

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)

**DEBTORS’ MOTION FOR ENTRY OF ORDER (I) AUTHORIZING
TRANSFER OF OPERATIONS AND RELATED ASSETS OF HARTS HARBOR
HEALTH CARE CENTER FREE AND CLEAR OF ALL LIENS, CLAIMS,
ENCUMBRANCES, AND INTERESTS; (II) AUTHORIZING ASSUMPTION AND
ASSIGNMENT OF EXECUTORY CONTRACTS; (III) AUTHORIZING
REJECTION OF THE HARTS HARBOR LEASE AND RELATED SUBLEASES;
(IV) APPROVING FORM OF OPERATIONS TRANSFER AGREEMENT;
AND (V) GRANTING RELATED RELIEF**

LaVie Care Centers, LLC (“LaVie”)² and certain of its affiliates and subsidiaries, as debtors and debtors-in-possession (collectively, the “Debtors”) in the above-captioned chapter 11 cases (collectively, the “Chapter 11 Cases”), hereby move (this “Motion”) for entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), granting the relief described below. In support of the Motion, the Debtors represent as follows:

RELIEF REQUESTED

1. By this Motion, the Debtors seek entry of the Proposed Order, granting the following relief:

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, which are being jointly administered for procedural purposes only. 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’ claims and noticing agent at <https://www.veritaglobal.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 but not otherwise defined herein shall have the meanings ascribed to them in the First Day Declaration, the Plan, or the OTA, as applicable and each as defined herein.



- (a) authorizing and approving the private sale and transfer of operations and related Transferred Assets (as defined below) of the Debtors' facility located at 11565 Harts Road, Jacksonville, Florida 32218 (the "Facility"), free and clear of any and all liens, claims, encumbrances, or interests of any kind in or against the Debtors or the Transferred Assets (as defined in the OTA, the "Transactions") pursuant to sections 105 and 363 of the Bankruptcy Code, without any successor liability of any kind, and on an "as is, where is" basis without any representations or warranties, except as expressly provided in that certain *Operations Transfer Agreement* between Debtor 11565 Harts Road Operations, LLC d/b/a Harts Harbor Health Care Center (the "Debtor Operator") and 11565 Harts Road Opco LLC, a Florida limited liability company (the "New Operator") in the form attached as Exhibit 1 to the Proposed Order (the "OTA");³
- (b) authorizing the Debtors to enter into the OTA and approving the same;
- (c) approving and authorizing the assumption and assignment to New Operator (as defined herein) of certain executory contracts or unexpired leases relating to the operations of the Facility and the Transferred Assets (as defined in the OTA, the "Assumed Contracts") and the amounts necessary to cure any monetary defaults under such Assumed Contracts in accordance with section 365 of the Bankruptcy Code (the "Cure Costs"), and approving the form and manner of notice of the Assumed Contracts, substantially in the form attached hereto as Exhibit B (the "Contract Assumption Notice");
- (d) approving the form and manner of notice of the private sale and transfer of the Transferred Assets to New Operator and the hearing to consider approval of the OTA (the "Hearing"), including the notice of the sale and transfer of the Transferred Assets, objection deadline, and Hearing (the "Sale Notice") attached hereto as Exhibit C;
- (e) approving rejection and termination of any existing management or consulting agreements for the Facility and any existing lease or sublease agreements of the Debtor Operator and those of any Affiliate for the Facility (as defined in the OTA, the "Existing Leases"), including, without limitation: (i) that certain *Lease Agreement* dated August 10, 2017 between Jacksonville Nursing Home, Ltd. (the "Harts Harbor Landlord") and Epsilon Health Care Properties, LLC (the "Debtor Tenant") and (ii) that certain sublease agreement between the Debtor Tenant and the Debtor Operator;

³ While the parties believe that the form attached to the Proposed Order as Exhibit 1 is substantially finalized, the Debtors and New Operator are in the process of finalizing the terms of the OTA and the parties reserve all rights to revise or otherwise modify the terms of the OTA in advance of the hearing on the Motion. The Debtors will file the final version of the OTA in advance of the hearing, with a redline reflecting any changes to the initially filed version.

- (f) approving the form and manner of notice of the private sale and transfer of the Transferred Assets to New Operator that will be provided to current and former residents and patients of the Facility, substantially in the form attached hereto as **Exhibit D** (the “Resident Notice”); and
- (g) granting related relief.

JURISDICTION AND VENUE

2. The United States Bankruptcy Court for the Northern District of Georgia, Atlanta Division (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 this case and the Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

3. The legal predicates for the relief requested herein are sections 105(a), 363, and 365 of title 11 of the United States Code (the “Bankruptcy Code”) and Rules 2002, 6004, and 6006 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

BACKGROUND

I. The Chapter 11 Cases

4. On June 2, 2024 (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 are operating their businesses and managing their property as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108. Additional information regarding the Debtors’ operations and the reason for the commencement of the Chapter 11 Cases is set forth in the *Declaration of M. Benjamin Jones in Support of Chapter 11 Petitions and First Day Pleadings* [Docket No. 17] (the “First Day Declaration”).

5. On June 13, 2024, the Office of the United States Trustee for Region 21 (the “U.S. Trustee”) appointed an official committee in the Chapter 11 Cases (the “Committee”).

See Appointment and Notice of Appointment of Committee of Creditors Holding Unsecured Claims [Docket No. 112]. To date, no trustee or examiner has been appointed in the Chapter 11 Cases.

6. On November 14, 2024, the Court held a hearing on confirmation of the Debtors' proposed chapter 11 plan (the "Confirmation Hearing"). On December 5, 2024, the Court entered the *Findings of Fact, Conclusions of Law, and Order Approving on Final Basis and Confirming Debtors' Modified Second Amended Combined Disclosure Statement and Joint Chapter 11 Plan of Reorganization* [Docket No. 735] (the "Confirmation Order"), confirming the *Debtors' Modified Second Amended Combined Disclosure Statement and Joint Chapter 11 Plan of Reorganization* [Docket No. 730] (the "Plan"). As part of confirming the Plan, the Court also entered the *Memorandum Decision on Opt Out Third-Party Releases Included in Debtors' Joint Second Amended Plan of Reorganization* [Docket No. 736] (the "Confirmation Opinion").

7. Paragraph 28 of the Confirmation Order provides that, upon the earlier of (a) the date upon which Jacksonville Nursing Home, Ltd. and the Debtors are prepared to transfer operations of 11565 Harts Road Operations, LLC d/b/a Harts Harbor Health Care Center to a new operator to be selected by the Harts Harbor Landlord or (b) the Effective Date, that certain lease agreement dated August 10, 2017 by and among the Harts Harbor Landlord and Debtor Tenant (the "Harts Harbor Lease") shall be rejected and the Debtors shall file a motion with the Court in advance of the Effective Date, seeking rejection of the Harts Harbor Lease and any other and further relief that may be necessary. *See Confirmation Order*, ¶ 28.

8. Accordingly, by this Motion, the Debtors seek authority to, among other things, reject and terminate the Existing Leases and transfer the operations of the Facility to New Operator. The Debtors believe that such transfer is in the best interest of the Debtors' estates, as it will ensure continuity of care for the residents at the Facility. The Debtors are in discussions with their

prepetition secured lenders regarding the Debtor Operator's entry into the OTA, the terms of which are discussed in greater detail below, and, upon information and belief, no secured lender intends to object to the relief requested.

II. Sale & Marketing Process

9. On June 10, 2024, the Debtors filed the *Debtors' Motion for Entry of an Order (I) Approving Bidding Procedures and Bid Protections, (II) Scheduling Certain Dates and Deadlines with Respect Thereto, (III) Approving the Form and Manner of Notice Thereof, (IV) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases, (V) Authorizing the Assumption and Assignment of Assumed Contracts, and (VI) Authorizing the Sale of Assets* [Docket No. 104] (the "Bidding Procedures Motion"). In the Bid Procedures Motion, the Debtors sought approval of bid procedures for a sale of substantially all of their assets, including the operations and related assets of the Facility, or the rights to sponsor a plan of reorganization. On June 27, 2024, the Bankruptcy Court entered the *Order Approving Bidding Procedures and Bid Protections, (II) Scheduling Certain Dates and Deadlines with Respect Thereto, (III) Approving the Form and Manner of Notice Thereof, (IV) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases, (V) Authorizing the Assumption and Assignment of Assumed Contracts, and (VI) Authorizing the Sale of Assets* [Docket No. 177] (the "Bidding Procedures Order").

10. Stout Capital, LLC ("Stout") launched a broad marketing process to prospective buyers on June 24, 2024 by distributing a two-page "teaser" and non-disclosure agreement (each, an "NDA") to 140+ prospective buyers. Additional prospective buyers received the teaser and NDA materials throughout the marketing process and, in total, 147 prospective buyers received the materials. After reviewing the teaser materials, 34 parties executed NDA and received the

Confidential Information Memorandum (the “CIM”), which provided additional detailed information regarding the Debtors’ operations and historical and projected financial performance, among other things. In addition, 19 parties that received and reviewed the CIM were granted access to the virtual data room (the “VDR”) which contained detailed information such financial statements, asset listings, lease agreements and other contracts, and regulatory and other information relating to the Debtors’ operations.

11. On July 9, 2024, Stout distributed a process letter to all active parties (i.e., parties that had not confirmed they were a “pass”) which requested submission of written, non-binding indications of interest (the “IOIs”) by August 5, 2024, although in its communication with prospective buyers, Stout indicated that IOIs submitted after August 5 would continue to be considered so long as the prospective buyer could complete diligence and submit a definitive and binding final bid by the September 5, 2024, deadline as required by the Bidding Procedures. Ultimately, only two parties submitted written IOIs, each of which expressed interest in acquiring only a subset of the Debtors’ facilities. The three facilities leased from Elderberry were included in both IOIs, and one IOI included two additional facilities under the Omega Master Lease. Neither of the IOIs included the Facility. Both parties were invited to conduct onsite diligence of the Elderberry facilities, and site visits were conducted the week of August 19, 2024. Following the site visit, one of the parties submitted a revised IOI that proposed a reduced purchase price and excluded one of the Elderberry facilities. Stout continued to facilitate diligence requests from the interested parties (including parties that did not submit written IOIs). Stout distributed a final process letter on September 3, 2024, reminding the prospective bidders of the September 5 final bid deadline and the requirements for submitting a qualified bid, including a markup of the form operations transfer agreement (a copy of which was provided in the VDR).

12. Ultimately, the Debtors did not receive any qualified bids for any of their facilities—including the Facility—on or after the September 5 deadline, other than a letter from the DIP Lenders (already deemed to be “Qualified Bidders” under the Bidding Procedures Order) that they intend to attend and participate at the auction. Accordingly, the Debtors, in their business judgment and after consultation with the consultation parties, canceled the auction and sale hearing.

13. Pursuant to the Bidding Procedures Order, on July 23, 2024, the Debtors filed and served a list of potentially assumed executory contracts and unexpired leases. *See* Docket No. 274. On August 28, 2024, the Debtors filed and served an amended list of potentially assumed executory contracts and unexpired leases. *See* Docket No. 356. On October 30, 2024, the Debtors filed and served a supplement to the list of potentially assumed executory contracts and unexpired leases. *See* Docket No. 603.

III. The Harts Harbor OTA

14. Given the lack of interest in the Facility and the Debtors’ desire to reject and terminate the Existing Leases, the Debtors have negotiated extensively with the New Operator over the last few months to finalize the terms of the OTA and, shortly before the filing of the Motion, Debtor Operator and New Operator reached agreement on the terms of the OTA, the effectiveness of which is subject to Court approval. Accordingly, the Debtors request that the Court approve the OTA in the form attached to the Proposed Order as Exhibit 1. The terms of the OTA provide, among other things, as follows:⁴

⁴ The following terms are included herein for ease of reference only. To the extent that the foregoing terms and the terms set forth in the OTA conflict, the terms of the OTA shall govern.

Material Terms of the OTA	
Parties	<ul style="list-style-type: none"> • 11565 Harts Road Operations, LLC, as Debtor Operator • 11565 Harts Road Opco LLC, as New Operator
Transferred Assets	<p>On the Operations Closing Date, Debtor Operator will transfer certain assets necessary for the operation of the Facility (as defined in the OTA, the “<u>Transferred Assets</u>”) to New Operator, including:</p> <ul style="list-style-type: none"> • all of its right, title, and interest in and to the Personal Property, and any other property acquired by the Debtor Operator under the Plan on and as of the Operations Closing Date; • all Assumed Contracts; • relevant employee records of Hired Employees; • (i) all medical records relating to current patients of the Facility; and (ii) medical records requested by New Operator reasonably necessary for regulatory compliance, billing purposes, or future audits; • the telephone and facsimile numbers of the Facility; • all Permits necessary for the operations of the Facility; • all rights and access to Resident Trust Funds; • all rights and interest in Intangible Property; • all right, title, and interest in and to that certain 2007 Ford E-250 EXT Cargo, VIN Number 1FTNS24W57DA78111.
Excluded Assets	<p>Under the OTA, Excluded Assets include:</p> <ul style="list-style-type: none"> • other than the Resident Trust Funds, any of Debtor Operator’s cash, cash equivalents, or deposits in banks or other financial institutions existing as of the Operations Closing Date and all of Debtor Operator’s bank accounts; • any of Debtor Operator’s accounts receivable (including, without limitation, Debtor Operator’s Medicare/Medicaid payments or refunds, resulting from retroactive rate increases or otherwise) for services or goods performed or provided before the Operations Closing Date; • any license agreements, copyrights, trademarks, trade names, service marks, or other rights of Debtor Operator in any intellectual property or its past or present management companies or service providers; • deposits, letters of credit, and similar items of security, if any, provided to any third party, unless New Operator provided a credit for such items as part of the prorations under the OTA; • all insurance policies owned by Debtor Operator and all rights to collect insurance policies under such policies; • any contracts other than the Assumed Contracts (including, without limitation, the Existing Leases);

Material Terms of the OTA	
	<ul style="list-style-type: none"> • Debtor Operator’s franchise to be a limited liability company, its certificate of formation, operating agreement, minute books, tax returns, books of account or other records having to do with the organization and capitalization of Debtor Operator; • all tax refunds for periods ending before the Operations Closing Date and all tax refunds for all periods after the Operations Closing Date to the extent not arising from New Operator’s operation of the Facility on and after the Operations Closing Date; • to the extent inseparable from systems of Debtor Operator affiliates unrelated to the Facility being transferred, software; • the following to the extent inseparable from systems of Debtor Operator affiliates unrelated to the Facility being transferred: telecommunications equipment and circuits including, but not limited to, phone systems, desk phones, voicemail systems, MPLS circuits, broadband circuits, PRI circuits, and phone/fax circuits; • any leased Personal Property, unless the underlying lease constitutes an Assumed Contract; • all actions against third parties, including avoidance actions arising under chapter 5 of the Bankruptcy Code; and • any assets which Debtor Operator cannot lawfully transfer or assign to New Operator under the requirements of applicable law.
Assumption of Liabilities	<p>Under the OTA, New Operator will assume the following liabilities (as defined in the OTA, the “<u>Assumed Liabilities</u>”):</p> <ul style="list-style-type: none"> • all Cure Costs (as defined in the OTA) associated with the Assumed Contracts, which shall be paid by New Operator on or prior to the Operations Closing Date; <i>provided, however</i>, Cure Costs to be paid by New Operator shall not include (i) the Outstanding Liabilities (as defined in the OTA) required to be paid by Debtor Operator as a condition to Operations Closing, or (ii) outstanding liabilities under the CBA (as defined in the OTA) other than Employee Accruals; • all obligations and liabilities under the Assumed Contracts (as defined in the OTA) as designated by New Operator that accrue and relate to the period from and after the Operations Closing Date (and, for the avoidance of doubt, excluding any liability or obligation arising in connection with, or accruing during, the period before the Operations Closing Date or out of or in connection with any breach thereof, occurring before or after the Operations Closing Date, other than the Cure Costs, if any, which shall be paid by the New Operator on or prior to the Operations Closing Date);

Material Terms of the OTA	
	<ul style="list-style-type: none"> • any liabilities or obligations arising on and after the Operations Closing Date in connection with any action or inaction of New Operator on and after the Operations Closing Date related to the Resident Trust Funds that have been delivered to New Operator; • all expenses arising from New Operator’s operation of the Facility after the Operations Closing Date, including taxes, telephone and utility charges, and any other expense relating to New Operator’s operation of the Facility on and after the Operations Closing Date; • all expenses relating to the Hired Employees accrued or arising on or after the Operations Closing Date, including the obligations related to the Hired Employees set forth in the OTA; • the performance and operating obligations arising under the Permits assigned to New Operator and arising from New Operator’s operation of the Facility following the Operations Closing Date; • the Employee Accruals, subject to New Operator’s receipt of the Employee Accrual Credit as provided in the OTA; and • any Recapture Claims that are not paid by Debtor Operator as Outstanding Liabilities as a condition to the Operations Closing pursuant to the OTA shall be Assumed Liabilities of New Operator to the extent that such Medicare or Medicaid provider agreement is assumed by New Operator, solely to the extent required by applicable Law.
Provider Agreements	<p>Debtor Operator will sell, assign, and convey to New Operator the Debtor Operator’s Medicare provider agreement and number in use at the Facility and New Operator shall secure new Medicaid provider numbers and Medicaid provider reimbursement agreements in its own name, either by assumption from Debtor Operator or application for new numbers and agreements.</p>
Employee Matters	<p>New Operator shall determine, in its sole discretion, which of the Debtor Operator’s employees shall be offered employment with New Operator, pursuant to employment terms reasonably acceptable to New Operator. On the day immediately following the Operations Closing Date, New Operator will offer immediate employment at the Facility to a sufficient number of the Facility’s employees (the “<u>Hired Employees</u>”) at wages and benefits necessary to avoid the applicability of the WARN Act.</p> <p>The collective bargaining agreement between United Food & Commercial Workers Union, Local 1625 (the “<u>Union</u>”) and Debtor Operator (the “<u>CBA</u>”) shall be an Assumed Contract; <i>provided, however</i>, without limitation to any other provisions of the OTA: (i) New Operator shall not be responsible or liable for any Cure Costs relating to the CBA</p>

Material Terms of the OTA

that must be paid by Debtor Operator as a condition to assignment of such CBA to New Operator, and (ii) other than Employee Accruals on account of which New Operator has received the Employee Accrual Credit (as those terms are defined in the OTA), New Operator shall not assume any obligations or liabilities under the CBA, nor any replacement collective bargaining agreement, if applicable, to any employees of the Debtor Operator or the Union (as defined in the OTA) that have accrued prior to the Operations Closing Date or that in any way relate to the Debtor Operator's operation of the Facility prior to the Operations Closing Date. The execution of the OTA and the consummation of the Transactions contemplated by the OTA do not, and will not, impose any successor liability obligations on New Operator with respect to the CBA, other than Employee Accruals on account of which New Operator has received the Employee Accrual Credit.

On the Operations Closing Date, Debtor Operator shall provide New Operator with a credit (as defined in the OTA, the "Employee Accrual Credit") of an amount equal to one hundred percent (100%) of the accrued, vested and unvested, but unpaid vacation obligations solely to the extent required to be paid out by Debtor Operator under its existing employment policies, applicable Law, and/or under the CBA, and all other related and corresponding payroll and/or benefits obligations including but not limited to all FICA, withholding, unemployment, workmen's compensation or other employment related taxes, as well as any insurance premium obligations of Debtor Operator, vested or unvested, with respect to the Hired Employees that have accrued prior to the Operations Closing Date (as defined in the OTA, "Employee Accruals").

As of the Operations Closing Date (i) conditioned upon receipt of the Employee Accrual Credit, (a) New Operator shall assume the Employee Accruals as an Assumed Liability to the extent of such Employee Accrual Credit; and (b) receipt of the Employee Accrual Credit by New Operator from Debtor Operator shall (1) satisfy all obligations of the Debtor Operator to its current employees with respect to the Employee Accruals and (2) receipt of the Employee Accrual Credit by New Operator from Debtor Operator shall expressly relieve Debtor Operator of any liabilities associated with the Employee Accruals; and (ii) other than the Employee Accruals, New Operator shall not be liable on account of any other liabilities or obligations with regard to any of Debtor Operator's current employees, including without limitation, any liabilities and obligations that shall have accrued prior to the Operations Closing Date with respect to the Hired Employees.

Material Terms of the OTA	
Closing	The Operations Closing Date will mean the date of the Operations Closing pursuant to the terms and conditions of the OTA, which the parties intend to occur on May 1, 2025.
Proration	Any utility and similar service charges, taxes, prepaid expenses, assessments, and fees attributable to the Facility, and any other items of revenue or expense attributable to the Facility, will be prorated between Debtor Operator and New Operator as of the Operations Closing Date.
Accounts Receivable	<p>Debtor Operator will receive all accounts receivable accrued prior to the Operations Closing Date (the “<u>Pre-Closing Accounts Receivable</u>”) and will remain liable for any Recapture Claims (as defined in the OTA) and any other overpayments made to Debtor Operator before the Operations Closing Date.</p> <p>New Operator will receive all accounts receivable accrued on and after the Operations Closing Date (the “<u>Post-Closing Accounts Receivable</u>”) and will be liable for any Recapture Claims and any other overpayments made to New Operator after the Operations Closing Date, solely to the extent required by applicable law.</p>
Lease/Management Agreement Rejection	Upon the Operations Closing Date, the Debtors will reject and terminate the Existing Leases and any management and consulting agreements for the Facility.
Indemnification	New Operator will hold harmless and indemnify Debtor Operator from and against any loss that results from any material breach of any representations, warranties, covenants, or agreements of New Operator contained in the OTA or any related documents.
Record Retention	Debtor Operator will transfer to New Operator all (i) medical records relating to current patients of the Facility, and (ii) medical records requested by New Operator reasonably necessary for regulatory compliance, billing purposes, or future audits, to the extent such records are in Debtor Operator’s possession. Debtor Operator is entitled to retain copies of all Patient Records or other records transferred pursuant to the OTA as it may deem necessary.
Successor Liability	As a precondition to closing of the OTA, the Transferred Assets shall be transferred to New Operator free and clear of all then existing or thereafter arising liens, claims, encumbrances, or interests of any kind in or against the Debtors or the Transferred Assets to the fullest extent permitted by section 363(f) of the Bankruptcy Code (other than Assumed Liabilities).

Material Terms of the OTA	
Service and Publication Costs	The Debtors and their estates shall be responsible for all costs of service of the Sale Motion and the Approval Order, as well as service and publication of any other motions or notices related to this Motion, the Approval Order, the OTA, or the Transactions and, as provided in the OTA, New Operator shall reimburse the Debtors for such third-party costs of service and publication.

15. As discussed herein, the OTA is in the best interests of the Debtors, as it represents the best and only viable transaction available for the transfer of the operations of the Facility, including the related Transferred Assets. The contemplated operations transfer will allow the Debtors to (a) reach agreement with New Operator to assume substantial liabilities, (b) avoid significant future administrative rent obligations following the rejection and termination of the Existing Leases as contemplated by the OTA, and (c) potential claims from their residents if the Facility was shut down or entered into state receivership. Therefore, the Debtors seek approval of the OTA for the benefit of their estates and their creditors, and, most importantly, to safeguard the health and safety of their residents at the Facility.

IV. Assumption and Assignment of Executory Contracts

16. To facilitate the Transactions, the Debtors seek authority to assume and assign certain executory contracts to New Operator (the “Assumed Contracts”) in accordance with the following procedures:

- (a) The Contract Assumption Notice, attached hereto as **Exhibit B**, includes a list of executory contracts and unexpired leases that may be assumed and assigned to New Operator; which list includes the identity of the non-Debtor counterparty to such contract (each, a “Counterparty”, and together, the “Counterparties”) and the Cure Costs, if any, that the Debtors believe are required to be paid as a condition to assumption and assignment under section 365 of the Bankruptcy Code.
- (b) Contemporaneous with the filing of this Motion, subject to Court approval of the relief sought in the motion to shorten notice filed contemporaneously herewith, the Debtors will serve the Contract Assumption Notice on the

Counterparties. If a Counterparty objects to the Cure Cost or the assumption and assignment of its contract to New Operator, the Counterparty must file a written objection (a “Contract Objection”) with the Court on or before **April 18, 2025 at 4:00 p.m. (prevailing Eastern Time)** (the “Contract Objection Deadline”). All such objections must identify the executory contract to which the objection applies, describe with particularity any Cure Cost the Counterparty claims is required under section 365 of the Bankruptcy Code, identify the legal and factual basis(es) of the alleged Contract Objection, including the specific nature of any alleged defaults, the pecuniary losses resulting therefrom, and the conditions giving rise to such losses, and attach all documents supporting or evidencing the alleged Cure Costs.

- (c) If, after the date of this Motion, additional executory contracts of the Debtor Operator are determined to be potential Assumed Contracts in connection with the Transactions, or the Debtors seek to modify the previously stated Cure Cost associated with any executory contract (*provided* that Debtors shall not increase any Cure Cost without New Operator’s written consent), as soon as practicable thereafter, the Debtors shall file with the Court and serve on the applicable Counterparties, a notice (the “Supplemental Contract Assumption Notice”) identifying any additional Assumed Contracts and/or modified Cure Costs, and such Counterparties shall file any objection to the Supplemental Contract Assumption Notice no later than fourteen (14) days after service of the same.
- (d) If no objection is timely filed with respect to an Assumed Contract: (i) the Counterparty to such Assumed Contract shall be deemed to have consented to the assumption by the Debtors and assignment to New Operator of the Assumed Contract, and be forever barred from asserting any objection with regard to such assumption and assignment (including, without limitation, with respect to adequate assurance of future performance); (ii) any and all defaults under the Assumed Contract and any and all pecuniary losses related thereto shall be deemed cured and compensated pursuant to section 365(b)(1)(A) and (B) of the Bankruptcy Code upon payment of the Cure Cost set forth in the Contract Assumption Notice or the Supplemental Contract Assumption Notice; (iii) the Counterparty shall be forever barred from asserting any other claims, counterclaims, rights, defaults, setoffs, or recoupments related to or arising from such Assumed Contract against the Debtors and their estates or New Operator, or the property of any of them, that existed prior to the Operations Closing Date or relates in any way to the Debtor Operator’s operation of the Facility prior to the Operations Closing Date.
- (e) To the extent that the parties are unable to consensually resolve any dispute with respect to the Cure Cost required to be paid to the applicable Counterparty (any such dispute, a “Cure Dispute”), the Debtors may (i) assume the applicable Executory Contract prior to the resolution of the

Cure Dispute; *provided* that New Operator shall (A) pay to the applicable Counterparty the undisputed portion of the Cure Cost within five (5) business days of the Operations Closing Date and (B) reserve cash in an amount sufficient to pay the disputed portion of the Cure Cost reasonably asserted by the applicable Counterparty (or such lesser amount as may be fixed or estimated by the Court or otherwise agreed to by the Counterparty and New Operator), or (ii) with the consent of New Operator, adjourn the request to assume the Assumed Contract pending resolution of the Cure Dispute (an “Adjourned Cure Dispute”); *provided further* that, to the extent the Adjourned Cure Dispute is resolved or determined unfavorably to the Debtors, the Debtors, at the direction of, or with the consent of, New Operator, may withdraw the proposed assumption of the applicable Assumed Contract after such determination by filing a notice of withdrawal and such executory contracts shall no longer be deemed designated for assumption and assignment to New Operator. If the parties are unable to resolve a Cure Dispute, then at the direction of, or with the consent of, New Operator, the Debtors will seek a hearing to resolve the Cure Dispute with the Court.

17. At any time prior to the Operations Closing, New Operator, in its sole and absolute discretion, shall deliver one or more written notices to the Debtors (each such notice, a “Designation Notice”), pursuant to which New Operator shall designate in writing any executory contracts that New Operator wishes to have assumed and assigned at Closing. Following the Operations Closing, the Debtors shall file on the docket the final list of Assumed Contracts that New Operator has identified in any Designation Notice along with the final Cure Costs with respect to such Assumed Contracts.

18. As provided in the OTA, other than Cure Costs that New Operator has expressly agreed to pay at Closing, New Operator shall not assume or be liable for any liabilities, claims, counterclaims, rights, defaults, setoffs, or recoupments under the Assumed Contracts arising on or before the Operations Closing Date or related in any way to the Debtors’ operation of the Facility prior to the Operations Closing Date.

V. The Harts Harbor Lease

19. As noted in the First Day Declaration, the Debtors do not own the underlying real property at their skilled nursing facilities, but rather lease or sublease their respective facilities from various landlords. Debtor Operator currently operates the Facility, which is subject to the Harts Harbor Lease. The Harts Harbor Lease expires on December 31, 2025. Current monthly rent under the Harts Harbor Lease is approximately \$45,000. As of the Petition Date, the Debtors were current on rent obligations owed under the Harts Harbor Lease.

20. Since the Petition Date, the Debtors, with the assistance of their advisers, have undertaken a comprehensive review of their executory contracts and unexpired leases, including the Harts Harbor Lease, to determine which contracts and leases should be rejected to preserve value in light of the circumstances of the Chapter 11 Cases. Following this analysis, the Debtors determined that it was no longer cost effective to utilize the Harts Harbor Lease because significant improvements are needed with respect to the Facility—in excess of \$4 million—to maintain compliance with the terms of the Harts Harbor Lease, which is set to expire on December 31, 2025. As such, the Debtors determined, in their business judgment, that the Harts Harbor Lease and related subleases are unnecessary and burdensome to the Debtors' estates and should be rejected and terminated along with the other Existing Leases and any management or consulting agreements for the Facility.

VI. Notice Procedures

21. The Debtors submit that service of the Sale Notice, Contract Assumption Notice, and Resident Notice (collectively, the “Notices”) as set forth below (the “Notice Procedures”) is proper and sufficient to provide notice of this Motion, the Transactions, and the related deadlines set forth herein.

22. Sale Notice. The Debtors will serve the Sale Notice by electronic mail where available and first-class mail to: (a) the parties to be served with this Motion, as set forth herein, which includes the Limited Service List, or in lieu thereof, by first class mail or electronic mail to such parties' counsel; (b) all current residents of the Facility; (c) all former residents of the Facility, from January 1, 2023 to present; (d) all current employees of the Facility; (e) all former employees of the Facility, from January 1, 2023 to present; and (f) all other known creditors of the Debtor Operator.

23. Publication Notice. The Debtors will promptly publish the Sale Notice in *The Florida Times-Union*. Proof of publication will be filed on the docket in advance of the Hearing.

24. Contract Assumption Notice. As discussed above, the Debtors will serve the Contract Assumption Notice, and any Supplemental Contract Assumption Notice, by first class mail on each Counterparty to an Executory Contract.

25. Resident Notice. In addition to the Sale Notice, the Debtors will serve all current residents (or such persons' present legal representatives) of the Facility with a copy of the Resident Notice by hand delivery, where appropriate, or by first-class mail.

BASIS FOR RELIEF REQUESTED

I. The Court Should Approve the Transactions and Transfer of the Transferred Assets to New Operator.

26. The Debtors' proposed transfer of their assets and operations to New Operator pursuant to the OTA is the best course of action under the circumstances to maximize the value of the Debtors' assets while minimizing any disruptions to the operations of the Facility and ensuring the safe and efficient transition of resident care to New Operator. Bankruptcy Code section 363 authorizes a debtor to sell assets of the estate other than in the ordinary course of business and provides, in relevant part: "[t]he trustee, after notice and a hearing, may use, sell or lease, other

than in the ordinary course of business, property of the estate . . .” 11 U.S.C. § 363(b)(1). Thus, subject to court approval, the Bankruptcy Code permits a debtor to enter into a transaction outside the ordinary course of business as long as there are “sound business justifications” that support such action.

27. Indeed, courts approve proposed sales of property pursuant to Bankruptcy Code section 363 if the transaction represents the reasonable and sound business judgment of the debtor. *See* 11 U.S.C. § 363(b)(1); *see also In re Diplomat Const., Inc.*, 481 B.R. 215, 218 (Bankr. N.D. Ga. 2012) (“The business judgment test is the prevailing rubric to evaluate the proposed transaction under section 363(b)(1)”) (citing *Fulton State Bank v. Schipper (In re Schipper)*, 933 F.2d 513, 515 (7th Cir.1991)); *In re Flyboy Aviation Props., LLC*, 501 B.R. 828, 841 (Bankr. N.D. Ga. 2013) (approving sale as an “exercise of the Debtor's sound business judgment and is in the best interest of the bankruptcy estate”); *In re Dura Automotive Sys., Inc.*, Case No. 06-11202 (KJC), 2007 WL 7728109, at *92 (Bankr. D. Del. Aug. 15, 2007) (“[B]ankruptcy courts routinely authorize sales of a debtor’s assets if such sale is based upon the sound business judgment of the debtor.”).

28. In determining whether a proposed section 363(b)(1) sale satisfies the “business judgment standard,” courts consider the following: (a) whether a sound business justification exists for the sale; (b) whether adequate and reasonable notice of the sale was given to interested parties; (c) whether the price is fair and reasonable; and (d) whether the parties have acted in good faith. *See, e.g., In re Delaware & Hudson Ry. Co.*, 124 B.R. 169, 176 (D. Del. 1991); *In re Phoenix Steel Corp.*, 82 B.R. 334, 335–36 (Bankr. D. Del. 1987). The foregoing analysis does not change if the proposed sale is private, rather than public. *See, e.g., In re Ancor Exploration Co.*, 30 B.R. 802, 808 (Bankr. N.D. Okla. 1983) (“[T]he bankruptcy court should have wide latitude in approving even a private sale of all or substantially all of the estate assets not in the ordinary course of

business under § 363(b).”). The bankruptcy court “has ample discretion to administer the estate, including the authority to conduct public or private sales of estate property.” *In re WPRV-TV, Inc.*, 143 B.R. 315, 319 (D.P.R. 1991), vacated on other grounds, 165 B.R. 1 (D.P.R. 1992). Thus, a court-approved auction process is not required as long as the four-factor test is met. *See In re Great Atl. & Pac. Tea Co., Inc.*, 544 B.R. 43, 49–50 (Bankr. S.D.N.Y. 2016) (“[E]ven asset sales are not conditioned on such a requirement [of a formal auction], which does not appear in the Bankruptcy Code or the Bankruptcy Rules.”). Here, the proposed Transactions with New Operator satisfies the four factors and should be approved because the Debtors’ assets have been extensively marketed and the Transactions represent the highest and best offer for the Transferred Assets and operations of the Facility.

A. There is a Sound Business Reason to Proceed with the Transactions.

29. The Debtors believe that consummating the Transactions to transfer the Debtor Operator’s assets and operations to New Operator on a private basis is appropriate under the facts and circumstances of these Chapter 11 Cases, and in the best interest of the Debtors’ estates and stakeholders. As discussed above, Stout executed an extensive marketing process for the Debtors’ skilled nursing facilities, including the Facility, pursuant to the Bidding Procedures Order. Unfortunately, no qualified bids were submitted by the bid deadline and, as such, the Debtors do not believe that there is an alternative viable operator with the ability to close a transaction on the same or better terms as New Operator under the circumstances. As such, the Debtors submit that the factual circumstances support an expeditious transfer of the Transferred Assets in order to preserve value for the Debtors’ estates and ensure continued resident care, all of which provide a strong business justification for the transfer of the Transferred Assets to New Operator. The Debtors believe that the transfer of the Transferred Assets contemplated by the OTA presents the

best way to maximize value for their estates and creditors while protecting and prioritizing the health and safety of the residents of the Facility. Therefore, the Debtors believe that it is in the best interests of their estates to enter into and consummate the transactions provided for in the OTA.

B. Adequate Notice Will be Provided to Parties-in-Interest.

30. With respect to the notice required in connection with a private sale, Bankruptcy Rule 2002(c)(1) states, in pertinent part, that the notice of a proposed use, sale or lease of property shall include the terms and conditions of any private sale and the deadline for filing objections. *See Fed. R. Bankr. P. 2002(c)(1)* (notice must contain “the terms and conditions of any private sale and the time fixed for filing objections”). The notice of a proposed use, sale or lease of property is sufficient if it generally describes the property. *See id.*

31. The Debtors have provided (or will timely provide) adequate notice of the proposed Transactions to parties-in-interest. The Debtors submit that the Notice Procedures described above constitute adequate and reasonable notice of the Motion, Transactions, related deadlines for the Motion, and the Hearing. Accordingly, the Debtors request that the Court find that the proposed notice is adequate and appropriate under the circumstances and comply with the requirements of Bankruptcy Rule 2002, 6004, and 6006.

C. The Consideration Provided is Fair and Reasonable Under the Circumstances.

32. The Debtors believe the consideration provided under the OTA, including payment of any Cure Costs, Assumed Liabilities, retention of Hired Employees, and continued services to residents, is fair and reasonable for the transfer of the operations of the Facility in light of the robust marketing efforts already undertaken by the Debtors in the Chapter 11 Cases. Such consideration provides the highest possible value and provides significant benefit to the Debtors’

estates. Indeed, no party has offered more consideration or indicated an intention to offer a higher price, despite fulsome marketing efforts by Stout during the Chapter 11 Cases. Moreover, by transferring its operations, Debtor Operator is halting the accrual of administrative claims that would not be offset by revenue generated at the Facility.⁵ Given the limited universe of potential operators and the substantial marketing efforts made to date, the Debtors submit the consideration is fair and reasonable under the circumstances of these Chapter 11 Cases. While maximizing value is always a priority for the sale or transfer of assets, here, the focus has to include the safe and effective transition of senior living home operations to new and capable operators, particularly given the fact that the Debtors are otherwise prepared to go effective on the Plan.

D. The Transactions are Being Proposed in Good Faith.

33. The proposed transfer to New Operator and the terms of the OTA were negotiated extensively between Debtor Operator and New Operator at arm's-length for several weeks. These parties acted in good faith and each were represented by sophisticated counsel. New Operator is not an affiliate of the Debtors or their officers, directors, or employees. Accordingly, the Debtors submit that the Transactions are being proposed in good faith.

34. Importantly, bankruptcy courts have frequently approved private sales or transfers of the operations of skilled nursing facilities, like the Transactions contemplated here, following satisfaction of the same business judgment standard. *See, e.g., In re Guardian Elder Care at Johnstown, LLC*, Case No. 24-70299 (JAD) (Bankr. W.D. Pa. Sept. 24, 2024) [Docket No. 557] (approving transfer of skilled nursing facility operations); *In re Gulf Coast Health Care, LLC*, Case No. 21-11336 (KBO) (Bankr. D. Del. Feb. 25, 2022) [Docket No. 832] (approving transfer

⁵ The transfer of Debtor Operator's operations to New Operator also avoids the need to transfer residents to other assisted living facilities if the Facility was forced to shutter its operations.

of a skilled nursing facility in part because the transfer was “in the best interests of the Debtors, their estates, their creditors, and other parties in interest”); *In re Preferred Care Inc.*, Case No. 17-44642 (MXM) (Bankr. N.D. Tex. Nov. 20, 2018) [Docket No. 1323] (approving transfer of skilled nursing facility operations in part because debtor demonstrated “sound business purpose and justification for the subject transaction”); *In re Wachusett Ventures, LLC*, Case No. 18-11053 (FJB) (Bankr. D. Mass. May 30, 2018) [Docket No. 405] (authorizing transfer of operations of skilled nursing facility in part because debtor demonstrated “good and sufficient business reasons” justifying the transaction); *In re Nexion Health at Lancaster, Inc.*, Case No. 17-34025 (HDH) (Bankr. N.D. Tex. Apr. 27, 2018) [Docket No. 219] (authorizing transfer of operators of skilled nursing facility in part because debtor exercised “sound business judgment” in evaluating the transactions); *In re Bethel Healthcare, Inc.*, Case No. 1:13-BK-12220-GM, 2013 WL 2293519, at *2 (Bankr. C.D. Cal. Apr. 30, 2013) (finding sale of skilled nursing facility was “an appropriate exercise of the Debtor’s business judgment” and was in the best interest of the debtor’s estate).

35. For the foregoing reasons, the Debtors submit that the approval of the proposed OTA and the transactions contemplated thereby are appropriate and warranted under Bankruptcy Code section 363.

II. The Transactions Should be Approved Be Free and Clear of Liens, Claims, Encumbrances, and Interests Under Bankruptcy Code Section 363(f).

36. In accordance with the terms of the OTA, the Debtors request authority to transfer the Transferred Assets free and clear of any and all liens, claims, interests, and encumbrances in or against the Transferred Assets or the Debtors pursuant to Bankruptcy Code section 363(f), which authorizes a debtor to sell assets free and clear of liens, claims, interests, and encumbrances in property of an entity other than the estate if:

- (a) applicable nonbankruptcy law permits sale of such property free and clear of such interest;
- (b) such entity consents;
- (c) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (d) such interest is in *bona fide* dispute; or
- (e) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f). Because Bankruptcy Code section 363(f) is drafted “in the disjunctive,” satisfaction of any one of its five requirements will suffice to permit the sale and transfer of the Transferred Assets “free and clear” of liens, claims, encumbrances, and interests. *See, e.g., In re Dura Automotive Sys., Inc.*, Case No. 06-11202 (KJC), 2007 WL 7728109, at *93 (Bankr. D. Del. Aug. 15, 2007); *In re Dundee Equity Corp.*, Case No. 89-B-10233, 1992 WL 53743, at *4 (Bankr. S.D.N.Y. Mar. 6, 1992) (“[S]ection 363(f) is in the disjunctive, such that the sale free of the interest concerned may occur if any one of the conditions of section 363(f) have been met.”); *In re Elliot*, 94 B.R. 343, 345 (Bankr. E.D. Pa. 1988) (same).

37. The Court also may authorize the sale of a debtor’s assets free and clear of any liens, claims, encumbrances, and interests pursuant to Bankruptcy Code section 105, even if Bankruptcy Code section 363(f) did not apply. *See, e.g., In re Trans World Airlines, Inc.*, Case No. 01-0056, 2001 WL 1820325, at *3 (Bankr. D. Del. Mar. 27, 2001) (“Bankruptcy courts have long had the authority to authorize the sale of estate assets free and clear even in the absence of section 363(f).”); *see also Volvo White Truck Corp. v. Chambersberg Beverage, Inc. (In re White Motor Credit Corp.)*, 75 B.R. 944, 948 (Bankr. N.D. Ohio 1987) (“Authority to conduct such sales [free and clear of liens] is within the court’s equitable powers when necessary to carry out the provisions of Title 11.”).

38. Here, at least one of the Bankruptcy Code section 363(f) tests is satisfied with respect to the Transactions. As noted above, the Debtors are in discussions with their prepetition secured lenders regarding the Debtor Operator's entry into the OTA, the terms of which are discussed in greater detail below, and, upon information and belief, no secured lender intends to object to the relief requested. The Debtors intend to obtain formal consent from each of their prepetition secured lenders in advance of the hearing on the Motion. In addition, absent any objection to the Motion, any other secured creditors impacted by the proposed transaction will be deemed to have consented to the relief requested herein. Accordingly, the Debtors request that the Transferred Assets be transferred to New Operator free and clear of any liens, claims, encumbrances, or other interests, including, without limitation, any claims arising under the doctrine of successor liability.

III. New Operator is Entitled to Protection as a Good-Faith Purchaser.

39. Bankruptcy Code section 363(m) provides, in part, that the reversal or modification on appeal of an authorization of a sale pursuant to Bankruptcy Code section 363(b) or section 363(c) does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal. *See* 11 U.S.C. § 363(m). However, “[t]he trustee may avoid a sale . . . if the sale price was controlled by an agreement among potential bidders . . .” *Id.* § 363(n). As set forth herein, New Operator is acquiring the Transferred Assets in good faith and should therefore be entitled to all of the protections afforded by Bankruptcy Code section 363(m).

40. The Debtors negotiated the OTA at arm's-length and in good faith to achieve the best result for their estates. The Debtors submit that the OTA will provide significant value to the

bankruptcy estates because it will facilitate an efficient and orderly transfer of operations of the Facility, minimize any interruption in operations and displacement of residents, and preserve the jobs of the Hired Employees. Moreover, New Operator is not an affiliate or insider of the Debtors or otherwise related to the Debtors, and no equity ownership or future compensation has been offered to the Debtors or any insider of the Debtors in connection with the proposed transaction. Finally, parties-in-interest will have the opportunity to review and object to the proposed Transactions. As such, the Debtors submit that New Operator is entitled to the protections of a good-faith purchaser under Bankruptcy Code section 363(m), and the OTA does not constitute an avoidable transaction pursuant to Bankruptcy Code section 363(n).

IV. Debtor Operator May Enter into the OTA or Any Other Agreements Related to or Associated with the Transactions.

41. In connection with a sale of substantially all of a debtor's assets, courts routinely approve entry into asset purchase agreements or similar agreements. *See, e.g., In re Steward Health Care, LLC*, Case No. 24-90213 (Bankr. S.D. Tex. Feb. 14, 2025) (approving bill of sale, assumption, and assignment agreement and authorizing sale of debtors' assets outside of ordinary course of business); *In re Wardman Hotel Owner, LLC*, Case No. 21-10023 (JTD) (Bankr. D. Del. July 22, 2021) (approving asset purchase agreement and authorizing sale of debtor's assets outside ordinary course of business); *In re The Krystal Co.*, Case No. 20-61065 (PWB) (Bankr. N.D. Ga. May 13, 2020) (same); *In re Virtual Citadel, Inc.*, Case No. 20-62725 (JWC) (Bankr. N.D. Ga. May 12, 2020) (same). Such agreements are approved if they are an exercise of the debtor's sound business judgment. *See, e.g., In re The Krystal Co.*, Case No. 20-61065 (PWB) (Bankr. N.D. Ga. May 13, 2020) ("The Debtor has advanced sound business reasons for seeking to enter into the Agreement and to sell and/or assume and sell and assign the Purchased Assets . . . and it is a reasonable exercise of the Debtor's business judgment to sell the Purchased Assets and to

consummate the transactions contemplated by the Agreement.”); *In re Virtual Citadel, Inc.*, Case No. 20-62725 (JWC) (Bankr. N.D. Ga. May 12, 2020) (“Good and sufficient reasons for approval of the Agreement and the Sale have been articulated. The relief requested in the Sale Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest.”); *In re Insys Therapeutics, Inc.*, Case No. 19-11292 (KG) (Bankr. D. Del. Dec. 16, 2019) (“The Debtors have demonstrated good, sufficient and sound business purposes and justifications for approval of and entry into the Asset Purchase Agreement . . .”).

42. Indeed, operations transfer agreements are fairly customary in the skilled nursing context, and bankruptcy courts have routinely approved similar agreements. *See, e.g., In re Guardian Elder Care at Johnstown, LLC*, Case No. 24-70299 (JAD) (Bankr. W.D. Pa. Sept. 24, 2024) [Docket No. 557] (approving transfer of skilled nursing facility operations); *In re Gulf Coast Health Care, LLC*, Case No. 21-11336 (KBO) (Bankr. D. Del. Nov. 24, 2021) [Docket No. 336] (approving transfer of management, operations, and related assets of numerous facilities free and clear of all liens, claims, encumbrances, and interests, and approving form of management and operations transfer agreement); *In re Preferred Care Inc.*, Case No. 17-44642 (MXM) (Bankr. N.D. Tex. Nov. 20, 2018) [Docket No. 1323] (approving transfer of operations and related assets of facility free and clear of all liens, claims, encumbrances, and interests, and approving form of operations transfer agreement); *In re Senior Care Centers, LLC*, Case No. 18-33967 (BJH) (Bankr. N.D. Tex. Mar. 29, 2019) [Docket No. 777] (same); *In re 4 West Holdings, Inc.*, Case No. 18-30777 (HDH) (Bankr. N.D. Tex. May 14, 2018) [Docket No. 375] (same); *In re Wachusett Ventures, LLC, et al.*, Case No. 18-11053 (FJB) (Bankr. D. Mass. May 30, 2018) [Docket No. 405] (same); *In re Nexion Health at Lancaster, Inc.*, Case No. 17-34025 (HDH) (Bankr. N.D. Tex. Apr. 27, 2018) [Docket No. 219] (same); *In re Bethel Healthcare, Inc.*, Case No. 1:13-BK-12220-GM,

2013 WL 2293519, at *2 (Bankr. C.D. Cal. Apr. 30, 2013) (authorizing sale of skilled nursing facility free and clear of all liens and claims pursuant to proposed asset purchase agreement).

43. In this case, the OTA has been negotiated at arm's-length between represented and sophisticated parties. The negotiations and resolution reached reflect the Debtors' attempt to maximize the recovery and/or minimize claims against their estates. In particular, the OTA constitutes an exercise of the Debtors' sound business judgment because it facilitates the efficient transfer of the Transferred Assets of the Facility to New Operator and, most importantly, preserves the health and safety of the Debtors' residents. Accordingly, the Debtors request that the Court approve the OTA and related agreements as well as all transactions contemplated therein to allow the proposed transfer of the Transferred Assets to New Operator to be efficiently consummated.

V. The Court May Approve the Transactions Without Appointment of a Consumer Privacy Ombudsman.

44. Bankruptcy Code section 363(b)(1) of the provides that if a debtor "in connection with offering a product or a service discloses to an individual a policy prohibiting the transfer of personally identifiable information about individuals [and] such policy is in effect on the date of the commencement of the case," then the debtor "may not sell . . . personally identifiable information to any person unless" the sale is "consistent with such policy" or a "consumer privacy ombudsman" is appointed. 11 U.S.C. § 363(b)(1). The term "personally identifiable information," defined in Bankruptcy Code section 101(41A), means private information about a debtor's customers that "if disclosed, will result in contacting or identifying [an] individual physically or electronically" (e.g., name, address, telephone number, social security number, credit card account number, birth date). *Id.* at § 101(41A).

45. Bankruptcy Code section 332 governs the appointment of a consumer privacy ombudsman and provides that the Court "shall order the United States trustee to appoint, not later

than 5 days before the commencement of the [sale] hearing, 1 disinterested person . . . to serve as the consumer privacy ombudsman in the case and shall require that notice of such hearing be timely given to such ombudsman.” *Id.* at § 332(a). The consumer privacy ombudsman “may appear and be heard at [the sale] hearing and shall provide to the [C]ourt information to assist the [C]ourt in its consideration of the facts, circumstances, and conditions of the proposed sale . . . of personally identifiable information.” *Id.* at § 332(b).

46. The Debtors currently maintain certain privacy policies that govern the use of personally identifiable information in conducting their business. In particular, the Debtors have policies to comply with the requirements of the privacy rule of the Health Insurance Portability and Accountability Act (“HIPAA”). *See* 45 C.F.R. Part 160 and subparts A and E of Part 164. HIPAA establishes guidelines for the disclosure of protected health information (“PHI”) and, subject to exceptions, bars health care providers from disclosing PHI of individuals in certain instances. Among the exceptions to the HIPAA privacy rule are disclosures of PHI as part of a covered entity’s “health care operations.” *See* 45 C.F.R. §§ 164.502(a)(ii), 164.506(c)(1). “Health care operations” under HIPAA include the “sale, transfer, merger, or consolidation of all or part of a covered entity with another covered entity, or an entity that following such activity will become a covered entity and due diligence related to such activity.” *See id.* § 164.501(6)(iv) (definition of “health care operations” subsection (6)(iv)).

47. New Operator will be a covered entity under HIPAA. The transfer of any PHI as part of this transaction is authorized under HIPAA and otherwise consistent with the Debtors’ policies regarding the privacy of such information. Accordingly, the Court can approve the Transactions without the appointment of a consumer privacy ombudsmen.

VI. Assumption of the Assumed Contracts is Appropriate Pursuant to Bankruptcy Code Section 365.

48. Bankruptcy Code sections 365(a) and (b) authorize a debtor-in-possession, subject to court approval, to assume executory contracts or unexpired leases of the debtor. *See* 11 U.S.C. §§ 365(a)-(b). Bankruptcy Code section 365(a) provides, in pertinent part, that a debtor in possession, “subject to the court’s approval, may assume or reject any executory contract or unexpired lease of the debtor.” *See* 11 U.S.C. § 365(a). In analyzing whether the assumption or rejection of an executory contract or unexpired lease pursuant to Bankruptcy Code section 365(a) should be approved, courts apply the “business-judgment” test, which requires a determination that the requested assumption or rejection will benefit the debtor’s estate. *See, e.g., Sharon Steel Corp. v. Nat’l Fuel Gas Distrib. Corp.*, 872 F.2d 36, 40 (3d Cir. 1989); *In re Extraction Oil & Gas*, 622 B.R. 608, 614 (Bankr. D. Del. 2020); *In re Trans World Airlines, Inc.*, 261 B.R. 103, 120–21 (Bankr. D. Del. 2001). In making this determination, courts generally will not second-guess a debtor’s business judgment concerning the rejection or assumption of an executory contract, unless it is the product of “bad faith, or whim, or caprice.” *In re Trans World Airlines, Inc.*, 261 B.R. at 121; *see also In re Fed. Mogul Global, Inc.*, 293 B.R. 124, 126 (D. Del. 2003) (“The business judgment test dictates that a court should approve a debtor’s decision to reject a contract unless that decision is the product of bad faith or a gross abuse of discretion.”).

49. As set forth above, the Transactions will benefit the Debtors’ estates and stakeholders by maximizing the value of the Transferred Assets and maintaining the operations of the Facility. To that end, permitting the Debtors, specifically the Debtor Operator, to assume and assign the Assumed Contracts will assist with a smooth transition of operations of the Facility to New Operator. In addition, under Bankruptcy Code section 365(k), the assignment by a debtor to an entity of a contract or lease “relieves the trustee and the estate from any liability for any breach

of such contract or lease occurring after such assignment.” 11 U.S.C. § 365(k). Thus, following an assignment of any Assumed Contract, the Debtors will be relieved from any liability for any subsequent breach associated therewith.

50. Bankruptcy Code section 365(b)(1) codifies the requirements for assuming an unexpired lease or executory contract of a debtor, providing as follows:

(b)(1) If there has been a default in an executory contract or unexpired lease of the debtor, the trustee may not assume such contract or lease unless, at the time of assumption of such contract or lease, the trustee

- (A) cures or provides adequate assurance that the trustee will promptly cure, such default. . . ;
- (B) compensates, or provides adequate assurance that the trustee will promptly compensate, a party other than the debtor to such contract or lease, for any actual pecuniary loss to such party resulting from such default; and
- (C) provides adequate assurance of future performance under such contract or lease.

11 U.S.C. § 365(b)(1). As set forth above, the Debtors propose to file with this Court and serve on each Counterparty to an Executory Contract the Contract Assumption Notice that indicates the proposed Cure Costs for each such contract. As such, each Counterparty will have the opportunity to object to the proposed assumption and assignment to New Operator and to the proposed Cure Costs, if applicable. Moreover, the payment or reserve of the applicable Cure Cost by New Operator will be a condition to the Debtors’ assumption and assignment of any Assumed Contract.

51. Relatedly, a debtor-in-possession may assign an executory contract or an unexpired lease of the debtor if it assumes the agreement in accordance with the Bankruptcy Code section 365(a), and provides adequate assurance of future performance by the assignee, “whether or not there has been a default” under the agreement. 11 U.S.C. § 365(f)(2). Significantly, among other things, adequate assurance may be provided by demonstrating the assignee’s financial health and

experience in managing the type of enterprise or property assigned. *See, e.g., In re Filene's Basement, LLC*, Case No. 11-13511 (KJC), 2014 WL 1713416, at *12 (Bankr. D. Del. Apr. 29, 2014) (finding that adequate assurance of future performance is present when the prospective assignee has the financial ability to perform the lease obligations going forward); *In re Bygaph, Inc.*, 56 B.R. 596, 605–06 (Bankr. S.D.N.Y. 1986) (stating that adequate assurance of future performance is present when the prospective assignee of a lease has financial resources and has expressed willingness to devote sufficient funding to the business in order to give it a strong likelihood of succeeding). The meaning of “adequate assurance of future performance” depends on the facts and circumstances of each case, but it should be given “practical, pragmatic construction.” *Cinicola v. Scharffenberger*, 248 F.3d 110, 120 n.10 (3d Cir. 2001) (quoting *In re Carlisle Homes, Inc.*, 103 B.R. 524, 538 (Bankr. D.N.J. 1988)); *see also* Report of the Commission on Bankruptcy Laws of the United States, H.R. Doc. No. 93-137, 93rd Cong., 1st Sess. Pt. II 156-57 (1973) (“What constitutes . . . ‘adequate assurance of future performance’ must be determined by consideration of the facts of the proposed assumption.”).

52. In the present case, New Operator will have provided adequate assurance of future performance with respect to any Assumed Contract. The Debtors and New Operator will submit evidence at the Hearing that all requirements for the assumption and assignment of the Assumed Contracts have been satisfied, and the Court and interested parties will have the opportunity to evaluate New Operator’s adequate assurance of future performance.

53. Based on the foregoing, the Debtors respectfully request the Court (a) approve the proposed assumption and assignment of the Assumed Contracts without New Operator assuming any of the Debtors’ liabilities under the Assumed Contracts, (b) find that all anti-assignment provisions of such contracts are unenforceable under Bankruptcy Code section 365(f), and (c)

order that, in addition to any applicable Cure Costs (if any, and subject to the terms of the OTA), New Operator shall only be responsible for performance or payment of any amounts due under the Assumed Contracts solely to the extent arising from or related to New Operator's operation of the Facility from and after the Operations Closing Date.

VII. The Rejection and Termination of the Existing Leases and Any Management or Consulting Agreements are Authorized by Bankruptcy Code Section 365 and is an Appropriate Exercise of the Debtors' Business Judgment.

54. As discussed above, Bankruptcy Code sections 365(a) and (b) authorize a debtor-in-possession, subject to court approval, to assume or reject executory contracts or unexpired leases of the debtor. *See* 11 U.S.C. §§ 365(a)–(b). The purpose behind Bankruptcy Code section 365(a) is “to permit the trustee or debtor-in-possession to use valuable property of the estate and to renounce title to and abandon burdensome property.” *In re Republic Airways Holdings Inc.*, 547 B.R. 578, 582 (Bankr. S.D.N.Y. 2016) (quoting *Orion Pictures Corp. v. Showtime Networks, Inc. (In re Orion Pictures Corp.)*, 4 F.3d 1095, 1098 (2d Cir. 1993)); *see also In re Exide Techs.*, 607 F.3d 957, 967 (3d Cir. 2010) (“Courts may use § 365 to free a [debtor] from burdensome duties that hinder its reorganization”). The bankruptcy court should approve a debtor's rejection of an executory contract or unexpired lease if such rejection is an exercise of the debtor's sound business judgment, benefits its estate, and is not made in bad faith. *See In re Bildisco*, 682 F.2d 72, 79 (3d Cir. 1982), *aff'd*, 465 U.S. 513 (1984) (“The usual test for rejection of an executory contract is simply whether rejection would benefit the estate, the ‘business judgment’ test.”); *Sharon Steel Corp. v. Nat'l Fuel Gas Distr. Corp.*, 872 F.2d 36, 39–40 (3d Cir. 1989) (affirming rejection of a service agreement as sound exercise of debtor's business judgment where bankruptcy court found rejection would benefit estate). A debtor's decision to reject an executory contract must be summarily affirmed unless it is the product of bad faith, or whim or caprice. *See In re*

Trans World Airlines, Inc., 261 B.R. 103, 121 (Bankr. D. Del. 2001); *see also In re HQ Global Holdings, Inc.*, 290 B.R. 507, 511 (Bankr. D. Del. 2003) (holding the business judgment standard applicable, absent bad faith, whim, or caprice).

55. The Debtors have determined, in the sound exercise of their business judgment, that, given the winddown of the Debtors' operations, (a) the Existing Leases and any management or consulting agreements for the Facility no longer provide any benefit or value to the Debtors or its estates, and (b) absent rejection, the Debtors may continue to incur significant administrative expenses arising under the Existing Leases, and any management or consulting agreements for the Facility, without any corresponding benefit to the estates. Rejection and termination of the Existing Leases and any management or consulting agreements for the Facility will relieve the Debtors of an unnecessary burden and financial strain and, thus, such rejection is in the best interests of the Debtors' estates and their creditors. Accordingly, the Debtors' rejection and termination of the Existing Leases and any management or consulting agreements for the Facility as of the Operations Closing Date constitutes an exercise of the Debtors' sound business judgment and is in the best interest of the Debtors, their estates, and their creditors.

WAIVER OF ANY APPLICABLE STAY

56. 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." Fed. R. Bankr. P. 6004(h). Furthermore, Bankruptcy Rule 6006(d) provides that an "order authorizing the trustee to assign an executory contract or unexpired lease under § 365(f) is stayed until the expiration of 14 days after the entry of the order, unless the court orders otherwise." Fed. R. Bankr. P. 6006(d).

57. 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. The Debtors believe that the Transactions should be consummated as soon as practicable to preserve and maximize value, avoid disruption to the operations of the Facility that could jeopardize patient care and safety, and ensure that the transition can occur contemporaneously with the effective date of the Plan. Accordingly, the Debtors request that any order approving the Transactions and the assumption and assignment of the Assumed Contracts be effective immediately upon entry of such order and that the fourteen-day stay under Bankruptcy Rules 6004(h) and 6006(d) be waived.

NOTICE

58. The Debtors will serve this Motion on the following parties and/or their respective counsel, as applicable: (a) the U.S. Trustee; (b) the Internal Revenue Service; (c) the United States Attorney for the Northern District of Georgia; (d) the Attorney General for the State of Georgia; (e) the Georgia Department of Revenue; (f) the Centers for Medicare and Medicaid Services; (g) the states attorneys general for states in which the Debtors conduct business; (h) counsel to the Committee; (i) counsel to the Debtors' prepetition lenders; (j) counsel to the DIP Lenders; (k) counsel to the Harts Harbor Landlord; (l) counsel to the New Operator; (m) all parties entitled to notice pursuant to Bankruptcy Rule 2002; (n) the Union; (o) the United States Attorney for the Middle District of Florida; (p) the Florida Agency for Health Care Administration—Long Term Care Services Unit; (q) the Florida Agency for Health Care Administration—Medicaid Program; (r) the Duval County Tax Collector; (s) the Florida Department of Revenue; (t) the Florida Department of Health; and (u) all parties known by the Debtors to assert a lien, encumbrance, or any other interest against the Facility or any Transferred Assets. In addition to the foregoing, the Debtors shall serve and publish the Sale Notice, serve the Resident Notice, and serve the Contract

Assumption Notice (and Supplemental Contract Assumption Notice, as necessary) as set forth herein. The Debtors submit that no other or further notice is required.

NO PRIOR REQUEST

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

WHEREFORE, the Debtors respectfully request that the Court enter the Proposed Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and such other and further relief as may be just and proper.

Dated: April 8, 2025
Atlanta, Georgia

MCDERMOTT WILL & EMERY LLP

/s/ Daniel M. Simon

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- and -

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Counsel for the Debtors and Debtors-in-Possession

CERTIFICATE OF SERVICE

I hereby certify that all ECF participants registered in this case were served electronically with the foregoing Motion through the Court's ECF system at their respective email addresses registered with this Court. The Debtors' claims and noticing agent will be filing a supplemental certificate of service on the docket to reflect any additional service of the foregoing document via first-class mail, including on the Limited Service List and the notice parties enumerated in the Motion.

Dated: April 8, 2025
Atlanta, Georgia

MCDERMOTT WILL & EMERY LLP

/s/ Daniel M. Simon

Daniel M. Simon (Georgia Bar No. 690075)

1180 Peachtree St. NE, Suite 3350

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Counsel for the Debtors and Debtors-in-Possession

EXHIBIT A

Proposed Order

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

<p>In re:</p> <p>LAVIE CARE CENTERS, LLC, <i>et al.</i>¹</p> <p style="padding-left: 40px;">Debtors.</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>Chapter 11</p> <p>Case No. 24-55507 (PMB)</p> <p>(Jointly Administered)</p> <p>Related to Docket No. ____</p>
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ORDER (I) AUTHORIZING TRANSFER OF OPERATIONS AND RELATED ASSETS OF HARTS HARBOR HEALTH CARE CENTER FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS; (II) AUTHORIZING ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS; (III) AUTHORIZING REJECTION OF THE HARTS HARBOR LEASE AND RELATED SUBLEASES; (IV) APPROVING FORM OF OPERATIONS TRANSFER AGREEMENT; AND (V) GRANTING RELATED RELIEF

Upon consideration of the motion (the “Motion”)² of the Debtors filed on April 8, 2025 at

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, which are being jointly administered for procedural purposes only. 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’ claims and noticing agent at <https://www.veritaglobal.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 but not otherwise defined herein shall have the meanings ascribed to them in the Motion or the OTA, as applicable.

Docket No. [] for entry of an order (this “Order”) (i) authorizing the transfer of operations of the Facility and Transferred Assets free and clear of all liens, claims, encumbrances, and interests, (ii) approving rejection and termination of the Existing Leases and any management or consulting agreements for the Facility as of the Operations Closing Date, (iii) approving the form of operations transfer agreement between the Debtor Operator and New Operator in the form attached hereto as **Exhibit 1** (the “OTA”), (iv) approving the assumption and assignment of the Assumed Contracts (as defined in the OTA); (v) approving the form and manner of notice of the Transactions, including, without limitation, the Sale Notice and the Resident Notice; and (vi) granting related relief, all as more fully set forth in the Motion; and the Court having jurisdiction over the Motion pursuant to 28 U.S.C. §§ 1334 and 157(b), the Motion being a core matter pursuant to 28 U.S.C. § 157(b)(2), the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, residents and other parties in interest; and the Court being able to enter a final order consistent with Article III of the United States Constitution; and the Court having found that notice of the Motion and opportunity for hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and the evidence in support thereof, and having heard the statements in support of the relief requested in the Motion at a hearing before this Court, if any; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, and their creditors, and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation thereon; and good and sufficient cause appearing therefor,

THE COURT HEREBY FINDS AND DETERMINES as follows:

A. The findings and conclusions set forth herein constitute the 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 any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. Proper, timely, adequate, and sufficient notice of the Motion, the OTA, and the Transactions proposed in the Motion, including the assumption and assignment of the Assumed Contracts and any Cure Costs related thereto, and of the terms of this Order has been provided in accordance with 11 U.S.C. §§ 102(1) and 363(b), Bankruptcy Rules 2002, 6004, and 6006, Local Rules 6004-1 and 6006-1, and other applicable law. The Debtors have provided sufficient and appropriate notice under the circumstances, and no other or further notice of the Motion, the Hearing to consider the Motion, or the related deadlines shall be required.

C. A reasonable opportunity to object or be heard with respect to the Motion and the relief requested therein has been afforded to all interested persons and entities.

D. The Debtors, including the Debtor Operator, have faithfully exercised their duties in determining to proceed with the OTA and the Transactions.

E. The Debtors have demonstrated both (i) good, sufficient, and sound business purposes and justification, and (ii) compelling circumstances for the transfer of the Transferred Assets to New Operator pursuant to Bankruptcy Code section 363. Such justification and compelling circumstances include, but are not limited to, the fact that (a) New Operator's offer constitutes the highest and best offer available for the Transferred Assets because of the exigencies that exist in the Debtors' businesses, and the absence of any better offers from other potential

purchasers prior to the hearing; (b) there were no other competing offers for the Transferred Assets prior to the hearing; and (c) consummation of the Transactions presents the best opportunity to realize the highest value for the Transferred Assets and avoid potential decline and devaluation thereof, relieves the Debtors' bankruptcy estates of significant liabilities and provides a viable path for continued operations of the Facility in the community it serves.

F. After consideration of the circumstances described in the Motion and the evidence admitted at the Hearing, the Court has determined that the proposed Transactions and transfer of the Transferred Assets to New Operator pursuant to the OTA is in the best interests of the Debtors' estates and should be approved on the terms set forth herein.

G. The consideration under the OTA for the Transferred Assets is fair and reasonable, represents the highest and best offer for the Transferred Assets, and is in the best interests of the Debtors, their creditors, their bankruptcy estates, and the residents of the Facility.

H. The purchase and transfer terms, as set forth in this Order and the OTA are fair and reasonable and constitute reasonably equivalent value and full, adequate, and fair consideration for the Transferred Assets under the Bankruptcy Code, or any other applicable laws of the United States, any state, territory or possession.

I. New Operator is a purchaser in "good faith," as that term is used in Bankruptcy Code section 363(m). The OTA, all other Transaction Documents, and this Order were negotiated, proposed, and entered into by the Debtors and New Operator in good faith, from arm's-length bargaining positions, and without collusion. New Operator is not connected to or in any way related to the Debtors or those in control of the Debtors. The Transactions are transfers in good faith within the meaning of section 363(m) of the Bankruptcy Code. New Operator, any designee of New Operator, the Debtors, and any Representatives or Affiliates of the foregoing have not

engaged in any conduct that would cause or permit the Transactions or this Order to be avoided. New Operator is not an “insider” of the Debtors, as that term is defined in section 101(31) of the Bankruptcy Code.

J. The Debtors may transfer the Transferred Assets free and clear of all Claims and Encumbrances (other than Assumed Liabilities) because, one or more of the standards set forth in Bankruptcy Code section 363(f)(1)–(5) have been satisfied. Each creditor or other person or entity asserting a Claim or Encumbrance (as defined below) in the Transferred Assets (i) has, subject to the terms and conditions of this Order, consented to the Transactions or is deemed to have consented to the Transactions, (ii) could be compelled in a legal or equitable proceeding to accept money satisfaction of such Claim or Encumbrance, or (iii) otherwise falls within the provisions of Bankruptcy Code section 363(f). Those holders of Claims or Encumbrances who did not object (or who ultimately withdrew their objections, if any) to the Motion are deemed to have consented to the Motion and the Transactions pursuant to Bankruptcy Code section 363(f)(2).

K. As a condition to the Transactions pursuant to the terms in the OTA, New Operator requires that the Transferred Assets be transferred free and clear of all Claims and Encumbrances (other than Assumed Liabilities). New Operator would not have entered into the OTA and will not consummate the Transactions, thus adversely affecting the Debtors’ bankruptcy estates, if the transfer of the Transferred Assets is not free and clear of all claims, liens, encumbrances, and interests (other than Assumed Liabilities) or if New Operator was or could be liable for any claims, liens, encumbrances, and interests against the Debtors or the Transferred Assets (other than Assumed Liabilities).

L. Any of the executory contracts of the Debtor Operator that New Operator has or will designate for assumption and assignment, and which are in default at the time of the

Operations Closing Date, shall be cured as provided in the OTA and this Order, or as otherwise agreed to by New Operator and the non-debtor counterparties to those executory contracts.

M. The Debtors have full power and authority to sell and deliver the Transferred Assets and execute and perform under the OTA and any other documents necessary or appropriate to consummate the Transactions, as approved herein. All actions contemplated by the OTA have been duly and validly authorized by all necessary action of the Debtors. No further consents or approvals are required for the Debtors to consummate the Transactions except as otherwise provided in the OTA.

N. The transfer of the Transferred Assets to New Operator under the OTA will be a valid, legal, and effective transfer of the Transferred Assets and will vest New Operator with all right, title, and interests of the Debtors in and to the same, free and clear of all claims, liens, encumbrances, and interests (other than Assumed Liabilities).

O. The OTA and the Transactions do not constitute a sub rosa chapter 11 plan. The OTA neither impermissibly restructures the rights of the Debtors' creditors nor impermissibly dictate a chapter 11 plan for the Debtors.

P. All findings of fact and conclusions of law announced by this Court at the Hearing in relation to the Motion are incorporated herein by reference as though fully set forth in this Order.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. The Motion is **GRANTED** and the Transactions, including without limitation, the transfer of the Transferred Assets to New Operator, are **APPROVED** in all respects and as set forth herein.

2. Any objections to the Transactions that have not been withdrawn, waived, or resolved, and all reservations of rights included in such objections, are hereby **OVERRULED** on

the merits. Any objections to the entry of this Order or to the relief granted herein that were not timely filed are hereby forever barred.

3. The OTA, substantially in the form attached hereto as **Exhibit 1**, along with all exhibits and schedules attached thereto, and all other Transaction Documents and the terms and conditions thereof, are hereby **APPROVED**, and the Debtors and their professionals are authorized, empowered, and directed to perform their obligations under the OTA and to take such actions as are necessary or appropriate to effectuate the terms thereof and this Order. The failure specifically to include any particular provision of the OTA or any other Transaction Documents in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the transfer of the Transferred Assets and all other transactions set forth in the OTA be authorized and approved in their entirety. In the event of any inconsistency between the terms of any prior pleading related to the Motion, the OTA, the Plan, or the Confirmation Order, on the one hand, and the terms of this Order, on the other hand, the terms of this Order shall control.

4. Upon the closing of the Transactions (the “Operations Closing”), the transfer of the Transferred Assets pursuant to this Order and the OTA: (a) shall be a legal, valid, and effective transfer of the Transferred Assets from the Debtor Operator to New Operator; (b) shall vest in New Operator all rights, titles, and interests of the Debtor Operator to the Transferred Assets and good and marketable title thereto; (c) shall constitute a transfer for reasonably equivalent value and full, adequate, and fair consideration under the Bankruptcy Code and all other law applicable to such transfer; and (d) shall be on an “as is, where is” basis without any representations or warranties, except as provided in the OTA.

5. Pursuant to Bankruptcy Code sections 105(a) and 363(f), upon the Operations Closing, the Transactions and the transfer of the Transferred Assets to New Operator shall be free

and clear of the following (other than Assumed Liabilities): (a) any mortgage, lien (as such term is defined in 11 U.S.C. § 101(37), including any mechanic's, materialman's, statutory, and any other consensual or non-consensual lien), security interest, charge, hypothecation, deed of trust, pledge, right of use, first offer or refusal, easement, servitude, restrictive covenant, lease, sublease, covenant, right of way, option, restriction (including, without limitation, any restriction on transfer or on the use, voting, receipt of income or other rights or exercise of any attributes of ownership), conditional sale or other title retention agreements, interest (including as that term is used in Bankruptcy Code section 363(f)), encroachment, "Encumbrance" (as defined in the OTA), or other encumbrance of any kind arising from or related in any way to the Debtors or the Transferred Assets (all of the foregoing collectively referred to as "Encumbrances"), and (b) any claim, "Claim" (as defined in the OTA), debt, liability, interest, or obligation arising from or related in any way to the Debtors or the Transferred Assets (all of the foregoing collectively referred to as "Claims"). Without limitation, the transfer of the Transferred Assets to New Operator shall be free and clear of all Claims and Encumbrances (other than Assumed Liabilities) regardless of whether any such Claim or Encumbrance is in law or in equity, known or unknown, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, perfected or unperfected, allowed or disallowed, contingent or non-contingent, liquidated or unliquidated, matured or unmatured, material or non-material, disputed or undisputed, direct or indirect, and whether arising by agreement, understanding, law, equity or otherwise, and whether occurring or arising before, on or after the filing of the Debtors' bankruptcy petitions, or occurring or arising prior to the Operations Closing Date.

6. Without limiting the foregoing, upon the Operations Closing, New Operator shall not be deemed to: (a) be the successor of any of the Debtors or their respective predecessors or

Affiliates, (b) have, de facto, or otherwise, consolidated or merged with or into any of the Debtors or their respective predecessors or Affiliates, (c) be mere continuations or substantial continuations of any of the Debtors or their respective predecessors or Affiliates, (d) be mere continuations or substantial continuations of the identity, business, enterprises, or operations, of any of the Debtors or their respective predecessors or Affiliates, or (e) be liable for any acts or omissions of any of the Debtors or their respective predecessors or Affiliates, relating to or arising from the conduct of their businesses or arising under or related to the Transferred Assets (other than Assumed Liabilities).

7. For the avoidance of doubt, upon the Operations Closing, New Operator shall not be liable for any Claims or Encumbrances (other than Assumed Liabilities) against the Transferred Assets or any of the Debtors or their respective predecessors or Affiliates, including without limitation, (i) any monetary assessments imposed against the Facility, the Debtors, or their respective predecessors or Affiliates, by or on behalf of any Governmental Entity, including, without limitation, any Recapture Claim, bed tax or similar fee or assessment arising from or relating in any way to operation of the Facility prior to the Operations Closing Date (unless required by applicable law), (ii) taxes of any kind whether now existing or hereafter arising, whether fixed or contingent, owed by the Debtors or their respective predecessors or Affiliates; or (iii) any other liabilities owing by any of the Debtors or their respective predecessors or Affiliates to any Governmental Entity. New Operator shall have no successor or vicarious liability arising from or related to any of the Debtors' ownership of the Transferred Assets or operation of the Facility of any kind or character, regardless of whether any Claim or Encumbrance is known or unknown, fixed or contingent.

8. With respect to Assumed Liabilities, nothing within this Order or the OTA shall be interpreted as providing that New Operator is liable for any Assumed Liability that is not (a) directly related to the operations or assets of the Facility, or (b) expressly assumed pursuant to any assignment, bill of sale, deed, or other similar document at the Operations Closing.

9. As of the Operations Closing, all persons and entities holding claims, liens, encumbrances, or interests and their respective successors and assigns, are hereby forever barred, estopped, and permanently enjoined from asserting, prosecuting, or otherwise pursuing such Claims or Encumbrances of any kind and nature against New Operator, the Transferred Assets, or any other assets or properties of New Operator, or commencing or continuing any action that does not comply with, or is inconsistent with, this Order. Without limiting the foregoing, no persons or entities may condition the issuance to New Operator of new licenses, new certifications, new Medicaid provider agreements or other payor program agreements on the assumption or payment by New Operator of any such Claims or Encumbrances, including without limitation, any liability, penalty or obligation that arose under or relate to the Debtor Operator's Medicaid provider agreements. As of the Operations Closing, the Court hereby reserves exclusive jurisdiction over this Order and the injunctions provided herein, including, without limitation, in this paragraph.

10. Upon the Operations Closing, all Claims and Encumbrances shall attach to the proceeds of the Transactions (the "Proceeds") with the same validity, enforceability, priority, force, and effect that they now have as against the Transferred Assets. All rights and objections to priority, determination of secured status and distribution of any Proceeds are preserved.

11. The Court **APPROVES** the assumption and assignment of the Assumed Contracts as set forth herein pursuant to Bankruptcy Code section 365. All requirements of Bankruptcy Code sections 365(b) and 365(f) have been satisfied for the assumption by the Debtor Operator,

and the assignment by the Debtor Operator to New Operator, of each Assumed Contract. All counterparties of the Assumed Contracts that did not timely file an objection to the Contract Assumption Notice are deemed to consent to the assumption and assignment by the Debtors of their Assumed Contract to New Operator and to have waived any defaults or breaches thereunder, and New Operator shall enjoy all of the rights and benefits under each such Assumed Contract as of the Operations Closing Date without the necessity of obtaining such counterparty's consent to the assumption or assignment thereof.

12. In accordance with the terms of the OTA, New Operator may, at its discretion, amend the Contract Assumption Notice to add or remove any executory contract or unexpired lease from the list of Assumed Contracts that shall be assumed and assigned to New Operator at the Operations Closing. Following the Operations Closing, the Debtors shall file the final list of Assumed Contracts that have been assumed and assigned to New Operator at the Operations Closing. Other than the Assumed Contracts designated in such final list of Assumed Contracts filed on the docket, no other executory contract or unexpired lease shall be deemed assumed by the Debtors and assigned to New Operator pursuant to Bankruptcy Code section 365.

13. The Cure Costs designated in the Contract Assumption Notice filed at Docket No. [] are deemed the amounts necessary to "cure" (within the meaning of Bankruptcy Code section 365(b)(1)) all "defaults" (within the meaning of Bankruptcy Code section 365(b)) under the Assumed Contracts. Any objections to the Cure Costs, to the extent not otherwise resolved, are hereby **OVERRULED**. The Court finds that with respect to all Assumed Contracts, the payment of the Cure Costs, as provided herein and in the OTA, is reasonable and appropriate and is deemed to fully satisfy the Debtors' obligations under Bankruptcy Code sections 365(b) and 365(f).

14. Pursuant to the OTA, New Operator or Debtor Operator (as applicable in accordance with the terms of the OTA) will pay the Cure Costs under any Assumed Contracts at the Operations Closing, or as otherwise agreed by New Operator or Debtor Operator (as applicable in accordance with the terms of the OTA) and the counterparty to any Assumed Contract. New Operator has demonstrated adequate assurance of future performance of each Assumed Contract within the meaning of Bankruptcy Code section 365. New Operator's or Debtor Operator's (as applicable in accordance with the terms of the OTA) payment of Cure Costs in accordance with the terms of the OTA, and New Operator's promise to perform the obligations under the Assumed Contracts after the Operations Closing Date, constitute adequate assurance of future performance.

15. Upon assignment of the Assumed Contracts to New Operator in accordance with the terms of the OTA and this Order, the Assumed Contracts shall be deemed valid and binding, in full force and effect in accordance with their terms, and the Debtors shall have no further liability or obligation under such Assumed Contracts. Without limiting the foregoing, each and every provision of the Assumed Contracts or applicable non-bankruptcy law that purport to prohibit, restrict, or condition, or could be construed as prohibiting, restricting, or conditioning, assignment of any Assumed Contract has been or will be satisfied or is otherwise unenforceable under Bankruptcy Code section 365. Upon the reasonable request of New Operator, as applicable, all counterparties to the Assumed Contracts shall cooperate and expeditiously execute and deliver, and shall not charge the Debtors or New Operator for, any instruments, applications, consents, or other documents which may be required or requested by any public or quasi-public authority or other party or entity to effectuate the applicable transfers in connection with the Transactions.

16. Other than with respect to Assumed Liabilities, New Operator shall have no liability or obligation for any (a) defaults or breaches under any Assumed Contract that relate to acts or

omissions that occurred in the period, or otherwise arose, prior to the Operations Closing Date, or (b) claims, counterclaims, offsets, setoffs, or defenses (whether contractual or otherwise, including, any right of recoupment) with respect to any Assumed Contract that relate to any acts or omissions that arose or occurred prior to the Operations Closing Date.

17. The failure of the Debtors or New Operator to enforce at any time one or more terms or conditions of any Assumed Contract shall not be a waiver of such terms or conditions, or of the Debtors' or New Operator's respective rights to enforce every term and condition of such Assumed Contract.

18. The CBA (as defined in the OTA) shall be an Assumed Contract, *provided, however*, without limitation to any other provisions of the OTA: (a) New Operator shall not be responsible or liable for any Cure Costs relating to the CBA that must be paid by Debtor Operator as a condition to assignment of such CBA to New Operator, and (b) other than Employee Accruals on account of which New Operator has received the Employee Accrual Credit (as those terms are defined in the OTA), New Operator shall not assume any obligations or liabilities under the CBA, nor any replacement collective bargaining agreement, if applicable, to any employees of the Debtor Operator or the Union (as defined in the OTA) that have accrued prior to the Operations Closing Date or that in any way relate to the Debtor Operator's operation of the Facility prior to the Operations Closing Date. The execution of the OTA and the consummation of the Transactions contemplated by the OTA and this Order do not, and will not, impose any successor liability obligations on New Operator with respect to the CBA, other than Employee Accruals on account of which New Operator has received the Employee Accrual Credit.

19. If any person or entity that has filed financing statements, mortgages, deeds of trust, mechanic's liens, *lis pendens*, or other documents or agreements evidencing interests with respect

to the Debtors and/or the Transferred Assets shall not have delivered to the Debtors or New Operator prior to the Operations Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, or releases of Claims and Encumbrances which the person or entity has with respect to the Debtors, the Transferred Assets, or otherwise (except Assumed Liabilities) then (a) New Operator and/or the Debtors are hereby authorized and directed to execute and file such statements, instruments, releases, and other documents on behalf of the person or entity with respect to the Transferred Assets and (b) New Operator and/or the Debtors are hereby authorized to file, register, or otherwise record a certified copy of this Order, which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of (but not a necessary condition to) the release of all such Claims and Encumbrances in, against, or with respect to the Debtors and/or the Transferred Assets. This Order is deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state, and local governmental agency, department, or office. Notwithstanding the foregoing, the provisions of this Order and the transfer of the Transferred Assets to New Operator free and clear of all Claims and Encumbrances (other than Assumed Liabilities) shall be and are self-executing without the necessity of any recording or filing of any document.

20. No person or entity shall take or cause to be taken any action that would interfere with the Transactions, including without limitation the transfer of the Transferred Assets to New Operator, in accordance with the terms of this Order and the OTA.

21. Pursuant to Bankruptcy Code sections 105(a) and 365(a), the Existing Leases and any existing management or consulting agreements for the Facility shall be rejected by the Debtors and terminated as of the Operations Closing Date.

22. Any persons or entities that are presently, or as of the Operations Closing may be, in possession of any portion of the Transferred Assets to be transferred pursuant to this Order are hereby directed to surrender possession of such Transferred Assets to New Operator on the date of the Operations Closing.

23. New Operator is entitled to protection as a good-faith purchaser under Bankruptcy Code section 363(m). The Transactions contemplated by this Order and the OTA have been bargained for and undertaken by the Debtor Operator and New Operator at arm's length, without collusion, and in good faith within the meaning of Bankruptcy Code section 363(m). The Debtors and New Operator have not engaged in any conduct that would cause or permit this Order or the OTA to be avoided.

24. Pursuant to Bankruptcy Code section 363(m), if any or all of the provisions of this Order are hereafter reversed, modified, or vacated by a subsequent order of this Court or any other court, such reversal, modification, or *vacatur* shall not affect the validity and enforceability of any obligation or right granted pursuant to the terms of this Order. Notwithstanding any reversal, modification, or *vacatur* of this Order, any actions taken by New Operator or the Debtors pursuant to the terms of this Order prior to the effective date of any such reversal, modification, or *vacatur* shall be governed in all respects by the original provisions of this Order and the OTA, as the case may be.

25. None of the Debtors, New Operator, any designees of New Operator, or their respective representatives and affiliates have engaged in any conduct that would cause or permit the Transactions and/or the OTA to be avoided or costs and damages to be imposed against New Operator, its affiliates, their representatives, or designees of New Operator pursuant to Bankruptcy Code section 363(n).

26. No bulk sales law or any similar law of any state or other jurisdiction shall apply in any way to the OTA, the transfer of the Transferred Assets pursuant thereto, or this Order.

27. The Debtors and their professionals are hereby authorized, empowered, and directed to take such actions, including the execution of documents, as may be necessary to effectuate the terms of this Order and consummate the Transactions.

28. The Debtors shall be and are hereby authorized, empowered, and directed to execute and deliver any and all instruments and documents as may be required to effectuate the terms of the OTA and this Order. The OTA and any agreements, documents, or other instruments related to this Order or the transactions contemplated herein may be modified, amended, or supplemented by the parties thereto, in a writing signed by all parties, and in accordance with the terms thereof without further order of the Court, provided that any such modification, amendment, or supplement does not have a material adverse effect on the Debtors' estates.

29. The Debtors are authorized to pay, without further order of the Court, whether before, at or after the Operations Closing, any expenses or costs required to be paid to perform their obligations in accordance with the OTA.

30. Each and every federal, state, and governmental agency or department, and any other person or entity, is hereby authorized to accept any and all documents and instruments in connection with or necessary to consummate the Transactions. No governmental unit may revoke or suspend any lawful right, license, trademark, or other permission relating to the Transactions or use of the Transferred Assets sold, transferred, or conveyed to New Operator on account of the filing or pendency of these Chapter 11 Cases or the consummation of the Transactions. For the avoidance of doubt, the Transactions authorized herein shall be of full force and effect, regardless

of whether the Debtors or any of their affiliates lack good standing in any jurisdiction in which such entity is formed or is authorized to transact business.

31. Unless otherwise provided in the OTA, the Debtors and their respective affiliates and representatives shall have no liability or obligations, financial or otherwise, under any indemnification agreement relating to the Transactions.

32. The provisions of this Order and any actions taken pursuant hereto shall survive any conversion or dismissal of these chapter 11 cases, the effective date of the Plan or any other confirmed plan of reorganization, and the entry of any other order which may be entered in these chapter 11 cases, including any order: (a) confirming any plan of reorganization; (b) converting any of these cases from chapter 11 to chapter 7; (c) appointing a trustee or examiner; or (d) dismissing any of these chapter 11 cases or any successor cases. The terms and provisions of this Order, as well as the rights granted under the OTA shall continue in full force and effect and shall be binding upon the Debtors and their successors, assigns, any reorganized debtors, trustees, plan trustees, plan administrators (or similar representative), or chapter 7 trustees applicable to the Debtors and their estates, or any person acting on behalf of the Debtors or their estates, notwithstanding any such conversion, dismissal, or entry of any order.

33. All of the transfers and other performance set forth in this Order and the OTA together with the performance under all of the agreements identified herein or in the OTA to be executed and performed at the Operations Closing, are part of a single transaction such that the same is not subject to being avoided, rejected, or otherwise terminated or modified by a division or separate treatment of the various agreements or component transactions. Accordingly, the provisions of this Order and the OTA are non-severable and mutually dependent.

34. The Court shall retain exclusive jurisdiction to enforce the provisions of this Order and to resolve any dispute concerning this Order, the OTA, and/or the rights and duties of the parties hereunder or thereunder, or any issues relating to the Transactions and this Order, including, but not limited to, interpretation of the terms, conditions, and provisions hereof, and the status, nature, and extent of the Transferred Assets, and all issues and disputes arising in connection with the relief authorized herein, inclusive of those concerning the transfer of the Transferred Assets free and clear of Claims and Encumbrances (other than Assumed Liabilities) as set forth herein.

35. As more particularly provided in the OTA, New Operator shall obtain from the Debtors all books, records, files and papers, whether in hard copy or computer format, related to the Transferred Assets, including any information relating to any tax imposed on the Transferred Assets; *provided, however*, that the Debtors shall also retain copies of the same including copies of computer servers, electronic mail records and financial records of the Debtors. Furthermore, the Debtors shall take no action to destroy or alter access to emails or their existing records without approval of the Court. New Operator shall agree to maintain and retain in accordance with applicable laws all medical records and any other transferred protected health information and personally identifiable information related to current and former residents of the Facility and shall comply with all applicable privacy policies and laws, subject to future notices regarding privacy policies provided by New Operator to current and former residents.

36. For the avoidance of doubt, New Operator shall not acquire any interest in any Excluded Assets, as that term is defined in the OTA, including the Debtors' accounts receivable that were received prior to the Operations Closing Date.

37. Notwithstanding anything to the contrary in this Order, any Resident Trust Funds are and shall remain the property of the residents and are not Transferred Assets to be transferred

to New Operator. The Debtors shall transfer the Resident Trust Funds to New Operator at the Operations Closing in accordance with the OTA, and New Operator shall ensure that Resident Trust Funds are maintained and utilized for the residents according to applicable law.

38. Notwithstanding anything to the contrary in this Order, neither New Operator nor the Debtors shall have an obligation to close the Transactions until all conditions precedent in the OTA to each of their respective obligations to close the Transactions have been satisfied or waived in accordance with the terms of the OTA.

39. Any accounts receivable or proceeds thereof on account of services provided by New Operator after the Operations Closing Date but paid to or received by the Debtors or any of their successors, Affiliates, or agents, or deposited in any of their respective accounts, (a) shall be held in trust for the benefit of New Operator, (b) shall be immediately turned over to New Operator, and (c) shall under no circumstance be property of the Debtors or the Debtors' bankruptcy estates, or any of their successors, Affiliates, or agents under 11 U.S.C. § 541 or otherwise. Any accounts receivable or proceeds thereof on account of services provided by the Debtor Operator prior to the Operations Closing Date but paid to or received by New Operator or deposited in any of its accounts, (a) shall be held in trust for the benefit of the Debtor Operator, (b) shall be immediately turned over to the applicable Debtor Operator or its successor or assign, and (c) shall under no circumstance be property of New Operator. Any dispute regarding ownership of accounts receivable shall be determined by the Court.

40. Without the need for any additional order of the Court, the Debtors and their employees and agents are authorized to execute, deliver, consummate, and implement the OTA and all additional instruments and documents that may be reasonably necessary or desirable to

implement the Transactions, and to take all further actions as may be reasonably requested by New Operator or otherwise required under the OTA.

41. Pursuant to Bankruptcy Code sections 363 and 365, Debtor Operator is authorized to consummate the transfer of the Transferred Assets to New Operator pursuant to and in accordance with the terms and conditions of the OTA and all other Transaction Documents . Such transfer shall constitute a legal, valid, binding, and effective transfer of the Transferred Assets and shall vest New Operator with good title and all right, title, and interest in the Transferred Assets in accordance with the OTA. For the avoidance of doubt, the Transferred Assets do not include any Excluded Assets.

42. This Order is and shall be effective as a determination that, upon transfer of the Transferred Assets to New Operator pursuant to the OTA, all Claims and Encumbrances in, against, or relating to any of the Transferred Assets conveyed to New Operator have been and hereby are terminated and declared to be unconditionally released, discharged, and terminated, except as specifically provided in the OTA or this Order. This Order shall be binding upon and govern the acts of all persons and entities, including but not limited to all creditors and stakeholders, any parties-in-interest, the Debtors, New Operator, and their respective successors and assigns and may be relied upon by all filing agents, recording agencies, secretaries of state, and all other persons and entities who may be required by operation of law to accept, file, register, or otherwise record or release any documents or instruments.

43. Neither New Operator nor its affiliates, successors, or assigns shall be deemed, as a result of any action taken in connection with the Transactions to: (a) be a successor to any of the Debtors; (b) have, whether *de facto* or otherwise, merged with or into any of the Debtors; (c) be a

continuation or substantial continuation of any of the Debtors; or (d) be acquiring or assuming or liable for any Claims, Encumbrances, or Excluded Liabilities under the OTA.

44. To the extent that New Operator has not received the necessary licenses, evidence of licenses, and/or other regulatory approvals to operate the Facility on or after the Operations Closing Date, the Debtors and New Operator are hereby authorized to enter into any management or other agreement necessary for continuity of resident care, and such agreement shall not create or effectuate any liability for prior obligations of the Debtors, whether successor liability or otherwise.

45. Without limitation to any terms of the OTA or any other Transaction Documents, New Operator may use any Medicare or Medicaid provider number, provider agreement, or related billing information of Debtor Operator after the Operations Closing Date in accordance with the terms set forth in the OTA.

46. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a), the Local Rules, and the Complex Case Procedures are satisfied by such notice.

47. Notwithstanding the applicability of Bankruptcy Rule 6004(h), this Order shall be effective and enforceable immediately upon entry hereof.

48. The Debtors are authorized to take all actions necessary to implement the relief granted in this Order.

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

END OF DOCUMENT

Prepared and presented by:

/s/ Daniel M. Simon

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EXHIBIT 1

Operations Transfer Agreement

OPERATIONS TRANSFER AGREEMENT

This Operations Transfer Agreement (the “**Agreement**”) is made and entered into as of _____, 2025 (the “**Agreement Date**”) by and among 11565 Harts Road Operations, LLC (“**Debtor Operator**”), and 11565 Harts Road Opco LLC, a Florida limited liability company (“**New Operator**”). Debtor Operator and New Operator are sometimes each referred to herein as a “**Party**” and collectively as the “**Parties**.”

RECITALS

WHEREAS, Debtor Operator is the licensed operator of that certain skilled nursing facility known as Harts Harbor Health Care Center (the “**Facility**”) located at 11565 Harts Road, Jacksonville, FL 32218. The Facility is licensed and certified for 180 beds; and

WHEREAS, on June 2, 2024, Debtor Operator and certain of its parent companies and affiliates (the “**Debtors**”) filed for protection under Chapter 11 of Title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Northern District of Georgia (the “**Bankruptcy Court**”), the chapter 11 cases of which are being jointly administered under Case No. 24-55507 (PMB) (the “**Bankruptcy Case**”);

WHEREAS, the Debtors have filed a Joint Chapter 11 Plan of Reorganization (“**Plan**”) which has been approved by the Bankruptcy Court via the Findings of Fact, Conclusion of Law, and Order Approving on Final Basis and Confirming Debtors’ Modified Second Amended Combined Disclosure Statement and Joint Chapter 11 Plan of Reorganization dated December 5, 2024 (the “**Confirmation Order**”), the “**Effective Date**” of which is defined in the Plan (the “**Plan Effective Date**”);

WHEREAS, Pursuant to the terms and conditions herein, and subject to the Bankruptcy Court’s entry of the Approval Order (as hereinafter defined), Debtor Operator is transferring its assets and Facility operations to New Operator.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants of the Parties set forth herein, IT IS HEREBY AGREED AS FOLLOWS:

AGREEMENT

ARTICLE I DEFINITIONS

For purposes of this Agreement, the following terms have the meanings set forth in this Article I.

“**Action**” means any claim, action, suit, proceeding or investigation, whether at law or in equity, before any court, arbitrator, arbitration panel or Governmental Entity.

“**Affiliate**” means any Person that, directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, the Person specified, where the term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**Approval Order**” means an Order of the Bankruptcy Court approving this Agreement and that

must be in a form approved by New Operator.

“*Assignment and Assumption and Bill of Sale*” will mean the assignment and assumption agreement and bill of sale, substantially in the form of Exhibit “A” attached hereto, relating to certain of the Transferred Assets.

“*Assumed Contracts*” means those Contracts designated by New Operator that are to be assumed by Debtor Operator and assigned to New Operator pursuant to Section 365(a) of the Bankruptcy Code, including without limitation the Resident Agreements and Assumed Provider Agreements, and for which New Operator shall pay any and all Cure Costs (as defined herein) associated therewith

“*Assumed Liabilities*” will mean (i) all Cure Costs (as defined herein) associated with the Assumed Contracts, which shall be paid by New Operator on or prior to the Operations Closing Date; (ii) all obligations and liabilities under the Assumed Contracts as designated by New Operator that accrue and relate to the period from and after the Operations Closing Date (and, for the avoidance of doubt, excluding any liability or obligation arising in connection with, or accruing during, the period before the Operations Closing Date or out of or in connection with any breach thereof, occurring before or after the Operations Closing Date, other than the Cure Costs (as defined herein), if any, which shall be paid by the New Operator on or prior to the Operations Closing Date); (iii) any liabilities or obligations arising on and after the Operations Closing Date in connection with any action or inaction of New Operator on and after the Operations Closing Date related to the Resident Trust Funds that have been delivered to New Operator; (iv) all expenses arising from New Operator’s operation of the Facility after the Operations Closing Date, including taxes, telephone and utility charges, and any other expense relating to New Operator’s operation of the Facility on and after the Operations Closing Date; (v) all expenses relating to the Hired Employees accrued or arising on or after the Operations Closing Date, including the obligations related to the Hired Employees set forth in this Agreement; (vi) the performance and operating obligations arising under the Permits assigned to New Operator and arising from New Operator’s operation of the Facility following the Operations Closing Date; and (vii) the Employee Accruals, subject to New Operator’s receipt of the Employee Accrual Credit as provided in Article V.E. Notwithstanding anything to the contrary contained herein, any Recapture Claims that are not paid by Debtor Operator as Outstanding Liabilities as a condition to the Operations Closing pursuant to Article IV.C.2 shall be Assumed Liabilities of the New Operator to the extent that such Medicare or Medicaid provider agreement is assumed by New Operator, solely to the extent required by applicable Law. For the avoidance of doubt, except as set forth herein, the Debtor Operator shall have no liability for any Assumed Liabilities following the Operations Closing Date, and no party, including, without limitation, the New Operator, shall have any recourse against the Debtor Operator for, among other things, any Recapture Claims constituting Assumed Liabilities following the Operations Closing Date except to the extent allowed by applicable Law.

“*Assumed Provider Agreements*” will mean the Provider Agreements (as defined herein), to the extent such contracts are designated by New Operator for assumption and assignment and can be assigned, transferred or conveyed under applicable Law and approved by the appropriate governmental agencies.

“*Business Day*” will mean any day other than a Saturday, Sunday or all days observed by the federal or Georgia government as legal holidays and all days on which commercial banks in Georgia are required by law to be closed.

“*Claim*” has the meaning given that term in Section 101(5) of the Bankruptcy Code and includes, inter alia, all rights, claims, causes of action, defenses, debts, demands, damages, offset rights, setoff rights, recoupment rights, obligations, and liabilities of any kind, description, or nature under contract, at law or in equity, whether direct or indirect, known or unknown, contingent or matured, accrued or unaccrued, liquidated or unliquidated, or due or to become due, and all rights, remedies, costs, or expenses with respect thereto.

“*Code*” will mean the Internal Revenue Code of 1986, as amended.

“*Contracts*” will mean all contracts, agreements, leases, commitments and arrangements (whether written or oral), including all service contracts, maintenance contracts and consulting agreements, and all of Debtor Operator’s duties, obligations, covenants, promises, rights and privileges therein or thereunder to which Debtor Operator or its predecessors or agents are a party and which relate to the Facility and the operations thereof. For clarity, all Contracts other than the Assumed Contracts have been rejected in the Bankruptcy Court and will be terminated on the Operations Closing Date.

“*Cure Costs*” means the amount necessary pursuant to Section 365(b)(1) of the Bankruptcy Code, as determined by the Bankruptcy Court, to be paid by New Operator on or prior to the Operations Closing Date to satisfy any amounts owing by Debtor Operator under an Assumed Contract as of the Effective Time. For the avoidance of doubt, and notwithstanding anything herein to the contrary, Cure Costs to be paid by New Operator shall not include (1) the Outstanding Liabilities required to be paid by Debtor Operator as a condition to Operations Closing as provided in Article IV.C.2, or (ii) outstanding liabilities under the CBA other than Employee Accruals as provided in Article V.E.

“*Debtor Operator’s Closing Certificate*” will mean a certificate in the form attached as Exhibit “C” hereto.

“*Encumbrance*” means any lien (including a “lien” as defined in Section 101(37) of the Bankruptcy Code), interest (including as that term is used in Section 363(f) of the Bankruptcy Code), encumbrance, claim, right, demand, charge, mortgage, deed of trust, lease, option, pledge, security interest or similar interest, title defect, hypothecation, easement, right of way, restrictive covenant, encroachment, right of first refusal, preemptive right, proxy, voting trust or agreement, transfer restriction (including any such restriction under any shareholder agreement or similar agreement), judgment, conditional sale or other title retention agreement, or other imposition, imperfection or defect of title or restriction on transfer or use of any nature whatsoever.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended.

“*Excluded Assets*” will mean (i) other than the Resident Trust Funds, any of Debtor Operator’s cash, cash-equivalents, or deposits in banks or other financial institutions existing as of the Operations Closing Date and all of Debtor Operator’s bank accounts; (ii) any of Debtor Operator’s accounts receivable (including, without limitation, Debtor Operator’s Medicare/Medicaid payments or refunds, resulting from retroactive rate increases or otherwise) for services or goods performed or provided before the Operations Closing Date; (iii) any license agreements, copyrights, trademarks, trade names, service marks or other rights of Debtor Operator in any intellectual property or its past or present management companies or service providers); (iv) deposits, letters of credit, and similar items of security, if any, provided to any third party, unless New Operator provided a credit for such items as part of the prorations hereunder; (v) all insurance policies owned by Debtor Operator and all rights to collect insurance proceeds under such policies; (vi) any contracts other than the Assumed Contracts (including, without limitation, the Existing Leases); (vii) Debtor Operator’s franchise to be a limited liability company, its certificate of formation, operating agreement, minute books, tax returns, books of account or other records having to do with the organization and capitalization of Debtor Operator; (viii) all tax refunds for periods ending before the Operations Closing Date and all tax refunds for all periods after the Operations Closing Date to the extent not arising from New Operator’s operation of the Facility on and after the Operations Closing Date; (ix) to the extent inseparable from systems of Debtor Operator affiliates unrelated to Facility being transferred, software, (x) the following to the extent inseparable from systems of Debtor Operator affiliates unrelated to Facility being transferred: telecommunications equipment and circuits including, but not limited to, phone systems, desk phones, voicemail systems, MPLS circuits, broadband circuits, PRI circuits, and phone/fax circuits, (xi) any

leased Personal Property, unless the underlying lease constitutes an Assumed Contract; (xii) all actions against third parties, including avoidance actions arising under chapter 5 of the Bankruptcy Code; and (xiii) any assets which Debtor Operator cannot lawfully transfer or assign to New Operator under the requirements of applicable Law.

“Excluded Liabilities” will mean other than the Assumed Liabilities, any debts, liabilities, or obligations of any nature whatsoever of the Debtors (including, without limitation, the Debtor Operator), whether accrued, absolute, contingent or otherwise, whether known or unknown, whether due or to become due, whether or not related to the Facility, including, without limitation, overpayments, or violations of Laws, as well as the Outstanding Liabilities and any other debts, liabilities, or obligations relating to the Facility with respect to periods prior to the Operations Closing Date.

“Existing Leases” will mean any existing lease or sublease agreements of the Debtor Operator and those of any Affiliate for the Facility, including, without limitation: (i) that certain lease agreement between Jacksonville Nursing Home, Ltd. and Epsilon Health Care Properties, LLC (the **“Debtor Tenant”**) and (ii) that certain sublease agreement between the Debtor Tenant and the Debtor Operator.

“Final Order” means an Order that is unstayed and in effect and as to which (i) the time to appeal, petition for certiorari or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari or other proceedings for reargument or rehearing shall then be pending, or (ii) if an appeal, writ of certiorari, reargument or rehearing thereof has been filed or sought, such Order shall have been affirmed by the highest court to which such Order was appealed, or certiorari shall have been denied or reargument or rehearing shall have been denied or resulted in no modification of such Order, and the time to take any further appeal, petition for certiorari or move for reargument or rehearing shall have expired, provided, however, that no Order shall fail to be a Final Order solely because of the possibility that a motion pursuant to Rule 60 of the Federal Rules of Civil Procedure or Rule 9024 of the Federal Rules of Bankruptcy Procedure may be filed with respect to such Order, as long as such motion has not actually been filed.

“Governmental Entity” shall mean any (a) federal, state, county or municipal government, or city, town, borough, village, district or other jurisdiction; (b) governmental or quasi-governmental entity of any nature (including, but not limited to, Medicare administrative contractors and any agency, branch, department, board, commission, court, tribunal or other entity exercising governmental or quasi-governmental powers); and anybody exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power, including but not limited to the Bankruptcy Court.

“Hired Employees” will mean the employees of the Facility who receive and elect to accept offers of employment with New Operator effective as of the Operations Closing Date.

“Intangible Property” will mean, except as otherwise provided in the following two sentences, all of Debtor Operator’s right, title and interest in any and all intangible property now or on the Operations Closing Date owned by Debtor Operator and associated exclusively with the Facility, including all rights under warranties and goodwill. Intangible Property will not include any rights under any patent, trademark, service mark, trade name, manuals, logos or copyrights owned by Debtor Operator, whether registered or unregistered, and any applications and registrations therefore and licenses thereof, all of which will be retained by Debtor Operator. Further, Intangible Property will not include any software and related documentation owned or leased by or licensed to Debtor Operator, including any and all object codes and source codes, all of which will be retained by Debtor Operator unless such leases or licenses are Assumed Provider Agreements.

“Laws” will mean all federal, state and local laws, moratoria, initiatives, referenda, ordinances,

rules, regulations, standards, orders and other governmental requirements, including, without limitation, those relating to the environment, health and safety, or handicapped persons, where the failure to abide by the same would have a material adverse effect on New Operator, Debtor Operator, or the operation of the Facility.

“**Loss**” will mean any obligation, liability, lien, encumbrance, loss, damage, cost, expense or claim, including, without limitation, any claim for damage to the Transferred Assets or injury to or death of any person or persons.

“**New Operator’s Closing Certificate**” will mean a certificate in the form attached as Exhibit “B” hereto.

“**Operations Closing**” will mean the transfer of ownership of the Facility’s operations and the Transferred Assets from Debtor Operator to New Operator on the Operations Closing Date.

“**Operations Closing Date**” will mean the date of the Operations Closing pursuant to the terms and conditions herein, which is anticipated to occur on May 1, 2025.

“**Outstanding Liabilities**” will mean all known outstanding obligations of Debtor Operator as identified at or prior to Operations Closing (including without limitation amounts claimed with respect thereto, but contested) with respect to the following items, which shall be paid by Debtor Operator as a condition to the Operations Closing pursuant to Article IV.C.2: (a) Recapture Claims, (b) civil monetary penalties or any other governmental fines or penalties, and (c) bed taxes, provider taxes, or any similar fee with respect to the Facility, which for the avoidance of doubt shall include amounts already due and payable and amounts accrued with respect to periods prior to the Operations Closing Date but not yet due and payable; *provided, however*, that any Recapture Claims that are not paid by Debtor Operator as Outstanding Liabilities as a condition to the Operations Closing pursuant to Article IV.C.2 shall be Assumed Liabilities of the New Operator to the extent that such Medicare or Medicaid provider agreement is assumed by New Operator, solely to the extent required by applicable Law. For the avoidance of doubt, except as set forth herein, the Debtor Operator shall have no liability for any amounts following the Operations Closing Date, and no party, including, without limitation, the New Operator, shall have any recourse against the Debtor Operator for, among other things, any Recapture Claims constituting Assumed Liabilities following the Operations Closing Date except to the extent allowed by applicable Law.

“**Parties**” will mean, collectively, Debtor Operator and New Operator.

“**Permits**” will mean all of Debtor Operator’s right and interest in all permits, licenses, approvals, entitlements and other governmental and quasi-governmental authorizations, including, without limitation, certificates of occupancy required in connection with the operation of the Facility, to the extent such permits, licenses, approvals, entitlements, and authorizations are transferable under applicable Laws and approved by the appropriate governmental agencies.

“**Permit Pendency Period**” means the period of time commencing on the Operations Closing Date and expiring upon the Governmental Entity’s approval, with retroactive effect to the Operations Closing Date, of the Retroactive Permit Approvals.

“**Person**” means any individual, corporation, company, association, partnership, limited liability company, joint venture, trust, unincorporated organization, or other entity, or Governmental Entity.

“**Personal Property**” will mean all furnishings, equipment, tools, machinery, appliances, the Vehicle (as defined herein), computers, IT equipment, network equipment, and all other tangible personal

property, including without limitations, supplies and inventory used at the Facility or owned by the Debtor Operator (collectively; the “*Supplies*”), other than fixtures, now or on the Operations Closing Date located at or used in connection with the operation of the Facility and owned by Debtor Operator as of the Operations Closing Date, provided, however, that Personal Property will not include the Excluded Assets.

“*Recapture Claim*” will mean, in connection with the Facility, (a) any determination by Medicare or Medicaid, any fiscal intermediary, or any federal or state governmental authority or any private third party payor that any amounts paid for any services provided at the Facility prior to the Operations Closing Date for the Facility resulted in (i) an overpayment, or (ii) any other recoupment or determination that funds previously paid by any third-party payor must be repaid, and (b) any fines, penalties, assessments, and other charges associated with any such determinations.

“*Representatives*” means, with respect to any Person, such Person’s shareholders, officers, directors, partners, members, managers, employees, agents and representatives acting on behalf of, such a Person.

“*Resident Agreements*” means all resident leases, contracts or other agreements with current residents or patients of the Facility as of the Operations Closing Date.

“*Resident Trust Funds*” will mean resident trust funds, patient deposits, or any residents’ property held by Debtor Operator on the Operations Closing Date or held thereafter for residents at the Facility.

“*Sale Motion*” means the motion or motions of the Debtors, in form and substance approved by New Operator seeking (i) approval of this Agreement and the Transactions as a private sale, (ii) the entry of the Approval Order, (iii) approval of the form and manner of notice of the Transactions, and (iv) any other relief necessary to consummate the Transactions.

“*Transactions*” means the transactions contemplated by this Agreement and the other Transaction Documents.

“*Transaction Documents*” means this Agreement, the Assignment and Assumption and Bill of Sale, and any other agreements, instruments or documents required to be delivered on the Operations Closing Date or pursuant to this Agreement, including all exhibits and schedules thereto and all amendments thereto made in accordance with the respective terms thereof.

“*Transferred Assets*” will mean the Personal Property and assets described in Article II.B.

ARTICLE II **PURCHASE AND SALE**

A. Bankruptcy Provisions.

1. Sale Motion. By no later than April 8, 2025, the Debtors shall file with the Bankruptcy Court the Sale Motion for approval of the private sale of the Transferred Assets and Facility operations to the New Operator on the terms set forth herein. The Debtors shall promptly serve notice of the Sale Motion and all related pleadings, in form reasonably satisfactory to New Operator, to all creditors of Debtor Operator, all relevant Governmental Entities, and other parties in interest in accordance with the Bankruptcy Code and Bankruptcy Rules. The Debtors shall also publish notice of the Sale Motion as required, and promptly serve notice of the Sale Motion to any other party designated in writing by New Operator in their sole discretion. The Debtors and their estates shall be responsible for all costs of service

of the Sale Motion and the Approval Order, as well as service and publication of any other motions or notices related to the Sale Motion, the Approval Order, this Agreement, or the Transactions and, as provided herein, New Operator shall reimburse the Debtors for such third-party costs of service and publication; *provided, for sake of clarity*, New Operator shall not be responsible for any attorneys' fees or other professional fees or costs of Debtors relating to or arising from the Sale Motion, this Agreement, or the Transactions.

2. Good Faith Efforts. Debtor Operator agrees to diligently prosecute the entry of the Approval Order. In the event the Approval Order shall be appealed, the Debtor Operator shall use its best efforts to defend such appeal. Debtor Operator shall comply with all notice requirements of the Bankruptcy Code, the Bankruptcy Rules, and Approval Order, in each case, in connection with any pleading, notice or motion to be filed in connection herewith.

3. Sale Free and Clear. Debtor Operator acknowledges and agrees, and the Approval Order shall provide, that as of the Operations Closing Date and concurrently with the Operations Closing, the Transferred Assets shall be transferred to New Operator free and clear of all then existing or thereafter arising Claims and Encumbrances to the fullest extent permitted by section 363(f) of the Bankruptcy Code (other than Assumed Liabilities). Debtor Operator acknowledges and agrees that this requirement is a precondition to New Operator's obligation to close the Transactions.

B. Transferred Assets. On the terms and subject to the conditions set forth in this Agreement, and subject to the Bankruptcy Court's entry of the Approval Order, on the Operations Closing Date, New Operator will purchase from Debtor Operator, and Debtor Operator will sell, convey, assign, transfer, or deliver to New Operator at Debtor Operator's expense the following assets free and clear of all Claims and Encumbrances other than the Assumed Liabilities (collectively the "***Transferred Assets***"):

1. Personal Property. Debtor Operator will convey to New Operator all of its right, title and interest in and to the Personal Property, and any other property acquired by Debtor Operator under the Plan on and as of the Operations Closing Date, including all drawings, operating manuals, specifications, and assignable warranties, indemnities, bonds and guaranties issued in connection with the Personal Property and all other intangible rights owned or held by Debtor Operator thereto. Debtor Operator will have no obligation to deliver the Personal Property to any location other than the Facility, it being understood and agreed that the presence of the Personal Property at the Facility on the Operations Closing Date will constitute delivery thereof.

2. Assumed Contracts. Debtor Operator will assume and assign all of its rights, benefits and interests under the Assumed Contracts to New Operator, and New Operator will assume and agree to be bound by all of the terms and conditions of the Assumed Contracts. Except as otherwise provided for herein, New Operator shall pay all Cure Costs with respect to all of the Assumed Contracts on or prior to the Operations Closing Date.

3. Personnel Records. Debtor Operator will transfer to New Operator relevant employee records of Hired Employees, provided, however, that Debtor Operator may retain copies of all electronic records and data and provide to New Operator originals thereof.

4. Patient Records. Debtor Operator will transfer to New Operator all (i) medical records relating to current patients of the Facility, and (ii) medical records requested by New Operator reasonably necessary for regulatory compliance, billing purposes, or future audits, to the extent such records are in Debtor Operator's possession (electronic or otherwise, collectively, the "***Patient Records***"). Debtor Operator is entitled to retain copies of all Patient Records or other records transferred pursuant to this Agreement as it may deem necessary.

5. Telephone Number. Debtor Operator will assign to New Operator the telephone and facsimile numbers of the Facility.

6. Permits. To the extent transferable under applicable Laws and approved by the appropriate Governmental Entities, Debtor Operator will assign or transfer to New Operator all Permits necessary for the operation of the Facility.

7. Resident Trust Funds. Debtor Operator will transfer or assign to New Operator all rights and access to Resident Trust Funds in accordance with Article V.A.

8. Intangible Property. Debtor Operator will convey to New Operator all rights and interest in the Intangible Property.

9. Vehicle. Debtor Operator will convey to New Operator all of its right, title and interest in and to that certain 2007 Ford E-250 EXT Cargo, VIN Number 1FTNS24W57DA78111 (the "*Vehicle*").

C. Excluded Assets. Notwithstanding the foregoing, the Excluded Assets are expressly excluded from the purchase and sale contemplated hereby, and as such, are not Transferred Assets.

D. Assumed Liabilities. On the terms and subject to the conditions set forth in this Agreement, and as consideration for the Transferred Assets, on the Operations Closing Date, New Operator will assume only the Assumed Liabilities. Notwithstanding anything in this Agreement to the contrary, other than the Assumed Liabilities, New Operator is not assuming or will not assume or become liable for any Excluded Liabilities and will not assume and will not be liable for any Claims or Encumbrances against the Transferred Assets, the Debtors (including, without limitation, the Debtor Operator), or their respective Affiliates of any nature, known or unknown, fixed or contingent, or any other debts, liabilities, or obligations with respect to ownership of the Transferred Assets or operation of the Facility prior to the Operations Closing Date.

ARTICLE III **INTERIM OPERATIONS AND OTHER COVENANTS**

A. Change of Ownership Filings. New Operator shall use commercially reasonable efforts to file or cause to be filed all applications necessary to enter into this Agreement and to operate the Facility (the "*CHOW*") with the applicable Governmental Entity having jurisdiction over the licensing of the Facility as a skilled nursing facility, and/or other applicable designation in the state where the Facility is located (the "*Agency*") before the Operations Closing Date, and will use commercially reasonable efforts to make all other notices or applications for the Regulatory Approvals (as hereinafter defined) (including but not limited to notices or applications related to certificates of need) required to consummate the transactions contemplated by this Agreement within all applicable legally required timeframes; provided, that the foregoing shall be conditioned on Debtor Operator having provided all Facility information reasonably necessary to apply for the CHOW and Regulatory Approvals. Without limiting the foregoing, New Operator shall use commercially reasonable efforts to pursue the CHOW (including but not limited to using commercially reasonable efforts to promptly respond to licensing authority requests for information, to the extent such information is reasonably available; if such information is not reasonably available for New Operator, then New Operator shall use commercially reasonable efforts to obtain such information and respond to the licensing agency's request using commercially reasonable efforts, and Debtor Operator shall use commercially reasonable efforts to cooperate with New Operator in the foregoing). Except as expressly permitted by this Agreement, New Operator further acknowledges that they will operate the Facility under

new names from and after the Operations Closing Date, it being the understanding of the Parties that the Facility's existing names are an Excluded Asset being retained by Debtor Operator, and that any regulatory filing will accurately reflect the Facility's new name. Debtor Operator agrees to cooperate with New Operator in filing any applications or forms necessary to facilitate the CHOW. To the extent applicable and authorized under applicable Law, New Operator will also provide to Debtor Operator a copy of all pre-closing notices from the Agency authorizing the closing of the transaction with respect to the CHOW, provided that New Operator will be entitled to redact any personal information of officers, directors, or managing employees.

B. **Facility Access.** After the Agreement Date and prior to the Operations Closing Date, Debtor Operator will permit New Operator and its authorized representatives to have access to the Facility, employees, and the books and records of the Facility, at reasonable times and in a manner so as not to interfere with the normal business operations of Debtor Operator, subject to applicable regulations and guidelines, including, without limitation, regulations and guidelines promulgated by any governmental agency whether currently in effect or put into effect after the Agreement Date. Debtor Operator agrees to cooperate with New Operator, and New Operator agrees to cooperate with Debtor Operator, to effect an orderly transfer of the operations of the Facility on the Operations Closing Date. Each of the Parties hereto shall execute and deliver, at the reasonable request of the other Parties hereto, such additional documents, instruments, conveyances and assurances and take such further actions as such other Parties may reasonably request to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

C. **Interim Operations of the Facility prior to the Operations Closing Date.** From the Agreement Date until the Operations Closing Date, Debtor Operator shall: (i) operate the Facility in the ordinary course of business in the current manner and in material compliance with all applicable Laws, subject to applicable regulations and guidelines, including, without limitation, regulations and guidelines promulgated by any government agency whether currently in effect or put into effect after the Agreement Date; (ii) maintain the Facility and continue to make ordinary repairs, replacements and maintenance with respect to the Facility (including, without limitation, all machinery, sprinkler systems, air conditioners, equipment, partitions and fixtures); (iii) utilize its commercially-reasonable efforts to maintain the Facility's licensure status and Medicare and Medicaid provider agreements; (iv) preserve the goodwill with all of the suppliers, residents and others having business relations with Debtor Operator or the Facility; (v) maintain in force or renew on substantially similar terms the existing hazard general liability and professional liability insurance policies as are now in effect for the Facility; (vi) pay all taxes or other obligations and liabilities, which are due and payable with respect to the Facility and Transferred Assets arising from operating the Facility prior to the Operations Closing Date; (vii) maintain its normal inventory of Supplies, which shall be in quantities consistent with legal requirements and past practices for operation of the Facility; (viii) not transfer any residents to any business or facility owned or controlled by an affiliate of Debtor Operator, unless required to comply with legal requirements; (ix) use commercially reasonable efforts to market the Facility in a manner consistent with past practice; (x) not increase wages or benefits of any current employees or modify the CBA, (xi) not modify rates for private-pay patients; (xii) maintain the Facility's current status as to material Permits and Medicare and Medicaid provider agreements, all of which in material compliance with all applicable Laws; and (xiii) cooperate with New Operator as reasonably necessary for New Operator's receipt of the Regulatory Approvals and enrollment of New Operator in the Medicare and, if requested by New Operator, Medicaid programs. Debtor Operator shall provide New Operator notice of any failure to matter comply with this Section within five (5) Business Days after such event of non-compliance.

D. **Permit Pendency Period.** The Parties acknowledge that certain of New Operator's Permits will be issued, if ultimately issued, by the respective Governmental Entity with an effective date that is retroactive to the Operations Closing Date ("***Retroactive Permit Approvals***") and that, until New Operator's Retroactive Permit Approvals take such retroactive effect at the conclusion of the Permit Pendency Period, Debtor Operator is and shall at all times during the Permit Pendency Period remain the

licensed operator of the Permits affected by the Retroactive Permit Approvals for the Facility. Accordingly, to the maximum extent required by any Law applicable to a Party or to the Facility or by any Governmental Entity's interpretation, implementation, or enforcement of any such Law during the Permit Pendency Period, New Operator's activities with respect to Facility operations during the Permit Pendency Period are being, and shall be considered to have been, conducted by New Operator on Debtor Operator's behalf in its capacity as Debtor Operator's management or consulting company. The fee for New Operator's services shall be, and shall be considered to have been, all revenue arising with respect to Facility operations during the Permit Pendency Period, which revenues shall be remitted to New Operator in accordance with Article V herein. Notwithstanding the foregoing, at the conclusion of the Permit Pendency Period for each Retroactive Permit Approvals for each Permit, New Operator shall retroactively be, and be considered to have been, the licensed operator of the Retroactive Permit Approvals for such Permit of the Facility at all times during the Permit Pendency Period.

ARTICLE IV **OPERATIONS CLOSING**

A. **Operations Closing.** The Operations Closing will take place by wire transfer of funds and electronic delivery of closing documents in a manner mutually agreeable to the Parties on the Operations Closing Date. The effectiveness of the Operations Closing and New Operator's obligations for operations at the Facility shall be deemed to have occurred at 12:00 a.m. (beginning of the day) on the Operations Closing Date (the "***Effective Time***"). Notwithstanding the foregoing, in the event the Operations Closing Date has not occurred on or before May 1, 2025, any Party shall have the right to terminate this Agreement in accordance with Article IX.A.1.i, in which event, this Agreement shall terminate without further liability on the part of any party.

B. **Operations Closing Deliveries.** Subject to the terms and conditions set forth herein, at the Operations Closing or as earlier required as set forth below:

1. **Assignment and Assumption and Bill of Sale for Transferred Assets.** Debtor Operator and New Operator will execute and deliver to each other the executed Assignment and Assumption and Bill of Sale for the Transferred Assets.

2. **Possession of Transferred Assets.** Debtor Operator will deliver to New Operator possession of the Transferred Assets that are capable of physical possession. Debtor Operator will have no obligation to deliver the Personal Property to any location other than the Facility, it being understood and agreed that the presence of the Personal Property at the Facility on the Operations Closing Date will constitute delivery thereof.

3. **Vehicle.** Debtor Operator will deliver to New Operator all bills of sale and any other documents necessary to transfer and convey clear title to the Vehicle to New Operator. New Operator shall provide Debtor Operator a credit in the amount of \$4,800.00 for the Vehicle.

4. **Resident Roll; Accounting of Resident Trust Funds.** Debtor Operator will deliver to New Operator (a) a list of all patients/residents at the Facility as of the Operations Closing Date (the "***Resident Roll***"), and (b) a true, correct and complete accounting (properly reconciled) certified as being true, correct and complete by Debtor Operator of all Resident Trust Funds.

5. **Closing Statement.** Debtor Operator and New Operator shall execute and deliver a closing statement, in form approved by New Operator, setting forth the payments to be made by the Parties to each other or third parties on the Operations Closing Date pursuant to the provisions of this Agreement (the "***Closing Statement***").

6. Approval Order. Debtor Operator shall deliver to New Operator a copy of the Approval Order.

7. Debtor Operator's Closing Certificate. Debtor Operator will deliver the executed Debtor Operator's Closing Certificate.

8. New Operator's Closing Certificate. New Operator will deliver the executed New Operator's Closing Certificate.

9. Employee Accrual Credit. On the Operations Closing Date, Debtor Operator shall provide New Operator with a credit in the amount of the Employee Accrual Credit (as defined herein).

10. Costs of Service Credit. New Operator shall provide Debtor Operator a credit in the amount of all third-party costs of service of the Sale Motion and the Approval Order, as well as service and publication of any other motions or notices related to the Sale Motion, the Approval Order, this Agreement, or the Transactions; *provided, for sake of clarity*, New Operator shall not be responsible for any attorneys' fees or other professional fees or costs of Debtors relating to or arising from the Sale Motion, this Agreement, or the Transactions.

11. Termination of Existing Leases and Management Agreements. Debtor Operator shall deliver satisfactory evidence to New Operator that the Existing Leases and any existing management or consulting agreements for the Facility have been terminated.

12. Interim Agreements During Permit Pendency Period. Debtor Operator and New Operator shall execute and deliver to each other those agreements required by the Agency or applicable law to operate and manage the Facility as currently conducted as of the Operations Closing Date during the Permit Pendency Period.”

13. Further Assurances. Debtor Operator shall further deliver any and all other documents and deliverables reasonably requested by any title company or New Operator to effectuate the transactions contemplated by this Agreement.

C. Conditions Precedent to Operations Closing.

1. Mutual. Each Party's obligation to consummate the transactions contemplated in this Agreement shall be subject to the following conditions precedent on and as of the Operations Closing Date to the reasonable satisfaction of such Party or the waiver thereof by such Party, which waiver shall be binding upon such Party only to the extent made in writing and dated as of the Operations Closing Date:

(a) No Proceeding. No regulatory authority will have enacted, issued, promulgated, enforced, entered, proposed or introduced any Laws that has, or would have, the effect of making the transactions contemplated by this agreement illegal or otherwise restraining or prohibiting the consummation of such transactions, and no Governmental Entity shall have enacted, issued, promulgated, or entered any statute, rule, regulation, executive order, judgment, decree, injunction, or other Order (whether temporary, preliminary, or permanent) which has the effect of making the Transactions contemplated by this Agreement illegal, or otherwise restrains consummation of the Transactions contemplated hereby.

(b) Bankruptcy Court Approval. The Bankruptcy Court shall have entered the

Approval Order and, unless otherwise expressly agreed to in writing by New Operator, in New Operator's sole discretion, such Approval Order shall be a Final Order.

(c) Interim Agreements During Permit Pendency Period. The Parties shall have executed and delivered to each other those agreements required by the Agency or applicable law to operate and manage the Facility as currently conducted as of the Operations Closing Date during the Permit Pendency Period.

2. New Operator's Conditions Precedent to Operations Closing Date. New Operator's obligation to proceed with the Operations Closing shall be subject to the following conditions precedent on and as of the Operations Closing Date to the reasonable satisfaction of New Operator, or the waiver thereof by New Operator, which waiver shall be binding upon New Operator only to the extent it proceeds with knowledge of the condition precedent not being met as of the Operations Closing Date:

(a) Material Adverse Effect. There shall not be imposed against Debtor Operator or the Facility, nor shall they have received notice of: i) a survey with a citation of a "G" or more severe finding, ii) a denial of payment for new admissions, iii) a bar on admissions, iv) placement on the CMS Special Focus Facility List (or the candidate list thereof), v) imposition of a Corporate Integrity Agreement, in each case to the extent such imposition or notice relates solely to operation of the Facility prior to the Operations Closing Date, (vi) the loss of any licensure, certification or other material permit necessary to operate the Facility as a skilled nursing facility, including the Facility having its operating license revoked, suspended, placed on probation, or otherwise disciplined or limited, whether permanently or temporarily, (vii) a reduction in census by more than ten percent (10%) from the date of this Agreement and (viii) the decertification or other action against Debtor Operator or the Facility from or with respect to participation under Medicare, Medicaid or any other governmental health care program, including being suspended or limited from, or otherwise deemed ineligible for, or having any denial of payment or admissions or other limitation imposed with respect to, whether permanently or temporarily, participation in the Medicare and/or Medicaid reimbursement program (each a "**Material Adverse Effect**"). Further, for the avoidance of doubt, this closing condition only applies to the extent such matters are not remedied or paid, as applicable, prior to the Operations Closing Date.

(b) Representations and Warranties. Each of the representations and warranties of Debtor Operator in Article VI hereof were true and correct as of the Agreement Date and will be true and correct in all material respects, disregarding all qualifications and exceptions contained therein relating to materiality or Material Adverse Effect, as of the Operations Closing Date as if made on and as of the Operations Closing Date.

(c) No Default. Debtor Operator shall have duly and timely performed and fulfilled all of its covenants and agreements hereunder to be performed prior to or at the Operations Closing Date in all material respects, and Debtor Operator shall not be in breach of any term, provision, or condition of this Agreement in any material respect.

(d) Actions. There shall not be any Actions pending or threatened in writing, or injunctions or Orders entered, pending or threatened in writing against Debtor Operator, New Operator, or their respective Affiliates, to restrain or prohibit the consummation of the Transactions contemplated hereby or that would reasonably be expected to have a Material Adverse Effect.

(e) Closing Deliverables. Debtor Operator shall have executed and delivered to New Operator all of the documents, agreements and certificates and any amounts or credits required to be executed or delivered pursuant to any term or provision of this Agreement.

(f) Regulatory Approvals. New Operator shall have obtained all Permits, licenses, registrations, certifications, payor agreements, provider numbers, provider agreements and other consents and approvals of any Governmental Entity necessary or appropriate for New Operator to operate the Facility from and after the Effective Time in substantially the same manner as operated by the Debtor Operator (“**Regulatory Approvals**”).

(g) Lease of Facility. The Existing Leases shall have been terminated as of the Operations Closing Date and evidence of same provided to New Operator. New Operator shall have entered into a lease agreement for the Facility with the landlord of the Facility on terms satisfactory to New Operator in New Operator’s sole discretion (the “**New Lease**”), such that New Operator has the right to use and possess the Facility as of the Operations Closing Date.

(h) Survey and Statements. All material violations set forth in any Survey or Statement shall have been cured to the reasonable satisfaction of the applicable Governmental Entity, and there shall be no open Survey at the Operations Closing Date.

(i) Outstanding Liabilities. Debtor Operator shall have paid all Outstanding Liabilities on or prior to the Operations Closing Date, *provided, however*, that solely with respect to the outstanding bed taxes, provider taxes or similar assessments relating to the Facility for periods prior to the Operations Closing Date that are not yet liquidated or assessed by the applicable Governmental Entity (the “**Unassessed Bed Taxes**”), Debtor shall pay to New Operator on the Operations Closing Date an estimated payment in the amount of \$85,000 (the “**Estimated Bed Tax Payment**”), which shall be used solely by the New Operator to pay outstanding bed taxes to the Agency of Health Care Administration on or prior to the applicable due date.

(j) CBA Liabilities. Debtor Operator shall have paid all Cure Costs, if any, owing under the CBA, other than Employee Accruals as provided in Article V.E, and satisfied any other accrued or outstanding liabilities owing under the CBA as of the Operations Closing Date.

(k) Schedules. New Operator shall have approved in its sole and absolute discretion all schedules required to be provided by Debtor Operator to New Operator pursuant to the terms of this Agreement.

3. Debtor Operator’s Conditions Precedent to Operations Closing Date. Debtor Operator’s obligation to proceed with the Operations Closing Date shall be subject to the following conditions precedent on and as of the Operations Closing Date to the reasonable satisfaction of Debtor Operator, or the waiver thereof by Debtor Operator, which waiver shall be binding upon Debtor Operator to the extent they proceed with knowledge of the condition precedent not being met as of the Operations Closing Date:

(a) New Operator shall have filed its initial CHOW with the Agency.

(b) The Existing Leases shall have been terminated as of the Operations Closing Date. New Operator shall have entered into the New Lease, such that New Operator has the right to use and possess the Facility as of the Operations Closing Date.

D. Closing Costs. Debtor Operator shall be responsible for all Outstanding Liabilities, including without limitation, any bed or provider taxes or assessments relating to periods prior to the Operations Closing Date, which shall be paid by Debtor Operator on or prior to the Operations Closing Date, *provided, however*, that solely with respect to the Unassessed Bed Taxes, Debtor shall pay to New Operator the Estimated Bed Tax Payment, which shall be used by the New Operator solely to pay all outstanding bed or provider taxes when they are due post-Operations Closing. Each Party is solely

responsible for its respective legal, accounting, due diligence, financing, and other professional fees and expenses and the cost of all certificates, instruments, documents and papers required to be delivered, and the cost of all performances required of them to fulfill their obligations hereunder. For the avoidance of doubt, Debtor Operator shall not be responsible for any liabilities arising on or after the Operations Closing Date relating to or arising from New Operator's operation of the Facility, including, but not limited to, any bed or provider taxes relating to or arising from the operations by New Operator after the Operations Closing Date. All such liabilities, including such taxes, shall be paid by New Operator in the ordinary course following the Operations Closing Date and New Operator shall have no recourse against Debtor Operator for any such liabilities that may arise following the Operations Closing Date.

E. **Exemption from Transfer Taxes.** Pursuant to the Approval Order and Confirmation Order, any transfer of property pursuant hereto shall not be subject to any stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, personal property tax, sales tax, use tax, privilege tax, or other similar tax or government assessment in the United States. The Approval Order directs any Governmental Entity seeking such a tax to forgo its collection and to accept for filing and recordation or other document pursuant to such transfers of property without the payment of any such tax or governmental assessment.

F. **Assumed Contracts.** All Cure Costs, if any, for Assumed Contracts, shall be paid by New Operator at Operations Closing, and New Operator shall be responsible for all amounts due under the Assumed Contracts solely to the extent arising from or related to the New Operator's operation of the business at the Facility from and after the Effective Time, *provided, however,* notwithstanding the foregoing, New Operator shall not be responsible or liable for any Cure Costs that also constitute (i) Outstanding Liabilities required to be paid by Debtor Operator as provided in Article IV.C.2 or (ii) outstanding liabilities under the CBA other than Employee Accruals as provided in Article V.E. New Operator shall be responsible for providing evidence of adequate assurance of future performance as required under section 365 of the Bankruptcy Code for the Assumed Contracts. New Operator agrees that it will take all actions reasonably necessary to assist in obtaining a Bankruptcy Court finding that there has been a demonstration of adequate assurance of future performance under the Assumed Contracts, such as furnishing affidavits, non-confidential financial information, and other documents or information for filing with the Bankruptcy Court and making a representative of New Operator available to testify before the Bankruptcy Court; *provided, however,* New Operator reserves all objections to any discovery requests relating to the Sale Motion and the right to refuse to take assignment of any executory contracts or leases.

ARTICLE V **OPERATIONS TRANSFER**

A. **Transfer of Resident Trust Funds.** Within two (2) Business Days after the Operations Closing Date, Debtor Operator will provide to New Operator a true, correct, and complete accounting (properly reconciled) of the Resident Trust Funds. Debtor Operator will deliver the Resident Trust Funds to New Operator by check within five (5) business days of the Operations Closing Date.

1. Debtor Operator hereby agrees to transfer to New Operator the Resident Trust Funds and New Operator agrees that it will accept such Resident Trust Funds in trust for the residents of the Facility and will hold and disburse such Resident Trust Funds in accordance with applicable statutory and regulatory requirements.

2. New Operator, as applicable, shall post an indemnity bond or a standby letter of credit for the Transferred Resident Trust Funds wherever such security is required by applicable Law.

B. **Cost Reports.** Debtor Operator will: (i) prepare and file accurate and timely final cost reports relating to the portion of the current fiscal year of the Facility from the commencement of the fiscal

year through the Operations Closing Date (i.e., “short period cost reports”) with all applicable regulatory authorities, including the appropriate Medicare and Medicaid agencies, and third party payors in accordance with the terms of all third party payor programs (collectively, the “**Final Cost Reports**”); (ii) provide copies of such Final Cost Reports to New Operator at the time of the filing; and (iii) promptly pay such amounts due and payable, if any, pursuant to the setting of final rates based upon the Final Cost Reports (including any final settlement or audit thereof). The Parties understand and agree that the intent and purpose of this provision is to ensure that the reimbursement paid to New Operator for the period beginning on the Operations Closing Date is not delayed, reduced, or offset in any manner as a result of Debtor Operator’s failure to timely file such Final Cost Reports.

C. **Surveys and Statements.** The costs and expenses for the correction of any violations cited by the Agency or any other Governmental Entity in any survey (“**Survey**”) prior to the Operations Closing Date as detailed in the a statement of deficiencies issued by the Governmental Entity (“**Statement**”), if any, accompanying said Survey, and all proposed or imposed remedies, including but not limited to any civil monetary penalty, that result from any condition or incident at the Facility prior to the Operations Closing Date or as a result of any action or inaction of Debtor Operator prior to or on the Operations Closing Date, until the same are cured and, if applicable, any proposed denial of payment by, or termination of certification to participate in, the Medicare or Medicaid programs set forth in the Statement or otherwise resulting from the Survey or Statement is withdrawn, shall be Excluded Liabilities for which Debtor Operator shall be solely liable. In the event the Governmental Entity withholds amounts from New Operator’s reimbursement checks as a result of any fine, penalty or violation adjudicated to be final and non-appealable, Debtor Operator shall pay such amounts to New Operator within ten (10) days following New Operator’s demand therefor, notwithstanding any contest thereof.

D. **Reimbursement Matters.**

1. **Medicare.** Effective on the Operations Closing Date, to the extent New Operator elects, Debtor Operator shall sell, assign, and convey to New Operator the existing Medicare provider agreement and number in use at the Facility (the “**Existing Medicare Provider Number**”) which Debtor Operator represents is consistent with the terms of the Plan. Debtor Operator and New Operator acknowledge and agree that New Operator is not expected to have received its “tie in” notices from CMS with respect to the Existing Medicare Provider Number as of the Operation Closing Date. Debtor Operator agrees to cooperate with New Operator in the assignment of the Existing Medicare Provider Number to New Operator, including without limitation completing those portions of CMS Form 855A that confirm the change of ownership of the Facility and providing to New Operator or any Governmental Entity any information requested to affect the transfer of the Existing Medicare Provider Number. Notwithstanding the foregoing, even if New Operator elects in writing to the assignment of the Existing Medicare Provider Number, New Operator shall not be responsible for any and all liabilities for Recapture Claims regarding the Existing Medicare Provider Number relating to any and all periods preceding the Operations Closing Date unless required by applicable Law. As long as it is utilizing its best efforts to become the certified Medicare provider at the applicable Facility, New Operator shall be permitted, to the extent allowed under applicable Law, to bill under the Existing Medicare Provider Number during the period (the “**Medicare Transition Period**”) that commences on the Operations Closing Date and that ends upon the issuance of the Medicare tie-in notice to New Operator. This Article III is intended to satisfy, among other laws, the requirements of Section 10.6.23 of the Medicare Program Integrity Manual. Unless and until the date on which all pre-Operations Closing Date accounts receivable attributable to the Existing Medicare Provider Number have been collected by Debtor Operator, unless otherwise agreed to in writing by Debtor Operator (not to be unreasonably withheld in view of the reasonably foreseeable collectability of any such accounts receivable that remains outstanding), New Operator may not modify, change, or otherwise update any electronic fund transfer or bank account information with respect to accounts receivable attributable to Debtor Operator and its Existing Medicare Provider Number for any periods arising prior to the Operations

Closing Date. For the avoidance of doubt, all accounts receivable associated with the Existing Medicare Provider Number for any periods prior to the Operations Closing Date are Excluded Assets and shall remain property of Debtor Operator, regardless of the date such accounts receivable are received by Debtor Operator.

2. Medicaid. New Operator shall secure new Medicaid provider numbers and Medicaid provider reimbursement agreements in its own name (the “*New Medicaid Provider Number*”), either by assumption of the foregoing from Debtor Operator or application for new numbers and agreements as applicable (*provided* that in the event both assumption or new application are available, New Operator shall elect which to pursue, so long as such election complies with the Medicaid and related managed care organization requirements as well as other applicable Law in Florida). From and after the Operations Closing Date until any New Medicaid Provider Numbers are obtained by New Operator, to the extent permitted under applicable Law, New Operator may bill for services provided on and after the Operations Closing Date under Debtor Operator’s Medicaid provider agreements and numbers using Debtor Operator’s Medicaid provider information (“*Existing Medicaid Provider Number*”) in accordance with applicable Law. Debtor Operator agrees to cooperate with New Operator in the issuance of new Medicaid Provider Number to New Operator, including providing to New Operator or any Governmental Entity any information requested to affect the issuance to New Operator of New Medicaid Provider Numbers. Unless and until the earlier of (a) the date on which New Operator obtains a New Medicaid Provider Number or (b) the date that all pre-Operations Closing Date accounts receivable attributable to the Existing Medicaid Provider Number have been collected by Debtor Operator, unless otherwise agreed to in writing by Debtor Operator (not to be unreasonably withheld in view of the reasonably foreseeable collectability of any such accounts receivable that remains outstanding), New Operator may not modify, change, or otherwise update any electronic fund transfer or bank account information with respect to accounts receivable attributable to Debtor Operator and its Existing Medicaid Provider Number for any periods arising prior to the Operations Closing Date. For the avoidance of doubt, all accounts receivable associated with the Existing Medicaid Provider Number for any periods prior to the Operations Closing Date are Excluded Assets and shall remain property of Debtor Operator, regardless of the date such accounts receivable are received by Debtor Operator. Notwithstanding the foregoing, unless required by applicable Law, New Operator shall not be responsible for any and all liabilities for Recapture Claims regarding the Existing Medicaid Provider Number prior to the Operations Closing Date. Notwithstanding the foregoing, nothing in this Agreement unless expressly set forth otherwise shall give New Operator the right to bill pursuant to any non-federal health care program (as “federal health care program” is defined at 42 U.S.C. § 1320a-7b(f)) managed care, commercial insurance, or other third-party payor contract to which Debtor Operator is a party or beneficiary.

3. Limited Liability. Except as expressly provided herein, New Operator expressly does not assume, and the assumption by New Operator of Debtor Operator’s Medicare, Medicaid, managed care, or other third-party payor provider number and agreements, if applicable, shall not be construed to impose upon New Operator, any obligations under Debtor Operator’s Medicare, Medicaid, managed care, or other third-party payor provider agreements arising from or related to any event occurring prior to the Operations Closing Date, including, without limitation, any Recapture Claim, refund or overpayment due to any Governmental Entity, other payors, or any other third-party payor that is assessed as a result of services rendered by Debtor Operator prior to the Operations Closing Date.

4. Debtor Operator’s Accounts Receivable. Nothing set forth herein shall be deemed to limit in any way (i) Debtor Operator’s right, title, and interest in its cash and accounts receivable for services rendered prior to the Operations Closing Date, which cash and accounts receivable are property of Debtor Operator and shall be reimbursed or retained, as applicable, in accordance herewith, and (ii) Debtor Operator’s ability to complete any remaining billing for services rendered prior to the Operations Closing Date under Debtor Operator’s Medicare and Medicaid provider numbers. As set forth herein, unless and

until the earlier of (a) the date on which New Operator obtains a New Medicaid Provider Number with respect to Medicaid accounts receivable only or (b) the date that all pre-Operations Closing Date accounts receivable attributable to the Existing Medicaid Provider Number and/or the Existing Medicare Provider Number have been collected by Debtor Operator, unless otherwise agreed to in writing by Debtor Operator (not to be unreasonably withheld in view of the reasonably foreseeable collectability of any such accounts receivable that remains outstanding), New Operator may not modify, change, or otherwise update any electronic fund transfer or bank account information with respect to accounts receivable attributable to Debtor Operator and its Existing Medicaid Provider Number or its Existing Medicare Provider Number for any periods prior to the Operations Closing Date.

5. Prompt Forwarding of Reimbursements. Debtor Operator and New Operator understand that reimbursements from Medicare or Medicaid for items/services provided/rendered after the Operations Closing Date may continue to be issued to Debtor Operator for a period of time. Debtor Operator shall hold in trust and promptly forward to New Operator any payments received with respect to services rendered by New Operator on and after the Operations Closing Date in accordance with Article V.F. hereof.

E. Employees.

1. New Operator shall determine, in their sole discretion, which of the employees shall be offered employment with New Operator, pursuant to employment terms reasonably acceptable to New Operator, provided that New Operator shall offer employment to a sufficient number of the Employees as of the Operations Closing Date so as to avoid any obligation of Debtor Operator to provide advance notice under the Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101 et seq and any similar applicable State law (collectively, the "*WARN Act*"). New Operator shall not be bound by or assume any employment contracts to which Debtor Operator may be a party. Other than consistent with past practice or required by law or the terms of any contract existing as of the date hereof, Debtor Operator shall not make any material changes in the compensation or benefits of the employees at the Facility prior to the Operations Closing Date.

2. New Operator and Debtor Operator acknowledge and agree that because New Operator is hiring the Hired Employees pursuant to the terms and conditions set forth in subsection 1 immediately above, Debtor Operator is not required to give notice to the employees of the Facility of the "closure" thereof under the WARN Act or under any comparable Law of the state where the Facility is located.

3. Debtor Operator shall be responsible for providing COBRA Notices and COBRA continuation healthcare coverage for all "M & A Qualified Beneficiaries" (as that term is defined in Section 4980B of the Code and Title 6 of ERISA and the regulations thereafter ("*COBRA*")) in connection with the transaction as of the Operations Closing Date.

4. Debtor Operator acknowledges and agrees that New Operator will have a reasonable opportunity to meet with employees including, but not limited to, the administrator, director of nursing, and all department heads within the Facility following the Agreement Date.

5. The CBA (as defined herein) shall be an Assumed Contract, *provided, however*, without limitation to any other provisions of this Agreement: (i) New Operator shall not be responsible or liable for any Cure Costs relating to the CBA that must be paid by Debtor Operator as a condition to assignment of such CBA to New Operator, and (ii) other than Employee Accruals on account of which New Operator has received the Employee Accrual Credit (as those terms are defined herein) New Operator shall not assume any obligations or liabilities under the CBA, nor any replacement collective bargaining agreement, if applicable, to any employees of the Debtor Operator or the Union that have accrued prior to

the Operations Closing Date or that in any way relate to the Debtor Operator's operation of the Facility prior to the Operations Closing Date. The execution of this Agreement and the consummation of the Transactions contemplated by this Agreement do not, and will not, impose any successor liability obligations on New Operator with respect to the CBA, other than Employee Accruals on account of which New Operator has received the Employee Accrual Credit.

6. On the Operations Closing Date, Debtor Operator shall provide New Operator with a credit (the "**Employee Accrual Credit**") of an amount equal to one hundred percent (100%) of the accrued, vested and unvested, but unpaid vacation obligations solely to the extent required to be paid out by Debtor Operator under its existing employment policies, applicable Law, and/or under the CBA (as defined herein), and all other related and corresponding payroll and/or benefits obligations including but not limited to all FICA, withholding, unemployment, workmen's compensation or other employment related taxes, as well as any insurance premium obligations of Debtor Operator, vested or unvested, with respect to the Hired Employees that have accrued prior to the Operations Closing Date ("**Employee Accruals**"). As of the Operations Closing Date (i) conditioned upon receipt of the Employee Accrual Credit, (a) New Operator shall assume the Employee Accruals as an Assumed Liability to the extent of such Employee Accrual Credit; and (b) receipt of the Employee Accrual Credit by New Operator from Debtor Operator shall satisfy all obligations of the Debtor Operator to its current employees with respect to the Employee Accruals and shall expressly relieve Debtor Operator of any liabilities associated with the Employee Accruals; and (ii) other than the Employee Accruals, New Operator shall not be liable on account of any other liabilities or obligations with regard to any of Debtor Operator's current employees, including without limitation, any liabilities and obligations that shall have accrued prior to the Operations Closing Date with respect to the Hired Employees. A schedule of Debtor Operator's Employee Accruals is attached hereto as Schedule V.E.

F. **Accounts Receivable.** Debtor Operator will retain its right, title, and interest in and to all unpaid accounts receivable with respect to the Facility that relate to any period before the Operations Closing Date, including, but not limited to, any accounts receivable arising from rate adjustments, grant payments, stimulus payments, or retroactive payments or adjustments to reimbursement and any and all other payments and support paid with respect to the Facility for the period prior to the Operations Closing Date even if such adjustments occur on or after the Operations Closing Date. Debtor Operator will remain liable for any Recapture Claims and any other overpayments made to Debtor Operator before the Operations Closing Date for which payment is due to Medicare, Medicaid, or any other third-party payor on or after the Operations Closing Date.

1. Unless and until the earlier of (a) the date on which New Operator obtains a New Medicaid Provider Number with respect to Medicaid accounts receivable only or (b) the date that all pre-Operations Closing Date accounts receivable attributable to the Existing Medicaid Provider Number and/or the Existing Medicare Provider Number have been collected by Debtor Operator, unless otherwise agreed to in writing by Debtor Operator (not to be unreasonably withheld in view of the reasonably foreseeable collectability of any such accounts receivable that remains outstanding), New Operator may not modify, change, or otherwise update any electronic fund transfer or bank account information with respect to accounts receivable attributable to Debtor Operator and its Existing Medicaid Provider Number and/or its Existing Medicare Provider Number for any periods arising prior to the Operations Closing Date. For the avoidance of doubt, all accounts receivable associated with the Existing Medicaid Provider Number and the Existing Medicare Provider Number prior to the Operations Closing Date are Excluded Assets and shall remain property of Debtor Operator, regardless of the date such accounts receivable are received by Debtor Operator.

2. Payments received by New Operator or Debtor Operator on or after the Operations Closing Date from any payor will be handled as follows:

(a) If such payments either specifically indicate on the accompanying remittance advice, or if the Parties agree, that they relate to the period before the Operations Closing Date, they will be held in trust by New Operator and forwarded to Debtor Operator as provided herein, along with the applicable remittance advice;

(b) If such payments indicate on the accompanying remittance advice, or if the Parties agree, that they relate to the period on or after the Operations Closing Date, they will be held in trust by Debtor Operator and forwarded to New Operator as provided herein, or retained by New Operator, along with the applicable remittance advice; or

(c) If such payments indicated on the accompanying remittance advice, or if the Parties agree, that they relate to periods both before and after the Operations Closing Date, the portion thereof that relates to the period on and after the Operations Closing Date will be forwarded to or retained by New Operator and the balance will be remitted to or retained by Debtor Operator.

(d) For Social Security payments, they will be allocated to the month such payments are received.

(e) Notwithstanding the foregoing, for payments received by Debtor Operator from private-pay patients relating to any period on or after the Operations Closing Date, Debtor Operator will hold such payments in trust and promptly remit such payments to New Operator.

(f) To the extent any Party receives any payments for accounts receivable of any other Party, the Parties acknowledge that the Party receiving the payment belonging to the other party shall hold the payment in trust, that no Party shall have any right to offset or recoupment with respect to such accounts receivable, and that the Party erroneously receiving the payment shall have no right, title or interest whatsoever in the payment and shall remit the same to the other as provided herein. On the Operations Closing Date and until the date that is sixty (60) days following the conclusion of the Medicare Transition Period, Debtor Operator shall provide New Operator with access to their governmental receivables accounts and portals and, following the Operations Closing Date, timely provide all reimbursement receipts and other documentation related to deposits on or after the Operations Closing Date.

3. Any payments received during the first thirty (30) days commencing on the Operations Closing Date from or on behalf of private pay residents with outstanding balances as of the Operations Closing Date that fail to designate the period to which they relate, will first be applied by New Operator to reduce the resident's pre- Operations Closing Date balances, with any excess applied to reduce any balances due for services rendered by New Operator on or after the Operations Closing Date. Thereafter all non-designated payments will first be applied to any post- Operations Closing Date balances, with the excess, if any, applied to the extent of any balances due for services rendered by Debtor Operator before the Operations Closing Date.

4. Nothing herein will be deemed to limit in any way Debtor Operator's rights and remedies to recover accounts receivable due and owing Debtor Operator under the terms of this Agreement.

5. All amounts owing to Debtor Operator or New Operator shall be remitted on the first (1st) and fifteenth (15th) day (or the next applicable Business Day) of each applicable month, together with applicable remittance advices, provided such transfer date is at least five (5) Business Days following receipt of such payment by Debtor Operator or New Operator, as applicable.

6. In the event the Parties mutually determine that any third party payors or private pay residents are entitled to a refund of payments, the portion thereof that relates to the period from and after the Operations Closing Date shall be paid by New Operator and the portion thereof that relates to the period prior to the Operations Closing Date shall be paid by Debtor Operator to such third party payor or private pay resident.

7. In the event the Parties mutually determine that any payment hereunder was misapplied by the Parties, the Party that erroneously received said payment will remit the same to the appropriate other Party within ten (10) days after said determination is made.

8. Each Party hereto agrees to notify the other in writing to the contacts provided herein within seven (7) business days after receipt of any notice of any Recapture Claims by the Agency, the Centers for Medicare and Medicaid Services (“*CMS*”), the United States Department of Health and Human Services Office of Inspector General (“*OIG*”), or any other Governmental Entity.

G. **Prorations.** Revenues and expenses pertaining to the Quality and Accountability Supplemental Payment Program for Freestanding Skilled Nursing Facilities (if applicable), utility charges for the billing period in which the Operations Closing Date occurs, prepaid expenses, taxes and other related items of revenue or expense attributable to the operation of the Facility will be prorated between Debtor Operator and New Operator as of the Operations Closing Date, provided that expenses related to employees will be paid pursuant to Article V.E., and provided further that remittances related to accounts receivable will be paid pursuant to Article V.F. In general, such prorations will be made so as to reimburse Debtor Operator for prepaid expense items, and to charge Debtor Operator for prepaid revenue items, to the extent that the same are attributable to periods on or after the Operations Closing Date (but only to the extent permitted by the Bankruptcy Court).

1. All such prorations will be made on the basis of actual days elapsed in the relevant accounting or revenue period and will be based on the most recent information available to Debtor Operator. Utility charges that are not metered and read on the Operations Closing Date will be estimated based on prior charges and will be re-prorated upon receipt of statements therefor.

2. All amounts owing from any Party hereto to any other Party hereto that require adjustment will be settled on the Operations Closing Date.

H. **Access to Records: Cooperation.** On and after the Operations Closing Date, both Parties will grant reasonable and prompt access to the Facility, patient, or employee records as any party may request. In addition, the Parties agree as follows:

1. New Operator will allow Debtor Operator and its agents and representatives, upon reasonable prior notice and during normal business hours, reasonable access to (a) the books and records and supporting materials relating the period before the Operations Closing Date and to make copies or scans of the same; and (b) the Hired Employees, to the extent such access is reasonably necessary to enable Debtor Operator to investigate and defend malpractice, employee or other claims, to file or defend cost reports and tax returns. Debtor Operator will be entitled to any original records delivered to New Operator for purposes of litigation involving a patient or employee to whom such record relates, if an officer of or counsel for Debtor Operator certified that such original must be produced in order to comply with applicable Law or the order of a court of competent jurisdiction in connection with such litigation.

2. New Operator agrees to maintain such books, records and other material comprising records of the Facility’s operations after the Operations Closing Date that have been received by New Operator from Debtor Operator or otherwise, including, but not limited to, Patient Records and

records of Resident Trust Funds, to the extent required by Law and for a period not less than six (6) years, and will allow Debtor Operator a reasonable opportunity to copy such documents, at Debtor Operator's expense, at such time after such record retention period as may be required by Law as New Operator will decide to dispose of such documents.

3. New Operator agrees to fully cooperate with Debtor Operator, their agents, attorneys, employees, and other designated representatives in the defense of any claims, lawsuits, investigations, or reimbursement matters now existing or arising from or in connection with events occurring before the Operations Closing Date. "Fully cooperate" as used in this provision means that, to the extent permitted by applicable Law, New Operator will provide to Debtor Operator within seven (7) days after request from Debtor Operator: (i) access to all medical, business and other records of the Facility for inspection and copying at Debtor Operator's cost; (ii) access to Hired Employees and their personnel files; (iii) access to the Facility and the equipment thereon; (iv) the last known names and addresses of former employees along with access to their personnel files; (v) access to any other documents and information necessary for the defense of any claim; and (vi) cooperation in re-opening or filing cost reports, including opening a filed cost report for the purpose of adjusting the filed cost reports in order accurately report Debtor Operator's "bad debt". Debtor Operator will pay any reasonable costs or damages incurred by New Operator in compliance with this Article.

I. **Self-Reporting.** In the event Debtor Operator becomes aware of any occurrence at the Facility that Debtor Operator would be required under applicable Laws to report to any Governmental Entity, Debtor Operator shall use commercially reasonable efforts to provide the appropriate New Operator with written notice of such occurrence within one (1) Business Day thereof but not later than the Operations Closing Date.

J. **Signage; Use of Name.** Within thirty (30) days following Operations Closing, New Operator will (i) remove all signage that in any way reference Debtor Operator or the names of the Facility prior to Operations Closing and (ii) claim the Facility's Google pages so that they are associated with New Operator.

K. **Debtor Operator Insurance.** Debtor Operator shall maintain through the Operations Closing Date, insurance coverages substantially similar to those in effect on the Agreement Date.

L. **Estimated Bed Tax Payment.** On or before May 20, 2025, (a) if the Estimated Bed Tax Payment turns out to be greater than the Unassessed Bed Taxes once the same have been liquidated and assessed (the "*Assessed Bed Taxes*"), New Operator shall pay to or credit Debtor Operator the amount that the Estimated Bed Tax Payment exceeds the Assessed Bed Taxes, and (b) if the Estimated Bed Tax Payment turns out to be less than the Assessed Bed Taxes, Debtor Operator shall pay to or credit New Operator the amount that the Assessed Bed Taxes exceed the Estimated Bed Tax Payment.

M. **Survival.** The provisions of this Article V will survive the Operations Closing.

ARTICLE VI **DEBTOR OPERATOR REPRESENTATIONS AND WARRANTIES**

As an inducement to New Operator to enter into this Agreement, Debtor Operator makes the following representations and warranties, which are true and correct as of the date hereof to the knowledge of the Debtor Operator and which shall be true and correct in all material respects as of the Operations Closing Date to the knowledge of Debtor Operator. No later than April 24, 2025, Debtor Operator shall furnish completed schedules with respect to any schedules provided hereunder but not furnished by Debtor

Operator and attached to this Agreement as of the Agreement Date. Any applicable updates to the schedules hereunder shall be promptly provided to New Operator; provided that no such updates to schedules attached hereto as of the Agreement Date shall be deemed to cure a breach of the representations or otherwise impact the rights of New Operator hereunder. Knowledge, as used with respect to Debtor Operator, shall mean the actual knowledge of the Debtor Operator's (i) limited liability company manager, (ii) management company, (iii) Synergy Healthcare Services and (iv) the licensed administrator currently responsible for operating the Facility after reasonable inquiry.

A. **No Notice of Non Compliance.** Other than matters set out on Schedule VI.A, Debtor Operator has not received written notice that, and Debtor Operator has no knowledge that any Governmental Entity or any employee or official thereof considers that the operation of the Facility currently fails to substantially comply with any Law. Debtor Operator has not received any written claim, requirement or demand of any licensing or certifying agency supervising or having authority over the Facility to rework or redesign the Facility so as to conform to or comply with any existing law, code or standard which has not been fully satisfied prior to the date hereof or which will not be satisfied prior to the Operations Closing Date.

B. **Due Authorization, Execution, Organization, Etc.**

1. This Agreement and all agreements, instruments and documents herein provided to be executed or to be caused to be executed by Debtor Operator are, or when executed by Debtor Operator on the Operations Closing Date will be, duly authorized, executed and delivered by Debtor Operator and are binding in accordance with its terms upon Debtor Operator, subject to the effect of bankruptcy, insolvency, reorganization, moratorium or other similar Laws of general application and of legal or equitable principles generally and covenants of fair dealing.

2. Debtor Operator is duly organized, validly existing and in good standing under the Laws of Florida and is duly qualified to do business in the state where the Facility is located. Subject to the Bankruptcy Court's authority, Debtor Operator has the power and authority to enter into this Agreement and all agreements, instruments and documents herein provided and to consummate the transactions contemplated thereby.

3. Except as required by the Bankruptcy Court, neither this Agreement nor any agreement, document or instrument executed or to be executed by Debtor Operator in connection with this Agreement, nor anything provided in or contemplated by this Agreement or any such other agreement, document or instrument, does now or will hereafter breach, invalidate, cancel, make inoperative, violate or interfere with, or result in the acceleration or maturity of, (i) any agreement, document, instrument, right or interest, affecting or relating to Debtor Operator or any Transferred Assets, (ii) any of the terms, conditions or provisions of any mortgage, indenture, note, license, agreement or other instrument or obligation related to Debtor Operator or to its abilities to consummate the transactions contemplated hereby or thereby, (iii) any Law applicable to Debtor Operator, or (iv) result in the creation of any claim upon the business of Debtor Operator or any Transferred Assets.

C. **Financial Statements.** Debtor Operator's unaudited profit and loss statements with respect to the operations of the Facility for the calendar years 2023 and 2024 (the "*Annual Financial Statements*") and for the year-to-date period through the month of July 2025 (the "*Interim Financial Statements*" and collectively with the Annual Financial Statements, the "*Financial Statements*") were compiled from Debtor Operator's books and records, consistent with Debtor Operator's past practice, and are accurate in all material respects. All of the Financial Statements have been prepared in accordance with generally accepted accounting principles ("*GAAP*") consistently applied per Debtor Operator's consolidated accounting practices and were prepared from the books and records of Debtor Operator. The Financial

Statements fairly present, in all material respects, the financial position of Debtor Operator as of the dates thereof and the results of its operations for the periods ended on the dates thereof. The Financial Statements have been provided to Debtor Operator.

D. **Litigation; Proceedings.** Other than as set forth on Schedule VI.D attached hereto, there are no material (i) litigation pending or, to Debtor Operator's knowledge, threatened against Debtor Operator or the Facility (whether or not Debtor Operator is a party or prospective party thereto); (ii) arbitrations proceeding or pending relating to Debtor Operator; (iii) outstanding orders, writs, judgments, injunctions or decrees served upon Debtor Operator by any court.

E. **No Proceedings.** There are no claims, actions, or proceedings pending against Debtor Operator that are reasonably likely to prevent or materially delay the consummation of the transactions contemplated herein. Debtor Operator has not been convicted of or pleaded guilty or no contest to any criminal offense related to the operation of the Facility.

F. **Right to the Property.** Except as disclosed on Schedule VI.F, no person or entity has any leasehold interest, license, or other right to occupy any part of the Facility by virtue of any oral or written agreement with Debtor Operator, other than residents of the Facility under Resident Agreements. Except as disclosed on Schedule VI.F, the Debtor Operator is the owner of all Transferred Assets and none of the Transferred Assets are leased by the Debtor Operator from a third-party.

G. **ERISA and Benefit Plans.** Except as set forth on Schedule VI.G, neither Debtor Operator nor any affiliate is or ever has been a party to, participates in, has participated in or has any liability or contingent liability with respect to any of the following: (i) any "employee welfare benefit plan" or "employee pension benefit plan" as those terms are respectively defined in Sections 3(1) and 3(2) of ERISA, (ii) any retirement or deferred compensation plan, incentive compensation plan, stock plan, unemployment compensation plan, vacation pay, severance pay, bonus or benefit arrangement, insurance or hospitalization program or any other fringe benefit arrangements for any current or former employee, director, consultant or agent, whether pursuant to contract, arrangement, custom or informal understanding, written or unwritten, which does not constitute an "employee benefit plan" (as defined in Section 3(3) of ERISA); or (iii) any fringe benefit plans, as that term is defined in Section 6039D(d) of the Code (collectively, the "***Employee Plans***"), and under no circumstances will New Operator have any liability with respect to any Employee Plan. Except as otherwise set forth on Schedule VI.G, neither Debtor Operator, nor any ERISA Affiliate, is or has been a participant in, or is or has been obligated to maintain or to make contributions to, a multiemployer plan (within the meaning of ERISA Section 3(37) and ERISA Section 4001(a)(3) or an Employee Plan which is subject to Title IV of ERISA. Neither Debtor Operator nor any ERISA Affiliate has incurred any withdrawal liability, nor do any of them have any liability for any potential withdrawal liability. Neither Debtor Operator nor any ERISA Affiliate has sponsored, contributed to or been obligated under Title I or IV of ERISA to contribute to a "defined benefit plan" (as defined in ERISA Section 3(35)) or a plan that was ever subject to Sections 412 or 430 of the Code, or Part 3 of Title I of ERISA, and under no circumstances will New Operator have any liability with respect to any Employee Plan maintained by Debtor Operator or any ERISA Affiliate, regardless of whether such Employee Plan relates to the Hired Employees. Except as set forth on Schedule VI.K, none of the Employee Plans promises or provides medical, life or other welfare benefits to any current or future retired employees, managers, members, directors or consultants (or any spouse or dependents thereof), except as required by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Debtor Operator has complied in all material respects with the notice and continuation coverage requirements of Section 4980B of the Code and the regulations thereunder with respect to each Employee Plan that is a group health plan within the meaning of Section 5000(b)(1) of the Code. Each Employee Plan that is a group health plan is in material compliance with the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act, to the extent applicable and Debtor Operator has complied with all its obligations thereunder, including all

reporting obligations, such that Debtor Operator is not and will not be subject to any assessable payments under Code Section 498H or other penalties under the Code or other applicable law.

H. **Labor**. Except for the Collective Bargaining Agreement with the United Food & Commercial Workers Union, Local 1625 (the “**Union**”), applicable from March 14, 2023 through June 30, 2026 to which Debtor Operator is a Party (the “**CBA**”), Debtor Operator is not a party to any collective bargaining agreement or other labor contract applicable to any employees at the Facility. There are no pending, or to Debtor Operator’s knowledge, threatened labor disputes at the Facility including, but not limited to, any strike, slowdown, picketing, work stoppage, organizational activities or employee grievance process affecting the Facility. Debtor Operator has complied in all material respects with all applicable Laws governing wage, hour, payroll and all other employment and labor matters. To Debtor Operator’s knowledge, no activity of any employee at the Facility as or while an employee of the Facility has caused a violation of any employment contract, confidentiality agreement, patent disclosure agreement or other contract to which such employee was a party. Except as disclosed on Schedule VI.H, Debtor Operator has complied with the terms of the CBA and no condition exists that would cause Debtor Operator or, upon the Operations Closing, New Operator, to incur a liability thereunder.

I. **Liens**. All contractors, subcontractors and other persons engaged by Debtor Operator to furnish work, labor, materials or supplies for the development and construction of the Facility and/or Purchased Assets or Personal Property have been paid, or prior to the Operations Closing shall be paid, whether the work is in progress or completed, for all work performed, material, supplies and the like up to and including the Operations Closing Date, and, to Debtor Operator’s knowledge, there are no claims against Debtor Operator, the Facility, or any of the Purchased Assets or Personal Property in connection therewith which may give rise to a mechanic’s lien against the Facility, the Purchased Assets or any portion thereof.

J. **Environmental**. Except for medical waste generated and disposed of in the ordinary course of business and in compliance with applicable Laws, Debtor Operator has not generated, stored or disposed of any Hazardous Materials on the real property on which the Facility is located (the “**Property**”), and, to Debtor Operator’s knowledge, there are not currently any Hazardous Materials on the Properties. Debtor Operator has not violated any Environmental Laws, in any material manner, in connection with the use, lease, maintenance or operation of the Facility and the Properties. Any and all environmental permits, licenses or approvals required by any applicable Law pertaining to the Facility are attached hereto as Schedule VI.J.

K. **Health Care Representations**.

a. Except as set forth in Schedule VI.K or as otherwise disclosed, Debtor Operator owns and/or possesses, and holds free from restrictions or conflicts with the rights of others, all material Permits required by a Governmental Entity for the operation of the Facility as a skilled nursing facility. All Permits required for the operation of the Facility are set forth on Schedule VI.K. No proceeding is pending or, to Debtor Operator’s knowledge after reasonable inquiry, threatened, seeking the revocation or limitation of any such Permit. Except as set forth on Schedule VI.K, Debtor Operator has not received any notice from any Governmental Entity, accrediting body, or other applicable authority of, and is not aware of any material circumstance or condition that is or would result in, (a) any violation, non-renewal, suspension or revocation of any such Permit that has not been dismissed or cured, or (b) any failure by Debtor Operator to obtain any Permit required by any applicable Law for the ownership, maintenance, use, occupancy or operation of the Facility as currently owned or operated.

b. Facility is licensed by the applicable Governmental Entity as a skilled nursing facility with the number and type of units and beds set forth on Schedule VI.K attached to this Agreement.

Such Permit is unrestricted, unconditional, in good standing and in full force and effect and subject to no waivers or limitations.

c. Except as disclosed on Schedule VI.K, there are no outstanding inspections, surveys, or plans of correction. There are no implemented bans, remedies, sanctions, prohibitions on payment, or limitations in effect with respect to the Facility, and no action has been taken or recommended, nor, to Debtor Operator's knowledge after reasonable inquiry, is there any basis for any action, by any Governmental Entity, either to revoke, withdraw or suspend its license to operate the Facility or to terminate or decertify any participation of the Facility in the Medicare or Medicaid programs.

d. Debtor Operator has furnished New Operator with all Surveys, inspection reports, waivers of deficiencies, plans of correction, Statements, and any similar investigation or examination reports relating to any inspections, investigations or examinations by any Governmental Entity having jurisdiction over the Facility during the eighteen (18) month period preceding the Agreement Date (collectively, the "**Facility Surveys**"), and the Facility Surveys do not contain any citations, deficiencies or violations of any applicable Laws, including, without limitation, the Facility Surveys with a citation of a "G" or more severe finding, that, except as disclosed on Schedule VI.K, have not been determined by the applicable Governmental Entity to have been brought back into substantial compliance.

e. Except as disclosed on Schedule VI.K, the Facility has not: (i) been designated as a facility subject to the Special Focus Facility, Low-Rated Facility, or any successor or similar program (collectively, "**SFF**") as defined by CMS or any other applicable Governmental Entity or, to Debtor Operator's knowledge after reasonable inquiry, been placed on any "watch list" or other list for consideration for a SFF program within the six (6) year period immediately preceding the Agreement Date, (ii) been subject to enhanced penalties by the OIG or otherwise, (iii) been cited for any material deficiency that has not been cured that would result in a denial of payment for new admissions, civil monetary penalties, termination, final revocation or cancellation of any license, or termination or other restriction of a provider agreement within the six (6) year period immediately preceding the Agreement Date.

f. Neither Debtor Operator nor any current member, officer, director, employee, manager, or consultant of Debtor Operator, including, without limitation, a Facility administrator, has been (i) sanctioned pursuant to the Anti-Kickback Statute (42 U.S.C. §§1320a-7a or 1320a-8), the False Claims Act (31 U.S.C. §3729 et seq.), the Stark Law (42 U.S.C. §1395nn), or the regulations promulgated pursuant to such statutes, or any related or similar federal, state or local statutes or regulations governing referrals, fraud, waste, and abuse in the healthcare industry ("**Health Care Fraud and Abuse Laws**"); or (ii) convicted of a criminal offense under the Health Care Fraud and Abuse Laws. There are no pending or threatened Healthcare Fraud and Abuse Law investigations, proceedings, or actions (including any civil investigative demand, subpoena, or self-disclosure) involving Debtor Operator, any current member, officer, director, employee, administrator, manager, or consultant of Debtor Operator, or the Facility. Other than as set forth on Schedule VI.O, Debtor Operator has not received, within the last six (6) years, any notice (i) of the commencement of any proceeding under the Health Care Fraud and Abuse Laws or (ii) that the Facility, Debtor Operator, and/or any officer, director or employee of Debtor Operator including, without limitation, the Facility administrator, is under investigation or involved in proceedings regarding the Health Care Fraud and Abuse Laws, including as a result of a self-disclosure. Debtor Operator, and all agreements, arrangements, and operations of the Facility, have been in material and substantial compliance with all of the Health Care Fraud and Abuse Laws for the six (6) year period immediately preceding the Agreement Date.

g. The Facility is certified for participation in the Medicare and Medicaid programs and Debtor Operator has a provider agreement with each such government reimbursement program (collectively, the "**Provider Agreements**"). The Facility is in material compliance with the conditions of

participation and conditions for coverage of the government reimbursement programs and with the terms, conditions, and provisions of the Provider Agreements. The Provider Agreements are each in full force and effect, and Debtor Operator does not have any knowledge, after reasonable inquiry, of any fact or circumstance that would cause any such Provider Agreement not to remain in force or be renewed on and after Operations Closing. Attached hereto on Schedule VI.K is a true, correct, and complete list of all Medicaid and Medicare provider numbers (the “*Provider Numbers*”) in the name of Debtor Operator or the Facility. The Provider Numbers are active, in good standing and available for full use with CMS, the applicable Governmental Entity of the state where the Facility is located, and any other applicable Governmental Entity. There is no proceeding, audit, investigation or survey pending or, to Debtor Operator’s knowledge after reasonable inquiry, threatened, involving any of the government reimbursement program or any other third-party payor programs, with respect to the Facility, and Debtor Operator has no reason to believe that any such proceedings, audits, investigations, or surveys are pending, threatened, or imminent. The cost reports for the Facility for the last six (6) years prior to the Agreement Date have been prepared and filed in material compliance with all applicable Laws.

h. Debtor Operator: (i) is, and at all times for the past six (6) years has been, in compliance in all material respects with the applicable privacy, security, transaction standards, breach notification, and other provisions and requirements of HIPAA and any similar state Law; (ii) has established and implemented such policies, programs, procedures, contracts, safeguards, and systems as are reasonably necessary to comply, in all material respects, with HIPAA; and (iii) has any Breach occurred with respect to any unsecured Protected Health Information maintained by or for the Seller that is subject to the notification requirements of 45 C.F.R. Part 164, Subpart D nor has any information security or privacy breach event occurred within or affecting the Seller that would require notification under any similar or comparable state Law. For the purposes of this Section 3.20(h), “Breach” has the meaning set forth in 45 C.F.R. § 164.402, and “Protected Health Information” means individually identifiable health information transmitted by electronic media, maintained in electronic media, or transmitted or maintained in any other form or medium as defined in 45 C.F.R. § 160.10.

i. Schedule VI.K sets forth: (i) the number and type of Facility beds duly licensed by the applicable Governmental Entity; (ii) the number of beds actually located, and currently operational, at the Facility (iii) the number of Facility beds duly licensed or otherwise certified as required to bill Medicaid; and (iv) the number of Facility beds duly licensed or otherwise certified as required to bill Medicare.

j. Debtor Operator has furnished to New Operator a resident census report for the twelve (12) month period prior to the Agreement Date, which is accurate and complete in all material respects.

k. Except as set forth on Schedule VI.K, neither Debtor Operator nor any current director, officer, employee, manager, or consultant of Debtor Operator, including, without limitation, the Facility administrator, is or has been party to a corporate integrity agreement, corporate compliance agreement, or other settlement agreement with the OIG, CMS, the United States Department of Justice, any state Department of Health (or similar Governmental Entity), any state Department of Medicaid (or similar Governmental Entity), or any state Attorney General, as a result of an alleged violation of any applicable law (and the Facility is not in any way subject to or liable with respect to any such corporate integrity agreement, corporate compliance agreement, or other settlement agreement). Neither Debtor Operator nor any current director, officer, employee, manager, or consultant of Debtor Operator, including, without limitation, a Facility administrator, nor, to Debtor Operator’s knowledge after reasonable inquiry, any contractor or vendor of Debtor Operator, is listed on the OIG List of Excluded Individuals and entities, any state Medicaid exclusion list, or has been suspended, excluded, or otherwise limited from participating in the Medicare program or any other government reimbursement program nor do any grounds exist for any such placement, exclusion, or suspension.

I. All billing practices of Debtor Operator with respect to all third-party payors have been in material compliance with all applicable laws and the policies of such third-party payors for the six (6) year period immediately preceding the Agreement Date. Neither Debtor Operator nor the Facility has been subject to any audit by any third-party payor relating to false or fraudulent billing procedures or practices within the prior six (6) years, or (ii) has received notice of an alleged or actual breach of any commercial or other third-party payor agreement, or any notice of termination, suspension, or other limitation of any commercial or other third-party payor agreement within the prior six (6) years.

L. **Absence of Change.** Since the date of the Interim Financial Statement, except as contemplated by this Agreement or as set forth on Schedule VI.L, (a) the operation of the Facility has been conducted in all material respects in the ordinary course consistent with past practice, (b) nothing has occurred which would constitute a material adverse effect, (c) all material obligations under the Assumed Provider Agreements have been performed, (d) the Facility has been marketed and census has been maintained consistent with past practice, (e) no transaction or contractual obligation that would materially adversely impact Debtor Operator's abilities to perform their obligations under this Agreement has been entered into, (f) there has been no change in the condition (financial or otherwise), results of operations, business, prospects, assets or Liabilities of the Debtor Operator or with respect to the manner in which the Debtor Operator conducts its business or operations which has or is reasonably likely to have individually or in the aggregate, a material adverse effect, and (g) no employees or residents of the Facility have been transferred to any business or facility owned or controlled by an affiliate of Debtor Operator, unless required to comply with applicable legal requirements or patient choice.

M. **Facility.**

a. **Condition of the Facility.** There exists no defective condition, structural or otherwise, with respect to the Facility that would reasonably be considered to interfere with Debtor Operator's ability to operate the Facility as a skilled nursing facility. Debtor Operator has not received any written notice from any insurance company which has issued a policy with respect to the Facility or from any board of fire underwriters (or other body exercising similar functions) and any Governmental Entity or any other third party claiming any defects or deficiencies in the Facility or suggesting or requesting the performance of any repairs, alterations or other work to the Facility.

b. **Sprinklers; Life Safety Code.** There is a sprinkler system at the Facility that is in full operational compliance with all applicable requirements. The Facility is in compliance with all Life Safety Code and similar requirements related to the structural characteristics of the Facility.

N. **No Implied Representations or Warranties; Disclaimers.** EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT, DEBTOR OPERATOR ENTERS INTO THIS AGREEMENT WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY AND DEBTOR OPERATOR IS CONVEYING THE TRANSFERRED ASSETS AS IS, WHERE IS, AND WITH ALL FAULTS, AND WITHOUT REPRESENTATION OR WARRANTY (ALL OF WHICH DEBTOR OPERATOR HEREBY DISCLAIM) AS TO FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY, DESIGN, QUALITY, LAYOUT, PHYSICAL CONDITION, OPERATION, COMPLIANCE WITH SPECIFICATIONS, ABSENCE OF LATENT DEFECTS, OR COMPLIANCE WITH LAWS AND REGULATIONS (INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO HEALTH, SAFETY AND THE ENVIRONMENT) OR ANY OTHER MATTER AFFECTING OR RELATING TO THE CONDITION OF THE TRANSFERRED ASSETS. NEW OPERATOR HEREBY FURTHER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS SPECIFICALLY SET FORTH HEREIN, NEW OPERATOR IS RELYING SOLELY UPON THE INSPECTION, EXAMINATION, AND

EVALUATION OF THE TRANSFERRED ASSETS BY NEW OPERATOR, AND NEW OPERATOR WILL HAVE NO RIGHT TO BE INDEMNIFIED BY OR OTHERWISE BRING ANY ACTION AGAINST DEBTOR OPERATOR WITH RESPECT TO ANY MATTER AFFECTING OR RELATING TO THE CONDITION OF THE TRANSFERRED ASSETS, OR ANY PORTION THEREOF. THE PROVISIONS OF THIS ARTICLE VI WILL SURVIVE THE CLOSING. FURTHER, NEW OPERATOR SHALL HAVE NO CLAIM FOR BREACH OF ANY REPRESENTATION OR WARRANTY UNDER THIS AGREEMENT TO THE EXTENT DEBTOR OPERATOR DELIVERED WRITTEN NOTICE OF THE FACTS UNDERLYING THE ALLEGED BREACH PRIOR TO THE OPERATIONS CLOSING DATE. NEW OPERATOR ACKNOWLEDGES IT HAS HAD FREE ACCESS TO THE FACILITY PRIOR TO THE AGREEMENT DATE AND HAS INTERVIEWED THE FACILITY'S LICENSED ADMINISTRATOR FREE FROM INTERFERENCE BY DEBTOR OPERATOR. THE PROVISIONS OF THIS ARTICLE VI SHALL SURVIVE THE OPERATIONS CLOSING.

Article VII
NEW OPERATOR REPRESENTATIONS AND WARRANTIES

A. Due Authorization, Execution, Organization, Etc.

1. This Agreement and all agreements, instruments and documents herein provided to be executed or to be caused to be executed by New Operator is, or when executed by New Operator on the Operations Closing Date will be, duly authorized, executed and delivered by New Operator and are binding in accordance with their terms upon New Operator, subject to the effect of bankruptcy, insolvency, reorganization, moratorium or other similar Laws of general application and of legal or equitable principles generally and covenants of fair dealing.

2. New Operator is duly organized, validly existing and in good standing under the Laws of the State of Florida and is duly qualified to do business in the state where the Facility is located. New Operator has the power and authority to enter into this Agreement and all agreements, instruments and documents herein provided and to consummate the transactions contemplated thereby.

3. Neither this Agreement nor any agreement, document or instrument executed or to be executed by New Operator in connection with this Agreement, nor anything provided in or contemplated by this Agreement or any such other agreement, document or instrument, does now or will hereafter breach, invalidate, cancel, make inoperative or interfere with, or result in the acceleration or maturity of, any agreement, document, instrument, right or interest, affecting or relating to New Operator or the Transferred Assets.

B. No Proceedings. There are no claims, actions, proceedings pending, or to the knowledge of New Operator, threatened against New Operator that are reasonably likely to prevent or materially delay the consummation of the transactions contemplated herein.

C. No Criminal Offense. New Operator has not been convicted of or pleaded guilty or no contest to any criminal offense.

D. False Claims. No director or officer of New Operator or any employee of New Operator, acting alone or together, has directly or indirectly within the last three (3) years: (a) given or taken any remuneration, rebates, payments, commissions, or promotional allowances to any customer, supplier, physician, or governmental employee with whom New Operator has done business; or (b) knowingly and

willfully made any false statement of material fact in any application for any benefit or payment.

ARTICLE VIII
INDEMNIFICATION AND SURVIVAL

A. **Indemnification by New Operator.** New Operator will hold harmless and indemnify Debtor Operator from and against any Loss that results from any material breach of any representations, warranties, covenants, or agreements of New Operator contained in this Agreement or in any document executed in connection with this Agreement.

B. **Limitation on Indemnification.**

1. Any claim for indemnity pursuant to Article VIII.A of this Agreement must be made in writing by the party to be indemnified (the “*Indemnitee*”) to the applicable other party (the “*Indemnitor*”).

2. Notwithstanding anything in this Article VIII to the contrary, no Indemnitor will be required to indemnify any Indemnitee pursuant to Article VIII.A of this Agreement with respect to any Recapture Claim.

3. Notwithstanding anything in this Article VIII to the contrary, no Indemnitor will be required to indemnify any Indemnitee pursuant to Article VIII.A of this Agreement with respect to any individual claim of liability or damage unless the aggregate amount of all such claims for the Facility exceeds Twenty-Five Thousand Dollars (\$25,000) (“*Indemnity Threshold*”) and then shall be entitled to indemnification for all amounts, including the Indemnity Threshold. However, the indemnification obligations of New Operator under this Agreement, as Indemnitor, will not exceed an amount equal to \$100,000 (the “*Cap*”). For purposes of this Article VIII, in computing the individual or aggregate amount of claims, the amount of each claim will be deemed to be an amount net of any insurance proceeds and any indemnity, contribution or other similar payments actually paid by a third party to the Indemnitee with respect thereto. Notwithstanding anything to the contrary contained herein, neither the Indemnity Threshold nor the Cap shall apply to an Indemnitor’s obligations with respect to claims based upon fraud or intentional misconduct by such Indemnitor.

4. Notwithstanding anything to the contrary set forth herein, claims for indemnification pursuant to Article VIII.A of this Agreement must be made before the two-year anniversary of the Operations Closing Date; provided that such time limit shall not apply to an Indemnitor’s obligations with respect to claims based upon fraud or intentional misconduct by such Indemnitor.

C. **Defense of Claims.** In the event any indemnity obligation of New Operator arises hereunder because of a claim of a Loss by a third party, the applicable Indemnitee will promptly provide written notice to the applicable Indemnitor. Such notice shall be given in sufficient time to allow the applicable Indemnitor to defend such claim, but the failure to give such notice in sufficient time shall not constitute a defense hereunder nor in any way impair the obligations of the Indemnitor under this Article except solely to the extent that such failure to so notify such Indemnitor results in the forfeiture by the Indemnitor of rights and defenses otherwise available to the Indemnitor. At the option of the Indemnitee, the Indemnitor may defend such third party claims at its sole cost and expense, or Indemnitee may defend such third party claims on its own and Indemnitor will reimburse Indemnitee all costs and expenses related to such defense. The Indemnitee will cooperate with the Indemnitor in all reasonable respects in the defense of such third party claims.

D. **Sole Remedy.** Except as expressly set forth herein, the indemnities provided for in this

Article VIII will be the sole and exclusive remedy of the Debtor Operator.

E. **Payments.** Once the amount of a Loss is agreed to by the Indemnitor or finally adjudicated to be payable pursuant to this Article VIII, the Indemnitor shall satisfy its obligations within fifteen (15) Business Days of such final, non-appealable adjudication by wire transfer of immediately available funds.

F. **Reserved.**

G. **Survival.** The provisions of this Article VIII will survive the Operations Closing.

Article IX

TERMINATION, EFFECT OF TERMINATION, AND DISPUTES

A. **Termination.**

1. This Agreement may be terminated prior to the Operations Closing Date with respect to the Facility as follows:

- (a) By any Party if (i) mutually agreed by Debtor Operator and New Operator; and (ii) any Governmental Entity or court with jurisdiction over such matters will have issued a restraining order or otherwise prohibiting the sale of the Transferred Assets hereunder, *provided* that such was not caused by one of the Parties seeking to terminate this Agreement.
- (b) By New Operator in the event of a material breach by Debtor Operator of any representation, warranty, or covenant contained herein that has not been cured within the earlier to occur of (i) ten days of receipt of written notice thereof or (ii) the Operations Closing Date.
- (c) By Debtor Operator in the event of a material breach by New Operator of any representation, warranty, or covenant contained herein that has not been cured within the earlier to occur of (i) ten days of receipt of written notice thereof or (ii) the Operations Closing Date.
- (d) [RESERVED]
- (e) [RESERVED]
- (f) Automatically, if the Debtor Operator enters into any agreement, regardless of whether such agreement is approved by the Bankruptcy Court, to transfer the operations of the Facility or any of the Transferred Assets to any party other than the New Operator.
- (g) Automatically, if the Debtor Operator transfers the operations of the Facility or any of the Transferred Assets to any party other than the New Operator.
- (h) [RESERVED]
- (i) By any Party if the Operations Closing has not occurred on or before May 1, 2025; *provided, however*, that the right to terminate this Agreement pursuant to this provision will not be available to New Operator if its breach of any

provision of this Agreement results in the failure of the Operations Closing to be consummated by such time.

B. **Effect of Termination: Right to Proceed: Waiver.** In the event of termination of this Agreement with respect to the Facility for any reason, this Agreement will terminate without further liability on the part of any party.

C. **Disputes.** The Bankruptcy Court shall retain jurisdiction to adjudicate any disputes that arise under this Agreement.

Article X **GENERAL PROVISIONS**

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

B. **Notices.** All notices to be given by any Party to this Agreement to the other Parties hereto will be in writing, and will be (a) given in person, (b) deposited in the United States mail, certified or registered, post-age prepaid, return receipt requested, (c) sent by national overnight courier service, each addressed as follows or (d) sent by -mail (followed by delivery by one of the other means identified in (a)-(c)):

To Debtor Operator: 1040 Crown Pointe Parkway, Suite 600
Atlanta, GA 30338
Attn: Legal Dept.
Email: legalnotices@synergyhcs.com

To New Operator: 338 Whitesville Road
Jackson, NJ 08527
Attn: Nathan Freund
Email: NFreund@Aspirehealthgrp.com

With a copy to: Gitelis LLP
Attn: Dov Grinblatt
534 Willow Ave. Ste. 213
Cedarhurst, NY 11516
Email: dov@gitelisllp.com

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

C. **Entire Agreement: Amendment: Waiver.** This Agreement, together with the other agreements referred to herein, and the Recitals, Exhibits, and Schedules hereto, each of which are incorporated herein, along with any orders related to this Agreement now or hereafter issued by the

Bankruptcy Court, constitute the entire understanding between the Parties with respect to the subject matter hereof, superseding all negotiations, prior discussions and preliminary agreements. This Agreement may not be modified or amended except in writing signed by the Parties hereto. No waiver of any term, provision or condition of this Agreement in any one or more instances, will be deemed to be or be construed as a further or continuing waiver of any such term, provision or condition of this Agreement. No failure to act will be construed as a waiver of any term, provision, condition or rights granted hereunder.

D. **Assignment.** Neither this Agreement nor the rights, duties or obligations arising hereunder will be assignable or delegable by any Party hereto, provided however, New Operator may, without consent of Debtor Operator, assign this Agreement and the rights, duties or obligations arising hereunder to any affiliated entity; further provided, that if the Agency has not approved New Operator's CHOW within six (6) months of the Operations Closing, the landlord under the New Lease as of the Operations Closing Date (or its successor) ("**PropCo**") may cause New Operator to assign all of New Operator's rights, duties, and obligations under this Agreement to a substitute operating entity at its option and without the consent or approval of Debtor Operator or New Operator, provided that PropCo and its designated substitute operating entity shall indemnify Debtor Operator from any costs or loss from such assignment. PropCo is an intended third-party beneficiary to this Agreement solely for purposes of enforcing this paragraph.

E. **Joint Venture: Third Party Beneficiaries.** Nothing contained herein will be construed as forming a joint venture or partnership between the Parties hereto with respect to the subject matter hereof. The Parties hereto do not intend that any third party will have any rights under this Agreement.

F. **Press Releases and Public Announcements.** Neither Party shall issue or cause the publication of any press release or other public announcement or announcement to employees or residents with respect to this Agreement or the transactions contemplated hereby, except as required by the Bankruptcy Court, without the prior written consent of the other Parties hereto.

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

H. **Counterparts.** This Agreement may be executed in one or more counterparts and all such counterparts taken together will constitute a single original Agreement. Signatures exchanged electronically will be deemed original signatures.

I. **Specific Performance.** Debtor Operator hereby acknowledges that the rights of New Operator to consummate the transactions contemplated hereby are special, unique and of extraordinary character and that, in the event that Debtor Operator violates, fails, or refuses to perform any covenant or agreement made by Debtor Operator, money damages may be inadequate and the New Operator may have no adequate remedy at law. Accordingly, Debtor Operator agrees that New Operator shall have the right, in addition to any other rights and remedies existing in its favor, to seek to enforce its rights and Debtor Operator's obligations by an action or actions for equitable relief, including injunction and specific performance. If any such action is brought by New Operator to enforce this Agreement, Debtor Operator hereby waives the requirement for the posting of any bond or similar security by New Operator. The Parties agree that, except in the case of fraud, no Party shall be entitled to seek money damages other than pursuant to Article V, Article VIII or as otherwise expressly set forth elsewhere in this Agreement.

J. **Governing Law.** THIS AGREEMENT SHALL BE GOVERNED AND CONTROLLED BY THE INTERNAL LAWS OF THE STATE OF GEORGIA AS TO INTERPRETATION, ENFORCEMENT, VALIDITY, CONSTRUCTION, EFFECT, AND IN ALL OTHER RESPECTS BUT EXCLUSIVE OF ITS CONFLICTS OF LAWS PROVISIONS.

[Signatures follow.]

IN WITNESS WHEREOF, the Parties hereby execute this Agreement as of the Agreement Date.

NEW OPERATOR:

11565 Harts Road Opco LLC

By: _____

Name: Nathan Freund

Title: Authorized Signatory

[Signatures continue on the following page.]

[Signature Page to Operations Transfer Agreement]

DEBTOR OPERATOR:

11565 Harts Road Operations, LLC

By: _____

Name: Tiffany Hoback

Title: Authorized Signatory

[Signature Page to Operations Transfer Agreement]

Schedules to

Operations Transfer Agreement

[To be prepared by Debtor Operator.]

EXHIBIT "A"

ASSIGNMENT AND ASSUMPTION AND BILL OF SALE

This Assignment and Assumption and Bill of Sale is entered into as of [_____] in connection with that certain Operations Transfer Agreement, by and between 11565 Harts Road Operations, LLC, a Florida limited liability company ("**Debtor Operator**"), and 11565 Harts Road Opco LLC, a Florida limited liability company ("**New Operator**") dated [_____], 2025 ("**Agreement**"), pursuant to the Agreement and Approval Order (as defined in the Agreement), in which Debtor Operator has agreed to assign, convey, and transfer to New Operator the Transferred Assets (as defined in the Agreement) relating to that certain skilled nursing facility known as Harts Harbor Health Care Center and located at 11565 Harts Road, Jacksonville, FL 32218 (the "**Facility**"). Capitalized terms not otherwise defined will have the meaning set forth in the Agreement.

NOW, THEREFORE, for good and valuable consideration, subject to the terms and conditions of the Agreement and the Approval Order, Debtor Operator does hereby ASSIGN, TRANSFER, SET OVER, CONVEY AND DELIVER the Transferred Assets to New Operator as of the date first written above, including, without limitation, the following:

1. The Personal Property. All of Debtor Operator's right, title and interest in and to the Personal Property, and any other property acquired by Debtor Operator under the Plan on and as of the Operations Closing Date, including all drawings, operating manuals, specifications, and assignable warranties, indemnities, bonds and guaranties issued in connection with the Personal Property and all other intangible rights owned or held by Debtor Operator thereto.
2. Assumed Contracts. All of Debtor Operator's right, title and interest in and to the Assumed Contracts on the terms provided in the Approval Order, which Assumed Contracts are hereby assumed by New Operator on the terms provided in the Approval Order.
3. Records. Employee records of Hired Employees and the Patient Records.
4. Telephone Number. The telephone and facsimile numbers of the Facility.
5. Permits. To the extent transferable under applicable Laws and approved by the appropriate Governmental Entities, all Permits necessary for the operation of the Facility.
6. Resident Trust Funds. All of Debtor Operator's rights and access to Resident Trust Funds in accordance with Article V.A of the Agreement.
7. Intangible Property. All of Debtor Operator's right, title and interest in and to the Intangible Property.
8. Vehicle. All of Debtor Operator's right, title and interest in and to that certain 2007 Ford E-250 EXT Cargo, VIN Number 1FTNS24W57DA78111.

In transferring the Transferred Assets, it is the intent of the parties to effect the transfer of operations from Debtor Operator to New Operator. Debtor Operator makes no representations or warranties whatsoever, express, implied, or arising by operation of law, with respect to the Transferred Assets, the Personal Property or the condition of the Transferred Assets or the Personal Property except as set forth in the Agreement. Pursuant to the Agreement and Approval Order, the transfer of the Transferred Assets is free and clear of all then existing or thereafter arising Claims and Encumbrances.

This Assignment and Assumption and Bill of Sale is not intended to, and does not, in any manner enhance, diminish or otherwise amend or modify the rights and obligations of any of the parties under the Agreement. To the extent any conflict or inconsistency exists between this Bill of Sale and the Agreement, the provisions of the Agreement and Approval Order shall govern and control in all respects.

[Signatures appear on the next page.]

EXECUTED on [--], 2025.

DEBTOR OPERATOR:

11565 Harts Road Operations LLC

By: _____

Name: Tiffany Hoback

Title: Authorized Signatory

[Signatures continue on the following page.]

NEW OPERATOR:

11565 Harts Road Opco LLC

By: _____
Name: Nathan Freund
Title: Authorized Signatory

EXHIBIT "B"

NEW OPERATOR'S CLOSING CERTIFICATE

THIS CLOSING CERTIFICATE is made as of the ___ day of _____, 2025, by 11565 Harts Road Opco LLC, a Florida limited liability company ("**New Operator**") to 11565 Harts Road Operations, LLC, a Florida limited liability company] ("**Debtor Operator**").

RECITALS

A. Debtor Operator and New Operator are parties to that certain Operations Transfer Agreement (the "**Agreement**"), dated as of [_____], 2025, pursuant to which and subject to the terms and conditions therein set forth, Debtor Operator agrees to sell the Transferred Assets and transfer the operations of the Facility to New Operator as defined therein. Capitalized terms not otherwise defined will have the meaning set forth in the Agreement.

B. Article IV.B. of the Agreement requires the delivery of this Closing Certificate.

NOW THEREFORE, New Operator does hereby represent and warrant to Debtor Operator that each and all of the representations and warranties of New Operator contained in the Agreement are true and correct in all material respects, disregarding all qualifications and exceptions contained therein relating to materiality or Material Adverse Effect, as of the date hereof as if made on and as of the date hereof.

New Operator's liability under this Closing Certificate is subject to the limitations on liability set forth in Article VIII.D. of the Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Closing Certificate as of the day and year first written.

11565 Harts Road Opco LLC

By: _____
Name: Nathan Freund
Title: Authorized Signatory

EXHIBIT "C"

DEBTOR OPERATOR'S CLOSING CERTIFICATE

THIS CLOSING CERTIFICATE is made as of the _____ day of _____, 2025, by 11565 Harts Road Operations, LLC, a Florida limited liability company ("**Debtor Operator**"), to 11565 Harts Road Opco LLC, a Florida limited liability company ("**New Operator**").

RECITALS

A. Debtor Operator and New Operator are parties to that certain Operations Transfer Agreement (the "**Agreement**"), dated as of [_____], 2025, pursuant to which and subject to the terms and conditions therein set forth, Debtor Operator agrees to sell the Transferred Assets and transfer the operations of the Facility to New Operator as defined therein. Capitalized terms not otherwise defined will have the meaning set forth in the Agreement.

B. Article IV.B. of the Agreement requires the delivery of this Closing Certificate.

NOW THEREFORE, Debtor Operator does hereby represent and warrant to New Operator that each and all of the representations and warranties of Debtor Operator contained in the Agreement are true and correct in all material respects, disregarding all qualifications and exceptions contained therein relating to materiality or Material Adverse Effect, as of the date hereof as if made on and as of the date hereof.

Debtor Operator's liability under this Closing Certificate is subject to the limitations on liability set forth in Article VIII.D. of the Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Closing Certificate as of the day and year first written.

DEBTOR OPERATOR:

11565 Harts Road Operations LLC

By: _____

Name: Tiffany Hoback

Title: Authorized Signatory

EXHIBIT B

Contract Assumption Notice

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. [__]

NOTICE OF POTENTIAL ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS IN CONNECTION WITH DEBTORS' TRANSFER OF OPERATIONS OF THE HARTS HARBOR HEALTH CARE CENTER

PLEASE TAKE NOTICE that, on April 8, 2025, LaVie Care Centers, LLC and certain of their affiliates and subsidiaries, as debtors and debtors-in-possession in the above-captioned chapter 11 cases (collectively, the “Debtors”) filed the *Debtors’ Motion for Entry of Order (I) Authorizing Transfer of Operations and Related Assets of Harts Harbor Health Care Center Free and Clear of All Liens, Claims, Encumbrances, and Interests, (II) Authorizing Assumption and Assignment of Executory Contracts; (III) Authorizing Rejection of the Harts Harbor Lease and Related Subleases; (IV) Approving Form of Operations Transfer Agreement; and (V) Granting Related Relief* [Docket No. [__]] (the “Motion”).²

PLEASE TAKE FURTHER NOTICE that, pursuant to the Motion, the Debtors seek to transfer substantially all of the assets (the “Transferred Assets”) of 11565 Harts Road Operations, LLC d/b/a Harts Harbor Health Care Cener (the “Debtor Operator”) to New Operator, free and clear of all liens, claims, encumbrances, and other interests, and without successor liability of any kind, to the fullest extent permitted under 11 U.S.C. § 363(f) and other applicable law.

PLEASE TAKE FURTHER NOTICE that, as set forth in the Motion, the Debtors seek authority to, among other things, assume and assign certain executory contracts and unexpired leases (collectively, the “Executory Contracts”) under Bankruptcy Code section 365(a). Attached hereto as **Schedule 1** is a list of the Executory Contracts that the Debtors may assume and assign to New Operator, along with (a) the name of each non-Debtor counterparty to such Executory Contract (the “Counterparty”); and (b) the proposed amount necessary, if any, to cure all monetary

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, which are being jointly administered for procedural purposes only. 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’ claims and noticing agent at <https://www.veritaglobal.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 but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

defaults, if any, under such Executory Contract pursuant to Bankruptcy Code section 365(b) (the “Cure Cost”).

YOU ARE RECEIVING THIS NOTICE BECAUSE YOU ARE IDENTIFIED AS A COUNTERPARTY TO ONE OR MORE OF THE EXECUTORY CONTRACTS THAT MAY BE ASSUMED AND ASSIGNED AS PART OF THE SALE AND TRANSFER OF THE TRANSFERRED ASSETS TO NEW OPERATOR. *If you agree with the Cure Costs and do not otherwise object to the assumption and assignment of your Executory Contract listed on Schedule 1, you do not need to take any further action.*

PLEASE TAKE FURTHER NOTICE that any Counterparty that objects to the Motion, the Transactions, or to the assumption and assignment of an Executory Contract on **Schedule 1** for any reason, including, without limitation, lack of adequate assurance of future performance or the validity of the Cure Cost, or otherwise asserts that any other amounts, defaults, conditions or pecuniary losses must be cured or satisfied under any of the Executory Contracts in order to be assigned to New Operator or other successful purchaser, must file an objection (a “Contract Objection”), which must: (a) be in writing; (b) state with specificity the basis for the objection to the Motion or the Transactions, including any Cure Cost that such Counterparty asserts to be due and each and every asserted default in the applicable Executory Contract (in all cases with appropriate documentation in support thereof); (c) comply with the Federal Rules of Bankruptcy Procedure and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Northern District of Georgia; and (d) be filed and served on the following parties by no later than **4:00 p.m. (prevailing Eastern Time) on April 18, 2025** (the “Contract Objection Deadline”): (i) the Debtors, LaVie Care Centers, LLC, c/o Ankura Consulting Group, LLC, 485 Lexington Avenue, 10th Floor, New York, NY 10017 (Attn: M. Benjamin Jones) (ben.jones@ankura.com); (ii) counsel to the Debtors, McDermott Will & Emery LLP, 1180 Peachtree St. NE, Suite 3350, Atlanta, GA 30309, Attn: Daniel M. Simon (dsimon@mwe.com) and 444 W. Lake Street, Suite 4000, Chicago, IL 60606, Attn: Emily C. Keil (ekeil@mwe.com); (iii) the Office of the United States Trustee for Region 21, 75 Ted Turner Drive, S.W., Room 362, Atlanta, GA 30303, Attn: Jonathan S. Adams (jonathan.s.adams@usdoj.gov); (iv) counsel to the Committee, Troutman Pepper Hamilton Sanders LLP, 600 Peachtree St. NE, Suite 3000, Atlanta, GA 30308 (Attn: Pierce E. Rigney) (pierce.rigney@troutman.com) and 3000 Two Logan Square, Eighteenth and Arch Street, Philadelphia, PA 19103-2799 (Attn: Francis J. Lawall) (francis.lawall@troutman.com) and 875 Third Avenue New York, NY 10022 (Attn: Deborah Kovsky-Apap) (Deborah.kovsky@troutman.com); (v) counsel to the Omega Parties, Goodwin Procter LLP, The New York Times Building, 620 Eighth Avenue, New York, NY 10018 (Attn: Liza L. Burton and Robert Lemons) (lburton@goodwinlaw.com and rlemons@goodwinlaw.com and Ferguson Braswell Fraser Kubasta PC, 2500 Dallas Parkway, Suite 600, Plano, TX 75093 (Attn: Leighton Aiken) (laiken@fbfk.law); (vi) counsel to the Plan Sponsor, DLA Piper LLP (US), 1900 N. Pearl St, Suite 2200 Dallas, TX 75201 (Attn: James Muenker) (James.Muenker@us.dlapiper.com); and (vii) counsel to the New Operator, Bradley Arant Boult Cummings LLP, One Federal Place, 1819 5th Avenue N, Birmingham, AL 35203 (Attn: T. Parker Griffin, Jr. and James B. Bailey) (pgriffin@bradley.com and jbailey@bradley.com); *provided* that the Debtors may modify the Contract Objection Deadline by filing a notice of such modification on the Court’s docket.

PLEASE TAKE FURTHER NOTICE IF A COUNTERPARTY FAILS TO FILE WITH THE COURT AND SERVE A TIMELY OBJECTION, (1) THE COUNTERPARTY SHALL BE FOREVER BARRED FROM OBJECTING TO THE ASSUMPTION AND ASSIGNMENT OF ITS EXECUTORY CONTRACT OR ASSERTING ANY OBJECTION WITH REGARD TO THE AMOUNT TO CURE ANY DEFAULT UNDER THE APPLICABLE EXECUTORY CONTRACT, (2) THE CURE COSTS SET FORTH ON SCHEDULE 1 HERETO SHALL BE CONTROLLING AND WILL BE THE ONLY AMOUNT NECESSARY TO CURE OUTSTANDING DEFAULTS UNDER THE APPLICABLE EXECUTORY CONTRACT UNDER BANKRUPTCY CODE SECTION 365(b), NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE EXECUTORY CONTRACT OR ANY OTHER DOCUMENT, (3) THE APPLICABLE COUNTERPARTY SHALL BE FOREVER BARRED FROM ASSERTING ANY ADDITIONAL CURE OR OTHER AMOUNTS WITH RESPECT TO SUCH EXECUTORY CONTRACT (INCLUDING ANY CLAIMS, COUNTERCLAIMS, RIGHTS, DEFAULTS, SETOFFS, OR RECOUPMENTS) AGAINST THE DEBTORS, THE NEW OPERATOR, OR THE PROPERTY OF ANY OF THEM, AND (4) THE APPLICABLE COUNTERPARTY SHALL BE DEEMED TO HAVE CONSENTED TO THE MOTION AND TRANSACTIONS DESCRIBED THEREIN AND SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE MOTION AND SUCH TRANSACTIONS, INCLUDING WITHOUT LIMITATION, ANY OBJECTIONS RELATING TO THE TRANSFER OF THE TRANSFERRED ASSETS TO THE NEW OPERATOR FREE AND CLEAR OF SUCCESSOR LIABILITY OF ANY KIND AND ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS THAT SUCH PARTY OR ENTITY MAY HAVE AGAINST THE DEBTORS OR THE TRANSFERRED ASSETS.

PLEASE TAKE FURTHER NOTICE that, the inclusion of any contract or lease on **Schedule 1** shall not constitute or be deemed a determination or admission by the Debtors or New Operator that such contract, lease or other document is, in fact, an executory contract or unexpired lease within the meaning of the Bankruptcy Code (all rights with respect thereto being expressly reserved). Notwithstanding the inclusion of any lease or contract on **Schedule 1**, the Debtors are not bound to assume, and New Operator, or any other successful purchaser, are not bound to accept assignment of, any executory contracts or unexpired leases. New Operator has until the closing of the Transactions to designate which executory contracts and unexpired leases, if any, shall be assumed by the Debtors and assigned to New Operator.

PLEASE TAKE FURTHER NOTICE this Notice is subject to the full terms and conditions of the Motion, which shall control in the event of any conflict. The Debtors encourage parties in interest to review such documents in their entirety. Copies of the Motion and all related exhibits, and any other filings in the Debtors' bankruptcy cases are available for free on the website of the Debtors' notice agent, Verita Global, at <https://veritaglobal.net/lavie/>.

[Remainder of page intentionally left blank]

Dated: April [], 2025
Atlanta, Georgia

MCDERMOTT WILL & EMERY LLP

/s/ DRAFT

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Counsel for the Debtors and Debtors-in-Possession

Schedule 1

Potentially Assumed Executory Contracts

[to come]

EXHIBIT C

Sale Notice

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)
)	
)	

**NOTICE OF TRANSFER OF OPERATIONS AND RELATED ASSETS
OF HARTS HARBOR HEALTH CARE CENTER TO NEW OPERATOR
AND OBJECTION DEADLINES AND HEARING RELATED THERETO**

PLEASE TAKE NOTICE that, on April 8, 2025, LaVie Care Centers, LLC and certain of their affiliates and subsidiaries, as debtors and debtors-in-possession in the above-captioned chapter 11 cases (collectively, the “Debtors”) filed the *Debtors’ Motion for Entry of Order (I) Authorizing Transfer of Operations and Related Assets of Harts Harbor Health Care Center Free and Clear of All Liens, Claims, Encumbrances, and Interests, (II) Authorizing Assumption and Assignment of Executory Contracts; (III) Authorizing Rejection of the Harts Harbor Lease and Related Subleases; (IV) Approving Form of Operations Transfer Agreement; and (V) Granting Related Relief* [Docket No. [___]] (the “Motion”),² seeking authority to transfer the assets and operations (the “Transferred Assets”) of 11565 Harts Road Operations, LLC d/b/a Harts Harbor Health Care Center located at located at 11565 Harts Road, Jacksonville, Florida 32218 (the “Facility”) to 11565 Harts Road Opco LLC (the “New Operator”).

PLEASE TAKE FURTHER NOTICE that the sale and transfer of the Transferred Assets to New Operator will be free and clear of all liens, claims, encumbrances, and other interests, and free and clear of any successor liability or similar claims or remedies of any kind.

PLEASE TAKE FURTHER NOTICE that the Debtors will seek approval of the Transactions at a hearing scheduled to commence on **April 22, 2025, at 9:30 a.m., prevailing Eastern** (the “Hearing”) before the Honorable Paul M. Baisier at the **United States Bankruptcy Court for the Northern District of Georgia, 75 Ted Turner Dr. SW, Courtroom 1202, Atlanta, Georgia 30303**, which may be attended in person or virtually via the Court’s Virtual Hearing Room. You may join the Virtual Hearing Room through the “Dial-in and Virtual

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, which are being jointly administered for procedural purposes only. 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’ claims and noticing agent at <https://www.veritaglobal.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 but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Bankruptcy Hearing Information” link at the top of the homepage of the Court’s website, www.ganb.uscourts.gov, or the Virtual Hearing Room link on Judge Baisier’s webpage, which can be found at <https://www.ganb.uscourts.gov/content/honorable-paul-m-baisier>. Please also review the “Hearing Information” tab on Judge Baisier’s webpage for further information about the hearings. You should be prepared to appear at the hearings via video, but you may leave your camera in the off position until the Court instructs otherwise. Unrepresented persons who do not have video capability may use the telephone dial-in information on Judge Baisier’s webpage.

PLEASE TAKE FURTHER NOTICE that objections to consummation or approval of the Transactions must (a) be in writing; (b) conform to the applicable provisions of the Bankruptcy Rules and the Local Rules; (c) state with particularity the legal and factual bases for the objection and the specific grounds therefor; and (d) be filed with the Court and served so as to be **actually received on or before April 18, 2025, at 4:00 p.m., prevailing Eastern Time**, by the following parties: (i) the Debtors, LaVie Care Centers, LLC, c/o Ankura Consulting Group, LLC, 485 Lexington Avenue, 10th Floor, New York, NY 10017 (Attn: M. Benjamin Jones) (ben.jones@ankura.com); (ii) counsel to the Debtors, McDermott Will & Emery LLP, 1180 Peachtree St. NE, Suite 3350, Atlanta, GA 30309, Attn: Daniel M. Simon (dsimon@mwe.com) and 444 W. Lake Street, Suite 4000, Chicago, IL 60606, Attn: Emily C. Keil (ekeil@mwe.com); (iii) the Office of the United States Trustee for Region 21, 75 Ted Turner Drive, S.W., Room 362, Atlanta, GA 30303, Attn: Jonathan S. Adams (jonathan.s.adams@usdoj.gov); (iv) counsel to the Committee, Troutman Pepper Hamilton Sanders LLP, 600 Peachtree St. NE, Suite 3000, Atlanta, GA 30308 (Attn: Pierce E. Rigney) (pierce.rigney@troutman.com) and 3000 Two Logan Square, Eighteenth and Arch Street, Philadelphia, PA 19103-2799 (Attn: Francis J. Lawall) (francis.lawall@troutman.com) and 875 Third Avenue New York, NY 10022 (Attn: Deborah Kovsky-Apap) (Deborah.kovsky@troutman.com); (v) counsel to the Omega Parties, Goodwin Procter LLP, The New York Times Building, 620 Eighth Avenue, New York, NY 10018 (Attn: Liza L. Burton and Robert Lemons) (lburton@goodwinlaw.com and rlemons@goodwinlaw.com) and Ferguson Braswell Fraser Kubasta PC, 2500 Dallas Parkway, Suite 600, Plano, TX 75093 (Attn: Leighton Aiken) (laiken@fbfk.law); (vi) counsel to the Plan Sponsor, DLA Piper LLP (US) 1900 N. Pearl St, Suite 2200 Dallas, TX 75201 (Attn: James Muenker) (James.Muenker@us.dlapiper.com); and counsel to the New Operator, Bradley Arant Boult Cummings LLP (Attn: T. Parker Griffin, Jr. and James B. Bailey) (pgriffin@bradley.com and jbailey@bradley.com).

Copies of the Motion and all related exhibits, and any other filings in the Debtors’ bankruptcy cases are available for free on the website of the Debtors’ notice agent, Verita Global, at <https://veritaglobal.net/lavie/>.

CONSEQUENCES OF FAILING TO TIMELY MAKE AN OBJECTION

ANY PARTY OR ENTITY WHO FAILS TO TIMELY MAKE AN OBJECTION TO THE TRANSACTIONS ON OR BEFORE THE OBJECTION DEADLINE SHALL BE DEEMED TO HAVE CONSENTED TO THE SALE AND TRANSFER OF THE TRANSFERRED ASSETS TO THE NEW OPERATOR AND SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE TRANSACTIONS, INCLUDING WITH RESPECT TO THE TRANSFER OF THE TRANSFERRED ASSETS

TO THE NEW OPERATOR FREE AND CLEAR OF SUCCESSOR LIABILITY OF ANY KIND AND ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS THAT SUCH PARTY OR ENTITY MAY HAVE AGAINST THE DEBTORS OR THE TRANSFERRED ASSETS.

Dated: April [], 2025
Atlanta, Georgia

MCDERMOTT WILL & EMERY LLP

/s/ DRAFT

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Counsel for the Debtors and Debtors-in-Possession

EXHIBIT D

Resident Notice

[INSERT LETTERHEAD]

[ADDRESS]

TO WHOM IT MAY CONCERN:

You are receiving this letter and enclosed legal notice because you, a loved one, or someone you represent is a resident or patient at Harts Harbor Health Care Center located at 11565 Harts Road, Jacksonville, Florida 32218 (the "Facility").

As discussed in the attached legal notice, the current operator of the Facility (the "Current Operator") is transferring operations and related assets to 11565 Harts Road Opco LLC (the "New Operator"). This proposed transfer (the "Proposed Transfer"), if approved, will be free and clear of all successor liability and any liens, claims, encumbrances, or interests that current residents or patients may have against the Facility or the Current Operator. Furthermore, any contract that current residents or patients have with the Current Operator will be assigned to the New Operator. The New Operator will not assume any liabilities of the Current Operator under such contracts.

If you have any objection to the Proposed Transfer, or the assignment of any resident's or patient's contract to the New Operator, you must raise such objections pursuant to the procedures set forth in the attached notice, or you will be deemed to have consented to the Proposed Sale free and clear of all successor liability and any liens, claims, encumbrances, or interests that you or someone you represent may have. If you have no objection, then you do not need to take any action. You may wish to consult with an attorney regarding these matters.

It is understandable that this announcement may cause unease. Please be assured that Current Operator is committed to working with all parties to ensure a smooth transition of operations, and residents and patients remain their top priority.

If you have any questions regarding these matters, you may speak to your Administrator, send an email to [], or call [].
