granted herein. Notwithstanding the foregoing, the OHI DIP Lender, the TIX DIP Lender, the Prepetition ABL Agent, the Prepetition Omega Term Loan Agent and the Omega Landlords, without any further consent of any party, are authorized to execute, file, or record, as the case may be (and the OHI DIP Lender, the TIX DIP Lender, the Prepetition ABL Agent, the Prepetition Omega Term Loan Agent and the Omega Landlords may reasonably request the execution, filing,

or recording), as each, in its reasonable discretion deems necessary, such financing statements, notices of lien, and other similar documents to enable the OHI DIP Lender, the TIX DIP Lender, the Prepetition ABL Agent, the Prepetition Omega Term Loan Agent and the Omega Landlords to further validate, perfect, preserve, and enforce the applicable DIP Liens or other liens and security interests granted hereunder, perfect in accordance with applicable law or to otherwise evidence the applicable DIP Liens and/or the applicable Adequate Protection Liens, as applicable, and all such financing statements, notices, and other documents shall be deemed to have been filed or recorded as of the date of entry of the Interim Order; *provided* that, no such filing or recordation shall be necessary or required in order to create, perfect, preserve, or enforce the DIP Liens and/or the Adequate Protection Liens. The Debtors are authorized to execute and deliver promptly upon reasonable request and in accordance with the DIP Term Sheet to the OHI DIP Lender, the TIX DIP Lender, the Prepetition ABL Agent, the Prepetition Omega Term Loan Agent and the Omega Landlords all such financing statements, notices, and other security documents as the OHI DIP Lender, the TIX DIP Lender, the Prepetition ABL Agent, the Prepetition Omega Term Loan Agent and the Omega Landlords may reasonably request. The OHI DIP Lender, the TIX DIP Lender, the Prepetition ABL Agent, the Prepetition Omega Term Loan Agent and the Omega Landlords, each in its discretion, may file a photocopy of this Interim Order as a financing statement with any filing or recording office or with any registry of deeds or similar office, in addition to or in lieu of such financing statements, notices of lien, or similar instruments. To the extent that the Prepetition ABL Agent, the Prepetition Omega Term Loan Agent and/or the Omega Landlords is a secured party under any account control agreement, listed as an additional insured, loss payee under any of the Debtors' insurance policies, or is the secured party under any loan document, financing statement, deed of trust, mortgage, or other instrument or document which may otherwise be

required under the law of any jurisdiction to validate, attach, perfect, or prioritize liens (any such instrument or document, a “Security Document”), the OHI DIP Lender and the TIX DIP Lender shall also be deemed to be the secured party under each such Security Document, and shall have all the rights and powers attendant to that position (including, without limitation, rights of enforcement), and shall act in that capacity and distribute any proceeds recovered or received in accordance with the terms of this Interim Order and/or the Final Order, as applicable, and the other DIP Loan Documents.

13. **Proceeds of Subsequent Financing.** Without limiting the provisions of the immediately preceding paragraph, if at any time prior to the indefeasible payment in full in cash of all of the DIP Facility Obligations, Prepetition ABL Obligations, the Prepetition Omega Term Loan Obligations and the Omega Master Lease Obligations, in each case, other than contingent indemnification obligations as to which no claim has been asserted, the termination of the DIP Secured Parties’ obligations to extend credit under the DIP Facility and this Interim Order (including subsequent to the confirmation of any plan with respect to any or all of the Debtors and the Debtors’ estates), and the satisfaction of the DIP Superpriority Claims and the Adequate Protection Claims, either the DIP Loan Parties, the DIP Loan Parties’ estates, any trustee, any examiner with enlarged powers, or any responsible officer subsequently appointed in any of the DIP Loan Parties’ Chapter 11 Cases or any Successor Cases thereof, shall obtain credit or incur debt pursuant to sections 364(b), (c), or (d) of the Bankruptcy Code then, unless otherwise agreed in advance in writing by the requisite DIP Lenders in their sole discretion all of the cash proceeds derived from such credit or debt and all DIP Collateral shall immediately be turned over to the DIP Agents for further distribution to the applicable DIP Secured Parties on account of their applicable DIP Facility Obligations pursuant to the applicable DIP Loan Documents.

14. **Covenants**. The DIP Loan Parties shall comply with the covenants set forth in the DIP Loan Documents in accordance with the terms thereof.

15. **Milestones**. It is a condition to the DIP Facility and the use of Cash Collateral that the Debtors shall comply with those certain case milestones set forth in the DIP Term Sheet (the “Milestones”). The failure to comply with any Milestone shall constitute an “Event of Default” in accordance with the terms of the DIP Term Sheet.

16. **Maintenance of DIP Collateral**. Until all DIP Facility Obligations are indefeasibly paid in full (other than contingent indemnification obligations as to which no claim has been asserted) and the DIP Secured Parties’ obligation to extend credit under the DIP Facility has terminated, the Debtors shall continue to maintain all property, operational, and other insurance as required in the DIP Loan Documents. Upon entry of this Interim Order and to the fullest extent provided by applicable law, the DIP Agents shall be, and shall be deemed to be, without any further action or notice, named as additional insureds and loss payees on each insurance policy maintained by the DIP Loan Parties that in any way relates to the DIP Collateral, and the DIP Agents shall distribute any proceeds recovered or received in respect of any such insurance policies, to the payment in full of the DIP Facility Obligations (other than contingent indemnification obligations as to which no claim has been asserted).

17. **Termination Events**. The (i) occurrence and continuance of any “Event of Default” under and as defined in the DIP Term Sheet; (ii) consent of the Debtors to the standing of any party, including an Official Committee to pursue any claim or cause of action belonging to the Debtors or their estates, including, without limitation, any Challenge (as defined below); or (iii) commencement of a Challenge Proceeding (as defined below) by any party, including the Debtors or an Official Committee, shall each constitute a “DIP Termination Event” under this

Interim Order (each a “DIP Termination Event,” and the date upon which such DIP Termination Event occurs, the “DIP Termination Date”), unless waived in writing by the DIP Lenders in their sole discretion.

18. **Exercise of Remedies.**

(a) **Remedies of the DIP Agents.** Immediately upon the occurrence and during the continuation of a DIP Termination Event, any stay, whether arising under section 362 of the Bankruptcy Code or otherwise, but subject to the terms of this Interim Order, including clause (c) of this paragraph, is hereby modified, without further notice to, hearing of, or order from this Court, to the extent necessary to permit the DIP Agents to, upon the delivery of written notice (which may include electronic mail) to the DIP Remedies Notice Parties (as defined below): (i) declare all DIP Facility Obligations owing under the DIP Facility to be immediately due and payable; (ii) terminate, reduce, or restrict any commitment to extend credit to the DIP Loan Parties under the DIP Facility (to the extent any such commitment remains); (iii) terminate the DIP Facility and the DIP Loan Documents as to any future liability or obligation thereunder, but without affecting the DIP Liens or the DIP Facility Obligations; (iv) charge interest at the default rate under the DIP Facility; (v) terminate and/or revoke the Debtors’ right, if any, under this Interim Order and the DIP Loan Documents to use any Cash Collateral of the DIP Secured Parties; (vi) freeze monies or balances in the DIP Proceeds Account; (vii) otherwise enforce any and all rights against the DIP Collateral in the possession of the DIP Lenders; and (viii) take any other actions or exercise any other rights or remedies permitted under this Interim Order, the DIP Loan Documents, or applicable law; *provided* that prior to the exercise of any right in clauses (v) through (viii) of this paragraph 18, the DIP Lenders shall be required to provide five (5) Business Days’ written notice (by electronic mail or other electronic means) to counsel to the Debtors, counsel to the Prepetition

ABL Agent, counsel to the Official Committee, if any, and the U.S. Trustee (the “DIP Remedies Notice Parties”) of the DIP Lenders’ intent to exercise their rights and remedies (the “DIP Remedies Notice Period”) other than funds contained in any DIP Proceeds Account; *provided, further*, that the DIP Lenders shall not be obligated to make any loans or advances under the DIP Facility during any DIP Remedies Notice Period; *provided further* that, for the avoidance of doubt, the Debtors may continue to use any Cash Collateral prior to the expiration of the DIP Remedies Notice Period so long as such Cash Collateral is used in accordance with the Approved DIP Budget (subject to Permitted Variances).

(b) Remedies of the Prepetition ABL Agent. Immediately upon the occurrence and during the continuation of a DIP Termination Event (or any event that would have been a DIP Termination Event but for any extension, waiver, modification, or similar change to the DIP Credit Documents by the DIP Agents or DIP Lenders), any stay, whether arising under section 362 of the Bankruptcy Code or otherwise, but subject to the terms of this Interim Order, including clause (c) of this paragraph 18, is hereby modified, without further notice to, hearing of, or order from this Court, to the extent necessary to permit the Prepetition ABL Agent to, upon the delivery of written notice (which may include electronic mail) to the ABL Remedies Notice Parties (as defined below): (i) terminate and/or revoke the Debtors’ right, if any, under this Interim Order to use any Cash Collateral of the DIP Secured Parties; (ii) otherwise enforce any and all rights against the DIP Collateral; and (iii) take any other actions or exercise any other rights or remedies permitted under this Interim Order or applicable law; provided that prior to the exercise of any right in clauses (i) through (iii) of this paragraph 18, the Prepetition ABL Agent shall be required to provide five (5) Business Days’ written notice (by electronic mail or other electronic means) to counsel to the Debtors, counsel to the DIP Lenders, counsel to the Official Committee, if any, and the U.S.

Trustee (the “ABL Remedies Notice Parties”) of the Prepetition ABL Agent’s intent to exercise its rights and remedies (the “ABL Remedies Notice Period,” together with DIP Remedies Notice Period, as applicable, a “Remedies Notice Period”); provided, further, that, for the avoidance of doubt, the Debtors may continue to use any Cash Collateral prior to the expiration of the ABL Remedies Notice Period so long as such Cash Collateral is used in accordance with the Approved DIP Budget (subject to Permitted Variances); provided, further, that nothing in this paragraph 18(b) shall prevent the Debtors from seeking the Court’s authorization to use Cash Collateral over the objection of the Prepetition ABL Agent in accordance with a new Approved DIP Budget but otherwise on the same terms and conditions contained in this Interim Order.

(c) During the applicable DIP Remedies Notice Period, the Debtors, the Official Committee or any other party in interest may seek an emergency hearing before this Court. Unless during such DIP Remedies Notice Period this Court enters an order to the contrary, the DIP Agents shall be deemed to have received relief from the automatic stay to exercise all rights and remedies available against the DIP Collateral (subject to the rights of the applicable Prepetition Secured Parties), permitted by applicable law or equity, without further notice to, hearing of, or order from this Court, and without restriction or restraint by any stay under sections 105 or 362 of the Bankruptcy Code or otherwise (in each case, subject to paragraph 18(c) hereof). To the extent a Final Order is entered providing for such relief and in furtherance of the foregoing, upon the occurrence and during the continuation of a DIP Termination Event, and the expiration of the applicable DIP Remedies Notice Period without entry of a Court order to the contrary, the DIP Agents and any liquidator or other professional acting at the DIP Agents’ shall (A) have the right to use, license or sub-license (without payment of royalty or other compensation) any or all intellectual property of the Debtors, computer hardware and software, trade secrets, brochures,

customer lists, promotional and advertising materials, labels, packaging materials and other property, in advertising for sale, marketing, selling, collecting, completing manufacture of, or otherwise exercising any rights or remedies with respect to, any DIP Collateral or Prepetition Collateral, as applicable, and (B) have the right to access, and a rent free right to use, any and all owned or leased locations (including, without limitation, manufacturing facilities, warehouse locations, distribution centers and offices) for the purpose of arranging for and effecting the sale or disposition of DIP Collateral or Prepetition Collateral, as applicable, including the production, completion, packaging and other preparation of such DIP Collateral or Prepetition Collateral, as applicable, for sale or disposition (it being understood and agreed that the DIP Agents and their representatives (and persons employed on their behalf) and their representatives (and persons employed on their behalf), as applicable, may continue to operate, service, maintain, process and sell the DIP Collateral (subject to the rights of the Prepetition Secured Parties in the Prepetition Collateral) or Prepetition Collateral, as applicable, as well as to engage in bulk sales of such DIP Collateral or Prepetition Collateral, as applicable.

(d) The Debtors (i) shall reasonably cooperate with the DIP Agents, as applicable, in its exercise of rights and remedies, whether against DIP Collateral (subject to the rights of the Prepetition Secured Parties in the Prepetition Collateral) or Prepetition Collateral, as applicable, or otherwise; (ii) waive any right to seek relief under section 105 of the Bankruptcy Code; and (iii) unless this Court orders otherwise, may not contest or challenge the exercise of any such rights or remedies other than to dispute whether a DIP Termination Event has in fact occurred.

19. **Indemnification.** The DIP Loan Parties shall jointly and severally indemnify and hold harmless each DIP Secured Party and each of their respective directors, officers, employees, agents, attorneys, accountants, advisors, controlling persons, equity holders, partners, members,

and other representatives and each of their respective successors and permitted assigns (each, an “Indemnified Party”) against, and to hold each Indemnified Party harmless from, any and all losses, claims, damages, liabilities, and reasonable, documented and invoiced out-of-pocket fees and expenses (including, without limitation, fees and disbursements of counsel but limited, in the case of counsel, to the extent set forth in the DIP Term Sheet) that may be incurred by or asserted or awarded against any Indemnified Party, in each case, arising out of, or in any way in connection with, or as a result of: (i) the execution or delivery of the DIP Term Sheet, the DIP Credit Agreement, the DIP Note, any other DIP Loan Document, the performance by the parties thereto of their respective obligations thereunder and the other transactions contemplated thereby; (ii) the use of the proceeds of the DIP Loans; (iii) the enforcement or protection of its rights in connection with the DIP Term Sheet, the DIP Credit Agreement, the DIP Note, and any other DIP Loan Document; (iv) the negotiation of and consent to this Interim Order; or (v) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnified Party is a party thereto and regardless of whether such matter is initiated by a third party or the Debtors or any of their subsidiaries or affiliates or creditors; *provided* that, the foregoing indemnity shall not apply to any claims arising (i) prior to the Petition Date or (ii) out of, or in any way in connection with, or as a result of provisions of the Prepetition Secured Documents (for the avoidance of doubt, nothing in this Interim Order alters, amends, expands or minimizes any indemnification under the Prepetition Secured Documents, subject to applicable law); *provided further* that, no Indemnitee will be indemnified for any loss, claim, damage, liability, cost, or other expense to the extent such loss, claim, damage, liability, cost, or expense that (i) is determined by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from (A) the gross negligence, bad faith, or willful misconduct of such Indemnitee or (B) a material

breach of the obligations of such Indemnitee under the DIP Loan Documents; or (ii) relates to any proceeding between or among Indemnites other than claims arising out of any act or omission on the part of the DIP Loan Parties in accordance with this paragraph 19.

20. **Proofs of Claim**. The DIP Agents, the DIP Secured Parties, and the Prepetition Secured Parties shall not be required to file proofs of claim in any of the Chapter 11 Cases or any of the Successors Cases for any claim allowed herein or therein in respect of the Prepetition Secured Obligations. Any order entered by this Court establishing a bar date in any of the Chapter 11 Cases or any Successor Cases shall not apply to the DIP Secured Parties or the Prepetition Secured Parties; *provided* that, notwithstanding any order entered by this Court establishing a bar date in any of the Chapter 11 Cases or any Successor Cases to the contrary, the DIP Agents, on behalf of the DIP Secured Parties, and the Prepetition ABL Agent, the Prepetition Omega Term Loan Agent and/or the Omega Landlords, on behalf of the Prepetition Secured ABL Parties, the Prepetition Omega Term Loan Secured Parties, and/or the Omega Landlords, as applicable, may (but are not required) in their discretion file (and amend and/or supplement) in the Debtors' lead chapter 11 case *In re LaVie Care Centers, LLC et al.*, Case No. 24-55507 (PMB), or any Successor Cases, a single, master proof of claim, on behalf of the Prepetition Secured ABL Parties, the Prepetition Omega Term Loan Secured Parties, and/or the Omega Landlords, as applicable, for any claim allowed herein or their claims arising under the applicable Prepetition Secured Documents, and any such proof of claim may (but is not required to) be filed as one consolidated proof of claim against all of the Debtors (each, a "Master Proof of Claim"), rather than as separate proofs of claim against each Debtor. Any proof of claim filed by the DIP Secured Parties or any of the Prepetition Secured Parties shall be deemed to be in addition to (and not in lieu of) any other proof of claim that may be filed by any such persons. The provisions set

forth in this paragraph are intended solely for the purpose of administrative convenience and shall not affect the substantive rights of any party-in-interest or their respective successors-in-interest. The Master Proofs of Claim shall not be required to attach any instruments, agreements or other documents evidencing the obligations owing by each of the Debtors to the Prepetition Secured Parties, which instruments, agreements or other documents will be provided upon written request to counsel to each Prepetition Secured Party.

21. **Carve Out.**

(a) Subject to the terms, conditions and limitations contained in this paragraph 21, but only to the extent and subject to the express exclusions set forth herein, the DIP Liens, the DIP Superpriority Claims, the Prepetition Liens, the Adequate Protection Liens and the Adequate Protection Superpriority Claims, and any other liens or claims granted under this Interim Order, are all subordinate (except as otherwise provided herein) to the following (collectively, the “Carve Out”):

- (1) allowed administrative expenses pursuant to 28 U.S.C. § 1930(a)(6) for statutory fees payable to the U.S. Trustee, together with the statutory rate of interest, and 28 U.S.C. § 156(c) for fees required to be paid to the Clerk of this Court (collectively, the “Statutory Fees”), which shall not be subject to any budget;
- (2) all reasonable fees and expenses up to \$50,000 incurred by a trustee under section 726(b) of the Bankruptcy Code;
- (3) to the extent allowed at any time, whether by interim order, procedural order, or otherwise, all accrued and unpaid fees (other than any “success,” “restructuring,” “transaction” or similar fees), disbursements, costs, and expenses (“Allowed Professional Fees”) incurred by Professional Persons, at any time on or before the first (1st) Business Day following delivery of the Carve- Out Trigger Notice by the DIP Lenders (as defined below) whether allowed by the Court prior to or after delivery of a Carve Out Trigger Notice; and
- (4) Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed \$500,000 incurred after the first (1st) Business Day following delivery DIP Lenders of a Carve Out Trigger

Notice, to the extent consistent with the Budget and allowed at any time, whether by Interim Order, procedural order, final order, or otherwise (the amounts set forth in this clause (iv), the “Post-Carve Out Trigger Notice Cap”).

(b) For purposes of the foregoing, “Carve Out Trigger Notice” shall mean a written notice delivered by email (or other electronic means) by the DIP Lenders the Debtors and their counsel, with a copy to the DIP Agents and their counsel, the U.S. Trustee, and counsel to the Official Committee, if any, which notice may be delivered following the occurrence and during the continuation of a DIP Termination Event stating that the Carve Out Trigger Notice Cap has been invoked. Nothing herein, including the inclusion of line items in the Approved DIP Budget for Professional Persons, shall be construed as consent to the allowance of any particular professional fees or expense of the Debtors, of the Official Committee, or of any other person or shall affect the right of the DIP Agents, the Prepetition ABL Agent, the Prepetition Omega Term Loan Agent and/or the Omega Landlords, the U.S. Trustee, or any other party in interest to object to the allowance and payment of such fees and expenses. The Prepetition Secured Parties shall not be responsible for the direct payment or reimbursement of any fees or disbursements of any Professional Persons incurred in connection with the Chapter 11 Cases or any Successor Cases under any chapter of the Bankruptcy Code. Nothing in this Interim Order or otherwise shall be construed to obligate the Prepetition Secured Parties in any way to pay compensation to or to reimburse expenses of any Professional Persons, or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement.

22. **Limitations on the DIP Facility, the DIP Collateral, the Prepetition Collateral, the Cash Collateral, the Carve Out, and Other Funds.** Notwithstanding anything contained in the DIP Loan Documents, this Interim Order, or any other order of this Court to the contrary, no DIP Collateral, Prepetition Collateral, DIP Loans, Cash Collateral, proceeds of any of the

foregoing, any portion of the Carve Out, or any other cash or funds may be used, directly or indirectly, by any of the Debtors, any Official Committee (if appointed), or any trustee or other estate representative appointed in the Chapter 11 Cases or any Successor Cases or any other person or entity (or to pay any professional fees, disbursements, costs or expenses incurred in connection therewith): (a) to object to, contest, prevent, hinder, delay, or interfere with, in any way, the DIP Secured Parties' or the Prepetition Secured Parties' enforcement or realization upon any of the DIP Collateral, Prepetition Collateral, or Cash Collateral, so long as a DIP Termination Event has occurred and is continuing; or (b) to investigate (including by way of examinations or discovery proceedings, whether formal or informal), prepare, assert, join, commence, support, or prosecute any action for any claim, counter-claim, action, proceeding, application, motion, objection, defense, or other contested matter seeking any order, judgment, determination, or similar relief against, or adverse to the interests of, in any capacity, against any of the Prepetition Secured Parties and DIP Lenders, and each of their respective successors, assigns, affiliates, parents, subsidiaries, partners, controlling persons, representatives, agents, attorneys, advisors, financial advisors, consultants, professionals, officers, directors, members, managers, shareholders, and employees, past, present and future, and their respective heirs, predecessors, successors and assigns (in each case, in their respective capacities as such) (collectively, the "Subject Parties") with respect to any transaction, occurrence, omission, action, or other matter arising under, in connection with, or related to this Interim Order, the DIP Facility, the DIP Loan Documents, the DIP Facility Obligations, the Prepetition Liens, the Prepetition Secured Obligations, or the Prepetition Secured Documents or the transactions contemplated therein or thereby, including, without limitation, (A) any Avoidance Actions, (B) any so-called "lender liability" claims and causes of action, (C) any claim or cause of action with respect to the validity, enforceability, priority and extent of, or

asserting any defense, counterclaim, or offset to, the DIP Facility Obligations, the DIP Superpriority Claims, the DIP Liens, the DIP Loan Documents, the Adequate Protection Liens, the Adequate Protection Claims, the Prepetition ABL Obligations, the Prepetition ABL Documents, the Prepetition ABL Liens, the Prepetition Omega Term Loan Documents, Prepetition Omega Term Loan Liens, the Omega Master Lease Agreement, the Omega Master Lease Documents the Omega Master Lease Liens, (D) any claim or cause of action seeking to challenge, invalidate, modify, set aside, avoid, marshal, subordinate, or recharacterize in whole or in part, the DIP Facility Obligations, the DIP Liens, the DIP Superpriority Claims, the DIP Collateral, the Prepetition ABL Obligations, the Prepetition Collateral, the Adequate Protection Liens, and the Adequate Protection Claims, or (E) any action seeking to modify any of the rights, remedies, priorities, privileges, protections, and benefits granted to any of the DIP Secured Parties hereunder or under any of the DIP Loan Documents or the Prepetition Secured Parties hereunder or under any of the Prepetition Secured Documents, as applicable (in each case, including, without limitation, claims, proceedings, or actions that might prevent, hinder, or delay any of the DIP Secured Parties, or the Prepetition Secured Parties' assertions, enforcements, realizations, or remedies on or against the DIP Collateral or Prepetition Collateral in accordance with the applicable DIP Loan Documents or Prepetition Secured Documents and this Interim Order and/or the Final Order (as applicable)); *provided*, that (i) no more than \$50,000 in the aggregate of the DIP Collateral, the Carve Out or Cash Collateral, proceeds from the borrowings under the DIP Facility or any other amounts, may be used for allowed fees and expenses incurred solely by any Official Committee (if appointed) in investigating, but not objecting to, challenging, litigating, opposing, prosecuting, or seeking to subordinate or recharacterize the validity, enforceability, perfection, and priority of the Prepetition Liens, the Prepetition Secured Documents, the Adequate

Protection Liens, or the Adequate Protection Claims prior to the Challenge Deadline (as defined below) and (ii) no DIP Collateral (including Cash Collateral) or any proceeds thereof shall be used to investigate, object to, challenge, litigate, oppose, or prosecute any cause of action against the DIP Secured Parties (in their capacity as such), including seeking to subordinate or recharacterize the validity, enforceability, perfection, and priority of the DIP Liens, the DIP Superpriority Claims, the DIP Loans, or the DIP Loan Documents. Except to the extent expressly permitted by the terms of the DIP Loan Documents and this Interim Order or any further order of this Court, none of the Debtors, any Official Committee (if appointed), or any trustee or other estate representative appointed in the Chapter 11 Cases or any Successor Cases or any other person or entity may use or seek to use Cash Collateral or, to sell, or otherwise dispose of DIP Collateral or Prepetition Collateral, in each case, without the consent of the Required DIP Lenders.

23. **Reservation of Certain Third-Party Rights and Bar of Challenges and Claims.**

(a) Subject to the challenge rights described in this paragraph 23, each of the stipulations, admissions, and agreements contained in this Interim Order, including, without limitation, in clauses (i) through (ix) of paragraph E of this Interim Order (collectively, the “Stipulations”), shall be binding upon the DIP Loan Parties and any successor thereto (including, without limitation, any chapter 7 or chapter 11 trustee appointed or elected for any of the DIP Loan Parties in the Chapter 11 Cases or any Successor Cases) in all circumstances and for all purposes. The Stipulations shall be binding upon all parties in interest (including without limitation, (x) the DIP Loan Parties and any successor thereto (including, without limitation, any chapter 7 or chapter 11 trustee appointed or elected for any of the DIP Loan Parties in the Chapter 11 Cases or any Successor Cases), and (y) any Official Committee, if appointed) and any other person or entity acting or seeking to act on behalf of the DIP Loan Parties’ estates, in all circumstances and for all

purposes, unless an Official Committee, if any, or a party in interest (in each case, to the extent requisite standing is obtained pursuant to an order of this Court entered prior to the Challenge Deadline (as defined below)) with respect to the Stipulations and a challenge has been filed with this Court (each, a “Challenge Proceeding”) by the Challenge Deadline, objecting to or challenging the amount, validity, perfection, enforceability, priority, or extent of any of the Prepetition Secured Obligations, the Prepetition Liens, or the Prepetition Secured Documents, or otherwise asserting or prosecuting any Avoidance Action or any other claim, counterclaim, cause of action, objection, contest, defense or other challenge (a “Challenge”) against any of the Subject Parties arising under, in connection with or related to the Debtors, the Prepetition Secured Obligations, the Prepetition Liens, the Prepetition Secured Documents, or the DIP Loan Documents, and there is entered a final non-appealable order in favor of the objector, movant or plaintiff in any such timely filed Challenge Proceeding; *provided* that (i) as to the Debtors (but not their estates), any and all such challenges are hereby irrevocably waived and relinquished as of the Petition Date, (ii) any pleadings filed in any Challenge Proceeding shall set forth with the requisite specificity the basis for such Challenge (and any Challenges not so specified prior to the Challenge Deadline shall be deemed forever, waived, released and barred), and (iii) such Challenge Proceeding may be pursued by the Official Committee or any other party in interest that timely commenced a Challenge Proceeding pursuant to the terms of this Interim Order.

(b) If no such Challenge Proceeding is timely filed with this Court prior to the Challenge Deadline, then, without further notice to any person or entity or order of this Court, (i) the Stipulations shall be binding on all parties in interest (including, without limitation, any Official Committee, if appointed, the DIP Loan Parties and any successor thereto (including, without limitation, any chapter 7 or chapter 11 trustee appointed or elected for any of the DIP Loan

Parties in the Chapter 11 Cases or any Successor Cases) and the Debtors; (ii) the Prepetition Secured Obligations shall constitute allowed claims and shall not be subject to any defense, claim, counterclaim, recharacterization, subordination, disgorgement, offset, avoidance, for all purposes in these Chapter 11 Cases and any Successor Cases; (iii) the Prepetition Secured Documents shall be deemed to have been valid, as of the Petition Date, and enforceable against each of the DIP Loan Parties in the Chapter 11 Cases and any Successor Cases, and the Prepetition Obligors; (iv) the Prepetition Liens shall be deemed to have been, as of the Petition Date, legal, valid, binding, perfected, security interests and liens, not subject to recharacterization, subordination, avoidance, or other defense; and (v) the Prepetition Secured Obligations, the Prepetition Liens, and the Prepetition Secured Documents shall not be subject to any other or further claim or Challenge by any Official Committee (if appointed), any other committees appointed or formed in these Chapter 11 Cases or any Successor Cases or any other party in interest, whether acting or seeking to act on behalf of the Debtors' estates or otherwise.

(c) If any such Challenge Proceeding is timely filed prior to the Challenge Deadline, the Stipulations shall nonetheless remain binding and preclusive (as provided in paragraph 23(b) hereof) on any Official Committee (if appointed) and on any other person or entity, the DIP Loan Parties and any successor thereto (including, without limitation, any chapter 7 or chapter 11 trustee appointed or elected for any of the DIP Loan Parties in the Chapter 11 Cases or any Successor Cases), and the Debtors, except to the extent that such Stipulations were expressly and successfully challenged in such Challenge Proceeding as set forth in a final, non-appealable order of a court of competent jurisdiction.

(d) The "Challenge Deadline" shall mean the date that is (A) the later of (i) 75 calendar days after entry of this Interim Order if no Official Committee has been formed by

such date, or (ii) if an Official Committee is appointed within 75 calendar days after entry of this Interim Order, 60 days after formation of such Official Committee, (B) with respect to any Subject Party, such later date that such Subject Party has agreed to in writing, prior to the expiration of the deadline to commence a Challenge, or (C) any such later date as has been ordered by this Court for cause upon a motion filed and served prior to the expiration of the deadline to commence a Challenge; *provided*, that the filing of a motion pursuant to subsection (C), *supra*, shall toll the Challenge Period only as to the party that timely filed such standing motion until such motion is resolved or adjudicated by this Court; *provided further*, if a chapter 7 trustee or a chapter 11 trustee is appointed or elected during the Challenge Period, then the Challenge Period Termination Date with respect to such trustee only, shall be the later of (i) the last day of the Challenge Period and (ii) the date that is twenty (20) calendar days after the date on which such trustee is appointed or elected. Nothing in this Interim Order vests or confers on any Person (as defined in the Bankruptcy Code), including any Official Committee or any other committees appointed or formed in these Chapter 11 Cases, standing or authority to pursue any claim or cause of action belonging to the Debtors or their estates, including, without limitation, Challenges with respect to the Prepetition Secured Documents, the Prepetition Secured Obligations or the Prepetition Liens, and all rights to object to such standing are expressly reserved.

24. **Limitations on Charging Expenses.** To the extent a Final Order is entered providing for such relief, and except to the extent of the Carve Out and paragraph 22, and except as otherwise provided under an Approved DIP Budget, no costs or expenses of administration of the Chapter 11 Cases or any Successor Cases at any time, including, without limitation, any costs and expenses incurred in connection with the preservation, protection, or enhancement of realization by the DIP Secured Parties or the Prepetition Secured Parties (as the case may be) upon

the DIP Collateral or Prepetition Collateral (as the case may be), shall be charged against or recovered from (a) the DIP Secured Parties or the DIP Collateral (including in respect of the Adequate Protection Liens), or any of the DIP Facility Obligations, or (b) the Prepetition Secured Parties or the Prepetition Collateral, in each case, pursuant to sections 105 or 506(c) of the Bankruptcy Code or any other legal or equitable doctrine (including unjust enrichment) or any similar principle of law, without the prior express written consent of the Required DIP Lenders, the Prepetition ABL Agent, the Prepetition Omega Term Loan Agent and the Omega Landlords, as applicable, each in their sole discretion, and no such consent shall be implied, directly or indirectly, from any other action, inaction, or acquiescence by any such agents or creditors (including, without limitation, consent to the Carve Out or the approval of any budget hereunder).

25. **No Marshaling.** To the extent a Final Order is entered providing for such relief, in no event shall the DIP Secured Parties or the Prepetition Secured Parties be subject to the equitable doctrine of “marshaling” or any similar doctrine with respect to the DIP Collateral, the DIP Facility Obligations, the Prepetition Collateral, or the Prepetition Secured Obligations as applicable, and all proceeds shall be received and applied in accordance with this Interim Order, the DIP Term Sheet and the Prepetition Secured Documents, as applicable.

26. **Equities of the Case.** Further, to the extent a Final Order is entered providing for such relief, in no event shall the “equities of the case” exception in section 552(b) of the Bankruptcy Code apply to any of the Prepetition Secured Parties or Prepetition Collateral.

27. **Joint and Several Liability.** Nothing in this Interim Order shall be construed to constitute or authorize a substantive consolidation of any of the Debtors’ estates, it being understood, however, that the DIP Loan Parties shall be jointly and severally liable for the obligations hereunder and in accordance with the terms of this Interim Order.

28. **Right to Credit Bid.**

(a) The DIP Agents or their designee (at the written direction of the Required DIP Lenders), on behalf of the DIP Secured Parties, unless this Court for cause orders otherwise, shall have the right to credit bid on the DIP Collateral, in accordance with the DIP Loan Documents, up to the full amount of the DIP Facility Obligations, subject to the Prepetition Secured Parties' respective interests in the DIP Collateral, in connection with any sale or other disposition of all or any portion of the DIP Collateral, as provided for in section 363(k) of the Bankruptcy Code, without the need for further Court order authorizing the same, including, without limitation, any sales occurring pursuant to section 363 of the Bankruptcy Code or included as part of any plan subject to confirmation under section 1129(b)(2)(A) of the Bankruptcy Code, and shall automatically be deemed a "qualified bidder" with respect to any disposition of DIP Collateral under or pursuant to (a) section 363 of the Bankruptcy Code, (b) a plan of reorganization or plan of liquidation under section 1129 of the Bankruptcy Code, or (c) a sale or disposition by a chapter 7 trustee for any of the Debtors under section 725 of the Bankruptcy Code.

(b) The Prepetition ABL Agent or its designee (at the written direction of the Prepetition ABL Lenders), on behalf of the Prepetition ABL Secured Parties, unless this Court for cause orders otherwise, shall have the right to credit bid on the ABL Senior Collateral, in accordance with the Prepetition ABL Documents, up to the full amount of the Prepetition ABL Obligations, in connection with any sale or other disposition of all or any portion of the DIP Collateral, as provided for in section 363(k) of the Bankruptcy Code, without the need for further Court order authorizing the same, including, without limitation, any sales occurring pursuant to section 363 of the Bankruptcy Code or included as part of any plan subject to confirmation under section 1129(b)(2)(A) of the Bankruptcy Code, and shall automatically be deemed a "qualified

bidder” with respect to any disposition of ABL Senior Collateral under or pursuant to (a) section 363 of the Bankruptcy Code, (b) a plan of reorganization or plan of liquidation under section 1129 of the Bankruptcy Code, or (c) a sale or disposition by a chapter 7 trustee for any of the Debtors under section 725 of the Bankruptcy Code.

29. **Rights Preserved.** Notwithstanding anything herein to the contrary, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly: (a) the rights of the DIP Secured Parties or the Prepetition Secured Parties to seek any other or supplemental relief in respect of the Debtors; (b) the rights of the DIP Secured Parties or the Prepetition Secured Parties under the DIP Loan Documents or the Prepetition Secured Documents, the Bankruptcy Code or applicable non-bankruptcy law, including, without limitation, the right to (i) request modification of the automatic stay of section 362 of the Bankruptcy Code, (ii) request dismissal of any of the Chapter 11 Cases, conversion of any or all of the Chapter 11 Cases to a case under chapter 7, or appointment of a chapter 11 trustee or examiner with expanded powers, or (iii) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a Chapter 11 plan or plans; or (c) any other rights, claims, or privileges (whether legal, equitable or otherwise) of the DIP Secured Parties or the Prepetition Secured Parties. Notwithstanding anything herein to the contrary, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, the Debtors’, the DIP Loan Parties’, or any party in interest’s right to oppose any of the relief requested in accordance with the immediately preceding sentence, except as expressly set forth in this Interim Order.

30. **No Waiver by Failure to Seek Relief.** The failure or delay on the part of any of the DIP Secured Parties or the Prepetition Secured Parties to seek relief or otherwise exercise their rights and remedies under this Interim Order, the DIP Loan Documents or the Prepetition

Secured Documents, or applicable law, as the case may be, shall not constitute a waiver of any of their respective rights hereunder, thereunder or otherwise. No delay on the part of any party in the exercise of any right or remedy under this Interim Order shall preclude any other or further exercise of any such right or remedy or the exercise of any other right or remedy. None of the rights or remedies of any party under this Interim Order shall be deemed to have been amended, modified, suspended, or waived unless such amendment, modification, suspension, or waiver is express, in writing and signed by the party against whom such amendment, modification, suspension, or waiver is sought. No consents required hereunder by any of the DIP Secured Parties or the Prepetition Secured Parties shall be implied by any inaction or acquiescence by any of the DIP Secured Parties or the Prepetition Secured Parties.

31. **No Deemed Control.** In determining to make, and in providing, any DIP Loans under the DIP Note, or in exercising any rights or remedies as and when permitted pursuant to this Interim Order, any Final Order or the DIP Loan Documents, no DIP Secured Party and no Prepetition Secured Party shall be deemed to be in control of any Debtor or its operations or to be acting as a “responsible person,” “managing agent” or “owner or operator” (as such terms are defined in the United States Comprehensive Environmental Response, Compensation and Liability Act, 29 U.S.C. §§ 9601, et seq., as amended, or any similar state or federal statute) with respect to the operation or management of such Debtor.

32. **Binding Effect of this Interim Order.** Immediately upon entry of this Interim Order by this Court, this Interim Order shall inure to the benefit of the Debtors, the DIP Secured Parties and the Prepetition Secured Parties, and the provisions of this Interim Order (including all findings and conclusions of law herein) shall be valid and binding upon the Debtors, the DIP Secured Parties and the Prepetition Secured Parties, any and all other creditors of the Debtors,

any Official Committee (if appointed) or other committee appointed in the Chapter 11 Cases, any and all other parties in interest, and the respective successors and assigns of each of the foregoing, including any trustee or other fiduciary hereafter appointed as legal representative of any of the Debtors in any of the Chapter 11 Cases or any Successor Cases, or upon dismissal of any of the Chapter 11 Cases; *provided* that (a) nothing in this paragraph shall confer final status on this Interim Order; and (b) the DIP Secured Parties and the Prepetition Secured Parties shall have no obligation to permit the use of DIP Collateral or Prepetition Collateral (including Cash Collateral) by, or to extend any financing to, any chapter 7 trustee, chapter 11 trustee, or similar responsible person appointed for the estates of the Debtors.

33. **Survival.** The terms and provisions of this Interim Order, including, without limitation, (a) the Carve Out and (b) all of the rights, privileges, benefits, and protections afforded herein and in the DIP Loan Documents (including the DIP Liens, the DIP Superpriority Claims, the Adequate Protection Liens, and the Adequate Protection Claims, and any other claims, liens, security interests, and other protections (as applicable)) granted to the DIP Secured Parties and the Prepetition Secured Parties pursuant to this Interim Order and the DIP Loan Documents (collectively, the “DIP Protections”), and any actions taken pursuant hereto or thereto, shall survive, shall continue in full force and effect, shall remain binding on all parties in interest, and shall maintain their priorities, and shall not be modified, impaired, or discharged by (except to the extent consented to in writing by the applicable secured parties), entry of any order that may be entered (i) confirming any plan of reorganization in any of the Chapter 11 Cases; (ii) converting any or all of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code; (iii) dismissing any or all of the Chapter 11 Cases; or (iv) pursuant to which this Court abstains from hearing any of the Chapter 11 Cases, in each case, until (x) in respect of the DIP Facility, all of the DIP Facility

Obligations, pursuant to the DIP Term Sheet and this Interim Order, have been indefeasibly paid in full in cash (other than contingent indemnification obligations as to which no claim has been asserted) and all commitments to extend credit under the DIP Facility are terminated. This Court shall retain jurisdiction, notwithstanding any such confirmation, conversion, or dismissal, for the purposes of enforcing such DIP Protections and the Prepetition Secured Parties' adequate protection.

34. **Good Faith under Section 364(e) of the Bankruptcy Code; No Modification or Stay of this Interim Order.** The DIP Secured Parties and New Ark have acted in good faith in connection with the DIP Facility, the DIP Loan Documents, the Interim Financing, and with this Interim Order, and their reliance on this Interim Order is in good faith. Based on the findings set forth in this Interim Order and the record made during the Interim Hearing, and in accordance with section 364(e) of the Bankruptcy Code, the DIP Secured Parties are entitled to the protections provided in section 364(e) of the Bankruptcy Code, this Interim Order and the DIP Loan Documents to the extent provided therein. If any or all of the provisions of this Interim Order are hereafter reversed or modified on appeal, such reversal or modification shall not affect the validity, priority, or enforceability of the DIP Facility Obligations or the DIP Liens; provided, however, that the DIP Secured Parties shall not be entitled to protection under section 364(e) of the Bankruptcy Code with respect to any funds advanced by the DIP Secured Parties or made available by the Prepetition Secured Parties, as applicable, under the DIP Loan Documents after entry of an order staying this Interim Order or any provision of this Interim Order authorizing the Debtors to borrow funds under the DIP Loan Documents. Notwithstanding any such reversal or modification of this Interim Order or certain provisions thereof on appeal, any DIP Facility Obligations, DIP Liens, or Adequate Protection Liens incurred by the DIP Loan Parties to the DIP Secured Parties

or the Prepetition Secured Parties, as the case may be, prior to the actual receipt of written notice by the DIP Agents and the Prepetition Agent of the effective date of such reversal, modification, or stay shall be governed in all respects by the original provisions of this Interim Order.

35. **Amendment of the DIP Loan Documents.** The DIP Loan Documents may, from time to time, be amended, amended and restated, modified, or supplemented by the parties thereto without notice or a hearing if the amendment, amendment and restatement, modification, or supplement is not material, and is: (i) in accordance with the DIP Loan Documents; and (ii) not adverse or prejudicial in any material respect to the rights of the Debtors, the estates, or third parties; *provided, however*, all amendments, modifications and waivers of the DIP Loan Documents shall require the consent of the Required DIP Lenders, except in the case of amendments, modifications, or waivers requiring consent from all DIP Lenders, all affected DIP Lenders, or the DIP Agents (or the DIP Agents with the consent in writing of the Required DIP Lenders), including without limitation, certain consent rights in respect of commitments, economics, maturity and the release of collateral as set forth in the DIP Loan Documents. Any material amendment, restatement, modification or supplement to the DIP Loan Documents may only be made pursuant to an order of this Court, upon notice and a hearing; *provided further however*, that any (i) extension of maturity, (ii) waiver or modification or comprise with respect to any Event of Default, or (iii) amendment to the Approved DIP Budget, including with respect to Permitted Variances, shall require the written consent of the Required DIP Lenders and shall not require entry of an order of this Court; for the avoidance of doubt, the Prepetition ABL Agent retains its rights to seek to termination of the Debtors' ability to continue to use Cash Collateral upon any such consent granted by the Required DIP Lenders and pursuant to the terms set forth in paragraph 18 of this Interim Order. The Debtors shall file all amendments, restatements,

modification and supplements of the DIP Loan Documents with this Court and serve the same on the U.S. Trustee and the Official Committee, if any.

36. **Adequate Assurance Deposits.** Notwithstanding anything to the contrary in this Interim Order, the interests of the DIP Secured Parties and the Prepetition Secured Parties in any adequate assurance deposit ordered by this Court for the benefit of the Debtors' utilities shall be subordinate to the interests of the Debtors' utilities in such adequate assurance deposit until such time as the adequate assurance deposit is returned to the Debtors.

37. **Limitation of Liability.** Nothing in this Interim Order, the DIP Loan Documents, or any other documents related to these transactions shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Secured Parties (in each case, in their capacities as such) of (a) any liability for any claims arising from the prepetition or postpetition activities of the Debtors in the operation of their business, or in connection with their restructuring efforts, or (b) any fiduciary duties to the Debtors, their respective creditors, shareholders, or estates. So long as the DIP Secured Parties comply with their obligations under the DIP Loan Documents and their obligations, if any, under applicable law (including the Bankruptcy Code), (a) the DIP Secured Parties shall not, in any way or manner, be liable or responsible for (i) the safekeeping of the DIP Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof, or (iv) any act or default of any carrier, servicer, bailee, custodian, forwarding agency, or other person; and (b) all risk of loss, damage, or destruction of the DIP Collateral shall be borne by the DIP Loan Parties.

38. **Interim Order Controls.** In the event of any conflict or inconsistency between or among the terms or provisions of this Interim Order, any of the DIP Loan Documents, unless such term or provision in this Interim Order is phrased in terms of "defined in" or "as set forth in"

the DIP Loan Documents, the terms and provisions of this Interim Order shall govern and control.

39. **Payments Held in Trust.** Except as expressly permitted in this Interim Order or the DIP Loan Documents, in the event that any person or entity receives any payment on account of a security interest in the DIP Collateral or receives any DIP Collateral or any proceeds of DIP Collateral prior to indefeasible payment in full in cash of all DIP Facility Obligations under the DIP Loan Documents, and termination of the DIP Commitments in accordance with the DIP Term Sheet, such person or entity shall be deemed to have received, and shall hold, any such payment or proceeds of DIP Collateral in trust for the benefit of the DIP Agents and the DIP Lenders and shall immediately turn over such proceeds to the applicable DIP Agents or DIP Lender, for application in accordance with the DIP Term Sheet and this Interim Order.

40. **Interim Order Effective as of the Petition Date.** This Interim Order shall take effect and shall be enforceable as of the Petition Date immediately upon entry hereof. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), and 7062 or any other Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this Interim Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Interim Order.

41. **Bankruptcy Rules.** The requirements of Bankruptcy Rules 4001, 6003, and 6004, in each case to the extent applicable, are satisfied by the contents of the DIP Motion.

42. **Necessary Action.** The Debtors are authorized and directed to take any and all such necessary actions as are reasonable and appropriate to implement the terms of this Interim Order.

43. **Headings.** Section headings used herein are for convenience only and are not to affect the **construction** of or to be taken into consideration in interpreting this Interim Order.

44. **Final Hearing.** The Final Hearing to consider entry of the Final Order and final approval of the DIP Facility is scheduled for [•], 2024 at [•]:[•] [•].m., prevailing Eastern Time, at the United States Bankruptcy Court for the Northern District of Georgia.

45. **Objections.** Any objections or responses to the entry of the proposed Final Order shall be filed with the Court and served on the following no later 4:00 p.m. (prevailing Eastern Time) on _____, 2024: (a) LaVie Care Centers, LLC, c/o Ankura Consulting Group, LLC, 485 Lexington Avenue, 10th Floor, New York, NY 10017 (Attn: M. Benjamin Jones); (b) proposed counsel to the Debtors, McDermott Will & Emery LLP, 1180 Peachtree St. NE, Suite 3350, Atlanta, GA 30309 (Attn: Daniel M. Simon), and 444 West Lake Street, Suite 4000, Chicago, IL 60606 (Attn: Emily C. Keil); (c) counsel to the Prepetition Omega Secured Parties, Scroggins & Williamson, P.C., 4401 Northside Parkway, Suite 450, Atlanta, GA 30327 (Attn: Matthew W. Levin), and Goodwin Proctor LLP, The New York Times Building, 620 Eighth Avenue, New York, NY 10018 (Attn: Robert J. Lemons), and Ferguson Braswell Fraser Kubasta PC, 2500 Dallas Parkway, Suite 600, Plano, TX 75093 (Attn: Leighton Aiken); (d) counsel to the Debtors' Prepetition ABL Secured Parties, Proskauer LLP, One International Place, Boston, MA 02110 (Attn: Charles A. Dale) and Vedder Price LLP, 222 North LaSalle Street, Chicago, IL 60601 (Attn: Kathryn L. Stevens); (e) counsel to the Debtors' proposed DIP Lenders, DLA Piper LLP, 1900 N. Pearl St., Suite 2200, Dallas, TX 75201 (Attn: James Muenker) and 1251 Avenue of the Americas, New York, NY 10020 (Attn: Kira Mineroff); (f) the United States Trustee for the Northern District of Georgia, 75 Ted Turner Drive, S.W., Room 362, Atlanta, GA 30303 (Attn: Jonathan S. Adams); (g) counsel to the official committee of unsecured creditors (if any) appointed in these Chapter 11 Cases; and (h) any party that has requested notice pursuant to Bankruptcy Rule 2002. Any objections by creditors or any other party in interest to the DIP Motion or any of the provisions of

this Interim Order shall be deemed waived unless filed and received in accordance with the foregoing on or before such date.

46. **Retention of Jurisdiction.** This Court shall retain jurisdiction to hear, determine and, if applicable, enforce the terms of, any and all matters arising from or related to the DIP Facility and/or this Interim Order.

END OF ORDER

Prepared and presented by:

/s/ Daniel M. Simon

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- and -

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*Proposed Counsel for the Debtors and
Debtors-in-Possession*

EXHIBIT 1

DIP Term Sheet

LAVIE CARE CENTERS, LLC, et al.

**JUNIOR SECURED
DEBTOR-IN-POSSESSION CREDIT FACILITY TERM SHEET**

Summary of Proposed Terms and Conditions

June 2, 2024

This binding term sheet (including all schedules, annexes and exhibits hereto, this “DIP Term Sheet” and together with the Interim DIP Order, the Final DIP Order, the Budget (each as defined below), and the definitive loan agreement (as modified in accordance with its terms, the “DIP Loan Agreement”), security agreement or other definitive documentation of the terms and conditions set forth herein, collectively, the “DIP Loan Documents”) sets forth a summary of the terms and conditions with respect to the junior secured debtor-in-possession term loan credit facility (to be provided by the DIP Lenders (as defined below)) to LaVie Care Centers, LLC and certain of its affiliates in connection with cases (the “Chapter 11 Cases”) filed by the Debtors (as defined below) in the United States Bankruptcy Court for the Northern District of Georgia (the “Bankruptcy Court”) under chapter 11 of title 11 of the United States Code (as amended, the “Bankruptcy Code”).

This DIP Term Sheet shall be a binding agreement from and after, and subject to, the entry of the Interim DIP Order with respect to the DIP Loans (as defined below). This DIP Term Sheet not purport to summarize all of the terms, conditions, representations and other provisions with respect to the DIP Facility (as defined below), which will be set forth in the DIP Loan Documents. The obligation of the DIP Lenders (as defined below) to provide financing pursuant to this DIP Term Sheet shall be subject to the conditions precedent and other terms and conditions set forth herein. In the event of any conflict between this DIP Term Sheet and the terms of the Interim DIP Order or the Final DIP Order (each as defined below), the terms of the Interim DIP Order or the Final DIP Order (as applicable) shall govern.

Borrower:	LaVie Care Centers, LLC, a Delaware limited liability company, in its capacity as a debtor and debtor-in-possession (the “ <u>Borrower</u> ”) in the Chapter 11 Cases to be filed (such date, the “ <u>Petition Date</u> ”) under chapter 11 of Title 11 of the Bankruptcy Code in the Bankruptcy Court. This DIP Term Sheet assumes that the Borrower and the Guarantors (as defined below) will file voluntary petitions simultaneously under the Bankruptcy Code in the Bankruptcy Court and will request joint administration of the Chapter 11 Cases; provided that all of Borrower’s and Guarantors’ existing and future, direct or indirect domestic or foreign affiliates and subsidiaries that become debtors and debtors-in-possession in the Chapter 11 Cases at any time and from time to time, shall be Guarantors, as described below under “Guarantors”.
Guarantors:	Each of the Borrower’s direct and indirect affiliates and subsidiaries that commence Chapter 11 Cases on or after the Petition Date, including without limitation such affiliates and subsidiaries as set forth on Exhibit B hereto (including, without limitation, LV Operations I, LLC and LV Operations II, LLC), in their capacities as debtors and debtors-in-possession, on a joint and several basis (each, “ <u>Guarantor</u> ” and collectively, the “ <u>Guarantors</u> ”, together with the Borrower, each

	<p>individually a “<u>Loan Party</u>” and a “<u>Debtor</u>”, and collectively, the “<u>Loan Parties</u>” and the “<u>Debtors</u>”) absolutely and unconditionally guarantees, as a guaranty of performance and payment and not as a guaranty of collection, prompt payment when due, whether at stated maturity, by required prepayment, upon acceleration, demand or otherwise, and at all times thereafter, the payment and performance of any and all obligations of Borrower under and with respect to the DIP Facility (as defined below), including, without limitation any and all DIP Loans and DIP Claims (each as defined below) (collectively, the “<u>Guaranteed Obligations</u>”), subject to, and in accordance with, the terms of the DIP Orders. This guaranty shall not be affected by the genuineness, validity, regularity or enforceability of the Guaranteed Obligations or any instrument or agreement evidencing any Guaranteed Obligations, or by the existence, validity, enforceability, perfection, non-perfection or extent of any collateral therefor, or by any fact or circumstance relating to the Guaranteed Obligations which might otherwise constitute a defense to the obligations of any Guarantor under this Guaranty other than the irrevocable payment in full in cash and performance of all obligations hereunder, and each Guarantor hereby irrevocably waives any defenses it may now have or hereafter acquire in any way relating to any or all of the foregoing (other than the defense of payment in full).</p>
<p>Prepetition Secured Obligations; Prepetition Collateral:</p>	<p>See <u>Annex A</u> attached hereto.¹</p>
<p>DIP Secured Parties:</p>	<p>OHI DIP Lender, LLC, as lender under the DIP Facility (in such capacity, the “<u>OHI DIP Lender</u>”) and upon execution of the DIP Loan Agreement administrative agent (in such capacity, the “<u>DIP Administrative Agent</u>”), TIX 33433 LLC as a DIP Lender (and together with OHI DIP Lender, the “<u>DIP Lenders</u>”) and upon execution of the DIP Loan Agreement collateral agent (in such capacity, the “<u>DIP Collateral Agent</u>” and, together with the DIP Administrative Agent, the “<u>DIP Agents</u>” and, each of the DIP Agents together with the DIP Lenders, the “<u>DIP Secured Parties</u>”).</p> <p>The obligations of each DIP Lender with respect to the DIP Facility (as defined below), under the DIP Loan Documents, and for all other purposes, shall be several and not joint.</p>
<p>Type and Amount of the DIP Facility:</p>	<p>A junior secured debtor-in-possession credit facility comprised of a term loan credit facility available in at least two draws as set forth herein in an aggregate principal amount equal to \$20,000,000 (the “<u>DIP Facility</u>”; each DIP Lender’s commitment under the DIP Facility, its “<u>DIP Commitment</u>” and the aggregate commitments of the DIP Lenders, the “<u>DIP Commitments</u>”); the loans under the DIP Facility, the “<u>DIP Loans</u>”; each DIP Lender’s claim under the DIP Facility, a “<u>DIP Claim</u>” and the aggregate claims of the DIP Lenders, collectively, the “<u>DIP Claims</u>”; and</p>

¹ Capitalized terms used but not defined herein have the meaning given to them in Annex A attached hereto.

proceeds received by the Borrower from the DIP Loans, the “DIP Proceeds”).

The DIP Commitment of each DIP Lender is as set forth below:

DIP Lender	DIP Commitment
OHI DIP Lender, LLC	\$10,000,000
TIX 33433 LLC	\$10,000,000

Each DIP Lender’s DIP Commitment and obligations is several and not joint with the DIP Commitment and obligations of any other DIP Lender and in no event shall any DIP Lender be required to fund or otherwise make available DIP Loans in excess of its DIP Commitment.

The DIP Loans and other DIP Claims shall be *pari passu* in right of payment and collateral priority and shall be treated the same in all other respects, including without limitation that all payments made with respect thereto shall be made *pro rata*, unless (and solely to the extent) expressly specified herein or in the DIP Loan Documents.

Following the Closing Date (as defined below), the DIP Loans may be incurred during the Availability Period (as defined below) (x) upon entry of an interim order of the Bankruptcy Court in form and substance satisfactory to each DIP Lender authorizing and approving the DIP Facility and the use of Cash Collateral (the “Interim DIP Order”), in an aggregate principal amount not to exceed \$9,000,000 (the “Initial Draw”) and (y) in one or more subsequent draws (each a “Subsequent Draw”) upon entry of a final order of the Bankruptcy Court in form and substance satisfactory to each DIP Lender, *inter alia*, authorizing and approving the DIP Facility (including the DIP Loans and the DIP Loan Documents and all lender fees related thereto) (the “Final DIP Order,” and, together with the Interim DIP Order, the “DIP Orders”) and satisfaction of any other conditions to draw as set forth in the DIP Loan Documents, in an aggregate amount not to exceed the aggregate DIP Commitments, in each case subject to the terms and conditions provided herein and in the DIP Loan Documents.

Once repaid, the DIP Loans incurred under the DIP Facility cannot be reborrowed. For the avoidance of doubt, the DIP Commitments will be permanently reduced by the amount of DIP Loans made on the date of the Initial Draw and of each Subsequent Draw, as applicable.

The DIP Proceeds shall be funded into, and maintained in, a segregated account (the “DIP Proceeds Account”) either directly from the DIP Lenders or from an escrow account formed to hold and remit such DIP Proceeds to the Debtors.

	<p>The DIP Facility shall be available from the Closing Date (as defined below) to the DIP Termination Date (as defined below) (the “<u>Availability Period</u>”).</p>
<p>Closing Date:</p>	<p>The date of the satisfaction or waiver by the DIP Secured Parties of the relevant “Conditions Precedent to the Initial Draw” set forth below and in the DIP Loan Agreement (the “<u>Closing Date</u>”).</p>
<p>Maturity:</p>	<p>All DIP Obligations (as defined below) will be due and payable in full in cash unless otherwise agreed to in writing (email being sufficient) by each DIP Lender and the Prepetition ABL Agent on the earliest of (i) the date that is 150 calendar days after the Petition Date (or such later date as agreed to by each DIP Lender), (ii) if the Final DIP Order has not been entered, thirty-five (35) calendar days after the Petition Date (or such later date as agreed to by each DIP Lender), (iii) the acceleration of the DIP Loans and the termination of the DIP Commitments upon the occurrence of an event referred to below under “Termination”, (iv) the effective date of any chapter 11 plan of reorganization or liquidation of the Borrower or any other Loan Parties (the “<u>Plan</u>”), (v) the date the Bankruptcy Court converts any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, (vi) the date the Bankruptcy Court dismisses any of the Chapter 11 Cases, (vii) the closing of any sale of assets under section 363 of the U.S. Bankruptcy Code, which when taken together with all other sales of assets since the Closing Date, constitutes a sale of all or substantially all of the assets of the Loan Parties, and (iv) the date an order is entered in any Bankruptcy Case appointing a chapter 11 trustee or examiner with enlarged powers (the earliest of any such date, the “<u>DIP Termination Date</u>”). Principal of, and accrued interest on, the DIP Loans and all other amounts owing to the DIP Lenders under the DIP Facility shall be due and payable in cash on the DIP Termination Date.</p> <p>The occurrence of the DIP Termination Date shall terminate the ability of the Borrower to borrow the Initial Draw or any Subsequent Draws and shall terminate the DIP Commitments and any further obligation each DIP Lender has to make any DIP Loans under the DIP Loan Documents.</p>
<p>Budget:</p>	<p>The Budget shall consist of a 13-week operating budget setting forth all forecasted receipts and disbursements on a weekly basis for such 13-week period beginning as of the week of the Petition Date, broken down by week, including the anticipated weekly uses of the DIP Proceeds and Cash Collateral for such period, which shall include, among other things, available cash, cash flow, trade payables and ordinary course expenses, total expenses, fees and expenses relating to the DIP Facility, fees and expenses related to the Chapter 11 Cases (including professional fees), and working capital and other general corporate needs, which forecast shall be in form and substance satisfactory to the DIP Lenders in their sole discretion (such Budget shall meet the requirements described under, and be supplemented in the manner required under, the “Financial Reporting Requirements” section below).</p>

<p>Use of Proceeds:</p>	<p>Proceeds of the DIP Loans and Cash Collateral shall be used, in each case subject to the Budget (including Permitted Variances (as defined below)) and the terms and conditions of the DIP Term Sheet, the Interim DIP Order, the Final DIP Order, and the DIP Loan Documents, to (i) provide working capital and for other general corporate purposes of the Debtors,(ii) fund the costs of the administration of the Chapter 11 Cases (including professional fees and expenses), and (iii) fund interest, fees, and other payments contemplated in respect of the DIP Facility.</p> <p>Without in any way limiting the foregoing, no DIP Collateral (as defined below), DIP Proceeds, Cash Collateral or any portion of the Carve Out (as defined below) or any other amounts may be used directly or indirectly by any of the Debtors, any official committee appointed in the Chapter 11 Cases (the “<u>Committee</u>”), if any, or any trustee or other estate representative appointed in the Chapter 11 Cases (or any successor case) or any other person or entity (or to pay any professional fees, disbursements, costs or expenses incurred in connection therewith): (a) to seek authorization to obtain liens or security interests that are senior to, or <i>pari passu</i> with, the DIP Liens (as defined below) or the Prepetition Liens (except to the extent expressly set forth herein); or (b) to investigate (including by way of examinations or discovery proceedings), prepare, assert, join, commence, support or prosecute any action for any claim, counter-claim, action, proceeding, application, motion, objection, defense, or other contested matter seeking any order, judgment, determination or similar relief against, or adverse to the interests of, in any capacity, against the Prepetition ABL Secured Parties, OHI DIP Lender, LLC, the Prepetition Omega Secured Parties, and each of their respective officers, directors, controlling persons, employees, agents, attorneys, affiliates, assigns, or successors of each of the foregoing (all in their capacities as such) (collectively, the “<u>Released Parties</u>”), with respect to any transaction, occurrence, omission, action or other matter (including formal discovery proceedings in anticipation thereof), including, without limitation, (i) any claims or causes of action arising under chapter 5 of the Bankruptcy Code; (ii) any so-called “lender liability” claims and causes of action; (iii) any action with respect to the validity, enforceability, priority and extent of, or asserting any defense, counterclaim, or offset to, the ABL Obligations, Prepetition ABL Liens, Prepetition ABL Documents, DIP Obligations, the DIP Claims, the DIP Liens, the DIP Loan Documents, the Prepetition Omega Loan Documents, or the Prepetition Omega Secured Obligations; (iv) any action seeking to invalidate, modify, set aside, avoid or subordinate, in whole or in part, the ABL Obligations, DIP Obligations or the Prepetition Omega Secured Obligations; (v) any action seeking to modify any of the rights, remedies, priorities, privileges, protections and benefits granted to either (A) the Prepetition ABL Secured Parties hereunder or under any of the Prepetition ABL Documents, (B) the DIP Lenders hereunder or under any of the DIP Loan Documents, or (C) the Prepetition Omega Secured Parties under any of the Prepetition Omega Loan Documents (in each case, including, without limitation, claims, proceedings or actions that might prevent, hinder or delay the DIP Lenders’ assertions, enforcements, realizations or remedies on or against the DIP Collateral in accordance with the applicable DIP Loan Documents, the</p>
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	Interim DIP Order, and the Final DIP Order); or (vi) objecting to, contesting, or interfering with, in any way, the DIP Lenders' enforcement or realization upon any of the DIP Collateral once an Event of Default (as defined below) has occurred; <u>provided, however</u> , that no more than \$50,000 in the aggregate of the DIP Collateral, the Carve Out or Cash Collateral, proceeds from the borrowings under the DIP Facility or any other amounts, may be used by the Committee, if any, to investigate claims and/or liens of the Prepetition Secured Parties under the Prepetition Loan Documents.
Interest:	A per annum rate equal to 10.0%, with such interest payable monthly in arrears in kind (i.e., by adding such outstanding interest to the aggregate principal amount of the DIP Loans) on the monthly anniversary of the Petition Date, computed based on a 360-day year; <u>provided that</u> any and all accrued and unpaid (in cash) interest shall be due and payable in cash upon the Maturity Date.
Default Interest:	If an Event of Default under the DIP Loan Documents has occurred and is continuing, the DIP Loans and all DIP Obligations will automatically bear interest at an additional 2.00% per annum.
Fees:	<p><u>Upfront Fee:</u> Each DIP Lender shall receive an upfront fee, payable-in-kind (i.e., by adding such fee to the aggregate principal amount of the DIP Loans) equal to 3.00% of such DIP Lender's DIP Commitment under the DIP Facility, which shall be fully earned, non-refundable, and due and payable upon the Closing Date.</p> <p><u>Exit Fee:</u> Each DIP Lender shall receive a payable-in-cash exit fee (the "<u>Exit Fee</u>") equal to 3.00% of such DIP Lender's initial DIP Commitment, which shall be fully earned and non-refundable on the Closing Date, and payable on the DIP Termination Date; <u>provided, however</u>, if the DIP Termination Date has occurred solely as a result of the occurrence and continuation of an Event of Default under the DIP Loan Documents, then the Exit Fee shall not be payable until the DIP Obligations have been accelerated by the DIP Lenders.</p>
Voluntary Prepayments:	Voluntary prepayments of the DIP Loans shall be permitted at any time, without premium or penalty.
Mandatory Prepayments:	<p>Subject to the prior payment and satisfaction of the ABL Obligations, Prepetition ABL Liens, the ABL Adequate Protection Liens and ABL Adequate Protection Superpriority Claims, the following amounts shall be indefeasibly paid in cash in satisfaction of the DIP Obligations within two (2) business days of receipt, except as such amounts are set forth in the Budget and are necessary to satisfy the expenditures set forth in the Budget:</p> <ul style="list-style-type: none"> i. 100% of the net proceeds of asset sales. ii. 100% of the net proceeds of insurance and condemnation awards.

	<ul style="list-style-type: none"> iii. 100% of the net proceeds of any debt issuance or equity issuance. iv. 100% of proceeds of claims and causes of action.
<p>Priority and Security under DIP Facility:</p>	<p>As security for all obligations of the Borrower and the Guarantors to the DIP Lenders under the DIP Facility, including, without limitation, all principal and accrued interest, premiums (if any), costs, fees and expenses or any other amounts due (collectively, the “<u>DIP Obligations</u>”), effective and automatically perfected upon the date of the Interim DIP Order, and without the necessity of the execution, recordation of filings by the Debtors of mortgages, security agreements, control agreements, pledge agreements, financing statements, or other similar documents, or the possession or control by any DIP Lender of, or over, any DIP Collateral, the following security interests and liens will be granted by the Debtors to the DIP Lenders, subject only to the ABL Obligations, Prepetition ABL Liens and ABL Adequate Protection, payment of the Carve Out to the extent provided for herein and the Permitted Liens (if any) (all such liens and security interests granted to the DIP Lenders under the Interim DIP Order and the DIP Loan Documents, the “<u>DIP Liens</u>,” and the property subject to the DIP Liens, collectively, the “<u>DIP Collateral</u>”):</p> <ul style="list-style-type: none"> i. <u>First Lien on Unencumbered Property</u>: Under section 364(c)(2) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority senior security interest in and lien on all property of the Loan Parties, whether existing on the Petition Date or thereafter acquired, that, on or as of the Petition Date is not subject to valid, perfected and non-avoidable liens (or perfected after the Petition Date to the extent permitted by section 546(b) of the Bankruptcy Code), including, but not limited to, all of the Loan Parties’ respective rights, title, or interest in and to the following assets to the extent unencumbered: cash and any investment of such cash, accounts, inventory, goods, contract rights, mineral rights, instruments, documents, chattel paper, patents, trademarks, copyrights and licenses therefor, accounts receivable, receivables and receivables records, general intangibles, payment intangibles, tax or other refunds, insurance proceeds, letters of credit, intercompany claims, contracts, owned real estate, real property leaseholds and proceeds therefrom, fixtures, deposit accounts, commercial tort claims, securities accounts, instruments, investment property, letter-of-credit rights, supporting obligations, vehicles, machinery and equipment, real property, all of the issued and outstanding capital stock of each Loan Party, other equity or ownership interests, including equity interests in subsidiaries and non-wholly-owned subsidiaries, beneficial interests in any trust, money, investment property, causes of action (including, for the avoidance of doubt, but subject to entry of the Final DIP Order, all proceeds of the Loan Parties’ respective claims and causes of action under sections 502(d), 544, 545, 547, 548, 549, 550, and 553 of the Bankruptcy Code and any other avoidance or similar action under the Bankruptcy Code or similar state law (the “<u>Avoidance Actions</u>”)), and all cash and non-

	<p>cash proceeds, rents, products, substitutions, accessions, profits, and supporting obligations of any of the collateral described above, whether in existence on the Petition Date or thereafter created, acquired, or arising and wherever located;</p> <p>ii. <u>Liens Priming the Prepetition Omega Term Loan Liens and Prepetition Omega Master Lease Liens</u>: Under section 364(d)(1) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority senior priming security interest in and lien on all property of the Loan Parties, whether existing on the Petition Date or thereafter acquired, that is encumbered by the Prepetition Omega Term Loan Liens and the Prepetition Omega Master Lease Liens, solely to the extent that the Prepetition Omega Term Loan Liens and the Prepetition Omega Master Lease Liens are senior to any other security interests in and liens on such property (if any) as of the Petition Date, including, but not limited to, all of the Loan Parties' respective rights, title, or interest in and to the following assets: cash and any investment of such cash, accounts, inventory, goods, contract rights, mineral rights, instruments, documents, chattel paper, patents, trademarks, copyrights and licenses therefor, accounts receivable, receivables and receivables records, general intangibles, payment intangibles, tax or other refunds, insurance proceeds, letters of credit, intercompany claims, contracts, owned real estate, real property leaseholds and proceeds therefrom, fixtures, deposit accounts, commercial tort claims, securities accounts, instruments, investment property, letter-of-credit rights, supporting obligations, vehicles, machinery and equipment, real property, all of the issued and outstanding capital stock of each Loan Party, other equity or ownership interests, including equity interests in subsidiaries and non-wholly-owned subsidiaries, beneficial interests in any trust, money, investment property, causes of action (including, for the avoidance of doubt, but subject to entry of the Final DIP Order, all proceeds of Avoidance Actions), and all cash and non-cash proceeds, rents, products, substitutions, accessions, profits, and supporting obligations of any of the collateral described above, whether in existence on the Petition Date or thereafter created, acquired, or arising and wherever located. For the avoidance of doubt, the DIP Liens shall prime and have priority over the Prepetition Omega Term Loan Liens and the Prepetition Omega Master Lease Liens but not the Prepetition ABL Liens.</p> <p>iii. <u>Liens Junior to Certain Other Liens</u>: Under section 364(c)(3) of the Bankruptcy Code, valid, binding, continuing, enforceable, fully-perfected second priority security interests in and liens on all prepetition and postpetition property of each Loan Party (other than the property described in clauses (a) or (b) of this paragraph (c), as to which the liens and security interests in favor of the DIP Lenders will be as described in such clauses), whether now existing or hereafter acquired, that is subject to valid, perfected, and unavoidable liens that are (i) senior to the Prepetition Omega</p>
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	<p>Term Loan Liens and the Prepetition Omega Master Lease Liens and (ii)(A) in existence immediately prior to the Petition Date or (B) perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code (collectively, the “<u>Permitted Liens</u>”). For the avoidance of doubt, the Prepetition ABL Liens shall constitute Permitted Liens and the Prepetition ABL Liens and the ABL Adequate Protection Liens are senior to the DIP Liens and the Omega Adequate Protection Liens and the Omega Master Lease Adequate Protection Liens.</p> <p>Except to the extent expressly permitted hereunder (including, for the avoidance of doubt, the Prepetition ABL Liens and Adequate Protection Superpriority Claims), subject to the Carve Out, the DIP Liens and the DIP Superpriority Claims (as defined below) shall not be made subject to or <i>pari passu</i> with (a) any lien, security interest, or claim heretofore or hereinafter granted in any of the Chapter 11 Cases or any successor cases, including any subsequently converted Chapter 11 Case of the Debtor to a case under chapter 7 of the Bankruptcy Code and any lien or security interest granted in favor of any federal, state, municipal, or other governmental unit (including any regulatory body), commission, board, or court for any liability of the Debtors, (b) any lien or security interest that is avoided or preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or otherwise, (c) any intercompany or affiliate claim, lien, or security interest of the Debtors or their affiliates, or (d) any other lien, security interest, or claim arising under section 363 or 364 of the Bankruptcy Code granted on or after the date hereof.</p>
<p>Superpriority DIP Claims:</p>	<p>All DIP Claims shall be entitled to the benefits of section 364(c)(1) of the Bankruptcy Code, having superpriority over any and all administrative expenses of the kind that are specified in sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 546(c), 726, 1114 or any other provisions of the Bankruptcy Code, subject only to the Carve Out.</p> <p>The DIP Claims will, at all times during the period that the DIP Loans remain outstanding, remain, in right of payment, senior in priority to all other claims or administrative expenses, including (a) any claims allowed under the obligations under the Omega Term Loan Documents and the Omega Master Lease Documents, and (b) the Omega Adequate Protection Superpriority Claims and the Omega Master Lease Adequate Protection Superpriority Claims, subject only to (x) the Carve Out, (y) the Prepetition ABL Obligations and (z) the ABL Adequate Protection.</p>
<p>Carve Out:</p>	<p>“<u>Carve Out</u>” means an amount equal to the sum of the following: (i) all fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee under 28 U.S.C. § 1930(a) plus interest under 31 U.S.C. § 3717 (without regard to the notice set forth in clause (iii) below); (ii) all reasonable fees and expenses incurred by a trustee under section 726(b) of the Bankruptcy Code in an aggregate amount not to exceed \$50,000 (without regard to the notice set forth in clause (iii) below); and (iii) to the extent allowed by the Bankruptcy Court at any time, whether by Interim DIP Order, procedural order, final order or otherwise, all</p>

	<p>accrued and unpaid fees, disbursements, costs and expenses incurred by persons or firms retained by the Debtors under section 327, 328 or 363 of the Bankruptcy Code (the “<u>Debtor Professionals</u>”) and all accrued unpaid fees, disbursements, costs and expenses incurred by the Committee (if any) under section 328 and 1103 of the Bankruptcy Code (the “<u>Committee Professionals</u>,” together with the Debtor Professionals, the “<u>Estate Professionals</u>,” and such Estate Professional fees, the “<u>Allowed Professional Fees</u>”), at any time before or on the first business day following delivery by the DIP Lenders of a Carve Out Trigger Notice (as defined below), whether allowed by the Bankruptcy Court prior to or after delivery of a Carve Out Trigger Notice; and (iv) Allowed Professional Fees of Estate Professionals in an aggregate amount not to exceed \$500,000 incurred after the first business day following delivery by DIP Lenders of a Carve Out Trigger Notice, to the extent consistent with the Budget and allowed at any time, whether by Interim DIP Order, procedural order, final order, or otherwise (the amounts set forth in this clause (iv), the “<u>Post-Carve Out Trigger Notice Cap</u>”); <u>provided, however</u>, nothing herein shall be construed to impair the ability of any party to object to any fees, expenses, reimbursement or compensation sought by any such professionals or any other person or entity. For purposes of the foregoing, “<u>Carve Out Trigger Notice</u>” shall mean a written notice (which may be delivered by e-mail (or other electronic means)) by the DIP Lenders to the Debtors and their counsel, the United States Trustee, and lead counsel to any Committee appointed in the Chapter 11 Cases, which notice may be delivered following the occurrence of an Event of Default, stating that the Post-Carve Out Trigger Notice Cap has been invoked.</p> <p>For the avoidance of doubt and notwithstanding anything to the contrary herein, the Carve Out shall be senior to all liens and claims securing the DIP Facility, and all other forms of adequate protection, liens, or claims securing the DIP Obligations or the Prepetition Secured Obligations.</p>
<p>Investigation Rights:</p>	<p>The Committee (to the extent appointed) and any other party in interest with proper standing granted by the Bankruptcy Court, shall have the lesser of (x) with respect to the Committee, sixty (60) calendar days from the date of its appointment or (y) to the extent a Committee is not appointed, any party in interest (other than the Debtors) shall have a maximum of seventy-five (75) calendar days from the entry of the Interim DIP Order for any other party in interest with requisite standing (the “<u>Investigation Period</u>”) to investigate and commence an adversary proceeding or contested matter, as required by the applicable Federal Rules of Bankruptcy Procedure, and challenge (each, a “<u>Challenge</u>”) the findings, the Debtors’ stipulations, or any other stipulations contained in the Interim DIP Order and the Final DIP Order relating to the Prepetition Loan Documents, including, without limitation, any challenge to the validity, priority or enforceability of the liens securing the Prepetition Secured Obligations, or to assert any claim or cause of action against the Prepetition Secured Parties arising under or in connection with their respective Prepetition Loan Documents or their respective Prepetition Secured Obligations, as the case may be, whether in the nature of a setoff, counterclaim or defense of Prepetition Secured Obligations, or otherwise. The Investigation Period may only be extended</p>

	<p>with the prior written consent of the applicable Prepetition Secured Party or under an order of the Bankruptcy Court. Except to the extent asserted in an adversary proceeding or contested matter filed during the Investigation Period, upon the expiration of such applicable Investigation Period (to the extent not otherwise waived or barred), (i) any and all Challenges or potential challenges shall be deemed to be forever waived and barred; (ii) all of the agreements, waivers, releases, affirmations, acknowledgements and stipulations contained in the Interim DIP Order and Final DIP Order shall be irrevocably and forever binding on the Debtors, the Committee and all parties-in-interest and any and all successors-in-interest as to any of the foregoing, including any chapter 7 trustee, without further action by any party or the Bankruptcy Court; (iii) the Prepetition Secured Obligations shall be deemed to be finally allowed and the Prepetition Liens shall be deemed to constitute valid, binding and enforceable encumbrances, and not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law; and (iv) the Debtors shall be deemed to have released, waived and discharged the Released Parties from any and all claims and causes of action arising out of, based upon or related to, in whole or in part, the Prepetition Secured Obligations. Notwithstanding anything to the contrary herein: (x) if any Challenge is timely commenced with the Bankruptcy Court (such commencement, a “Challenge Proceeding”), the stipulations contained in the Interim DIP Order and the Final DIP Order shall nonetheless remain binding on all other parties-in-interest and preclusive except to the extent that such stipulations are expressly and successfully challenged in such Challenge; and (y) the Released Parties reserve all of their rights to contest on any grounds any Challenge. For the avoidance of doubt, the Interim DIP Order and the Final DIP Order shall include language that the investigation rights afforded to the Committee will not constitute the Debtors’, the Prepetition Secured Parties’ or DIP Lenders’ recognition, consent, or agreement not to object to, the Committee’s standing to assert any claim or cause of action.</p>
<p>Conditions Precedent to Initial Draw:</p>	<p>The DIP Lenders’ obligations to fund the Initial Draw will be subject to each of the following conditions precedent satisfied to each DIP Lender’s sole discretion:</p> <ol style="list-style-type: none"> i. All “first day” motions, including those related to the DIP Facility, filed by the Debtors and related interim and final orders, as applicable, entered within 3 business days of the Petition Date by the Bankruptcy Court in the Chapter 11 Cases shall be in form and substance reasonably satisfactory to the DIP Lenders. ii. The DIP Lenders shall have received a Budget in form and substance satisfactory to each DIP Lender. Entry by the Bankruptcy Court of the Interim DIP Order authorizing the secured financing under the DIP Facility on the terms and conditions contemplated by this DIP Term Sheet, authorizing the Debtors’ use of DIP Collateral subject to the terms provided herein, and otherwise on terms reasonably acceptable to the DIP Lenders no later than 3 business days after the Petition Date, and such Interim DIP Order shall be in full force and effect and not

	<p>have been vacated, reversed, stayed, modified or amended (except in the case of a modification or amendment as consented to by the DIP Lenders, in their reasonable discretion) and shall not be subject to a stay pending appeal or motion for leave to appeal or other proceeding to set aside any such order or the challenge to the relief provided for in it, except as consented to by the DIP Lenders.</p> <ul style="list-style-type: none"> iii. Entry by the Bankruptcy Court of an order authorizing, on an interim basis, the use of Cash Collateral and providing for adequate protection in favor of the Prepetition Secured Parties on terms satisfactory to the Prepetition Secured Parties, including for the avoidance of doubt the Prepetition ABL Lenders. iv. The DIP Lenders shall have a valid and perfected lien on and security interest in the DIP Collateral of the Debtors on the basis and with the priority set forth herein. v. All out-of-pocket costs, fees and expenses required to be paid to the DIP Lenders under this DIP Term Sheet, the DIP Loan Documents or the Interim DIP Order shall have been paid. vi. No default or Event of Default shall have occurred, and shall be continuing, under the DIP Term Sheet immediately prior to the funding of the DIP Loans or would result from such borrowing of the DIP Loans. vii. The Borrower shall have delivered to the DIP Lenders a customary borrowing notice. viii. Other than the Chapter 11 Cases, as stayed upon the commencement of the Chapter 11 Cases, or as disclosed in writing to the DIP Lenders prior to the Petition Date, there shall exist no action, suit, investigation, litigation or proceeding pending or threatened in writing in any court or before any arbitrator or governmental authority that (a) would reasonably be expected to result in a material adverse effect, or (b) restrains, prevents or purports to affect materially adversely the legality, validity or enforceability of the DIP Facility or the consummation of the transactions contemplated thereby. ix. The making of the Initial Draw shall not violate any requirement of law and shall not be enjoined, temporarily, preliminarily, or permanently.
<p>Conditions Precedent to Subsequent Draws:</p>	<p>The DIP Lender’s obligation to fund any Subsequent Draw will be subject to each of the following conditions precedent:</p> <ul style="list-style-type: none"> i. All documentation relating to the DIP Facility, including the DIP Loan Agreement, shall be in form and substance satisfactory to

	<p>each DIP Lender and shall have been duly executed and delivered by all parties thereto.</p> <ul style="list-style-type: none">ii. The Interim DIP Order, as entered by the Bankruptcy Court, shall not have been reversed, modified, amended, stayed or vacated, without the consent of each DIP Lender, and the Borrower shall be in compliance in all respects with the Interim DIP Order.iii. The Bankruptcy Court shall have entered the Final DIP Order within thirty-five (35) calendar days following the Petition Date, in form and substance consistent with the terms and conditions set forth herein, authorizing the Debtors' use of DIP Collateral subject to the terms provided herein, and otherwise satisfactory to the DIP Lenders, which Final DIP Order shall include, an updated Budget (as necessary) as an exhibit thereto, entered on notice to such parties as may be satisfactory to the DIP Lenders and otherwise as required by the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules of the Bankruptcy Court, (a) authorizing and approving, on a final basis, the DIP Facility and the transactions contemplated thereby, including, without limitation, the granting of the superpriority status, security interests and priming liens, and the payment of all fees, referred to herein; (b) authorizing, on a final basis, the lifting or modification of the automatic stay to permit the Borrower and the Guarantors to perform their obligations, and the DIP Lenders to exercise their rights and remedies, with respect to the DIP Facility; (c) authorizing, on a final basis, the use of cash collateral and providing for adequate protection in favor of the Prepetition Secured Parties as and to the extent provided herein; and (d) reflecting such other terms and conditions that are mutually satisfactory to the DIP Lenders and the Debtors, in their respective discretion, in each case, on the terms and conditions set forth herein; which Final DIP Order shall be in full force and effect, shall not have been reversed, vacated or stayed and shall not have been amended, supplemented or otherwise modified without the prior written consent of the DIP Lenders.iv. The DIP Lenders shall have received a borrowing notice from the Borrower at least two (2) business days prior to the anticipated date of the Subsequent Draw.v. The representations and warranties of the Loan Parties under the DIP Loan Documents shall be true and correct in all material respects (or in the case of representations and warranties with a "materiality" qualifier, true and correct in all respects).vi. No default or Event of Default shall have occurred, and shall be continuing, under the DIP Loan Documents immediately prior to the funding of the DIP Loans or would result from such borrowing of the DIP Loans.
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	<ul style="list-style-type: none"> vii. No default or “Event of Default” shall have occurred, and shall be continuing, under the Omega Master Lease Agreement unless otherwise waived by the prior written consent with respect to timely payment of Rent (as defined in the Omega Master Lease Agreement) (email being sufficient) of the Omega Master Lease Landlord. viii. The Debtors have delivered to the DIP Lenders the most recent Budget and such other information as requested by the DIP Lenders, in form and substance satisfactory to the DIP Lenders. ix. The Debtors are in compliance with the Milestones as of that date. x. Since the Petition Date, other than the Chapter 11 Cases, there shall not have occurred or there shall not exist any event, condition, circumstance or contingency that, individually, or in the aggregate, (a) has had or could reasonably be expected to have a material adverse effect on the business, operations, properties, assets, performance or financial condition of the Loan Parties taken as a whole; (b) has resulted in, or could reasonably be expected to result in, a material adverse effect on the validity or enforceability of, or the rights, remedies or benefits available to the DIP Lenders; or (c) has had or could reasonably be expected to have, a material adverse effect on the ability of the Loan Parties to perform their obligations under any DIP Document. xi. All reasonable and documented costs, fees, expenses (including, without limitation, legal fees and expenses) incurred in connection negotiating, documenting, approving, administering, monitoring or enforcing any rights under the DIP Facility set forth in the DIP Loan Documents or otherwise to be paid to the DIP Lenders shall have been paid when due. xii. The amounts requested by the Borrower shall be used for an authorized purpose as defined under “Use of Proceeds” above and in accordance with the Budget, subject to a Permitted Variance (as defined below). xiii. The Loan Parties are in compliance with (a) the Interim DIP Order; (b) the Final DIP Order; and (c) the Budget (subject to Permitted Variances).
<p>Credit Bidding:</p>	<p>Subject to entry of the Final DIP Order, the Prepetition ABL Agent and each DIP Lender shall have the unqualified right to credit bid any or all of the obligations under the Prepetition ABL Credit Facility or DIP Facility, respectively, in connection with any disposition of DIP Collateral, including the Transaction.</p>

Admissions/Stipulations:	The Borrower shall make customary admissions and stipulations with respect to the amount of the Prepetition Secured Obligations ² , the validity, perfection, enforceability, non-avoidability, and priority of the Prepetition Liens, and the value of the Prepetition Collateral.
Representations and Warranties:	Customary and appropriate for financings of this type.
Affirmative Covenants:	Customary for transactions of this type (and to include reporting covenants (including with respect to the Budgets and Permitted Variances), the delivery of all material pleadings, motions and other material documents filed with the Bankruptcy Court on behalf of the Debtors in the Chapter 11 Cases to the DIP Lenders and their counsel, to the extent practical under the circumstances, update meetings and/or calls with the DIP Lenders as reasonably requested).
Negative Covenants:	Customary for transactions of this type (and to include limitations on indebtedness, liens, investments, acquisitions, restricted payments and dispositions of assets).
Financial Reporting Requirements:	<p>Subject to the satisfaction of the conditions precedent set forth below, use of cash shall be subject to a 13-week cash flow forecast commencing on the Petition Date, which forecast shall include an itemized list of expenses to be incurred during each week along with information sufficient to denote the purpose of such expenses and shall be in form and substance acceptable to the DIP Lenders and Prepetition ABL Agent in their discretion (the “<u>Budget</u>,” a copy of the initial Budget is attached as Exhibit A to this DIP Term Sheet) and shall, at a minimum, contain the categories set forth in the Budget attached as Exhibit A (each, a “<u>Reporting Category</u>”).</p> <p>By no later than 5:00 pm ET on the fourth business day of each week, commencing with the fourth full week after the Petition Date (each, a “<u>Reporting Date</u>”), Borrower shall deliver to the DIP Lenders and Prepetition ABL Agent a variance report (each, a “<u>Variance Report</u>”) showing comparisons of actual results for each line item against such line item in the Budget. Each Variance Report shall indicate whether there are any adverse variances that exceed the allowed variances, which means, in each case measured on a cumulative basis for the prior four-week period and for the period from the Petition Date, (x) up to 15% in the aggregate for all “Total Operating Disbursements,” excluding, for the avoidance of doubt, “Non-Operating Disbursements” and “Restructuring Disbursements” and (y) up to 15% in the aggregate for all “Total Receipts” (all as defined in the Budget) (each, a “<u>Permitted Variance</u>”).</p> <p>If necessary, the Debtors may provide to the DIP Lenders and Prepetition ABL Agent an updated 13-week cash flow forecast, containing line items of sufficient detail to reflect the Debtors’ projected cash receipts and disbursements for such 13-week period on a weekly basis (the “<u>Updated 13-Week Forecast</u>”). Such Updated 13-Week Forecast shall be acceptable</p>

² For avoidance of doubt, Debtor stipulations and release shall apply to Prepetition ABL Obligations, Prepetition ABL Liens, Prepetition ABL Documents and Prepetition ABL Secured Parties.

	<p>to the Prepetition ABL Agent and DIP Lenders in their sole discretion, and upon acceptance by the DIP Lenders, such Updated 13-Week Forecast shall become the new Budget commencing on such week, and promptly after the DIP Lenders and Prepetition ABL Agent approve the new Budget, the Debtors shall deliver the new Budget, together with any amendments or modifications thereto approved by the DIP Lenders and Prepetition ABL Agent. In the event that the DIP Lenders and the Debtors do not agree to an updated Budget, the Budget shall be the then-existing Budget or such Budget as may be approved by the Bankruptcy Court after a hearing.</p>
<p>Chapter 11 Cases Milestones:</p>	<p>The obligations of the DIP Lenders to advance the DIP Loans shall be subject to the Debtors satisfying, or causing the satisfaction of, the milestones listed below (collectively, the “<u>Milestones</u>”) by the specified or by such later date as the DIP Lenders may agree in writing (email being sufficient):</p> <ol style="list-style-type: none"> i. No later than three (3) calendar days after the Petition Date, the Bankruptcy Court shall have entered the Interim DIP Order. ii. No later than fourteen (14) calendar days after entry of the Interim DIP Order, all documentation relating to the DIP Facility, including the DIP Loan Agreement, shall be in form and substance satisfactory to each DIP Lender and shall have been duly executed and delivered by all parties thereto. iii. No later than ten (10) calendar day after the Petition Date, the Debtors shall have filed a motion for approval of procedures for the marketing and sale of some or all of the Debtors’ business enterprise (the “<u>Transaction</u>”) under section 363 of the Bankruptcy Code or as sponsor of the Plan (the “<u>Bidding Procedures Motion</u>”), which motions and proposed bidding procedures shall be in form and substance reasonably acceptable to the DIP Lenders. iv. No later than thirty-five (35) calendar days after the Petition Date, the Bankruptcy Court shall have entered an order granting the Bidding Procedures Motion (the “<u>Bidding Procedures Order</u>”), which order shall be in form and substance reasonably acceptable to the DIP Lenders. v. No later than thirty-five (35) calendar days after the Petition Date, the Bankruptcy Court shall have entered the Final DIP Order. vi. No later than forty-five (45) calendar days following the Petition Date, the Debtors shall have filed with the Bankruptcy Court a Plan and a related disclosure statement (the “<u>Disclosure Statement</u>”), in each case, in form and substance reasonably acceptable to the DIP Lenders.

	<p>vii. The deadline for submitting final qualified bids under the Bidding Procedures Order shall be no later than ninety-five (95) calendar days after the Petition Date.</p> <p>viii. Any auction to select a winning bidder under the Bidding Procedures shall be conducted no later than one hundred (100) days following the Petition Date.</p> <p>ix. No later than one hundred ten (110) calendar days after the Petition Date, the Bankruptcy Court shall have entered an order approving the Transaction either by (a) approving the sale of some or all of the Debtors’ assets under section 363 of the Bankruptcy Code; or (b) confirming the Plan, which order shall be in form and substance reasonably acceptable to the DIP Lenders.</p>
<p>Events of Default:</p>	<p>“<u>Events of Default</u>” shall include the following and any other defaults specified as such in the DIP Orders, each of which may only be waived in writing by both of the DIP Lenders:</p> <ul style="list-style-type: none"> i. failure to make payments including adequate protection payments when due; ii. noncompliance with covenants (subject to customary cure periods as may be agreed with respect to certain covenants); iii. breaches of representations and warranties in any material respect, in either case, under the DIP Loan Documents; iv. invalidity of any material provision of the DIP Loan Documents; v. change in ownership or control; vi. filing of a Plan by the Debtors that does not propose to indefeasibly repay the DIP Obligations in full in cash on the Plan effective date, unless otherwise consented to in writing by the DIP Lenders prior to its filing; vii. any of the Debtors shall file a pleading seeking to vacate or modify the Interim DIP Order or the Final DIP Order over the objection of the DIP Lenders; viii. entry of an order without the prior written consent of the DIP Lenders amending, supplementing or otherwise modifying the Interim DIP Order or the Final DIP Order; ix. entry of an order without the express written consent of the DIP Lenders obtaining additional financing from a party other than the DIP Lenders under section 364(d) of the Bankruptcy Code except if such financing contemplates payment in full of the DIP Obligations; reversal, vacatur or

	<p>stay of the effectiveness of the Interim DIP Order or the Final DIP Order except to the extent reversed within ten (10) business days;</p> <p>x. any violation of any material term of the Interim DIP Order or the Final DIP Order by the Debtors;</p> <p>xi. termination of the Debtors' limited use of any Cash Collateral;</p> <p>xii. entry of an order in favor of the objector, movant or plaintiff any timely filed Challenge Proceeding;</p> <p>xiii. dismissal of the Chapter 11 Case of a Debtor with material assets or conversion of the Chapter 11 Case of a Debtor with material assets to a case under chapter 7 of the Bankruptcy Code, or any Debtor shall file a motion or other pleading seeking such dismissal or conversion of any Bankruptcy Case;</p> <p>xiv. appointment of a chapter 11 trustee or examiner with enlarged powers, or any Debtor shall file a motion or other pleading seeking such appointment;</p> <p>xv. failure to meet a Milestone, unless extended or waived by the prior written consent (email being sufficient) of the DIP Lenders;</p> <p>xvi. the Debtors' filing of a motion to reject the Omega Master Lease or modify the claim(s) of the Omega Master Lease Landlord or the failure of the Debtors to make any payment when due of postpetition Rents (as defined in the Omega Master Lease) (and including, for the avoidance of doubt, such Rents due with respect to the month of June 2024) accruing on account of the Omega Master Lease Obligations, unless otherwise waived by the prior written consent (email being sufficient) of the Omega Master Lease Landlord, or the failure of the Debtors to make any payment when due of other postpetition rents, unless otherwise waived by the prior written consent (email being sufficient) of the applicable landlord;</p> <p>xvii. the Debtors' filing of (or supporting another party in the filing of) a motion seeking entry of, or the entry of an order by the Bankruptcy Court, granting any superpriority claim or lien (except as contemplated herein) which is senior to or <i>pari passu</i> with the DIP Claims;</p> <p>xviii. the Debtors shall seek, or shall support any other person's motion seeking (in any such case, verbally in any court of competent jurisdiction or by way of any motion or pleading filed with the Bankruptcy Court, or any other writing to another party in interest by the Debtors), to challenge the validity or enforceability of any of the obligations of the</p>
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	<p>parties under the Prepetition ABL Documents or Prepetition Secured Documents;</p> <p>xix. the Debtors file a motion for the Bankruptcy Court to approve a sale of the DIP Collateral under section 363 of the Bankruptcy Code which proposed sale is not reasonably acceptable to the DIP Lenders, unless such proposed sale provides for payment in full of all DIP Obligations;</p> <p>xx. the Debtors file any chapter 11 plan or any motion or other pleading seeking entry of an order by the Bankruptcy Court permitting the assumption and/or assignment of the Omega Master Lease without the assumption and/or assignment of the Prepetition Omega Term Loan, which is an indivisible part of the Omega Master Lease;</p> <p>xxi. any Debtor shall fail to execute and deliver to the DIP Lenders any agreement, financing statement, trademark filing, copyright filing, notices of lien or similar instruments or other documents that the DIP Lenders may reasonably request from time to time to more fully evidence, confirm, validate, perfect, preserve and enforce the DIP Liens created in favor of the DIP Lenders;</p> <p>xxii. the Debtors shall assert in any pleading filed in any court that the guarantee contained in the DIP Loan Documents is not valid and binding, for any reason, to be in full force and effect, other than under the terms hereof or thereof;</p> <p>xxiii. payment of or granting adequate protection with respect to prepetition debt, other than as expressly provided herein or as otherwise consented to by the DIP Lenders;</p> <p>xxiv. expiration or termination of the period provided by section 1121 of the Bankruptcy Code for the exclusive right to file a plan with respect to a Debtor with material assets unless such expiration or termination was sought by any of the Prepetition Secured Parties or the DIP Lenders;</p> <p>xxv. cessation of the DIP Liens or the DIP Claims to be valid, perfected and enforceable in all respects;</p> <p>xxvi. any Debtor asserting any right of subrogation or contribution against any other Debtor until all borrowings under the DIP Facility are paid in full and the commitments are terminated;</p> <p>xxvii. subject to entry of the Final DIP Order, the allowance of any claim or claims under section 506(c) of the Bankruptcy Code or otherwise against any DIP Lender;</p>
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	<p>xxviii. the entry of an order in any of the Chapter 11 Cases granting relief from any stay or proceeding (including, without limitation, the automatic stay) so as to allow a third party to proceed with foreclosure against a material portion of the Debtors' assets;</p> <p>xxix. the entry of an order in any Bankruptcy Case avoiding or requiring repayment of any portion of the payments made on account of the DIP Obligations owing under the DIP Loan Documents; and</p> <p>xxx. the entry of an order by the Bankruptcy Court providing relief adverse to the interests of any DIP Lender or any Prepetition Secured Party with respect to any motion, objection, application or adversary proceeding challenging the validity, enforceability, perfection or priority of, or seeking avoidance, subordination or characterization of, any portion of the Prepetition Secured Obligations and/or the liens and security interests securing the Prepetition Secured Obligations or asserting any other claim or cause of action against and/or with respect to the Prepetition Secured Obligations or the liens and security interests securing the Prepetition Secured Obligations, but excluding preliminary or final relief granting standing to any other party to prosecute such claims, causes of action or proceeding.</p>
<p>Termination:</p>	<p>Upon the occurrence and during the continuance of an Event of Default, the DIP Lenders may by written notice to the Borrower, its counsel, the U.S. Trustee and counsel for any statutory committee, terminate the DIP Facility, declare the obligations in respect thereof to be immediately due and payable and, subject to the conditions in the "Remedies" row of this DIP Term Sheet, exercise all rights and remedies under the DIP Loan Documents, the Interim DIP Order, and the Final DIP Order.</p>
<p>Remedies:</p>	<p>The DIP Lenders shall have customary remedies upon the occurrence and during the continuance of an Event of Default, including, without limitation, the following:</p> <p>Without further order from the Bankruptcy Court, and subject to the terms of the Interim DIP Order and the Final DIP Order (including in respect of any required notices), the automatic stay provisions of section 362 of the Bankruptcy Code shall be vacated and modified to the extent necessary to permit the DIP Lenders to exercise, upon the occurrence and during the continuance of any Event of Default under the DIP Loan Documents, all rights and remedies provided for in the DIP Loan Documents, and to take any or all of the following actions without further order of or application to the Bankruptcy Court (as applicable): (a) immediately terminate the Debtors' limited use of any cash collateral; (b) cease making any DIP Loans under the DIP Facility to the Debtors; (c) declare all DIP Obligations to be immediately due and payable; (d) freeze monies or balances in the Debtors' accounts (and, with respect to the DIP Loan Documents and the</p>

	<p>DIP Facility, sweep all funds contained in any account subject to a control agreement); (e) immediately set-off any and all amounts in accounts maintained by the Debtors with the DIP Lenders against the DIP Obligations, or otherwise enforce any and all rights against the DIP Collateral in the possession of the DIP Lenders, including, without limitation, disposition of the DIP Collateral solely for application towards the DIP Obligations; and (f) take any other actions or exercise any other rights or remedies permitted under the Interim DIP Order and the Final DIP Order, the DIP Loan Documents or applicable law to effect the repayment of the DIP Obligations; <u>provided, however</u>, that the DIP Lenders must provide the Debtors with five (5) business days’ written notice (which may be by email and a copy of which shall be sent to the Prepetition ABL Agent) before exercising any enforcement rights or remedies with respect to the DIP Collateral or the Prepetition Collateral other than funds contained in any account subject to a control agreement; <u>provided, further</u>, that neither the Debtors, the Committee nor any other party-in-interest shall have the right to contest the enforcement of the remedies set forth in the Interim DIP Order and the Final DIP Order and the DIP Loan Documents on any basis other than an assertion that an Event of Default has not occurred or has been cured within the cure periods expressly set forth in the applicable DIP Loan Documents.</p>
<p>Adequate Protection:</p>	<p><u>ABL Adequate Protection.</u> As adequate protection for the interests of the Prepetition ABL Secured Parties in the Prepetition ABL Collateral (including Cash Collateral), under sections 361, 362, and 363(e) of the Bankruptcy Code, and as a condition for the use of their Prepetition Collateral, including any Cash Collateral, the Prepetition ABL Secured Parties will be granted the following (collectively, the “<u>ABL Adequate Protection</u>”):</p> <ul style="list-style-type: none"> i. <u>ABL Adequate Protection Liens:</u> Solely to the extent of any Diminution in Value of any Prepetition ABL Secured Party’s interests in Prepetition ABL Collateral and in each case subject and subordinate to the Carve Out, the Prepetition ABL Secured Parties are granted the following security interests and liens (collectively, the “<u>ABL Adequate Protection Liens</u>”) under sections 361, 362, 363 of the Bankruptcy Code: valid, binding, enforceable, and perfected replacement liens on and security interests in the DIP Collateral and Prepetition Collateral, including now-owned and hereafter-acquired real and personal property, assets, and rights of any kind or nature, wherever located, including, without limitation, all accounts receivable generated post-petition by Debtors, all other assets of the type and nature that would be deemed Prepetition Collateral but for the filing of these cases, and the proceeds thereof. The ABL Adequate Protection Liens shall be subordinate only to the Carve Out and any prepetition Permitted Liens. For the avoidance of doubt, the DIP Liens, Prepetition Omega Term Loan Adequate Protection Liens, and the Omega Master Lease Adequate Protection Liens shall be subject, subordinate and junior to all ABL Adequate

	<p>Protection Liens on the DIP Collateral and Prepetition ABL Collateral in favor of the Prepetition ABL Secured Parties.</p> <p>ii. <u>ABL Adequate Protection Superpriority Claims</u>: Solely to the extent of any Diminution in Value of any Prepetition ABL Secured Party’s interests in Prepetition Collateral, and in each case, subject and subordinate to the Carve Out, the Prepetition ABL Secured Parties will be granted an allowed superpriority administrative expense claim under sections 503(b) and 507(b) of the Bankruptcy Code against the applicable Debtors (collectively, the “<u>ABL Adequate Protection Superpriority Claims</u>”). All ABL Adequate Protection Superpriority Claims shall be junior only to the Carve Out, and otherwise have priority over any and all other administrative expenses and other claims against the applicable Loan Parties now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under the Bankruptcy Code.</p> <p>iii. <u>ABL Adequate Protection Payments</u>:</p> <p>a. No later than the fifth Business Day following entry of the Interim DIP Order and on the fifth Business Day of each month hereafter, Debtors shall pay the Prepetition ABL Agent adequate protection in the form of interest, that has accrued at the non-default rate on the Prepetition ABL Obligations as of the Petition Date to be applied by the Prepetition ABL Agent in accordance with the Prepetition ABL Documents.</p> <p>b. On the fifth Business Day of each month, beginning with the month of July, 2024, Debtors shall pay the Prepetition ABL Agent additional adequate protection (in the form of cash payments equal to the amount of accounts receivable received by or on behalf of any Debtor during the prior month (or, with respect to the first payment, on or after May 30, 2024 and ending on June 30, 2024) and relating to the operation by the Debtors of certain of their former skilled-nursing facilities prior to the transfer to new operators (each date of transfer, a “<u>Transfer Date</u>”) to be applied by the Prepetition ABL Agent in accordance with the Prepetition ABL Documents. Receivables arising in respect of services provided by the Debtors prior to any Transfer Date are referred to as “<u>Pre-Transfer Date Receivables</u>” and receivables arising in respect of services provided by the new operators on or after a Transfer Date are referred to as “<u>Post-Transfer Date</u>”</p>
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Receivables". No Prepetition ABL Secured Party shall have any responsibility to determine the accuracy of any ABL Additional Adequate Protection Payment or any allocation by Debtors of payments received as Pre-Transfer Date Receivables or Post-Transfer Date Receivables, nor shall any Prepetition ABL Secured Party be liable to any third party, including a new operator, if proceeds of Post-Transfer Date Receivables are paid over to Prepetition ABL Agent other than to remit such Post-Transfer Date Receivables back to the Debtors.

- c. As further adequate protection, the Debtors will reimburse each Prepetition ABL Secured Party for all reasonable and documented out-of-pocket fees, costs and expenses of such Prepetition ABL Secured Party (limited, in the case of counsel, to all reasonable and documented out-of-pocket fees, costs, disbursements and expenses, including one (1) local counsel and one (1) prepetition credit counsel). All such fees, including reasonable and documented out-of-pocket legal and other professional fees shall be paid by the Debtors promptly upon written demand and without the requirement of Bankruptcy Court approval.

For the avoidance of doubt and except for the ABL Adequate Protection Liens and the ABL Adequate Protection Superpriority Claims, (a) the respective rights, interests obligations, priority, and positions as between the Prepetition ABL Secured Parties and the Prepetition Omega Term Loan Secured Parties shall continue to be governed by the ABL/Omega Term Loan Intercreditor Agreement; and (b) the respective rights and interests of the rights, interests obligations, priority, and positions as between the Prepetition ABL Secured Parties and the Omega Master Lease Landlord shall continue to be governed by the ABL/Omega Landlord Intercreditor Agreement.

Omega Term Loan Adequate Protection: As adequate protection for the interests of the Omega Secured Parties in the Prepetition Collateral (including Cash Collateral), under sections 361, 362 and 363(e) of the Bankruptcy Code, and as a condition for the use of the Prepetition Collateral, including any Cash Collateral, the Omega Term Loan Secured Parties will be granted the following (collectively, the "Omega Term Loan Adequate Protection"):

- i. Omega Term Loan Adequate Protection Liens. Solely to the extent of, and in an aggregate amount equal to, any Diminution in Value of any Omega Term Loan Secured Party's interests in such Omega Term Loan Secured Party's Prepetition Collateral, from and after the Petition Date, the Omega Term Loan Lenders are granted the following security interests and liens (collectively, the "Omega Term Loan Adequate

Protection Liens” and the collateral subject thereto, the “Omega Term Loan Adequate Protection Collateral”) under sections 361, 362, and 363 of the Bankruptcy Code: valid, binding, enforceable, and perfected replacement liens on and security interests in the Prepetition Collateral, including now-owned and hereafter-acquired real and personal property, assets, and rights of any kind or nature, wherever located, which liens and security interests shall be junior to (a) the Carve Out, (b) the Prepetition ABL Agent’s prepetition liens, (c) the ABL Adequate Protection Liens, (d) the DIP Liens, and (e) the Permitted Liens.

- ii. Omega Term Loan Adequate Protection Superpriority Claims. Solely to the extent of, and in an aggregate amount equal to, any Diminution in Value of its respective Prepetition Collateral, and in each case, subject and subordinate to the Carve Out, ABL Adequate Protection Superpriority Claims, and the DIP Superpriority Claims, each Omega Term Loan Secured Party is hereby granted an allowed superpriority administrative expense claim under sections 503(b) and 507(b) of the Bankruptcy Code against the applicable Debtors (collectively, the “Omega Term Loan Adequate Protection Superpriority Claims”). All Omega Term Loan Adequate Protection Superpriority Claims shall be junior to (a) the Carve Out, (b) the ABL Adequate Protection Superpriority Claims, and (c) the DIP Superpriority Claims, and otherwise have priority over any and all other administrative expenses and other claims against the applicable Loan Parties now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under the Bankruptcy Code.
- iii. As further adequate protection, the Debtors will reimburse the Omega Term Loan Secured Parties for all reasonable and documented out-of-pocket fees, costs and expenses of (limited, in the case of counsel, to all reasonable and documented out-of-pocket fees, costs, disbursements and expenses, including one (1) local counsel). All such fees, including reasonable and documented out-of-pocket legal and other professional fees shall be paid by the Debtors promptly upon written demand and without the requirement of Bankruptcy Court approval; *provided, however*, that in the event such fees and expenses exceed the amounts set forth in the DIP Budget, any excess amounts shall be added to the principal balance of the DIP Loans.

Omega Master Lease Adequate Protection: As adequate protection for the interests of the Omega Master Lease Secured Parties in the Prepetition Collateral (including Cash Collateral), under sections 361, 362 and 363(e)

	<p>of the Bankruptcy Code, and as a condition for the use of the Prepetition Collateral, including any Cash Collateral, the Omega Master Lease Secured Parties are hereby granted the following (collectively, the “<u>Omega Master Lease Adequate Protection</u>”):</p> <ol style="list-style-type: none"><li data-bbox="633 357 1445 924">i. <u>Omega Master Lease Adequate Protection Liens</u>: Solely to the extent of, and in an aggregate amount equal to, any Diminution in Value of any Omega Master Lease Secured Party’s interests in such Omega Master Lease Collateral, from and after the Petition Date, the Omega Master Lease Secured Parties are granted the following security interests and liens (collectively, the “<u>Omega Master Lease Adequate Protection Liens</u>” and the collateral subject thereto, the “<u>Omega Master Lease Adequate Protection Collateral</u>”) under sections 361, 362, and 363 of the Bankruptcy Code: valid, binding, enforceable, and perfected replacement liens on and security interests in the Prepetition Collateral, including now-owned and hereafter-acquired real and personal property, assets, and rights of any kind or nature, wherever located, which liens and security interests shall be junior to (a) the Carve-Out, (b) the Prepetition ABL Agent’s prepetition liens, (c) the ABL Adequate Protection Liens, (d) the DIP Liens, and (e) the Permitted Liens.<li data-bbox="633 945 1445 1428">ii. <u>Omega Master Lease Adequate Protection Superpriority Claims</u>. Solely to the extent of, and in an aggregate amount equal to, any Diminution in Value of its respective Prepetition Collateral, and in each case, subject and subordinate to the Carve Out, Adequate Protection Superpriority Claims, and the DIP Superpriority Claims, each Omega Master Lease Secured Party is hereby granted an allowed superpriority administrative expense claim under sections 503(b) and 507(b) of the Bankruptcy Code against the applicable Debtors (collectively, the “<u>Omega Master Lease Adequate Protection Superpriority Claims</u>”). All Omega Master Lease Adequate Protection Superpriority Claims shall be junior to (a) the Carve Out, (b) the ABL Adequate Protection Superpriority Claims, and (c) the DIP Superpriority Claims.<li data-bbox="633 1449 1445 1827">iii. As further adequate protection, the Debtors will reimburse the Omega Master Lease Secured Parties for all reasonable and documented out-of-pocket fees, costs and expenses of (limited, in the case of counsel, to all reasonable and documented out-of-pocket fees, costs, disbursements and expenses, including one (1) local counsel). All such fees, including reasonable and documented out-of-pocket legal and other professional fees shall be paid by the Debtors promptly upon written demand and without the requirement of Bankruptcy Court approval; <i>provided, however</i>, that in the event such fees and expenses exceed the amounts set forth in
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	<p>the DIP Budget, any excess amounts shall be added to the principal balance of the DIP Loans.</p>
<p>Marshalling and Waiver of 506(c) and 552(b) Claims:</p>	<p>Effective upon entry of the Final DIP Order, the DIP Lenders and the Prepetition Secured Parties shall not be subject to the equitable doctrine of “marshalling” or any similar doctrine with respect to the DIP Collateral or the Prepetition Collateral, as applicable, and all proceeds shall be received and applied under the Final DIP Order and the DIP Loan Documents notwithstanding any other agreement or provision to the contrary.</p> <p>Effective upon entry of the Final DIP Order, the Debtors (on behalf of themselves and their estates) shall waive, and shall not assert in the Chapter 11 Cases or any successor cases, (i) any surcharge claim under sections 105(a) and/or 506(c) of the Bankruptcy Code or otherwise for any costs and expenses incurred in connection with the preservation, protection or enhancement of, or realization by the DIP Lenders and the Prepetition Secured Parties, upon the DIP Collateral or the Prepetition Collateral, and (ii) the DIP Lenders and the Prepetition Secured Parties shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and the “equities of the case” exception under section 552(b) of the Bankruptcy Code shall not apply to the DIP Lenders and the Prepetition Secured Parties with respect to proceeds, product, offspring or profits of any of the Prepetition Collateral or DIP Collateral.</p>
<p>Release:</p>	<p>The Borrower shall grant the Released Parties releases from any and all claims offsets, defenses, counterclaims, set off rights, objections, challenges, causes of action, liabilities, losses, damages, responsibilities, disputes, remedies, actions, suits, controversies, reimbursement obligations (including attorneys’ fees), premiums, fees, costs, expenses, or judgments of every type, whether known or unknown, asserted or unasserted, fixed or contingent, pending or threatened, of any kind or nature whatsoever, whether arising at law or in equity (including, without limitation, any theory of so called “lender liability” or equitable subordination or any claim or defense asserting recharacterization, subordination, or avoidance, any claim arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or any other provision of the Bankruptcy Code or of applicable state or federal law, or any other claim, cause of action, or defense arising under the Bankruptcy Code or applicable non-bankruptcy law), in each case, arising under, in connection with, or related to the Debtors or their estates, the extent, amount, validity, enforceability, priority, security, and perfection of the Prepetition Secured Obligations, the Prepetition Liens, the DIP Facility, the DIP Obligations, the DIP Loan Documents, and/or the transactions contemplated thereunder or hereunder and waivers of all claims arising in respect of the DIP Facility.</p>
<p>Indemnification:</p>	<p>The Debtors shall indemnify, pay and hold harmless the DIP Lenders (and their directors, officers, employees and agents) against any loss, liability, cost or expense incurred in respect of the financing contemplated hereby or the use or the proposed use of proceeds thereof (except to the extent resulting from the gross negligence, bad faith, fraud, or willful misconduct</p>

	of the indemnified party, as determined by a final, non-appealable judgment of a court of competent jurisdiction).
Expenses:	All fees, including reasonable and documented out-of-pocket legal and other professional fees (limited to the reasonable and documented fees of the advisors) related to negotiating, documenting, approving, administering, monitoring or enforcing any rights under the DIP Facility of each DIP Lender shall be paid by the Debtors promptly upon written demand and without the requirement of Bankruptcy Court approval.
Governing Law:	Except as governed by the Bankruptcy Code, the law of the State of New York.

ANNEX A

Prepetition Secured Obligations; Prepetition Collateral

Prepetition ABL Credit Facility

That certain Second Amended and Restated Credit and Security Agreement, dated as of March 25, 2022 (as otherwise amended, supplemented, or otherwise modified from time to time, the “Prepetition ABL Credit Agreement,” and together with any other documents executed and delivered in connection therewith, the “Prepetition ABL Documents”), by and among, LV CHC Holdings I, LLC, a Delaware limited liability company (“Holdings”), Holdings’ affiliates and subsidiaries party thereto as “Borrowers” (collectively with Holdings, the “ABL Borrowers”), MidCap Funding IV Trust and the other financial institutions party thereto from time to time as lenders (the “Prepetition ABL Lenders”), MidCap Funding IV Trust, as Agent for the lenders (in such capacity, the “Prepetition ABL Agent,” and together with the Prepetition ABL Lenders, the “Prepetition ABL Secured Parties”), pursuant to which the Prepetition ABL Lenders provided a first lien asset-based lending credit facility to the ABL Borrowers (the “Prepetition ABL Credit Facility”). The ABL Borrowers and the other guarantors granted to the Prepetition ABL Agent, for itself and on behalf of the Prepetition ABL Lenders, valid and properly perfected continuing liens on and security interests in (the “Prepetition ABL Liens”) all “Collateral” as defined in the Prepetition ABL Documents (collectively, the “Prepetition ABL Collateral”) (it being understood that the term “Prepetition ABL Collateral” does not include any property or assets that have been expressly excluded from such definition in the Prepetition ABL Documents).

As of the Petition Date, the ABL Borrowers were justly and lawfully indebted and liable to the Prepetition ABL Agent and Prepetition ABL Lenders, without defense, counterclaim, or offset of any kind, in the aggregate amount of not less than \$33,042,676.16 on account of loans outstanding under the Prepetition ABL Documents, plus any and all unpaid interest (including default interest), reimbursement obligations, fees, costs, expenses (including, without limitation, attorneys’ fees, financial advisors’ fees, related expenses and disbursements), charges, disbursements, indemnification obligations, and any other amounts, contingent or otherwise, whenever arising or accruing, that may be due, owing, or chargeable in respect thereof, in each case, to the extent provided in the Prepetition ABL Documents, (collectively, the “ABL Obligations”).

Prepetition Omega Master Lease Agreement

That certain Amended and Restated Consolidated Master Lease, dated as of March 25, 2022 (as otherwise amended, supplemented, or otherwise modified from time to time, the “Omega Master Lease Agreement,” and together with any other documents executed and delivered in connection therewith, the “Omega Master Lease Documents”), by and among the entities party thereto from time to time collectively as a “Landlord” (the “Omega Master Lease Landlord”) and Alpha Health Care Properties, LLC as tenant, (the “Omega Master Lease Tenant”) pursuant to which the Omega Master Lease Landlord leased certain properties (the “Leased Properties”) to the Omega Master Lease Tenant on the terms set forth in the Omega Master Lease Documents. As more fully set forth in the Omega Master Lease Documents, the Omega Master Lease Obligations (as defined below) are unconditionally and irrevocably guaranteed by the certain of those entities who provided a Guaranty (as defined therein) in connection therewith, (collectively, the “Omega Master Lease Guarantors,” and together with the Omega Master Lease Tenant, the “Omega Master Lease Obligors”).

The Omega Master Lease Obligors, granted to those entities listed on **Exhibit C** hereto (collectively, the “Omega Master Lease Secured Parties”), valid and properly perfected continuing liens on and security interests in (the “Prepetition Omega Master Lease Liens”) all “Collateral” as defined in the Omega Master

Lease Documents (collectively, the “Prepetition Master Lease Collateral”) (it being understood that the term “Prepetition Omega Master Lease Collateral” does not include any property or assets that have been expressly excluded from such definition in the Omega Master Lease Documents).

As of the Petition Date, the Omega Master Lease Obligors were justly and lawfully indebted and liable to the Omega Master Lease Landlord and the Omega Master Lease Secured Parties, without defense, counterclaim, or offset of any kind, in the aggregate amount of not less than \$32,617,019.44 in principal amount of unpaid Rent under the Omega Master Lease Obligors Documents, plus any and all unpaid interest (including default interest), reimbursement obligations, fees, costs, expenses (including, without limitation, attorneys’ fees, financial advisors’ fees, related expenses and disbursements), charges, disbursements, indemnification obligations, and any other amounts, contingent or otherwise, whenever arising or accruing, that may be due, owing, or chargeable in respect thereof, in each case, to the extent provided in the Omega Master Lease Documents, (collectively, the “Omega Master Lease Obligations”).

Prepetition Omega Term Loan Facility

That certain Credit and Security Agreement, dated as of March 25, 2022 (as otherwise amended, supplemented, or otherwise modified from time to time, the “Omega Term Loan Credit Agreement,” and together with any other documents executed and delivered in connection therewith, the “Omega Term Loan Documents”; the Omega Term Loan Documents, together with the Omega Master Lease Documents, the “Prepetition Omega Loan Documents”; and the Prepetition Omega Loan Documents, together with the Prepetition ABL Documents, the “Prepetition Loan Documents”), by and among Debtor LaVie Care Centers, LLC and its other affiliates and subsidiaries identified therein as “Borrowers” (collectively, the “Omega Term Loan Obligors”), OHI Mezz Lender, LLC and the other financial institutions party thereto from time to time as lenders (the “Omega Term Loan Lenders”), and OHI Mezz Lender, LLC, as agent for the Omega Term Loan Lenders (in such capacity, the “Omega Term Loan Agent,” and together with the Omega Term Loan Lenders, the “Omega Secured Parties”; the Omega Secured Parties, together with the Omega Master Lease Secured Parties, the “Prepetition Omega Secured Parties”; and Prepetition Omega Secured Parties, together with the Prepetition ABL Secured Parties, the “Prepetition Secured Parties”).

The Omega Term Loan Obligors, granted to the Omega Term Loan Agent, for the benefit of itself and the Omega Term Loan Lenders, valid and properly perfected continuing liens on and security interests in (the “Prepetition Omega Term Loan Liens”; the Prepetition Omega Term Loan Liens, together with the Prepetition Omega Master Lease Liens and the Prepetition ABL Liens, the “Prepetition Liens”) all “Collateral” as defined in the Omega Term Loan Documents (collectively, the “Prepetition Omega Term Loan Collateral”; the Prepetition Omega Term Loan Collateral, together with the Prepetition Omega Master Lease Collateral and the Prepetition ABL Collateral, the “Prepetition Collateral”) (it being understood that the term “Prepetition Omega Term Loan Collateral” does not include any property or assets that have been expressly excluded from such definition in the Omega Term Loan Documents).

As of the Petition Date, the Omega Term Loan Obligors were justly and lawfully indebted and liable to the Omega Term Loan Agent and the Omega Term Loan Lenders, without defense, counterclaim, or offset of any kind, in the aggregate amount of not less than \$26,952,146.54 on account of loans outstanding under the Omega Term Loan Documents, plus any and all unpaid interest (including default interest), reimbursement obligations, fees, costs, expenses (including, without limitation, attorneys’ fees, financial advisors’ fees, related expenses and disbursements), charges, disbursements, indemnification obligations, and any other amounts, contingent or otherwise, whenever arising or accruing, that may be due, owing, or chargeable in respect thereof, in each case, to the extent provided in the Omega Term Loan Documents, (collectively, the “Omega Term Loan Obligations”; the Omega Term Loan Obligations, together with the Omega Master Lease Obligations, the “Prepetition Omega Secured Obligations”); and the Prepetition

Omega Secured Obligations, together with the Prepetition ABL Obligations, the “Prepetition Secured Obligations”).

Priority of Prepetition Liens; Intercreditor Agreements.

ABL/Omega Term Loan Intercreditor Agreement. The Prepetition ABL Agent and the Omega Term Loan Agent entered into that certain Intercreditor Agreement, dated as of March 25, 2022 (as otherwise amended, supplemented, or otherwise modified from time to time, the “ABL/Omega Term Loan Intercreditor Agreement”), to govern the respective rights, interests, obligations, priority and positions of the Prepetition ABL Obligations and the Omega Term Loan Obligations with respect to certain of the Prepetition ABL Collateral and the Omega Term Loan Collateral (it being understood that certain Prepetition ABL Collateral is not also Omega Term Loan Collateral subject to the ABL/Omega Term Loan Intercreditor Agreement because certain ABL Borrowers are not also Omega Term Loan Obligors). Certain of the Debtors under the Prepetition Loan Documents acknowledged and agreed to the ABL/Omega Term Loan Intercreditor Agreement. Prepetition ABL Agent and Omega Term Loan Agent agree that the following Debtors shall be “Revolving Borrowers” (as defined in the ABL/Omega Term Loan Intercreditor Agreement) under the ABL/Omega Term Loan Intercreditor Agreement as if included on Schedule A to the ABL/Omega Term Loan Intercreditor Agreement: Forrest Oakes Healthcare, LLC, Glenburney Healthcare, LLC, Hilltop Mississippi Healthcare, LLC, Oak Grove Healthcare, LLC, Riley Healthcare, LLC, Starkville Manor Healthcare, LLC, Valley View Healthcare, LLC, Willowbrook Healthcare, LLC and Winona Manor Healthcare, LLC.

ABL/Omega Landlord Intercreditor Agreement. The Prepetition ABL Agent, the Omega Master Lease Landlord and certain of the Debtors party to the Omega Master Lease Documents entered into that certain Seventh Amended and Restated Subordination and Intercreditor Agreement, dated as of April 1, 2024 (the “ABL/Omega Landlord Intercreditor Agreement,” and together with the ABL/Omega Term Loan Intercreditor Agreement, the “Intercreditor Agreements”), to govern the respective rights, interests, obligations, priority and positions of the Prepetition ABL Obligations and the Omega Master Lease Obligations with respect to certain of the Prepetition ABL Collateral and the Omega Landlord Collateral (it being understood that certain Prepetition ABL Collateral is not also Omega Landlord Collateral subject to the ABL/Omega Landlord Intercreditor Agreement because certain ABL Borrowers are not also Omega Master Lease Obligors).

EXHIBIT A

Budget

[Attached]

Initial DIP Budget

(\$ in millions)	wk 1	wk 2	wk 3	wk 4	wk 5	5-Wk
	Budget	Budget	Budget	Budget	Budget	Budget
	6/7/24	6/14/24	6/21/24	6/28/24	7/5/24	Total
1 Total Receipts	\$ 4.8	\$ 8.9	\$ 5.0	\$ 11.2	\$ 4.9	\$ 34.8
2 Payroll, Taxes, and Benefits	(3.7)	(3.1)	(3.5)	(3.4)	(3.7)	(17.4)
3 Insurance	(0.1)	(0.1)	(0.1)	-	(0.7)	(1.0)
4 Bed, Property & Sales Taxes	(0.3)	(1.0)	(0.5)	(0.4)	(0.1)	(2.3)
5 Utilities	-	-	-	-	-	-
6 Cost Report Settlements	(0.7)	-	-	-	-	(0.7)
7 Management Fees	(0.7)	(0.3)	(0.1)	(0.6)	(0.4)	(2.2)
8 Rent Payments	(4.4)	-	-	-	(4.4)	(8.8)
9 Other Operating Expenses	(3.6)	(1.2)	(0.9)	(1.5)	(3.7)	(10.9)
10 Total Operating Disbursements	\$ (13.4)	\$ (5.8)	\$ (5.1)	\$ (5.9)	\$ (13.0)	\$ (43.3)
11 ABL Debt Service	(0.3)	-	-	-	(0.2)	(0.5)
12 Other Non-Operating	(1.6)	(0.5)	(0.1)	(0.5)	(0.4)	(3.1)
13 Total Non-Operating Disbursements	\$ (1.9)	\$ (0.5)	\$ (0.1)	\$ (0.5)	\$ (0.6)	\$ (3.6)
14 DIP Loan Interest & Fees	-	-	-	-	-	-
15 Pro Fees & Expenses	(0.5)	-	-	(0.1)	(2.9)	(3.5)
16 US Trustee	-	-	-	-	-	-
17 503(b)(9) Claims	-	-	-	-	-	-
18 Adequate Assurance Deposit	-	-	(0.6)	-	-	(0.6)
19 Total Restructuring Disbursements	\$ (0.5)	\$ -	\$ (0.6)	\$ (0.1)	\$ (2.9)	\$ (4.0)
20 Net Cash Flow	\$ (11.0)	\$ 2.6	\$ (0.8)	\$ 4.7	\$ (11.6)	\$ (16.1)
21 Beginning Book Cash Balance	\$ 5.2	\$ 3.2	\$ 5.8	\$ 5.0	\$ 9.7	\$ 5.2
22 (+/-): Net Cash Flow	(11.0)	2.6	(0.8)	4.7	(11.6)	(16.1)
23 (+/-) DIP Draws (Paydowns)	9.0	-	-	-	5.0	14.0
24 Ending Book Cash Balance	\$ 3.2	\$ 5.8	\$ 5.0	\$ 9.7	\$ 3.1	\$ 3.1
25 DIP Loan:						
26 Beginning DIP Balance	\$ -	\$ 9.6	\$ 9.6	\$ 9.6	\$ 9.6	\$ -
27 (+/-): Draws	9.0	-	-	-	5.0	14.0
28 (+/-): PIK Interest	-	-	-	-	0.1	0.1
29 (+/-): PIK Fees	0.6	-	-	-	-	0.6
30 Ending DIP Balance	\$ 9.6	\$ 9.6	\$ 9.6	\$ 9.6	\$ 14.7	\$ 14.7
31 Unused DIP Availability	\$ 11.0	\$ 11.0	\$ 11.0	\$ 11.0	\$ 6.0	\$ 6.0

EXHIBIT B

Guarantor Entities

Debtor Entity
10040 Hillview Road Operations LLC
1010 Carpenters Way Operations LLC
1026 Albee Farm Road Operations LLC
1061 Virginia Street Operations LLC
1111 Drury Lane Operations LLC
1120 West Donegan Avenue Operations LLC
11565 Harts Road Operations LLC
12170 Cortez Boulevard Operations LLC
125 Alma Boulevard Operations LLC
1445 Howell Avenue Operations LLC
1465 Oakfield Drive Operations LLC
1507 South Tuttle Avenue Operations LLC
15204 West Colonial Drive Operations LLC
1550 Jess Parrish Court Operations LLC
1615 Miami Road Operations LLC
1820 Shore Drive Operations LLC
1851 Elkcam Boulevard Operations LLC
1937 Jenks Avenue Operations LLC
195 Mattie M. Kelly Boulevard Operations LLC
216 Santa Barbara Boulevard Operations LLC
2333 North Brentwood Circle Operations LLC
2401 NE 2nd Street Operations LLC
2826 Cleveland Avenue Operations LLC
2916 Habana Way Operations LLC
2939 South Haverhill Road Operations LLC
3001 Palm Coast Parkway Operations LLC
3101 Ginger Drive Operations LLC
3110 Oakbridge Boulevard Operations LLC
3735 Evans Avenue Operations LLC
3825 Countryside Boulevard Operations LLC
3920 Rosewood Way Operations LLC
4200 Washington Street Operations LLC
4641 Old Canoe Creek Road Operations LLC
500 South Hospital Drive Operations LLC
5065 Wallis Road Operations LLC
518 West Fletcher Avenue Operations LLC
5405 Babcock Street Operations LLC

Debtor Entity
611 South 13th Street Operations LLC
626 North Tyndall Parkway Operations LLC
6305 Cortez Road West Operations LLC
6414 13th Road South Operations LLC
650 Reed Canal Road Operations LLC
6700 NW 10th Place Operations LLC
702 South Kings Avenue Operations LLC
710 North Sun Drive Operations LLC
741 South Beneva Road Operations LLC
777 Ninth Street North Operations LLC
7950 Lake Underhill Road Operations LLC
9035 Bryan Dairy Road Operations LLC
9311 South Orange Blossom Trail Operations LLC
9355 San Jose Boulevard Operations LLC
Alpha Health Care Properties, LLC
Ambassador Ancillary Services, LLC
Ambassador Rehabilitative Services, LLC
Ashland Facility Operations, LLC
Ashton Court HealthCare, LLC
Assisted Living at Frostburg Village Facility Operations, LLC
Augusta Facility Operations, LLC
Augusta Health Care Properties, LLC
Baya Nursing and Rehabilitation, LLC
Bayonet Point Facility Operations, LLC
Bossier HealthCare, LLC
Brandon Facility Operations, LLC
Brentwood Meadow Health Care Associates, LLC
Briley Facility Operations, LLC
Brownsboro Hills HealthCare, LLC
Canonsburg Property Investors, LLC
Capital Health Care Associates, LLC
Cardinal North Carolina HealthCare, LLC
Carey Facility Operations, LLC
Cary HealthCare, LLC
Catalina Gardens Health Care Associates, LLC
Catalina Health Care Associates, LLC
Centennial Acquisition Corporation
Centennial Employee Management, LLC
Centennial Five Star Master Tenant, LLC
Centennial HealthCare Corporation

Debtor Entity
Centennial Healthcare Holding Company LLC
Centennial HealthCare Investment Corporation
Centennial HealthCare Management Corporation
Centennial HealthCare Properties Corporation
Centennial Healthcare Properties, LLC
Centennial Management Investment, LLC
Centennial Master Subtenant, LLC
Centennial Master Tenant, LLC
Centennial Newco Holding Company, LLC
Centennial Professional Therapy Services Corporation
Centennial SEHC Master Tenant LLC
Centennial Service Corporation - Grant Park
Charlwell HealthCare, LLC
Chenal HealthCare, LLC
Cheswick Facility Operations, LLC
CHIC Holding Company, LLC
CHMC Holding Company, LLC
CHPC Holding Company, LLC
Clay County HealthCare, LLC
Clearwater HealthCare, LLC
Coastal Administrative Services, LLC
Coastal Management Investment, LLC
Consulate EV Acquisition, LLC
Consulate EV Master Tenant, LLC
Consulate EV Operations I, LLC
Consulate Facility Leasing, LLC
Consulate Management Company III, LLC
Consulate MZHBS Leaseholdings, LLC
Consulate NHCG Leaseholdings, LLC
Country Meadow Facility Operations, LLC
Crestline Facility Operations, LLC
Cypress Manor Health Care Associates, LLC
Cypress Square Health Care Associates, LLC
D.C. Medical Investors Limited Partnership
Donegan Square Health Care Associates, LLC
Down East HealthCare, LLC
Edinborough Square Health Care Associates, LLC
Emerald Ridge HealthCare, LLC
Envoy Health Care, LLC
Envoy Management Company, LLC

Debtor Entity
Envoy of Alexandria, LLC
Envoy of Denton, LLC
Envoy of Forest Hills, LLC
Envoy of Fork Union, LLC
Envoy of Goochland, LLC
Envoy of Lawrenceville, LLC
Envoy of Norfolk, LLC
Envoy of Pikesville, LLC
Envoy of Richmond, LLC
Envoy of Somerset, LLC
Envoy of Staunton, LLC
Envoy of Williamsburg, LLC
Envoy of Winchester, LLC
Envoy of Woodbridge, LLC
Epsilon Health Care Properties, LLC
Ferriday HealthCare, LLC
FLLVMT, LLC
Florida Health Care Properties, LLC
Floridian Facility Operations, LLC
Forrest Oakes HealthCare, LLC
Franklinton HealthCare, LLC
Frostburg Facility Operations, LLC
Garden Court HealthCare, LLC
Gateway HealthCare, LLC
Genoa Healthcare Consulting, LLC
Genoa Healthcare Group, LLC
Glenburney HealthCare, LLC
Grant Park Nursing Home Limited Partnership
Grayson Facility Operations, LLC
Green Cove Facility Operations, LLC
Greenfield Facility Operations, LLC
Harbor Pointe Facility Operations, LLC
HFLLVMT, LLC
Hilltop Mississippi HealthCare, LLC
Hilltopper Holding Corp.
Hollywell HealthCare, LLC
Hunter Woods HealthCare, LLC
Hurstbourne HealthCare, LLC
Jacksonville Facility Operations, LLC
Jennings HealthCare, LLC

Debtor Entity
Josera, LLC
Kannapolis HealthCare, LLC
KD HealthCare, LLC
Kenton Facility Operations, LLC
Kenwood View HealthCare, LLC
Kimwell HealthCare, LLC
Kings Daughters Facility Operations, LLC
Kissimmee Facility Operations, LLC
Lake Parker Facility Operations, LLC
Lakeland Facility Operations, LLC
Legends Facility Operations, LLC
Level Up Staffing, LLC
Libby HealthCare, LLC
Lidenskab, LLC
Lincoln Center HealthCare, LLC
Locust Grove Facility Operations, LLC
LTC Insurance Associates, LLC
Lucasville I Facility Operations, LLC
Lucasville II Facility Operations, LLC
Luther Ridge Facility Operations, LLC
LV CHC Holdings I, LLC
LV Operations I, LLC
LV Operations II, LLC
LVE Holdco, LLC
LVE Master Tenant 1, LLC
LVE Master Tenant 2, LLC
LVE Master Tenant 3, LLC
LVE Master Tenant 4, LLC
LVFH Master Tenant, LLC
LVLUPH, LLC
MA HealthCare Holding Company, LLC
Manor at St. Luke Village Facility Operations, LLC
McComb HealthCare, LLC
Melbourne Facility Operations, LLC
Miami Facility Operations, LLC
Milton HealthCare, LLC
Montclair HealthCare, LLC
Mount Royal Facility Operations, LLC
NENC HealthCare Holding Company, LLC
New Harmonie HealthCare, LLC

Debtor Entity
New Port Richey Facility Operations, LLC
Newport News Facility Operations, LLC
Norfolk Facility Operations, LLC
North Carolina Master Tenant, LLC
North Fort Myers Facility Operations, LLC
North Strabane Facility Operations, LLC
Oak Grove HealthCare, LLC
Oaks at Sweeten Creek HealthCare, LLC
Omro HealthCare, LLC
Onetete, LLC
Orange Park Facility Operations, LLC
Osprey Nursing and Rehabilitation, LLC
Paloma Blanca Health Care Associates, LLC
Parkside Facility Operations, LLC
Parkview Facility Operations, LLC
Parkview HealthCare, LLC
Parkview Manor HealthCare, LLC
Parkwell HealthCare, LLC
Pavilion at St. Luke Village Facility Operations, LLC
Penn Village Facility Operations, LLC
Pennknoll Village Facility Operations, LLC
Pensacola Facility Operations, LLC
Perry Facility Operations, LLC
Perry Village Facility Operations, LLC
Pheasant Ridge Facility Operations, LLC
Piketon Facility Operations, LLC
Pine River HealthCare, LLC
Pinelake HealthCare, LLC
Pinewood HealthCare, LLC
Port Charlotte Facility Operations, LLC
QCPMT, LLC
RAC Insurance Investors, LLC
Reeders Facility Operations, LLC
Retirement Village of North Strabane Facility Operations, LLC
Ridgewood Facility Operations, LLC
Riley HealthCare, LLC
Rispetto, LLC
Riverbend HealthCare, LLC
Riverview of Ann Arbor HealthCare, LLC
Royal Terrace HealthCare, LLC

Debtor Entity
Safety Harbor Facility Operations, LLC
Salus Management Investment, LLC
Sarasota Facility Operations, LLC
Sea Crest Management Investment, LLC
Sheridan Indiana HealthCare, LLC
Shoreline Healthcare Management, LLC
Skyline Facility Operations, LLC
Southpoint Health Care Associates, LLC
St. Petersburg Facility Operations, LLC
Starkville Manor HealthCare, LLC
Stratford Facility Operations, LLC
Summit Facility Operations, LLC
Susquehanna Village Facility Operations, LLC
Swan Pointe Facility Operations, LLC
Tallahassee Facility Operations, LLC
Tarpon Health Care Associates, LLC
THS Partners I, Inc.
THS Partners II, Inc.
Tosturi, LLC
Transitional Health Partners
Transitional Health Services, Inc.
Valley View HealthCare, LLC
VAPAMT, LLC
Vero Beach Facility Operations, LLC
VNTG HD Master Tenant, LLC
Walnut Cove HealthCare, LLC
Wayne HealthCare, LLC
Wellington HealthCare, LLC
Wellston Facility Operations, LLC
West Altamonte Facility Operations, LLC
West Palm Beach Facility Operations, LLC
Westerville Facility Operations, LLC
Westwood HealthCare, LLC
Whispering Hills Facility Operations, LLC
Whitehall of Ann Arbor HealthCare, LLC
Whitehall of Novi HealthCare, LLC
Williamsburg Facility Operations, LLC
Willowbrook HealthCare, LLC
Wilora Lake HealthCare, LLC
Windsor Facility Operations, LLC

Debtor Entity
Winona Manor HealthCare, LLC
Winter Haven Facility Operations, LLC
Woodbine HealthCare, LLC
Woodstock Facility Operations, LLC

EXHIBIT C

Omega Master Lease Secured Parties

1. CSE Arden LP
2. CSE Knightdale LP
3. CSE Lenoir LP
4. CSE Walnut Cove LP
5. CSE Woodfin LP
6. Everett Re Owner LLC
7. FC Encore Albemarle, LLC
8. FC Encore Andrews, LLC
9. FC Encore Archdale, LLC
10. FC Encore Cary, LLC
11. FC Encore Charlotte, LLC
12. FC Encore Kannapolis, LLC
13. FC Encore McComb, LLC
14. FC Encore Meridian, LLC
15. FC Encore Natchez, LLC
16. FC Encore Rutherfordton, LLC
17. FC Encore Starkville, LLC
18. FC Encore Union, LLC
19. FC Encore Winona, LLC
20. FC Encore Yadkinville, LLC
21. Hazleton Re Owner LLC
22. Hazleton Re Owner LLC
23. Mifflin Re Owner LLC
24. OHI Asset (VA) Ashland, LLC
25. OHI Asset (VA) Norfolk, LLC
26. Pottsville Re Owner LLC
27. Selinsgrove Re Owner LLC

EXHIBIT 2

Initial DIP Budget

Initial DIP Budget

(\$ in millions)	wk 1	wk 2	wk 3	wk 4	wk 5	5-Wk
	Budget	Budget	Budget	Budget	Budget	Budget
	6/7/24	6/14/24	6/21/24	6/28/24	7/5/24	Total
1 Total Receipts	\$ 4.8	\$ 8.9	\$ 5.0	\$ 11.2	\$ 4.9	\$ 34.8
2 Payroll, Taxes, and Benefits	(3.7)	(3.1)	(3.5)	(3.4)	(3.7)	(17.4)
3 Insurance	(0.1)	(0.1)	(0.1)	-	(0.7)	(1.0)
4 Bed, Property & Sales Taxes	(0.3)	(1.0)	(0.5)	(0.4)	(0.1)	(2.3)
5 Utilities	-	-	-	-	-	-
6 Cost Report Settlements	(0.7)	-	-	-	-	(0.7)
7 Management Fees	(0.7)	(0.3)	(0.1)	(0.6)	(0.4)	(2.2)
8 Rent Payments	(4.4)	-	-	-	(4.4)	(8.8)
9 Other Operating Expenses	(3.6)	(1.2)	(0.9)	(1.5)	(3.7)	(10.9)
10 Total Operating Disbursements	\$ (13.4)	\$ (5.8)	\$ (5.1)	\$ (5.9)	\$ (13.0)	\$ (43.3)
11 ABL Debt Service	(0.3)	-	-	-	(0.2)	(0.5)
12 Other Non-Operating	(1.6)	(0.5)	(0.1)	(0.5)	(0.4)	(3.1)
13 Total Non-Operating Disbursements	\$ (1.9)	\$ (0.5)	\$ (0.1)	\$ (0.5)	\$ (0.6)	\$ (3.6)
14 DIP Loan Interest & Fees	-	-	-	-	-	-
15 Pro Fees & Expenses	(0.5)	-	-	(0.1)	(2.9)	(3.5)
16 US Trustee	-	-	-	-	-	-
17 503(b)(9) Claims	-	-	-	-	-	-
18 Adequate Assurance Deposit	-	-	(0.6)	-	-	(0.6)
19 Total Restructuring Disbursements	\$ (0.5)	\$ -	\$ (0.6)	\$ (0.1)	\$ (2.9)	\$ (4.0)
20 Net Cash Flow	\$ (11.0)	\$ 2.6	\$ (0.8)	\$ 4.7	\$ (11.6)	\$ (16.1)
21 Beginning Book Cash Balance	\$ 5.2	\$ 3.2	\$ 5.8	\$ 5.0	\$ 9.7	\$ 5.2
22 (+/-): Net Cash Flow	(11.0)	2.6	(0.8)	4.7	(11.6)	(16.1)
23 (+/-) DIP Draws (Paydowns)	9.0	-	-	-	5.0	14.0
24 Ending Book Cash Balance	\$ 3.2	\$ 5.8	\$ 5.0	\$ 9.7	\$ 3.1	\$ 3.1
25 DIP Loan:						
26 Beginning DIP Balance	\$ -	\$ 9.6	\$ 9.6	\$ 9.6	\$ 9.6	\$ -
27 (+/-): Draws	9.0	-	-	-	5.0	14.0
28 (+/-): PIK Interest	-	-	-	-	0.1	0.1
29 (+/-): PIK Fees	0.6	-	-	-	-	0.6
30 Ending DIP Balance	\$ 9.6	\$ 9.6	\$ 9.6	\$ 9.6	\$ 14.7	\$ 14.7
31 Unused DIP Availability	\$ 11.0	\$ 11.0	\$ 11.0	\$ 11.0	\$ 6.0	\$ 6.0

Distribution List

LaVie Care Centers, LLC
c/o Ankura Consulting Group, LLC,
485 Lexington Avenue, 10th Floor,
New York, NY 10017
Attn: M. Benjamin Jones

Daniel M. Simon
McDermott Will & Emery LLP
1180 Peachtree Street NE, Suite 3350
Atlanta, GA 30309

Emily C. Keil
McDermott Will & Emery LLP
444 West Lake Street, Suite 4000
Chicago, IL 60606

Kurtzman Carson Consultants LLC
222 N. Pacific Coast Highway, 3rd Floor
El Segundo, CA 90245

Jonathan S. Adams
Office of the United States Trustee
362 Richard Russell Federal Building
75 Ted Turner Drive, SW
Atlanta, GA 30303

EXHIBIT B

Proposed Final Order

[To come]