

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:)
)
MIDWEST CHRISTIAN VILLAGES,) Chapter 11
INC., *et al.*,) Case No. 24-42473-659
) Jointly Administered
Debtors.)
) Related Docket Nos. 13, 90, 102 and 159
)

**ORDER (I) APPROVING THE ASSET PURCHASE AGREEMENTS
BETWEEN THE DEBTORS AND THE BACK-UP BIDDER; (II) AUTHORIZING THE
SALE OF SUBSTANTIALLY ALL OF THE ASSETS OF THE SENIOR CARE
PHARMACY; AND (III) GRANTING RELATED RELIEF**

Upon the motion [Docket No. 13] (the “Motion”) of the above-captioned debtors and debtors-in-possession (the “Debtors”), pursuant to §§ 105, 363 and 365 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2002, 6004, 6006 and 9007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for entry of an order (i) authorizing and approving, among other things, the sale (the “Sale”) of certain of the identified Debtors’ assets free and clear of all liens, claims, interests and encumbrances (collectively, the “Claims and Encumbrances”), other than those liabilities expressly assumed under the APA (as defined below); (ii) authorizing the assumption and assignment of certain executory contracts and unexpired leases; and (iii) granting related relief; and the Court having entered the (x) *Interim Order Granting Motion for the Entry of: (A) an Order: (1) Approving Auction Sale Format and Bidding Procedures; (2) Approving Process for Discretionary Selection of Stalking Horse Bidder and Bid Protections; (3) Approving Notices to be Provided to Interested Parties; (4) Scheduling a Court Hearing to Consider Approval of the Sale to the Highest and Best Bidder; and (5) Approving Procedures related to the Assumption of Certain Executory Contracts and Unexpired Leases; and (B) an Order Authorizing the Sale of Property Free and Clear of All Claims, Liens and*



24424732412200000000000005

Encumbrances [Docket No. 102] (the “Interim Bid Procedures Order”), and (y) *Final Order Granting Motion for Entry of: (A) An Order: (1) Approving Auction Sale Format and Bidding Procedures; (2) Approving Process for Discretionary Selection of Stalking Horse Bidder and Bid Protections; (3) Approving Notices to be Provided to Interested Parties; (4) Scheduling a Court Hearing to Consider Approval of the Sale to the Highest and Best Bidder; and (5) Approving Procedures Related to the Assumption of Certain Executory Contracts and Unexpired Leases; and (B) An Order Authorizing the Sale of Property Free and Clear of All Claims, Liens and Encumbrances* [Docket No. 159] (the “Final Bid Procedures Order,” together with the Interim Bid Procedures Order, the “Bid Procedures Order”); and the Debtors having conducted a marketing process in compliance with the Bid Procedures Order and entering into that certain back-up Asset Purchase Agreements (collectively and individually, the “APA”)¹ with MAM Acquisitions, LLC (the “Back-Up Bidder” or “Buyer”), pursuant to which the Back-Up Bidder has agreed to, among other things, purchase substantially all of the assets of following Debtors as follows:

Exhibit 1 –Asset Purchase Agreement with Senior Care Pharmacy, LLC as Seller and Altitude Acquisitions, LLC as Buyer for a purchase price of \$250,000 plus the assumption of the Assumed Liabilities.

(collectively, the “Assets”) plus Cure Costs, if any, as set forth in the applicable APA, to the extent that CH Arcadia as the successful bidder (the “Successful Bidder”) breaches its Asset Purchase Agreement for the Asset; and the Debtors having determined that the Back-Up Bidder has submitted the second highest and best bid for the Assets after the Successful Bid; and the Court having conducted a hearing to approve the sale to the Back-Up Bidder upon the terms and

¹ Capitalized terms not otherwise defined in this Sale Order shall have the meanings ascribed to them in the APA, the Motion, or the Cure Notice, as applicable.

conditions set forth in the APA on December 16, 2024 (the “Sale Hearing”) at which time all interested parties were offered an opportunity to be heard; and all parties in interest having been heard, or having had the opportunity to be heard, regarding entry of this Order (the “Sale Order”) and approval of the Sale and APA; and it appearing that due and appropriate notice of the Motion, the Bid Procedures Order, the Bid and Sale Procedures, the Auction, the Sale, the Assumption and Assignment Procedures, and the Sale Hearing having been given; and it appearing that no other notice of the relief granted by this Sale Order need be given; and this Court being fully advised in the premises; this Court, based upon the arguments, testimony and evidence presented to it, hereby makes the following findings of fact and conclusions of law:²

A. This Court has jurisdiction to hear and determine the Motion and to grant the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334. Venue of these Bankruptcy Cases and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

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

C. This proceeding is a “core proceeding” within the meaning of 28 U.S.C. § 157(b)(2)(A), (N) and (O).

D. The statutory predicates for the Motion are §§ 105, 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006 and 9007.

² Findings of fact shall be construed as conclusions of law, and conclusions of law shall be construed as findings of fact when appropriate. *See* Fed. R. Bankr. P. 7052.

E. As evidenced by the affidavits of service filed with the Court, and based upon the representations of counsel at the Sale Hearing: (i) proper, timely and adequate notice of the Motion, the Bid Procedures Order, the Sale Hearing, the Sale, the Auction and the Assumption and Assignment Procedures has been provided in accordance with Bankruptcy Rules 2002, 6004, and 9007; (ii) such notice was good, sufficient and appropriate under the circumstances; and (iii) no other or further notice of the Motion, the Bid Procedures Order, the Sale Hearing, the Auction, the Assumption and Assignment Procedures or the Bid and Sale Procedures is necessary or shall be required.

F. A reasonable opportunity to object or be heard with respect to the Motion and the Sale has been afforded to all interested persons and entities, including, without limitation: (i) the Office of the United States Trustee; (ii) counsel for the Committee; (iii) UMB Bank, N.A., in its capacity as bond trustee (the “Bond Trustee”), (iv) Lument Real Estate Capital, LLC (“Lument”), f/k/a Lancaster Pollard Mortgage Company, (v) the United States Department of Housing and Development (including the U.S. Department of Justice in its capacity as counsel) (“HUD” and together with Lument, the “HUD Related Parties”), (vi) all entities known by the Debtors to have expressed an interest in acquiring the Assets since the Petition Date; and (vii) all other parties who filed requests for notice under Bankruptcy Rule 2002. The Debtors also gave due and proper notice of the Sale and assumption and assignment of each of the executory contracts listed on the *Amended Notice to Counterparties to Executory Contracts and Unexpired Leases of the Debtors that May be Assumed and Assigned in Connection with Sale* [Docket No. 369] (the “Cure Notice”) to each non-Debtor party to such contracts.

G. Notice, as specified in the preceding paragraphs and as evidenced by the affidavits of service filed with the Court, has been provided in the form and manner specified in the Motion

and required by the Bid Procedures Order, and the Court finds that the notice is adequate and sufficient in all respects to bind all creditors and parties in interest in this Chapter 11 Case.

H. The process for the sale of the Assets was conducted in accordance with the Bid Procedures Order and in a non-collusive, fair, and good faith manner.

I. A reasonable opportunity has been given to any interested party to make a higher or better offer for the Assets.

J. The Back-Up Bidder is purchasing the Assets in good faith and is a good faith purchaser within the meaning of § 363(m) of the Bankruptcy Code, and is therefore entitled to the protection of that provision.

K. Each APA attached hereto as Exhibit 1 was negotiated, proposed, and entered into by the Debtors and the Back-Up Bidder without collusion, in good faith, and from arms-length bargaining positions. Neither the Debtors, nor the Back-Up Bidder, has engaged in any conduct that would cause or permit the Sale or any part of the transactions contemplated by the APA to be avoidable under § 363(n) of the Bankruptcy Code.

L. As demonstrated by (i) the testimony, declaration and other evidence proffered at the Sale Hearing; and (ii) the representations of counsel made on the record at the Sale Hearing, the Debtors afforded interested potential purchasers a full and fair opportunity to qualify as Qualified Bidders under the Bid Procedures and to submit an offer for the Assets.

M. The Back-Up Bidder is not an “insider” of the Debtors as that term is defined in § 101(31) of the Bankruptcy Code.

N. The consideration provided by the Back-Up Bidder for the Assets pursuant to the APA: (i) is fair and reasonable; (ii) is the highest and best offer for the Assets; (iii) will provide a greater recovery for all of the Debtors’ stakeholders than would be provided by any other practical

available alternative; and (iv) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code, the Uniform Fraudulent Transfer Act or the Uniform Voidable Transactions Act, as applicable, and all other applicable laws.

O. The Debtors have demonstrated a sufficient basis and compelling circumstances requiring the Debtors to enter into the APA and sell the Assets under § 363 of the Bankruptcy Code, and such actions are appropriate exercises of the Debtors' business judgment and are in the best interests of the Debtors, their estates and their creditors.

P. The marketing and bidding processes implemented by the Debtors and their advisors, as set forth in the Motion, were fair, proper, and reasonably calculated to result in the best value received for the Assets.

Q. The Debtors have full authority and power to execute and deliver the APA, related agreements, and all other documents contemplated by the APA, to perform their obligations therein, and to consummate the Sale. No additional consents or approvals, other than those provided in the APA, are necessary or required for the Debtors to enter into the APA, perform their obligations therein, and consummate the Sale.

R. The Back-Up Bidder would not have entered into the APA and would not consummate the transactions thereby, thus adversely affecting the Debtors and their residents, estate and creditors, if the Assets were not sold to it free and clear of all Claims and Encumbrances, except those expressly assumed by the Back-Up Bidder. A sale of the Assets other than one free and clear of all such Claims and Encumbrances would adversely impact the Debtors' estates, residents and creditors, and would yield substantially less value to the Debtors' estates.

S. The provisions of § 363(f) of the Bankruptcy Code have been satisfied pursuant to the terms of this Sale Order.

T. The Bond Trustee and the DIP Lender have consented to the sale of the Assets pursuant to the APA free and clear of Claims and Encumbrances, including any Claims and Encumbrances of the Bond Trustee or the DIP Lender against the Assets, pursuant to the terms of this Sale Order.

U. Subject to the right of parties to object pursuant to the terms of this Sale Order, the Debtors may assume each contract and lease listed on applicable schedule of the APA, as such Schedules may be amended pursuant to the APA and this Sale Order (the “Assigned Executory Contracts”), and assign each of them to the Back-Up Bidder pursuant to §§ 363 and 365 of the Bankruptcy Code and this Sale Order notwithstanding any anti-assignment clause or other provision in the Assigned Executory Contracts, as provided by § 365(f) of the Bankruptcy Code.

V. The counterparties to the agreements that were not listed on the Cure Notice shall be provided notice of the assumption and assignment of the Assigned Executory Contracts and the proposed cure amounts in connection therewith, if any, pursuant to the procedures set forth in the Bid Procedures Order.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED, EFFECTIVE IMMEDIATELY, AS FOLLOWS:

1. The relief requested in the Motion is **GRANTED** and **APPROVED** in all respects. The Debtors’ entry into the APA and the Sale is hereby **GRANTED** and **APPROVED** in all respects. The terms and conditions of the APA are hereby **GRANTED** and **APPROVED** in all respects.

2. All objections to the relief sought in the Motion that have not been previously resolved or withdrawn are hereby overruled on their merits and with prejudice; *provided, however*, that any Assumption Objections and Assignment Objections not timely heard or dealt with at the

Sale Hearing based upon the Bid Procedures Order filed in connection with the Assigned Executory Contracts shall be determined in accordance with the Bid Procedures Order.

3. The Debtors are authorized and directed to take any and all actions necessary or appropriate to (i) consummate the Sale in accordance with the Motion, the APA and this Sale Order, and (ii) perform, consummate, implement and close fully the Sale, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the APA. After the date of entry of this Sale Order, the Debtors and the Back-Up Bidder may, after notice to (a) the Bond Trustee, (b) the Committee, (c) the United States (with respect to any Federal Interest (as defined herein), (d) Lument, enter into any amendment, supplement, or modification to the APA that is not material or is not adverse to the Debtors' estates, the Bond Trustee, any Federal Interests (as to the United States), or Lument and (e) the State of Illinois, without the need of further notice, hearing or Court order.

4. Those holders of Claims and Encumbrances and other non-Debtor parties who did not object, or who withdrew their objections prior to entry of this Sale Order are deemed to have consented to this Sale Order, the Sale and the APA pursuant to § 363(f)(2) of the Bankruptcy Code and are enjoined from taking any action against the Back-Up Bidder, its affiliates, or any agent of the foregoing to recover any claim which such person or entity has against the Debtor. Those holders of Claims and Encumbrances and other non-Debtor parties who did object, if any, fall within one or more of the other subsections of § 363(f) of the Bankruptcy Code and are adequately protected by having their Claims and Encumbrances, if any, attach to the proceeds of the Sale ultimately attributable to the property against or in which they assert a Claim and Encumbrance with the same validity and priority that existed immediately prior to consummation of the Sale.

Sale and Transfer of the Assets

5. The APA, related transaction documents, all transactions contemplated thereby and all of the terms and conditions thereof are hereby **APPROVED** as a back-up bid to the Successful Bid for the Assets.

6. Upon closing of the Sale with the Back-Up Bidder (the “Closing”), the Assets transferred, sold, and delivered to the Back-Up Bidder pursuant to the APA shall be free and clear of all Claims and Encumbrances of any person or entity, except those Claims and Encumbrances expressly assumed by the Back-Up Bidder, with all such Claims and Encumbrances attaching automatically to the proceeds of the Sale in the same manner, validity and priority that they attached to the Assets prior to the Closing. The transfer of the Assets to the Back-Up Bidder constitutes a legal, valid, and effective transfer of the Assets and shall vest the Back-Up Bidder with all right, title, and interest in and to the Assets described in the APA.

7. Upon Closing, this Sale Order shall be construed as, and shall constitute for any and all purposes, a full and complete general assignment, conveyance and transfer of the Assets pursuant to the terms of the APA. The closing under each APA with this Back-Up Bidder shall close simultaneously unless otherwise agreed by the Debtors (after conferring with the Consultation Parties) and the Back-Up Bidder.

8. Notwithstanding anything in this Sale Order or the APA to the contrary, the Assets sold to the Back-Up Bidder pursuant to the APA and this Sale Order shall not include any charitable funds held by or on behalf of the Debtors.

9. Upon Closing, except as permitted by the APA or this Sale Order, all persons and entities, including, but not limited to, the Debtors and their creditors, residents, employees, former employees and shareholders, administrative agencies, tax and regulatory authorities, governmental departments, secretaries of state, federal, state and local officials, and their respective successors

or assigns, including, but not limited to, persons asserting any Claims and Encumbrances against the Assets (except with respect to any Claims or Encumbrances that have been assumed pursuant to the APA and this Sale Order, shall be permanently and forever barred, restrained and enjoined from commencing or continuing in any manner any action or other proceeding of any kind against the Assets or the Back-Up Bidder (or its members, representatives, or affiliates) as alleged successor or otherwise, with respect to (i) any Claims and Encumbrances on or in respect of the Assets, and (ii) recovering from any claim which such person or entity had solely against the Debtors or any of the Debtors' subsidiaries, affiliates, directors, officers, agents, representatives, employees, investors, owners, shareholders, partners, or joint venturers.

10. The terms and provisions of this Sale Order shall be binding in all respects upon all entities, including, but not limited to the Debtors, the Back-Up Bidder, creditors, residents, employees, former employees and shareholders, administrative agencies, governmental departments, secretaries of state, federal, state and local officials and their respective successors or assigns, including, but not limited to, persons asserting any Claim and Encumbrance against or interest in the Debtors' estates or the Assets, including any subsequent appointment of a trustee or other fiduciary under any section of the Bankruptcy Code.

11. Upon Closing, except to the extent such liability is expressly assumed by the Back-Up Bidder under the APA or this Sale Order, all entities holding a Claim and Encumbrance of any kind and nature against the Assets hereby are barred from asserting such Claim and Encumbrance against the Back-Up Bidder and/or the Assets and, effective upon the transfer of the Assets to the Back-Up Bidder upon Closing, the Claims and Encumbrances shall attach to the proceeds of the Sale with the same force, validity, priority, and effect, if any, as against the Assets.

12. This Sale Order (i) is and shall be effective as a determination that, upon Closing, all Claims and Encumbrances existing as to the Assets conveyed to the Back-Up Bidder have been and hereby are adjudged to be unconditionally released, discharged, and terminated, with all such Claims and Encumbrances attaching automatically to the proceeds in the same manner, extent, validity, and priority as they existed at Closing, and (ii) shall be binding upon and govern the acts of all entities, including all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies or units, governmental departments or units, secretaries of state, federal, state and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Assets conveyed to the Back-Up Bidder. All Claims and Encumbrances of record as of the date of this Sale Order shall be removed and stricken as against the Assets in accordance with the foregoing. All entities are authorized and specifically directed to strike all such recorded Claims and Encumbrances against the Assets from their records, official or otherwise, thereto.

13. If any person or entity which has filed financing statements, mortgage, lis pendens or other documents or agreements evidencing Claims and Encumbrances on the Assets shall not have delivered to the Debtor prior to Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of liens and easements and any other documents necessary for the purpose of documenting the release of all Claims and Encumbrances which the person or entity has or may assert with respect to the Assets, the Debtors are hereby authorized and directed upon Closing, and the Back-Up Bidder is hereby authorized upon Closing, to execute and file such statements, instruments, releases and other

documents on behalf of such person or entity with respect to the Assets. Upon Closing of the Sale, each of the Debtors' creditors is authorized and directed to execute such documents and take all such actions as may be necessary to release their respective Claims and Encumbrances against the Assets.

14. Upon a Closing, the Back-Up Bidder shall not be deemed to be (i) a successor to the Debtors, (ii) party to a *de facto* merger of the Back-Up Bidder and the Debtors or (iii) a mere continuation of the Debtors. Without limiting the generality of the foregoing, and except as specifically provided in the APA or as provided in this Sale Order, the Back-Up Bidder shall not be liable for any claims against the Debtors or any of its predecessors or affiliates, other than as expressly provided for in such APA or this Sale Order. Further, except as expressly provided in the APA or this Sale Order, the Back-Up Bidder is not assuming nor shall it in any way be liable or responsible, as successor or otherwise, for any claims, debts, obligations, Claims or Encumbrances of the Debtors or their estates of any kind or character in any way whatsoever relating to or arising from the Assets or the Debtors' operation or use of the Assets prior to the Closing, whether known or unknown as of the Closing, now existing or hereafter arising, whether fixed or contingent, under the laws of the United States, any state, territory, or possession of the United States, the District of Columbia or any other country or foreign jurisdiction, including but not limited to the following: (i) any labor or employment Agreements; (b) any mortgages, deeds of trust, and security interests; (ii) any pension, welfare, compensation, or other employee benefit plans, Agreements, practices, and programs, including, without limitation, any pension plan of the Debtors; (iii) any other employee, worker's compensation, occupational disease, or unemployment or temporary disability related claim, including, without limitation, claims that might otherwise arise under or pursuant to (a) the Employee Retirement Income Security Act, as amended, (b) the

Fair Labor Standards Act, (c) Title VII of the Civil Rights Act of 1964, (d) the Federal Rehabilitation Act of 1973, (v) the National Labor Relations Act, (e) the WARN Act, (f) the Age Discrimination in Employment Act, as amended, (g) the Americans with Disabilities Act, (h) the Family Medical Leave Act, (i) the Labor Management Relations Act, (j) the Multiemployer Pension Protection Act, (k) the Pension Protection Act, (l) the Consolidated Omnibus Budget Reconciliation Act of 1985, (m) the Comprehensive Environmental Response Compensation and Liability Act, (n) state discrimination laws, (o) state unemployment compensation laws or any other similar state laws, or (p) any other state or federal benefits or claims relating to any employment with the Debtors or any of its respective predecessors; (iv) any bulk sales or similar law; (v) any tax statutes or ordinances, including, without limitation, the Internal Revenue Code of 1986, as amended, or any state or local tax laws; (vi) any escheat or unclaimed property laws; (vii) to the extent not included in the foregoing, any of the Excluded Liabilities under the Agreement; and (viii) any theories of successor or transferee liability.

15. Back-Up Bidder stipulates and agrees that Back-Up Bidder, no designee thereof, nor any intended operator of the Facilities or any Affiliate or “insider” of the foregoing (with “insider” having the meaning given to it in Section 101 of the Bankruptcy Code with “Back-Up Bidder” being substituted for “debtor” as used therein) (i) have filed or emerged from bankruptcy within the last 5 years; (ii) have a history of not paying creditors in a timely manner; (iii) are insufficiently capitalized; (iv) have any delinquent federal debt that has not been resolved, including through an agreed upon repayment plan, (v) have any judgments against them or their principals that could significantly impact upon the financial position of the individual/firm or corporation or result in a determination that the individual, firm or corporation is an unacceptable credit risk; and (vi) are insolvent or subject to any pending bankruptcy or insolvency proceeding.

Sale Proceeds

16. Except for the payments made on account of Cure Amounts (as defined below), and all of the amounts needed to satisfy obligations of the Debtors and the Back-Up Bidder (the “Assumption Obligations”), the cash portion of the Purchase Price (including the release of the Escrow Deposit) received by the Debtors at Closing of a sale of the Assets to Back-Up Bidder (collectively, the “Net Cash Proceeds”) and the amounts on deposit in all segregated cash accounts associated with the Assets (including any reserves that have not been transferred as part of the assumption) and the amount reserved for Smart-Fill pursuant to Paragraph 44 of this Order, at such Closing shall be paid directly to UMB Bank, N.A. (“UMB”), in its capacity as DIP Lender and Bond Trustee, and the Debtors are authorized and directed to pay such amounts directly to the UMB in an amount up to the amount of outstanding prepetition and postpetition obligations of the Debtors to the DIP Lender and the Bond Trustee for indefeasible application by the DIP Lender or the Bond Trustee, as applicable, to all such outstanding obligations. The Debtors and UMB shall negotiate a winddown budget prior to the closing of the Sale.

Assumption and Assignment of Assigned Executory Contracts

17. Notwithstanding any provisions in the APA to the contrary, the Back-Up Bidder may add or remove executory contracts and unexpired leases to the list of Assigned Executory Contracts until the date that is 15 business days prior to closing of the Sale.

18. If, as to any Assigned Executory Contract, a counterparty does not assert an objection (an “Assumption Objection”) in accordance with the Cure Notice procedures by the objection deadline (the “Objection Deadline”), such Assigned Executory Contract shall be deemed assumed by the Debtors and assigned to the Back-Up Bidder pursuant to § 365 of the Bankruptcy Code without further order of the Court, effective as of the later of (i) the Objection Deadline; (ii) payment of the applicable cure amount, if any; and (iii) the date the Sale closes (the “Closing

Date”). If, however, an Assumption Objection is received by the Objection Deadline, and the Debtors and/or the Back-Up Bidder is unable to resolve such Assumption Objection consensually, the proposed assumption and assignment which is the subject of the Assumption Objection shall be subject to further order of the Court, and the Debtors and/or the Back-Up Bidder shall promptly schedule a hearing to consider the Assumption Objection.

19. The Debtors have demonstrated that assuming and assigning the Assigned Executory Contracts in connection with the Sale is an exercise of their sound business judgment, and that such assumption and assignment is in the best interests of the Debtors’ estates. Pursuant to the Assumption and Assignment Procedures, the Debtors will cure, or will provide adequate assurance of cure of, any defaults existing prior to the Closing Date, which is the effective date of the assumption of the Assigned Executory Contracts, and will provide for compensation or adequate assurance of compensation to any non-Debtor party to such contracts for any of their actual pecuniary losses resulting from any default arising prior to the Closing Date under the Assigned Executory Contracts, within the meaning of §363(b)(1)(B) of the Bankruptcy Code (collectively, the “Cure Amounts”). Pursuant to the APA, all Cure Amounts shall be funded by the Back-Up Bidder to the Debtor.

20. Subject to Paragraph 18 and payment of the Cure Amounts (which amounts may be satisfied or waived in part or whole according to any separate agreements with any non-Debtor party thereto), each Assigned Executory Contract will be in full force and effect and enforceable by the Back-Up Bidder against any non-Debtor party thereto in accordance with its terms upon the Closing of the Sale. The Debtors shall be relieved from any further liability with respect to the Assigned Executory Contracts after such assignment to and assumption by the Back-Up Bidder.

21. Unless otherwise agreed by any party potentially entitled to a Cure Amount, on the Closing Date or such other date as determined by the Court, the Debtor will pay in full all Cure Amounts in respect of all undisputed cure claims and all Cure Amounts that have been determined by this Court or resolved by agreement. Any agreements regarding Cure Amounts shall be binding as if and have the same effect as if the Court had made a final determination of such Cure Amounts pursuant to this Sale Order and the motion or notice filed by the Debtor regarding assumption and assignment of such Assigned Executory Contracts.

22. Subject to Paragraph 18, except for the obligation to pay the Cure Amounts, each non-Debtor party to an Assigned Executory Contract hereby is forever barred, estopped, and permanently enjoined from asserting against the Debtors or the Back-Up Bidder, or the property of any of them, any default existing as of the date of the Sale Hearing, whether declared or known or unknown.

23. Any provisions in any Assigned Executory Contracts that prohibit or condition the assignment of any Assigned Executory Contracts or allow the non-Debtor party to such Assigned Executory Contract to terminate, recapture, impose any penalty, condition a renewal or extension, or modify or limit any term or condition upon the assignment of such Assigned Executory Contract, constitutes unenforceable anti-assignment provisions that are void and of no force and effect. Subject to Paragraph 18, all other requirements and conditions under §§ 363 and 365 of the Bankruptcy Code for the assumption by the Debtors and assignment to the Back-Up Bidder of the Assigned Executory Contracts have been satisfied.

24. Subject to Paragraph 18, the Back-Up Bidder has provided adequate assurance of its future performance under the Assigned Executory Contracts within the meaning of § 365(b)(1)(C) and (f)(2)(B) of the Bankruptcy Code.

25. Assumption of the Assigned Executory Contracts shall include any ancillary or related agreements, or rights appurtenant thereto, pursuant to which the Debtors have rights or licenses granted in connection with or under the Assigned Executory Contracts, so long as such ancillary or related agreements do not create additional obligations of the Debtors or Back-Up Bidder beyond those set out in the Assigned Executory Contracts (unless Back-Up Bidder subsequently agrees to such obligations).

26. The Debtors and the Back-Up Bidder shall jointly file and serve a Notice of Closing and Schedule of Assigned Executory Contracts (the “Closing Notice”) within two (2) business days following the Closing, and service of such Closing Notice by CM/ECF shall be deemed sufficient in all regards. No assumption and assignment of any Assigned Executory Contract shall be binding on the Debtors and the Back-Up Bidder until the Closing of the APA pursuant to this Sale Order.

Additional Provisions

27. The provisions of this Sale Order and the APA and any actions taken pursuant hereto or thereto shall survive entry of any order which may be entered (i) confirming or consummating any plan of reorganization or liquidation of the Debtors; (ii) converting the Debtors’ Bankruptcy Cases from chapter 11 to chapter 7; (iii) dismissing the Debtors’ Bankruptcy Cases; or (iv) appointing a chapter 11 trustee or examiner, and the terms and provisions of the APA as well as the rights and interests granted pursuant to this Sale Order and the APA shall continue in these chapter 11 cases or any superseding case and shall be binding upon the Debtors, the Back-Up Bidder and their respective successors and permitted assigns. The post-closing obligations under the APA shall be unaffected and fully preserved, so that any successor, liquidating trust, chapter 7 trustee, or the like shall be obligated and required to comply with all post-Closing duties, including without limitation any further assurances, regardless of the status of these chapter 11

cases, without cost to, or the necessity of a motion or administrative claim from, the Back-Up Bidder.

28. Each and every federal, state, and governmental agency or department and any other person or entity is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the APA.

29. Nothing contained in any order of any type or kind entered in these chapter 11 cases or any related proceeding subsequent to entry of this Sale Order, nor in any chapter 11 plan confirmed in these chapter 11 cases, shall conflict with or derogate from the provisions of the APA or the terms of this Sale Order, which shall be expressly preserved under the terms of such plan. To the extent, if any, anything contained in this Sale Order conflicts with a provision in the APA, the APA shall govern and control.

30. The Back-Up Bidder is purchasing the Assets in good faith and is a good faith purchaser within the meaning of § 363(m) of the Bankruptcy Code, and is therefore entitled to the protection of that provision. The consideration provided by the Back-Up Bidder for the Assets is fair and reasonable, and the Sale may not be avoided under § 363(n) of the Bankruptcy Code.

31. This Court retains jurisdiction, even after conversion of these chapter 11 cases to cases under chapter 7, to: (i) interpret, implement and enforce the terms and provisions of this Sale Order (including any injunctive relief provided in this Sale Order) and the terms of the APA, all amendments thereto and any waivers and consents thereunder and of each of the agreements executed in connection therewith; (ii) protect the Back-Up Bidder and the Assets from and against any of the Claims and Encumbrances, other than those expressly assumed by the Back-Up Bidder; (iii) resolve any disputes arising under or related to the APA or the Sale; (iv) adjudicate all issues concerning (alleged) pre-Closing Claims and Encumbrances and any other (alleged) interest(s) in

and to the Assets, including the extent, validity, enforceability, priority and nature of all such (alleged) Claims and Claims and Encumbrances and any other (alleged) interest(s); (v) adjudicate any disputes related to the Assigned Executory Contracts between the Debtors and the Back-Up Bidder or the Debtors and a counterparty to the Assigned Executory Contracts; and (vi) adjudicate any and all issues and/or disputes relating to the Debtors' right, title or interest in the Assets, the Motion, the APA and/or the Wind-Down Reserve.

32. From and after the date hereof, the Debtors and the Back-Up Bidder shall act in accordance with the terms of the APA.

33. This Sale Order shall be binding in all respects upon all creditors (whether known or unknown) of the Debtor, all successors and assigns of the Back-Up Bidder, the Debtors and their affiliates and subsidiaries, the Assets, and any subsequent trustees appointed in these chapter 11 cases or upon (i) a conversion of these chapter 11 cases to cases under chapter 7 or (ii) dismissal of these chapter 11 cases.

34. The failure specifically to include any particular provisions of the APA in this Sale Order shall not diminish or impair the efficacy of such provisions, it being the intent of the Court that the APA with the Back-Up Bidder and each and every provision, term and condition thereof be, and therefore is, authorized and approved in its entirety.

35. The provisions of this Sale Order are nonseverable and mutually dependent.

36. The automatic stay of § 362(a) of the Bankruptcy Code shall not apply to and otherwise shall not prevent the exercise or performance by any party of its rights or obligations under the APA with the Back-Up Bidder, including, without limitation, with respect to any cash held in escrow pursuant to the provisions thereof.

37. As to the United States, notwithstanding any provision to the contrary in this Sale Order, the APA, or any other document related to the transactions contemplated by the APA, nothing shall: (1) release, nullify, preclude or enjoin the enforcement of any police or regulatory power or any liability that the Back-Up Bidder or any other entity would be subject to as the owner, lessor, lessee or operator of property that such entity owns, operates or leases after the date of entry of this Sale Order; (2) affect the setoff or recoupment rights of the United States; (3) confer exclusive jurisdiction to this Court except to the extent set forth in 28 U.S.C. § 1334 (as limited by any other provisions of the United States Code); (4) authorize the assumption, assignment, sale or other transfer of any federal (a) grants, (b) grant funds, (c) contracts, (d) agreements, (e) awards, (f) task orders, (g) property, (h) intellectual property, (i) patents, (j) leases, (k) certifications, (l) applications, (m) registrations, (n) billing numbers, (o) national provider identifiers, (p) provider transaction access numbers, (q) licenses, (r) permits, (s) covenants, (t) inventory, (u) guarantees, (v) indemnifications, (w) data, (x) records, or (y) any other interests belonging to the United States (collectively, “Federal Interests”) without compliance with all terms of the Federal Interests and with all applicable non-bankruptcy law; (5) be interpreted to set cure amounts or to require the United States to novate, approve or otherwise consent to the sale, assumption, assignment or other transfer of any Federal Interests; (6) waive, alter or otherwise limit the United States’ property rights; or (7) expand the scope of 11 U.S.C. § 525.

38. Notwithstanding anything to the contrary in the Sale Motion, the APA, or this Sale Order, with respect to any Medicare Part A provider agreements to be included in the Sale (the “Assumed Provider Agreements”), the Debtors shall assume and assign to the Back-Up Bidder (in such capacity, the “Assignee”) and the Assignees shall accept assignment of the Assumed Provider Agreements as if such Assumed Provider Agreements are executory contracts being assumed and

assigned pursuant to § 365 of the Bankruptcy Code, subject to regulatory approval pursuant to applicable non-bankruptcy law, including Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395–1395 et. seq., all applicable Medicare regulations, and Medicare policies and procedures (together, “Medicare Program Law”).

39. In accordance with the Medicare Program Law, including 42 C.F.R. § 489.18, successor liability attaches to any claim arising under the Assumed Provider Agreements, and payments to the Assignees (or any future assignee under the provisions of Medicare Law) will be adjusted in accordance with 42 U.S.C. § 1395g(a) to account for prior overpayments and underpayments which may be determined in the future. Further, all setoff and recoupment rights under Medicare Program Law relating to the Assumed Provider Agreements are reserved. Nothing in this Sale Order, the APA, or any other documents relating to the Sale shall affect any liabilities under any Assumed Provider Agreements.

40. Nothing in this Sale Order, the APA, or any other document related to the Sale shall limit, modify, or in any way affect the authority of the United States Secretary (the “Secretary”) of the United States Department of Health and Human Services to regulate the enrollment or participation of Assignee or any other entity as a Medicare provider or the right and authority of the Secretary, the Centers for Medicare & Medicaid Services (“CMS”) or its contractors to review, approve, deny, or pay Medicare claims in the ordinary course of business in accordance with Medicare Program Law.

41. In the event of an inconsistency or conflict between any provision of the APA or any other document related to a transaction contemplated by the APA and of this Sale Order, as to the United States, Paragraphs 38 to 40 of this Sale Order and federal law shall govern.

42. Additionally, with respect to properties and or facilities located in Illinois, nothing in this Sale Order, the APA, or any other document related to the Sale shall limit, modify, or in any way effect The State of Illinois' ability to enforce its statutory rights and its regulatory powers as they relate to these transactions and this includes but is not limited to the following, Ill. Admin. Code tit. 77 Section 295.400 – License Requirement for an assisted living establishment;; Ill. Admin. Code tit. , § 300.120;; Ill. Admin. Code tit. 77, § 300.150 – Skilled Nursing and Intermediate Care Facilities, Issuance of an Initial License Due to a Change of Ownership.

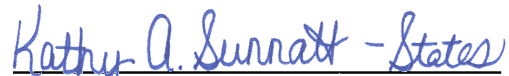
43. Nothing in this Sale Order, the APA, or any other document related to the Sale shall limit, modify, or in any way affect the regulatory authority of the United States Secretary of the United States Department of Housing and Urban Development with respect to a project insured under Section 232 of the National Housing Act, including as to any transfer of physical assets, change of ownership (COO), change of operator (CHOP), or any use of a management agent, whether on an interim or final basis.

44. Upon a Closing, the Debtors shall holdback and retain from the proceeds of the sale of any assets to which any liens of Smart-Fill Management Group, Inc. (“Smart-Fill”) attach the Smart-Fill Holdback (as defined below) with regard to any adequate protection claims of Smart-Fill as referenced in Paragraph 23 of the *Supplemental Final Order (1) Authorizing Debtors in Possession to Obtain Post-Petition Financing; (2) Authorizing Debtors in Possession to Use Cash Collateral; (3) Providing Adequate Protection; and (4) Granting Liens, Security Interests and Superpriority Claims* (Docket No 377) (the “Supplemental DIP Order”). The Smart-Fill Holdback for all of the sale orders shall be equal to a sum not to exceed the lesser of a) \$475,745.91, b) the amount that Smart-Fill, UMB and the Debtors agree, or c) the amount the Court determines with regard to amounts due, if any, for Smart-Fill’s adequate protection claim as described in the

Supplemental DIP Order. The DIP Lender and the Bond Trustee shall retain their claims and liens against such Smart-Fill Holdback. Smart-Fill, Debtors, the DIP Lender, Bond Trustee and the Committee shall reserve all of their respective rights, remedies and defenses with regard to the claims of Smart-Fill, including claims arising from the failure of adequate protection and the priority or timing of any payment of the Smart-Fill claims.

45. This Sale Order shall take effect immediately and shall not be stayed pursuant to Bankruptcy Rules 6004(g), 6004(h), 6006(d), 7062, or otherwise.

Not later than two (2) business days after the date of this Order, the Debtors shall serve a copy of the Order and shall file a certificate of service no later than twenty-four (24) hours after service.


KATHY A. SURRATT-STATES
U.S. Bankruptcy Judge

DATED: December 20, 2024
St. Louis, Missouri
jjh

Proposed Order submitted by:

Stephen O'Brien

(MoBar # 43977)

DENTONS US LLP

211 N Broadway Ste 3000

St. Louis, MO 63102

Telephone: (314) 241-1800

stephen.obrien@dentons.com

Robert E. Richards (*pro hac vice*)

Samantha Ruben (*pro hac vice*)

DENTONS US LLP

233 S. Wacker Drive, Suite 5900

Chicago, Illinois 60606-6404

Telephone: (312) 876-8000

robert.richards@dentons.com

samantha.ruben@dentons.com

– and –

David A. Sosne

(MoBar # 28365)

SUMMERS COMPTON WELLS LLC

903 South Lindbergh Blvd., Suite 200

St. Louis, Missouri 63131

Telephone: (314) 991-4999

dsosne@scw.law

Co-Counsel to the Debtors and Debtors-in-Possession

EXHIBIT 1

APA WITH BACK-UP BIDDER FOR THE SENIOR CARE PHARMACY

ASSET PURCHASE AGREEMENT

by and among

Senior Care Pharmacy Services LLC, Seller

and

Altitude Acquisitions, LLC, as Buyer

dated as of November 22, 2024

EXHIBITS LIST

Exhibit 2.06(a) – Escrow Deposit Agreement

Exhibit 3.02(a) - Bill of Sale of Personal Property

Exhibit 3.02(b) - Assignment and Assumption Agreement

Exhibit 3.02(c) - Form of Quit Claim Deed

Exhibit 6.05(a) – Form of Sale Order

Exhibit 7.01(d) – Form of OTA

DISCLOSURE SCHEDULES

Schedule 1 to Asset Purchase Agreement – Facilities to be Purchased

Schedule 2.01(a) to Asset Purchase Agreement –Descriptions of Real Property

Schedule 2.01(d) to Asset Purchase Agreement – Assumed Contracts

Schedule 2.01(g) to Asset Purchase Agreement – Intellectual Property

Schedule 2.02(b) to Asset Purchase Agreement – Prepaid Expenses

Schedule 2.02(d) to Asset Purchase Agreement – Deposit Accounts

Schedule 2.03(d) to Asset Purchase Agreement – Other Assumed Liabilities

Schedule 2.07 to Asset Purchase Agreement – Allocation

Schedule 4.02 to Asset Purchase Agreement – Contract Violations

Schedule 4.05 to Asset Purchase Agreement – Material Contracts

Schedule 4.06 to Asset Purchase Agreement – Excluded Intellectual Property

Schedule 4.07 to Asset Purchase Agreement – Permits

Schedule 4.08 to Asset Purchase Agreement – Litigation Proceedings

Schedule 4.10(b) to Asset Purchase Agreement – Governmental Notices

Schedule 4.11 to Asset Purchase Agreement – Employees

Schedule 4.12 to Asset Purchase Agreement – Insurance

Schedule 4.16 to Asset Purchase Agreement – Outstanding Liabilities

Schedule 6.04(d) to Asset Purchase Agreement – Assumed and Rejected Contracts

Schedule 7.01(c) to Asset Purchase Agreement – Regulatory Approvals

ASSET PURCHASE AGREEMENT

This **ASSET PURCHASE AGREEMENT** (this “*Agreement*”) is made and entered into effective as of November 22, 2024 (the “*Execution Date*”) by and among the undersigned seller entity (“*Seller*”) and Altitude Acquisitions, LLC, an Illinois limited liability company (“*Buyer*”). Buyer and Seller are sometimes referred to herein individually as a “*Party*” and collectively as the “*Parties*.”

RECITALS:

A. Seller owns and operates a senior living community or other business as set forth on **Schedule 1** hereto (individually, a “*Facility*” and collectively, the “*Facilities*”).

B. On July 16, 2024 (the “*Petition Date*”), the Seller and certain of its Affiliates each filed a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* (the “*Bankruptcy Code*”) in the United States Bankruptcy Court for the Eastern District of Missouri (the “*Bankruptcy Court*”), commencing jointly administered bankruptcy cases captioned *In re Midwest Christian Villages, Inc., et al.*, under lead case number 24-42473-659 (the “*Bankruptcy Case*”).

C. The Seller and its co-debtor Affiliates in the Bankruptcy Case continue to own and operate the Facilities during the pendency of the Bankruptcy Case as debtors in possession under and pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

D. Upon the terms and subject to the conditions set forth in this Agreement, and as may be authorized under Sections 105, 363 and 365 of the Bankruptcy Code, Seller wishes to sell to Buyer, and Buyer wishes to purchase from the Seller all of the Purchased Assets (as hereinafter defined), and Buyer is willing to assume all of the Assumed Liabilities (as hereinafter defined), relating to or used in connection with the Facilities.

E. The transactions contemplated by this Agreement are subject to the approval of the Bankruptcy Court and will be consummated pursuant to and in accordance with the Bid and Sale Procedures Order and a Sale Order (each as defined below) entered by the Bankruptcy Court pursuant to Sections 105(a), 363, 365 and other applicable provisions of the Bankruptcy Code. In accordance with the Bid and Sale Procedures Order, this Agreement has been designated as a Back Up Bid and Agreement subject to termination in accordance with Section 9.01(v) hereof.

NOW, THEREFORE, in consideration of the foregoing and mutual covenants, representations, warranties and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I DEFINITIONS

Unless the context otherwise clearly and unambiguously requires, capitalized terms shall have the meanings prescribed to them herein.

"Accrued PTO" shall have the meaning set forth in Section 8.01(c).

"Action" means any claim, action, cause of action, demand, lawsuit, arbitration, notice of violation, proceeding, litigation, citations, summons or subpoena, whether civil, criminal, administrative, regulatory, or otherwise, and whether at law or in equity.

"Affiliate" means, as to the entity in question, any entity that directly or indirectly controls, is controlled by or is under common control with, the entity in question and the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity whether through ownership of voting securities, by contract or otherwise.

"Assignment and Assumption Agreements" shall have the meaning set forth in Section 3.02(b).

"Assumed Contracts" shall have the meaning set forth in Section 2.01(d).

"Assumed Liabilities" shall have the meaning set forth in Section 2.03.

"Bankruptcy Case" shall have the meaning set forth in the Recitals.

"Bankruptcy Code" shall have the meaning set forth in the Recitals.

"Bankruptcy Court" shall have the meaning set forth in the Recitals.

"Bankruptcy Rules" means the Bankruptcy Rules of Civil Procedure and any local or other rules that applicable to the Bankruptcy Court.

"Bid and Sale Procedures" has the meaning specified in the Bid and Sale Procedures Order.

"Bid and Sale Procedures Order" means the Order of the Bankruptcy Court (including all schedules thereto) approving the Bid and Sale Procedures entered on July 29, 2024 [Dkt. No. 102], including those procedures granting Buyer the protections and benefits set forth in such Order.

"Bills of Sale" shall have the meaning set forth in Section 3.02(a) hereof and substantially in the form set forth in Exhibit 3.02(a) hereto.

"Bond Trustee" means UMB Bank, N.A., not individually, but solely in its capacities as successor master trustee and successor bond trustee with respect to certain obligations and bonds issued by or for the benefit of certain of the Seller and/or its Affiliates that are members of the Obligated Group formed under and pursuant to that certain Master Indenture, dated as of June 1, 2007 (as amended or supplemented from time to time), among such Obligated Group and UMB Bank, N.A., as successor master trustee.

“Business” means Seller’s use and operation of the Purchased Assets at the applicable Facility as a pharmacy.

“Business Day” means any day except Saturday, Sunday or any other day on which commercial banks located in New York, New York or St. Louis, Missouri are authorized or required by Law to be closed for business.

“Buyer” shall have the meaning set forth in the Preamble.

“Buyer Closing Certificate” shall have the meaning set forth in Section 3.02(d).

“Casualty Loss” shall have the meaning set forth in Section 6.08.

“Casualty Notice” shall have the meaning set forth in Section 6.08.

“Claims” means, with respect to the period prior to the Closing Date, any right to payment from Seller, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, legal, equitable, secured or unsecured, known or unknown; or any right to an equitable remedy for breach of performance if such breach gives rise to a right of payment from Seller, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

“Closing” shall have the meaning set forth in Section 3.01.

“Closing Date” shall have the meaning set forth in Section 3.01.

“Closing Statement” shall have the meaning set forth in Section 3.02(g).

“Conditions Satisfaction Deadline” shall have the meaning set forth in Section 9.01(a).

“Consents” shall have the meaning set forth in Section 6.02.

“Contracts” means all contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments, and legally binding arrangements, whether written or oral.

“Cure Amount” means the amount determined in an order of the Bankruptcy Court required to be paid to have an Assumed Contract that the Buyer wants assumed and assigned to it which Cure Amount shall be paid by Buyer.

“Current Operators” means each of Seller’s tenants that operate each Facility.

“Deeds” shall have the meaning set forth in Section 3.02(c).

“Deposit Accounts” shall have the meaning set forth in Section 2.02(d).

“Dollars” or **“\$”** means the lawful currency of the United States of America.

“Due Diligence Materials” shall have the meaning set forth in Section 5.07.

“Effective Time” shall have the meaning set forth in Section 3.01.

“Encumbrances” shall mean all security interests, liens, pledges, claims, charges, encumbrances, rights of first refusal, conditional sales agreements, options, mortgages, indentures or other covenants, agreements or obligations affecting title to any of the Purchased Assets (except, in the case of the Real Property, those matters (i) of public record that do not constitute mortgages, deeds of trust or other monetary liens for liquidated amounts, (ii) disclosed on any survey delivered by Seller to Buyer, or (iii) constituting rights of way, easements and other grants or restrictions that do not interfere with use of the Facility for its intended purpose).

“Environmental Claim” means any Action, governmental Order, lien, fine, penalty, or, as to each, any settlement or judgment arising therefrom, by or from any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from (a) the presence, release of or exposure to any Hazardous Materials or (b) any actual or alleged noncompliance with any Environmental Law.

“Environmental Law” means any applicable Law: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health or safety, or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials. The term “Environmental Law” includes, without limitation, the following (including their implementing regulations and any state analogs): the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 *et seq.*; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 *et seq.*; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 *et seq.*; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 *et seq.*; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 *et seq.*; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 *et seq.*; and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 *et seq.*

“Escrow Agent” means Chicago Title and Trust.

“Escrow Deposit” shall have the meaning set forth in Section 2.06(a).

“Escrow Deposit Agreement” shall have the meaning set forth in Section 2.06(a).

“Excluded Assets” shall have the meaning set forth in Section 2.02.

“Excluded Liabilities” shall have the meaning set forth in Section 2.04.

“Execution Date” shall have the meaning set forth in the preamble.

“Facility” and ***“Facilities”*** shall have the meanings set forth in the Recitals.

“Facility Employees” shall have the meaning set forth in Section 4.11.

“Final Order” means an Order or judgment: (i) as to which the time to appeal, petition for certiorari or move for review or rehearing has expired and as to which no appeal, petition for certiorari or other proceeding for review or rehearing is pending, or such an appeal has been rendered statutorily moot pursuant to Section 363(m) of the Bankruptcy Code or (ii) if an appeal, writ of certiorari, reargument or rehearing has been filed or sought, and a stay pending appeal has been entered, the Order or judgment has been affirmed by the highest court to which such Order or judgment was appealed or certiorari has been denied, or reargument or rehearing shall have been denied or resulted in no modification of such Order or judgment, and the time to take any further appeal or to seek certiorari or further reargument or rehearing has expired; provided that the theoretical possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such Order or judgment shall not prevent such Order or judgment from being considered a Final Order.

“Financial Statements” shall have the meaning set forth in Section 4.13.

“Government Entity” means any government or branch or division thereof, including any agency, bureau, board, directorate, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local.

“Hired Employees” shall have the meaning set forth in Section 8.01(b).

“Insurance Policies” shall have the meaning set forth in Section 4.12.

“Intangible Personal Property” shall have the meaning set forth in Section 2.01(b).

“Intellectual Property Assets” means all intellectual property and intellectual property rights and assets, and all rights, interests and protections that are associated with, similar to, or required for the exercise of, any of the foregoing, however arising, pursuant to the Laws of any jurisdiction throughout the world, whether registered or unregistered, including without limitation the items listed in Schedule 2.01(g).

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended.

“Inventory” shall have the meaning set forth in Section 2.01(c).

“IRS” means the Internal Revenue Service.

“IT Assets” means, to the extent reasonably transferable, (i) computer software code (in all media) and materials, including all software programs; (ii) computer software documentation, including user materials; and (iii) all other unused or reusable materials, stores, and supplies related to computer software.

“Knowledge of Buyer” or **“Buyer’s Knowledge”** or any other similar knowledge qualification, means the actual knowledge of William Rothner.

“Knowledge of Seller” or **“Seller’s Knowledge”** or any other similar knowledge qualification, means the actual knowledge of Kate Bertram, Barb Shepard, Kenna Hudson and Shawn O’Conner.

“Law” means any statute, law, ordinance, regulation, rule, code, Order, constitution, treaty, common law, judgment, decree, other requirement, or rule of law of any governmental authority.

“Liabilities” means liabilities, obligations, or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute, or contingent, accrued or unaccrued, matured or unmatured or otherwise.

“Licenses” shall have the meaning set forth in Section 2.01(e).

“Lien” means any lien, charge, claim, pledge, security interest, conditional sale agreement or other title retention agreement, lease, mortgage, security interest, option, or other encumbrance.

“Loss” or **“Losses”** means losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys’ fees hereunder and the cost of pursuing any insurance providers; provided, however, that “Losses” shall not include punitive damages, except in the case of fraud or to the extent actually awarded to a governmental authority or other third party.

“Material Adverse Change” means any event, occurrence, fact, condition or change that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to (a) the business, results of operations, condition (financial or otherwise) or assets of the Business taken as a whole, (b) the value of the Purchased Assets, or (c) the ability of Seller to consummate the transactions contemplated hereby on a timely basis; provided, however, “Material Adverse Change” shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries as a whole in which the Business operates; (iii) any changes in financial or securities markets in general; (iv) acts of war (whether or not declared), armed hostilities or terrorism, natural disasters, pandemics or the escalation or worsening thereof; (v) any actions required pursuant to this Agreement; (vi) any changes in applicable Laws or accounting rules; (vi) the public announcement, pendency or completion of the transactions contemplated by this Agreement; or (vii) the filing of the Bankruptcy Case.

“Material Consents” shall have the meaning set forth in Section 7.01(c). **“Material Contracts”** shall have the meaning set forth in Section 4.05.

“New Operator” means each to be formed tenant entity that will lease each Facility from Buyer at Closing.

“Order” means, with respect to any Person, any award, decision, injunction, judgment, stipulation, order, ruling, subpoena, writ, decree, consent decree or verdict entered, issued, made, or rendered by any government entity or the Bankruptcy Court affecting such Person or any of its properties.

“**OTAs**” means those certain Operations Transfer Agreements in the form of Exhibit 7.01(d) to be executed between each Current Operator and New Operator.

“**Outside Closing Date**” means March 31, 2025, unless extended by mutual agreement of the Buyer and the Seller.

“**Permitted Encumbrances**” means (i) Liens for Taxes not yet due and payable, (ii) easements, rights of way, zoning ordinances and other similar encumbrances affecting the Real Property which (x) are not, individually or in the aggregate, material to the Purchased Assets or the Business, (y) do not prohibit or interfere with the current operation of the Business, and (z) do not render title to any Real Property unmarketable, and (iii) any matters set out in a Title Insurance Commitment which Seller is not obligated to remove in accordance with Section 2.10 hereof.

“**Permits and Regulatory Approvals**” means all permits, licenses, approvals, authorizations, registrations, certificates, variances and similar rights obtained, or required to be obtained, from governmental authorities, all as identified in Schedule 4.07.

“**Person**” means an individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association, or other entity.

“**Petition Date**” shall have the meaning set forth in the Recitals.

“**Proration Time**” means 12:01 a.m. (Central Time) on the Closing Date.

“**Purchase Price**” shall have the meaning set forth in Section 2.05.

“**Purchase Price Allocation**” shall have the meaning set forth in Section 2.07.

“**Purchase Price Balance**” shall have the meaning set forth in Section 2.06(b).

“**Purchased Assets**” shall have the meaning set forth in Section 2.01. Purchased Assets shall not include Excluded Assets.

“**Real Property**” shall have the meaning set forth in Section 2.01(a).

“**Recapture**” means any claim by HFS, IDPH, Indiana Department of Health, CMS or any other Governmental Entity or other payor with respect to services provided at a Facility of any withholding, recoupment, overpayment, repayment, recapture, recovery and/or other claim with respect to the period prior to the Closing Date of: (i) any alleged overpayment by Medicaid or Medicare; (ii) any alleged underpayment of any Tax or assessment, including but not limited to a State bed tax or assessment; (iii) any civil monetary penalty or other state penalty or fine; or

(iv) any Minimum Data Set audit results or results of any other audit respect to periods prior to the Closing.

“**Rejected Contracts**” shall have the meaning set forth in Section 6.09(d)

“**Sale**” means the sale of the Purchased Assets in accordance with the Bid and Sale Procedures Order and subject to entry of the Sale Order as a Final Order.

“**Sale Hearing**” shall have the meaning given to such term in the Bid and Sale Procedures Order.

“**Sale Motion**” means the *Debtors’ Motion for the Entry of (A) an Order (1) Approving Auction Sale Format and Bidding Procedures, (2) Approving Process for Discretionary Selection of Stalking Horse Bidder and Bid Protections, (3) Approving Form of Notice to be Provided to Interested Parties, (4) Schedule a Court Hearing to Consider Approval of the Sale to the Highest and Best Bidder, and (5) Approving Procedures Related to the Assumption of Certain Executory Contracts and Unexpired Leases, and (B) an Order Authorizing the Sale of Property Free and Clear of All Claims, Liens and Encumbrances* [Dkt. No. 013].

“**Sale Order**” means the Order of the Bankruptcy Court issued pursuant to Sections 363 and 365 of the Bankruptcy Court, authorizing and approving, among other things: (i) the sale, transfer and assignment of the Purchased Assets and the Assumed Liabilities to Buyer in accordance with the terms and conditions of this Agreement, free and clear of all Liens, Claims and Encumbrances; and (ii) the assumption and assignment of the Assumed Contracts in connection therewith and as a part thereof, in substantially the form attached hereto as Exhibit 7.01(b).

“**Seller**” shall have the meaning set forth in the preamble.

“**Seller Closing Certificate**” shall have the meaning set forth in Section 3.02(d).

“**Survey**” shall have the meaning set forth in Section 2.10(a).

“**Tax**” or “**Taxes**” means all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, documentary, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

“**Tangible Personal Property**” shall have the meaning set forth in Section 2.01(b).

“**Title Insurance Commitment**” shall have the meaning set forth in Section 2.10(a).

“**Title Defect**” shall have the meaning set forth in Section 2.10(b).

“**Title Objection**” shall have the meaning set forth in Section 2.10(b).

“**Title Objection Response Deadline**” shall have the meaning set forth in Section 2.10(b).

“**Transaction Documents**” means this Agreement, the Bills of Sale, the Assignment and Assumption Agreements, the Deeds, any operations transition agreements, and the other agreements, instruments and documents required to be delivered at the Closing.

“**WARN Act**” means the federal Worker Adjustment and Retraining Notification Act of 1988, and similar state, local and foreign laws related to plant closings, relocations, mass layoffs and employment losses.

ARTICLE II SALE OF ASSETS

Section 2.01 Sale of Assets. Subject to the terms and conditions set forth in this Agreement and in the Sale Order, and subject to Bankruptcy Court approval and higher and better bids in accordance with the Bid and Sale Procedure Order and excepting the Excluded Assets, the applicable undersigned Seller hereby agrees to sell, convey, assign, transfer and deliver to Buyer, and Buyer, as a good faith purchaser for value within the meaning of Section 363(m) of the Bankruptcy Code, shall purchase from the Seller, all right, title and interest of the Seller in, and to all of the following assets, free and clear of all Liens, Claims and Encumbrances (collectively, the “**Purchased Assets**”):

- (a) The land, building(s), improvements and other related real estate interests that comprise the Facility more specifically described on Schedule 2.01(a) (collectively, the “**Real Property**”);
- (b) Tangible personal property owned by the Seller and used in the operation of the Business, including all equipment, furniture, fixtures, and leasehold improvements of the Seller (the “**Tangible Personal Property**”) and, to the extent assignable, intangible personal property related to the Business, including any warranties, zoning approvals and building permits (the “**Intangible Personal Property**”);
- (c) Inventory and supplies usable or saleable in the operation of the Business, including inventories of prescription drug products and medical products and supplies (the “**Inventory**”);
- (d) The Assumed Contracts listed on Schedule 6.05;
- (e) The Seller’s National Provider Identified (NPI) numbers and other applicable provider numbers with any state or other governing body;
- (f) Licenses, permits, certifications, certificates of need, and accreditations held by Seller relating to the ownership, development and operation of the Business (including any applications and pending approvals), to the extent assignable (the “**Licenses**”);
- (g) Intellectual Property used in the operation of the Business, facilities and properties, including, but not limited to, the items listed on Schedule 2.01(g), to the extent assignable;
- (h) The IT Assets;

- (i) Paper and/or electronic resident records relating to Seller's past and present residents of the Facility;
- (j) Manufacturers' and vendors' warranties relating to the Purchased Assets, to the extent transferable, and rights and claims that may be asserted by (but not against) Seller related to the Purchased Assets;
- (k) Equipment records, documents, catalogs, books, records, files, operating manuals, and other records relating to the Purchased Assets (but excepting any documents or records relating to Seller's tax returns and Seller's internal corporate affairs), including all pharmacy billing records and patient files that may be transferred under applicable law;
- (l) Goodwill associated with the Purchased Assets; and
- (m) The interest of Seller in all property of the foregoing types, arising or acquired by the Seller in the ordinary course of the Business between the Execution Date and the Closing.

Section 2.02 Excluded Assets. Notwithstanding anything to the contrary set forth in Section 2.01 above, Seller shall keep and retain title to and ownership of and shall not transfer, assign, convey or deliver to Buyer any asset not identified herein as a Purchased Asset, all of which shall remain the exclusive property of the Seller. Without limiting the generality of the foregoing, such non-Purchased Assets (collectively, the "***Excluded Assets***") shall include, without limitation:

- (a) Cash and cash equivalents, including, without limitation, stocks, bonds, commercial paper, and other securities and investments;
- (b) All prepaid expenses, credits, advance payments, claims, security, refunds, rights of recovery, rights of setoff, rights of recoupment, deposits, charges, sums and fees (including any such item relating to the payment of Taxes), except for any such amounts in connection with Assumed Liabilities identified on Schedule 2.02(b).
- (c) Accounts receivable and notes receivable generated in connection with the operation of the Business prior to the Effective Time, including, without limitation, intercompany receivables;
- (d) Bank accounts of Seller set forth on Schedule 2.02(d) (collectively, the "***Deposit Accounts***") and any records relating thereto;
- (e) (i) original Tax, accounting and financial records which pertain exclusively to the Excluded Assets or the Excluded Liabilities including, but not limited to, accounts receivable records, tax returns and related records, litigation files and records, and cost report records, (ii) all corporate or limited liability organizational records of Seller, including all charter documents, stock ledgers, minute books and other corporate records of Seller, and (iii) such

other files, books and records which pertain exclusively to the Excluded Assets or the Excluded Liabilities or to the formation, existence or capitalized of Seller;

- (f) Software that is not freely transferable by the terms of any license agreement respecting the same;
- (g) Refunds of any taxes to the extent the same relate to periods prior to the Closing Date;
- (h) All prepaid utility deposits and other deposits and refunds which are owed to, escrowed by, or the property of Seller;
- (i) Without limiting the generality of the foregoing clause (h), any and all payments or rights to payment arising out of, or in connection with, Employee Retention Credits, the Coronavirus Aid, Relief and Economic Security (CARES) Act, the Consolidated Appropriations Act of 2021 (CAA) or the American Rescue Plan Act (ARPA);
- (j) Any policies of insurance and/or interests in insurance pools and programs, and all claims made and rights to payment thereunder;
- (k) All Contracts other than Assumed Contracts and obligations thereunder;
- (l) Any benefit plans offered by Seller to Facility Employees or any assets relating thereto;
- (m) All cause or causes of action or claim or claims arising in connection with or relating to events that occurred prior to the Closing Date, and rights to recovery pursuant to all causes of actions and claims of Seller existing as of the Closing Date, but excluding any claim, causes of action, defense, setoff, or recoupment related to Assumed Contracts;
- (n) All work product, attorney-client and accountant-client privileged materials held or controlled by Seller;
- (o) Actions unrelated to the day-to-day operations of the Facility and all avoidance actions under Chapter 5 of the Bankruptcy Code;
- (p) All intercompany receivables; and
- (q) All rights accruing or to accrue to Seller under this Agreement.

Section 2.03 Assumed Liabilities. As partial consideration for the transfer, assignment and delivery of the Purchased Assets to Buyer, and upon the terms and subject to the conditions set forth in this Agreement, Buyer shall assume, pay and perform the following liabilities and obligations of Seller (collectively, the “*Assumed Liabilities*”):

- (a) (i) The Cure Amounts and (ii), all Liabilities and obligations arising under the Assumed Contracts from and after the Effective Time;

- (b) (i) All Liabilities arising from Accrued PTO and (ii) all Liabilities arising from and after the Effective Time, in each case for any Hired Employees;
- (c) [Omitted].
- (d) Those Liabilities of the Seller set forth in Schedule 2.03(d);
- (e) All liabilities and obligations created by this Agreement respecting Buyer; and
- (f) All other obligations and liabilities arising out of Buyer's possession, use, ownership, transfer or other disposition of the Purchased Assets after the Effective Time.

Section 2.04 Excluded Liabilities; Non-Assumption of Liabilities. Except for the Assumed Liabilities, Buyer shall not assume, pay or perform any indebtedness, liabilities or other obligations of Seller (collectively, the "***Excluded Liabilities***"). Without limiting the generality of the foregoing, and except as otherwise provided herein, (i) Buyer shall not be required to assume and shall not have any liability or obligation with respect to any contract, liability or obligation, direct or indirect, absolute or contingent of Seller or to any other person, entity, or Seller Affiliate regarding any claims or litigation pending or later arising against Seller or any Seller Affiliate that are based on their actions or omissions, and (ii) under no circumstances shall Buyer be deemed to have agreed to or accepted Seller's or any Seller Affiliate's liability for any act, omission, or any other obligation of any nature whatsoever to any resident or resident representative (excepting any post-closing liabilities assumed by Buyer) or to the State, federal or local government for any liabilities related to cost report settlements, fines, penalties, overpayments or recoupments.

Section 2.05 Purchase Price. The aggregate purchase price to be paid by Buyer to the Seller for the Purchased Assets at the Closing shall be TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00) (the "***Purchase Price***"), plus (i) the assumption of the Assumed Liabilities and (ii) the Cure Amounts.

Section 2.06 Payment of Purchase Price; Escrow Deposit. Buyer shall make the following payments on account of the Purchase Price:

- (a) Buyer shall deliver to Escrow Agent, on or before the Execution Date, an earnest money deposit in the amount of TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00) (the "***Escrow Deposit***"), to be held by Escrow Agent pursuant to the terms of an escrow agreement in substantially the form attached as Exhibit 2.06(a) hereto (the "***Escrow Deposit Agreement***"). Upon Closing or termination of this Agreement, the Escrow Deposit, together with accrued interest thereon, if any, shall be delivered to Seller or Buyer in accordance with the applicable terms of this Agreement.
- (b) Buyer shall make payment of the balance of the Purchase Price, plus or minus proration or adjustments as set forth herein (the "***Purchase Price Balance***"), at the Closing by wire transfer to the Escrow Agent.

Section 2.07 Allocation of Purchase Price. The Parties have prepared the allocation schedule attached hereto as Schedule 2.07, and agree that the Parties shall allocate the Purchase Price (and all other capitalized costs) among the Purchased Assets for the Seller, for Tax and accounting purposes only, in accordance with such Schedule 2.07 (the “**Purchase Price Allocation**”). Seller and Buyer each hereby covenant and agree that neither of them will take a position on any income tax return, before any Government Entity, or in any judicial proceeding that is in any way inconsistent with the allocation set forth on Schedule 2.07. Each party shall duly and timely file Form 8594 with its appropriate tax returns. For the avoidance of doubt, the Purchase Price Allocation is not binding on any party for any other purpose.

Section 2.08 Taxes, Fees and Expenses. Buyer shall be responsible for and shall pay all applicable sales taxes, grantor’s taxes, recordation fees and all other similar taxes arising out of the consummation of the transactions contemplated hereby, and any other fees and expenses associated with the transfer of the Purchased Assets as contemplated herein. Seller shall be responsible for and shall pay any income tax of the Seller as a result of the transactions contemplated herein. Except as set forth in the immediately preceding sentence, each of Buyer and the Seller shall pay its own costs incurred in connection with the transactions contemplated herein, including reasonable attorneys’ fees and due diligence expenses.

Section 2.09 Apportionment of Expenses; Prorations.

- (a) All expenses arising from the ownership of the Purchased Assets shall be apportioned between Buyer and the Seller as of the Effective Time, in accordance with the principle that the Buyer shall only be responsible for all expenses and obligations arising from the ownership of the Purchased Assets at or after such time. All real estate and personal property taxes respecting the Purchased Assets shall be prorated as of the Closing.
- (b) The following items shall be prorated among Buyer and the Seller as of the Proration Time and paid or credited at the Closing, as shall be set forth on the Closing Statement:
 - (i) All state, county, city, school, ad valorem and other local real and personal property taxes and assessments and business personal property taxes relating to or assessed against the Real Property or the Business;
 - (ii) Any utilities or other periodic charges that cannot be changed to Buyer or Buyer’s designee’s account by the Closing Date;
 - (iii) Prepayments made by the Seller for services relating to the Business and provided after the Proration Time, which shall be credited to the Seller; and
 - (iv) Provider taxes, privilege Taxes or so-called bed taxes or similar taxes and fees, howsoever designated.
- (c) At Closing, Buyer shall receive a credit against the Purchase Price for the assumed Accrued PTO over \$72,142.00.

Section 2.10 Title Insurance Commitment; Survey.

- (a) The Parties acknowledge that, prior to the Execution Date, the Seller has delivered to Buyer (i) commitment for title insurance, along with copies of all easements and building and use restriction identified in the commitment (collectively, the “**Title Insurance Commitment**”) and (ii) ALTA/NSPS as-built surveys (collectively, the “**Surveys**”) for the Real Property. Buyer hereby waives any right to provide a Title Objection (as defined below) with respect to the Title Insurance Commitment and Surveys provided to Buyer prior to the Execution Date.
- (b) If Buyer desires an updated Title Insurance Commitment or updated Surveys (“**Updated Title Work**”), then Buyer shall pursue and obtain such Updated Title Work at its sole cost and expense by no later than ten (10) days after the Execution Date. If the Updated Title Work discloses title exceptions or matters (i) not identified in the Title Insurance Commitment and Surveys delivered pursuant to paragraph (a) and (ii) in the reasonable judgment of Buyer, render title uninsurable or unmarketable, or otherwise adversely affect the use of the Real Property to conduct the Business (a “**Title Defect**”), then Buyer shall deliver to the Seller a written statement of any such Title Defects (a “**Title Objection**”) no later than five (5) Business Days after its receipt of the Updated Title Work; provided that (i) any objections to Title Defects not timely delivered as aforesaid will be waived and (ii) any matter disclosed in the Updated Title Work and not identified in a timely Title Objection shall be deemed a Permitted Encumbrance. If the Seller timely receives such a Title Objection, the Seller shall elect, in a written response to Buyer delivered within five (5) Business Days of the Seller’s receipt of the Title Objection (the “**Title Objection Response Deadline**”) to (i) cure any or all of the Title Defects identified in such Title Objection or (ii) not cure such Title Defects; provided that, if the Seller does not deliver its response prior to the Title Objection Response Deadline, then the Seller shall be deemed to have elected to cure the Title Defects. If Seller elects not to cure any of the Title Defects identified in the Title Objection, then Buyer may elect to terminate this Agreement by giving Seller within five (5) Business Days after receipt of the Seller’s election not to cure such Title Defects; provided that, if Buyer does not timely make such an election, then such Title Defects shall be deemed Permitted Encumbrances hereunder.
- (c) Buyer acknowledges and agrees that (i) Seller may elect to address any identified Title Defects through the Sale Motion, whereby holders of Liens, Claims and Encumbrances may be adequately protected by having such Liens, Claims or Encumbrances attach to the portion of the Purchase Price ultimately attributable to the Purchased Assets against or in which such holders claim an interest, with the same validity, force, effect and priority which they had against such Purchased Assets as of the Execution Date, subject to any claims and defenses that Seller or its estates may assert with respect thereto and (ii) notwithstanding anything herein to the contrary, all Liens, Claim and Encumbrances that can be satisfied by the payment of money shall be addressed in the Sale Order.

Section 2.11 Third Party Consents. To the extent that Seller’s rights under any contract or permit constituting a Purchased Asset, or relating to a Purchased Asset, may not, pursuant to Section 365 of the

Bankruptcy Code, be assigned to Buyer without the consent of another Person, which consent has not been obtained, nothing set forth in this Agreement shall constitute an agreement by Seller to assign or cause the assignment of same if an attempted assignment would constitute a breach of such contract or permit, or be unlawful. Buyer, at its own expense, shall use its reasonable best efforts to obtain any such required consents.

ARTICLE III CLOSING

Section 3.01 Closing. Subject to the terms and conditions of this Agreement and the Sale Order, including, without limitation, the satisfaction or waiver by the appropriate Party of all of the conditions precedent to Closing specified herein, the consummation of the transactions contemplated by and described in this Agreement (the “**Closing**”) shall be conducted remotely, via an exchange of emails authorizing and directing the Escrow Agent to release originals of executed documents from escrow for recording purposes and to wire funds to the appropriate parties, to occur on the date (such date of consummation being referred to herein as the “**Closing Date**”) that is the earlier of (i) the first Business Day of a calendar month that occurs five (5) Business Days following the date on which the conditions to Closing set forth in Article VII are either satisfied or waived (other than conditions which, by their nature, are to be satisfied on the Closing Date) and (ii) the Outside Closing Date, or at such other time, date or location as shall be agreed upon by the Parties. Regardless of the time it actually occurs, the Closing will be deemed effective for all purposes as of 12:01 a.m. (Central Time) on the Closing Date (the “**Effective Time**”).

Section 3.02 Actions of Seller at Closing. At the Closing and unless otherwise waived in writing by Buyer, the Seller shall execute and/or deliver to Buyer the following:

- (a) Bills of sale, in the form attached hereto as Exhibit 3.02(a) (the “**Bills of Sale**”), executed by the Seller, transferring the Tangible Personal Property, the Intangible Personal Property, the Intellectual Property Assets and the IT Assets to Buyer or its designee;
- (b) Assignment and assumption agreements, in the form attached hereto as Exhibit 3.02(b) (the “**Assignment and Assumption Agreements**”), executed by the Seller, effecting the assignment to and assumption by Buyer or its designee of the Assumed Contracts;
- (c) With respect to each parcel of Real Property, a quitclaim deed, in the form attached hereto as Exhibit 3.02(c) (the “**Deeds**”), executed by the Seller;
- (d) Closing certificate of the Seller, certifying that each covenant and agreement of Seller to be performed prior to or as of the Closing pursuant to this Agreement has been performed and each representation and warranty of the Seller are true and correct in all material respects on the Closing Date, as if made on and as of the Closing (the “**Seller Closing Certificate**”);

- (e) Certificates of incumbency for the respective officers of the Seller executing this Agreement or making certifications for the Closing dated as of the Closing Date;
- (f) Certificates of existence and good standing of the Seller from the Secretary of State of its formation, dated the most recent practical date prior to the Closing;
- (g) A closing statement setting forth all proration and adjustments (the “*Closing Statement*”), duly executed by the Seller; and
- (h) Such other instruments and documents as Buyer reasonably deems necessary to effectuate the transactions contemplated hereby.

Section 3.03 Actions of Buyer at Closing. At the Closing and unless otherwise waived in writing by the Seller, Buyer shall deliver to the Seller(s) the following:

- (a) The Assignment and Assumption Agreements duly executed by Buyer and in the form attached hereto as Exhibit 3.02(b);
- (b) Closing certificate of Buyer, certifying that each covenant and agreement of Buyer to be performed prior to or as of the Closing pursuant to this Agreement has been performed and each representation and warranty of Buyer is true and correct on the Closing Date, as if made on and as of the Closing (the “*Buyer Closing Certificate*”);
- (c) Certificates of incumbency for the respective officers of Buyer executing this Agreement dated as of the Closing Date;
- (d) Certificate of existence and good standing of Buyer from the Secretary of State of the applicable jurisdiction in which the Buyer is formed, dated the most recent practical date prior to Closing; and
- (e) Such other instruments and documents as Seller reasonably deems necessary to effect the transactions contemplated hereby.

On the Closing Date, Buyer shall cause the Escrow Agent to deliver the Purchase Price to the Seller. For the avoidance of doubt, such Purchase Price shall include the Escrow Deposit and the Purchase Price Balance.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set otherwise expressly set forth in this Agreement or any exhibit or schedule attached hereto, Seller represents and warrants as to itself to Buyer that the following statements are true and correct as of the Execution Date and will be true and correct as of the Closing Date:

Section 4.01 Existence and Capacity. Seller is a limited liability company validly existing in good standing under the laws of the State of its formation. Seller has the requisite power and authority, subject to requisite approvals of the Bankruptcy Court, to enter into this Agreement, to perform its obligations hereunder, and to conduct its business as such business is being conducted as of the Effective Date.

Section 4.02 Power and Authority. Subject to entry of the Sale Order by the Bankruptcy Court, the execution, delivery and performance of this Agreement, and consummation of the transaction contemplated herein, by Seller have been duly authorized by all appropriate corporate action on the part of the Seller.

Section 4.03 Binding Agreement. This Agreement and all agreements to which Seller will become a party pursuant hereto are and will constitute the valid and legally binding obligations of Seller, and are and will be enforceable against Seller in accordance with the respective terms hereof or thereof.

Section 4.04 Title to Purchased Assets. As of the Closing, Seller shall hold good and valid title to all of the Purchased Assets which it owns, and at the Closing, will assign and convey to Buyer good and valid title free from all Liens, Claims and Encumbrances other than Permitted Encumbrances.

Section 4.05 Material Contracts. All material contracts agreements, leases and other commitments, in each case in which the annual payments exceed \$100,000, that Seller is a party to respecting the Business conducted by Seller at the Facility (the “**Material Contracts**”) are listed and summarized on Schedule 4.05, and there are no undisclosed material amendments or modifications to any such contracts.

Section 4.06 Intellectual Property; Computer Software. Except as set forth in Section 2.02(g), the Intellectual Property Assets include all patents, copyrights, inventions, processes and applications therefore (whether registered or common law) currently owned or used by Seller in the Business and necessary for the operation thereof.

Section 4.07 Permits. All Permits and Regulatory Approvals held by the Seller to conduct the Business as currently conducted are set forth in Schedule 4.07.

Section 4.08 Litigation or Proceedings. Except as set forth in Schedule 4.08, there are no Actions pending or, to Seller’s Knowledge, threatened against or by the Seller(i) relating to or affecting the Business, the Purchased Assets or the Assumed Liabilities or (ii) that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

Section 4.09 Real Property. Schedule 2.01(a) sets forth each parcel of Real Property owned by the Seller and used in the conduct of the Business as conducted as of the Effective Date, including with respect to each such parcel, the street address and use. Seller has delivered or made available to Buyer copies of the deeds and other instruments (as recorded) through which the Seller acquired such parcels of Real Property, and copies of all title insurance policies, opinions, abstracts and surveys in the possession of the Seller with respect thereto.

Section 4.10 Environmental Laws. With respect to the ownership or operation of the Real Property, the Facility or the use of the Purchased Assets by Seller or Current Operators:

- (a) To Seller's Knowledge, no Seller and no Current Operator is in violation, in any material respect, of any Environmental Law.
- (b) To Seller's Knowledge, (i) neither Seller nor Current Operators have in the last five years received any written notice alleging or asserting a violation of any Environmental Law with respect to the Real Property, the Facility or the Purchased Assets, (ii) no investigation, administrative order, litigation or settlement with respect to any Environmental Laws is pending with respect to the Real Property, the Facility or the Purchased Assets, and (iii) no written notice has been received by Seller or a Current Operator respecting the Facility or the Purchased Assets from any Government Entity or individual claiming any material violation of any Environmental Laws, or requiring compliance with any Environmental Laws, or demanding payment or contribution for environmental damage or injury to natural resources.

Section 4.11 Employee Relations. Schedule 4.11 lists all persons who are employees, independent contractors or consultants who, as of the Execution Date, provide services in the Facility, including any such person who is on a leave of absence of any nature, paid or unpaid, authorized or unauthorized, and sets forth for each such person: (i) name, (ii) title or position, (iii) hire date, (iv) full time equivalent status, (v) rate of base compensation, (vi) commission, bonus or other incentive-based compensation and (vi) a description of fringe benefits, if any, provided to each such person (the "***Facility Employees***"). With respect to the Facility Employees, except as set forth on Schedule 4.11 hereto:

- (a) All Facility Employees are "at will" employees or Seller has provided to Buyer copies of such employment, consulting, independent contractor, bonus, severance, or other similar written engagement to which Seller is a party.
- (b) There has not been within the last five (5) years and there is no pending strike, picketing, work stoppage, or any proceeding against or affecting Seller relating to an alleged violation of any legal requirements pertaining to labor relations.
- (c) There is no union representation or organizing activities and no collective bargaining agreement or activities.
- (d) To Seller's Knowledge, there are no pending or threatened claims before the Equal Employment Opportunity Commission (or comparable state agency), complaints before the Occupational Safety and Health Administration (or comparable state agency), wage and hour claims, unemployment compensation claims, workers' compensation claims, or the like.

Section 4.12 Insurance. Schedule 4.12 sets forth (i) a true and complete list of all current policies or binders of fire, liability, product liability, umbrella liability, professional liability, real and personal property,

workers' compensation, vehicular, fiduciary liability and other casualty and property insurance maintained by Seller or its Affiliates and relating to the Business, the Purchased Assets and the Assumed Liabilities (collectively, the "***Insurance Policies***"); and (b) with respect to the Business, the Purchased Assets or the Assumed Liabilities, a list of all pending claims and the claims history for the three (3) years prior to the Execution Date. Unless otherwise mutually agreed, no insurance policies of Seller are to be transferred to Buyer and Buyer is responsible for securing its own insurance for the Purchased Assets.

Section 4.13 Financial Statements. Copies of the income statements for the Business as in each of the years for the fiscal years ending June 30, 2023 and June 30, 2024 (collectively, the "***Financial Statements***") have been or will be provided to Buyer. The Financial Statements are based on the books and records of the Business, are true, complete and correct, and fairly and accurately present (in all material respects when taken as a whole) the financial condition of the Business as of the respective dates they were prepared and the results of the operations of the Business for the periods indicated.

Section 4.14 Brokers. Except for B.C. Ziegler & Co., for which Seller shall be responsible, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of Seller.

Section 4.15 [Omitted]

Section 4.16 Outstanding Liabilities. Schedule 4.16 sets forth, to the Knowledge of Seller, all outstanding obligations of Seller or the Current Operator or with respect to a Facility (including without limitation amounts claimed with respect thereto, but contested) with respect to the following items (the "***Outstanding Liabilities***"): (a) Recapture Claims, (b) Medicare advance payments, (c) civil monetary penalties, and any other governmental fines or penalties, (d) bed taxes or any similar fee with respect to the Facilities, which for the avoidance of doubt shall include amounts already due and payable and amounts accrued with respect to periods prior to the Closing but not yet due and payable.

Section 4.17 Expiration of Representations and Warranties. The representations and warranties of Seller contained in this Agreement shall expire upon, and shall not survive for any purpose whatsoever, the Closing.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that to the following statements are true and correct as of the Execution Date and will be true and correct as of the Closing Date:

Section 5.01 Existence and Capacity. Buyer is an Illinois limited liability company duly organized and validly existing in good standing under the laws of the State of Illinois. Buyer has the requisite power and

authority to enter into this Agreement, to perform its obligations hereunder, and to conduct its business as now being conducted.

Section 5.02 Power and Authority. The execution, delivery and performance of this Agreement, and consummation of the transaction contemplated herein, by Buyer:

- (a) are within its powers, are not in contravention of law or of the terms of its Articles Organization and Operating Agreement;
- (b) have been duly authorized by all appropriate company actions;
- (c) except for the Permits and Regulatory Approvals to be obtained by Buyer, do not require any approval or consent of, or filing with, any third party;
- (d) will not violate any statute, law, rule or regulation, or any judgment, decree, writ or injunction of any court or Government Entity, to which Buyer may be subject; and
- (e) will not violate any provision of any agreement to which Buyer is a party or by which Buyer is bound.

Section 5.03 Binding Agreement. This Agreement and all agreements to which Buyer will become a party pursuant hereto are and will constitute the valid and legally binding obligations of Buyer, and are and will be enforceable against Buyer in accordance with the respective terms hereof or thereof.

Section 5.04 Adequate Funds. As of the Execution Date, Buyer has funds, or the ability to obtain such funds, in cash in amounts equal to the Purchase Price and other funds needed to consummate the transaction and will at the Closing have immediately available funds in cash, which are sufficient to pay the Purchase Price and to pay any other amounts payable pursuant to this Agreement and to consummate the transaction contemplated herein. Buyer does not have any financing or equity investment contingency of any nature whatsoever.

Section 5.05 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of Buyer.

Section 5.06 Legal Proceedings. There are no Actions pending or, to Buyer's Knowledge, threatened against or by Buyer or any Affiliate of Buyer that challenge or seek to prevent, enjoin, or otherwise delay the transactions contemplated by this Agreement. No event has occurred, nor circumstances exist, that may give rise or serve as a basis for any such Action.

Section 5.07 Due Diligence Materials. Seller has provided certain documents which relate to the operations and financial conditions of the Business, which are herein referred to as "***Due Diligence Materials.***" Prior to the Execution Date, Buyer has been provided access to the Due Diligence Materials. Until the Effective Time, Seller will continue to cooperate in providing information to Buyer as requested, in a timely manner, but is

under no obligation to create documents or provide any related documents which are outside those in the possession of Seller. Buyer acknowledges that certain Due Diligence Materials may be limited to summaries, or otherwise contain redactions, if the Seller reasonably believes the disclosure of such information would be a violation of Law protecting the personal, financial or protected health information of any resident or patient or affiliate of a resident or patient, including, but not limited to, all Laws adopted under the Health Insurance Portability and Accountability Act. Buyer expressly acknowledges that (i) it has completed its due diligence as of the Execution Date and (ii) no due diligence contingency exists with respect to Buyer's obligations under this Agreement.

Section 5.08 Fitness for and Timing for Application for Obtaining Permits and Regulatory Approvals.

Buyer has no knowledge of any material fact or other information related to Buyer or any of its Affiliates which could be reasonably expected to have an adverse impact on Buyer's or its designees' ability to obtain the Permits and Regulatory Approvals. To Buyer's Knowledge, it has been in material compliance with healthcare regulatory laws and has not received any communication from a governmental authority or third-party payors that would prohibit or delay the Buyer from consummating the transaction contemplated herein or obtaining the Permits and Regulatory Approvals necessary to operate the Business. Buyer shall have applied for (or caused its designees to apply for) all Permits and Regulatory Approvals no later than three (3) Business Days after the entry of the Sale Order.

Section 5.09 No Guarantee of License. Buyer acknowledges that the Business operations are regulated by local, state, or federal Laws and are conducted under a license or licenses issued or authorized by the applicable state of operation of the Seller. Buyer acknowledges that Buyer shall be responsible, at Buyer's sole cost and expense, for obtaining any and all governmental or quasi- governmental approvals necessary for Buyer's intended use or development of the Real Property, including but not limited to, its licensing of the facilities or ancillary businesses by the applicable state and any platting or zoning, and other such matters.

Section 5.10 Disclaimers; Releases and Limitations. Buyer represents and warrants to Seller that Buyer is a knowledgeable, experienced, and sophisticated buyer of real estate and/or senior living facilities. Buyer acknowledges that, except for the representations and warranties made by Seller in Article IV hereof, Buyer has not relied upon and will not rely upon, either directly or indirectly, any statement of Seller or any of its officers, directors, trustees, agents, employees, or other person acting or purporting to act on behalf of Seller.

Section 5.11 No Other Warranty. Without in any manner limiting the provisions of the preceding paragraph or elsewhere in this Agreement, as a material part of the consideration for this Agreement, Seller and Buyer agree that Buyer is taking the property "as-is", "where-is" and "with all faults" and with any and all latent and patent defects and that there is no warranty or representation, express or implied, of any kind or nature (including, without limitation, warranties with respect to habitability, marketability, use or fitness for a particular purpose) made by Seller with respect to the property (except for the representations of Seller expressly set forth in Article IV hereof), all other representations and warranties, both express and implied, are hereby expressly disclaimed and denied. Buyer acknowledges that it has been given adequate time to conduct whatever examination, evaluations, inspections, reviews, studies or tests of the property and its condition as Buyer may

desire or determine warranted, and that Buyer is not relying on any representation, warranty, statement or other assertion with respect to the property or its condition or any other matter by Seller or any of Seller's officer, director, trustee, agent, employee, attorney or other person acting or purporting to act on behalf of any Seller or any of its Affiliates, but Buyer is relying solely on its own examination, evaluations, inspections, reviews, studies or tests of the property. Without limiting the provisions of preceding paragraphs and this Agreement, Buyer expressly releases and discharges Seller, its respective Affiliates, members, partners, officers, directors, shareholders, employees, attorneys, agents, brokers, and contractors from any and all obligations, claims, administrative proceedings, judgments, damages, fines, costs, and liabilities arising out of or relating to the physical condition of the property or any portion thereof, including, without limitation any latent or patent construction defects, violations of any applicable laws and any and all other acts, omissions, events, circumstances or matters regarding the Purchased Assets.

ARTICLE VI COVENANTS

The Buyer and Seller as to itself shall take the following actions and comply with the following obligations prior to the Closing:

Section 6.01 Operation of the Business. From the Execution Date until the Closing, except as otherwise provided in this Agreement or consented to in writing by Buyer, Seller shall conduct the Business in the ordinary course of business consistent with past practice, subject to applicable limitations and requirements of the Bankruptcy Code and except as otherwise necessary or reasonable to consummate the transactions contemplated herein.

Section 6.02 Access to Information, Books and Records. Seller will permit representatives of Buyer to have reasonable access to the Facility premises and personnel during normal business hours, as well as the books and records of Seller to the extent relating to the Facility, as may be reasonably necessary to comply with the obligations of the Buyer under this Agreement, to facilitate Borrower's review and inspection of the Purchased Assets. The timing and frequency of such access shall be coordinated with Seller in all cases, and Seller shall have a right to be present during all such access. Buyer shall not interfere with the normal business operations of Seller in any material respect.

Section 6.03 Notice of Developments. Seller shall give prompt written notice to Buyer of any material adverse development causing a material breach of any of the representations and warranties in Article IV above. Buyer shall give prompt written notice to Seller of any material adverse development causing a breach of any of the representations and warranties in Article V above. No disclosure by any of the Parties pursuant to this Section, however, shall be deemed to amend or supplement any Schedule to this Agreement or to prevent or cure any misrepresentation, breach of warranty, or breach of covenant.

Section 6.04 Casualty; Condemnation. As used herein, the term "*Casualty Loss*" means any destruction by fire, storm or other casualty, or any taking or pending or threatened taking, in condemnation or under the right of eminent domain, of any of the Purchased Assets, or a portion thereof, in each case, prior to the

Effective Time. Seller shall within three (3) business days give Buyer written notice (a “*Casualty Notice*”) of any Casualty Loss of which Seller becomes aware. To the extent such Casualty Loss exceeds \$1,500,000 in cost, Buyer shall have the option, which must be exercised within ten (10) days after its receipt of the Casualty Notice, to terminate this Agreement or to proceed with the Closing. If Buyer elects to terminate this Agreement, the Escrow Deposit shall be returned to Buyer and all rights, duties, obligations and liabilities created hereunder shall cease. If Buyer elects to proceed with Closing (or if the Casualty Loss is less than \$1,500,000), Buyer shall acquire the Purchased Assets in accordance with the terms hereof without a credit against the Purchase Price and Seller shall transfer to Buyer all of its rights to unpaid insurance proceeds, claims, awards and other payments arising out of such Casualty Loss and pay to Buyer all sums paid to Seller as insurance proceeds, awards or other payments arising out of such Casualty Loss less any amounts Seller has paid to repair or mitigate such Casualty Loss. Seller shall not voluntarily comprise, settle or adjust any amounts payable by reason of any Casualty Loss without first obtaining the written consent of Buyer, such consent not to be unreasonably withheld, conditioned, or delayed.

Section 6.05 Bankruptcy Actions.

- (a) Prior to the Execution Date, the Seller and its co-debtor Affiliates filed the Sale Motion seeking, among other things, entry of the Sale Order in substantially the form attached hereto as Exhibit 6.05(a). Buyer acknowledges that the entry of any Order is subject to approval of the Bankruptcy Court.
- (b) Seller shall comply with all of its respective obligations under (i) the Bid and Sale Procedures Order and (ii) the Sale Order (after the entry of same by the Bankruptcy Court).
- (c) Seller shall use commercially reasonable efforts to comply (or obtain an Order from the Bankruptcy Court waiving compliance) with all requirements under the Bankruptcy Code and applicable Bankruptcy Rules in connection with obtaining approval of the sale of the Purchased Assets under this Agreement, including serving on all required Persons in the Bankruptcy Case (including (i) all Persons who are known to possess or assert a Lien against any of the Purchased Assets, (ii) the Internal Revenue Service, (iii) all state attorneys general, local realty enforcement agencies and local government entities with taxing authority or the power to approve or consent to the issuance or transfer of the Permits and Regulatory Approvals, and (iv) all other Persons required by any Order of the Bankruptcy Court (including any omnibus notice or case management Order entered in the Bankruptcy Case), notice of the Sale Motion, the Sale Hearing and the objection deadline in accordance with Rules 2002, 6004, 6006 and 9014 of the Bankruptcy Rules, the Bid and Sale Procedures Order or other Orders of the Bankruptcy Court, and any applicable local rules of the Bankruptcy Court.
- (d) (i) Within five (5) business days after the Execution Date, Buyer shall provide a copy of Schedule 6.04(d), which schedule can be modified by the Buyer by removing from such schedule any Assumed Contract (as defined below) up to ten (10) days before the Closing

Date, identifying (i) all Contracts that Buyer wishes to be assumed by Seller and assigned by Seller to Buyer at Closing (the “*Assumed Contracts*”); and (ii) all Contracts that Buyer will not be seeking to have assigned by Seller (the “*Rejected Contracts*”). Seller shall move to assume and assign to Buyer, effective as of the Effective Time, any Assumed Contract that is designated on or before the fifth day after the Execution Date by Buyer to Seller. After the Closing Date, Seller shall be released from any further liability under such Assumed Contracts as provided for under Section 365(k) of the Bankruptcy Code.

(ii) Buyer shall assume all obligations from and after the Closing Date under Assumed Contracts, and at such time as is required by the Bankruptcy Court in the Sale Order, shall pay cash or other acceptable consideration to the third party (or parties) to the applicable Assumed Contract in order to cure the monetary defaults and satisfy any pecuniary obligations of Seller (or obtain waivers with respect thereto) with respect to the Business, and to provide adequate assurance of future performance under the Assumed Contracts.

Section 6.06 Maintenance of Insurance. From the Execution Date until the Effective Time, Seller shall keep in full force and effect all insurance coverages existing on the Execution Date.

Section 6.07 Commercially Reasonable Efforts. From the Execution Date until the Closing, each party hereto shall use commercially reasonable efforts to take such actions as are necessary to expeditiously satisfy the closing conditions set forth in Article VII hereof. Additionally, Buyer shall, within ten (10) after entry of the Sale Order, submit the necessary applications to the applicable regulatory authorities to obtain such Permits and Regulatory Approvals as are needed to consummate the sale (with copies of such applications promptly provided to Seller) and shall diligently and expeditiously follow up on and pursue such Permits and Regulatory Approvals. Further, Buyer agrees to provide copies of all correspondence between Buyer (or its Affiliates) and any regulatory agency, or similar body, to Seller and the Bond Trustee within two (2) Business Days of Buyer’s receipt of same.

Section 6.08 Public Announcements. Unless otherwise required by applicable Law (based upon the reasonable advice of counsel), no party to this Agreement shall make any public announcements in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the other parties (which consent shall not be unreasonably withheld or delayed), and the parties shall cooperate as to the timing and contents of any such announcement. Disclosures made to the Bankruptcy Court or in pleadings filed with the Bankruptcy Court or in other related notices shall not be considered a public announcement.

Section 6.09 Bulk Sales Laws. The parties hereby waive compliance with the provisions of any bulk sales, bulk transfer or similar Laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Purchased Assets to Buyer; it being understood that any Liabilities arising out of the failure of Seller to comply with the requirements and provisions of any bulk sales, bulk transfer or similar Laws of

any jurisdiction which would not otherwise constitute Assumed Liabilities shall be treated as Excluded Liabilities.

Section 6.10 Transfer Taxes. All transfer, documentary, sales, use, stamp, registration, value added, and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the other Transaction Documents (including any real property transfer Tax and any other similar Tax) shall be borne and paid by Buyer when due. Buyer shall, at its own expense, timely file any tax return or other document with respect to such Taxes or fees and Seller shall cooperate with respect thereto as necessary.

Section 6.11 Further Assurances. Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute, and deliver such additional documents, instruments, conveyances, and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the other Transaction Documents.

Section 6.12 Good Faith. Each party agrees, in the exercise of good faith and fair dealing, to take actions necessary or appropriate to satisfy all conditions to closing and to consummate the Closing under this Agreement. Each party agrees to provide prompt notice to the other party of any circumstance or condition which such party has reason to believe may cause a condition of the Closing not to be fulfilled or otherwise create any impediment to the Closing.

Section 6.13 [Omitted].

Section 6.14 Pharmacy Inventories. No pharmacy Inventory will be sold or disposed of other than in the ordinary course of business. Seller has not restocked for resale any previously sold pharmacy Inventory without providing a credit to the applicable payor for such Inventory, net of any applicable restocking fees or other similar adjustments.

ARTICLE VII CONDITIONS PRECEDENT TO THE OBLIGATIONS OF BUYER AND SELLER

Section 7.01 Conditions to Obligations of All Parties. The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions:

- (a) No governmental authority shall have enacted, issued, promulgated, enforced or entered any governmental order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal or otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof
- (b) The Bankruptcy Court shall have entered the Sale Order approving the sale to the Buyer which shall be a Final Order unless such finality is mutually waived by the Buyer and the Seller; and

- (c) Buyer's designees shall have received all Permits and Regulatory Approvals that are set forth on Schedule 4.07.
- (d) No Facility is in an open survey cycle for any public health or life safety survey violations (such that deficiencies were found in a survey, but public health has not yet determined the Facility is in substantial compliance with all survey requirements) and no Current Operator or Seller has not received notice that any Facility is deemed a "Special Focus Facility" or are a candidate to receive such designation.
- (e) Each Current Operator and each New Operator are prepared to close under the OTAs in the form of Exhibit 7.01(d) and have made all required closing deliveries to each other and to Seller and Buyer as required thereunder.

Section 7.02 Seller's Conditions. All obligations of the Seller which are to be discharged under this Agreement effective as of the Closing Date are subject to the satisfaction, on or before the Closing Date, of each of the following conditions unless expressly waived in writing by the Seller at or prior to the Closing:

- (a) All of the representations and warranties of Buyer contained in Article V of this Agreement shall be true and correct in all material respects as of the Execution Date, and shall be deemed to have been made again on and as of the Closing Date and shall be true and correct in all material respects on and as of the Closing Date.
- (b) Buyer shall have performed or complied in all respects with all covenants and conditions required by this Agreement to be performed or complied with by it on or before the Closing Date.
- (c) The Consents shall have been obtained (or, if not obtainable before Closing, request shall have been made and Seller shall have received reasonably satisfactory assurances that they will be granted after the Closing) and are in form and substance reasonably satisfactory to Seller (the "**Material Consents**");
- (d) All Regulatory Approvals shall have been obtained, except for any documents required to be filed, or consents, authorizations, orders or approvals required to be issued, after the Closing Date.
- (e) No Action or proceeding shall have been instituted against, and no order, decree or judgment of any Government Entity shall be pending against, Buyer or Seller which seeks to, or would, render it unlawful as of the Closing Date to effect the transfer of the Purchased Assets, and no such action shall seek damages or injunctive relief by reason of the transactions contemplated hereby. Also, no substantive legal objection to the transactions contemplated by this Agreement shall have been received from or threatened by any Government Entity.

- (f) Buyer shall not (i) be in receivership or dissolution, (ii) have made any assignment for the benefit of creditors, (iii) admitted in writing its inability to pay its debts as they mature, (iv) have been adjudicated as bankrupt, or (v) have filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization, or an arrangement with creditors under the federal bankruptcy law or any other similar law or statute of the United States or any state, nor shall any such petition have been filed against Buyer.
- (g) Buyer shall have made the deliveries required to be made by it under Section 3.03 hereof.
- (h) All certificates and documents delivered to Seller pursuant to this Agreement shall be satisfactory in form and substance to Seller acting reasonably and in good faith.
- (i) The Sale Order shall have been entered by the Bankruptcy Court.
- (j) The Buyer shall have delivered the Purchase Price.

Section 7.03 Buyer's Conditions. All obligations of Buyer which are to be discharged under this Agreement effective as of the Closing Date are subject to the satisfaction, on or before the Closing Date, of each of the following conditions unless expressly waived in writing by Buyer at or prior to the Closing:

- (a) All of the representations and warranties of the Seller contained in Article IV of this Agreement shall be true and correct in all material respects as of the Execution Date, and shall be deemed to have been made again on and as of the Closing Date and shall be true and correct in all material respects on and as of the Closing Date.
- (b) The Seller shall have performed or complied in all respects with all covenants and conditions required by this Agreement to be performed or complied with by it on or before the Closing Date.
- (c) All Regulatory Approvals shall have been obtained, except for any documents required to be filed, or consents, authorizations, orders or approvals required to be issued, after the Closing Date. Buyer shall have obtained documentation or other evidence satisfactory to Buyer in its reasonable discretion that Buyer has:
 - (i) Buyer shall have received approval from all Government Entities and third-party payors necessary to allow Buyer to conduct the Business and operate the Facility subsequent to Closing;
 - (ii) Buyer shall have received confirmation from all applicable Government Entities that, upon the Closing, all licenses required by law to operate the Facility as currently operated will be transferred to, or issued or reissued in the name of, Buyer (or its Affiliates, as directed by Buyer).
- (d) No Action or proceeding shall have been instituted against, and no order, decree or judgment of any Government Entity shall be pending against, Buyer or Seller which seeks

to, or would, render it unlawful as of the Closing Date to effect the transfer of the Purchased Assets, and no such action shall seek damages or injunctive relief by reason of the transactions contemplated hereby. Also, no substantive legal objection to the transactions contemplated by this Agreement shall have been received from or threatened by any Government Entity.

- (e) The Seller shall have made the deliveries required to be made by it under Section 3.02. All certificates and documents delivered to Buyer pursuant to this Agreement shall be satisfactory in form and substance to Buyer acting reasonably and in good faith.
- (f) The Sale Order shall have been entered by the Bankruptcy Court.
- (g) From the Effective Date, there shall not have occurred any Material Adverse Change, nor will any event or events have occurred since the Effective Date that, individually or in the aggregate, with or without the lapse of time, will result in a Material Adverse Change.

ARTICLE VIII

ADDITIONAL AGREEMENTS

Section 8.01 Facility Employees.

- (a) Immediately prior the Effective Time, the applicable Current Operator shall terminate all its Facility Employees remaining in Current Operator's employ on the Closing Date and, as of the Effective Time, New Operator shall offer employment to substantially all such Facility Employees on an at-will basis and subject to New Operator's pre-employment screenings and employment practices, policies and procedures (all such Seller Employees hired by New Operator shall be collectively referred to as the "**Hired Employees**"). Following the Effective Time, New Operator shall provide a standard package of benefits and other terms and conditions of employment to the Hired Employees at substantially the same levels as those offered by Current Operators immediately prior to the Closing Date.
- (b) New Operator shall offer immediate employment to substantially all of the Facility Employees, such that no period of unemployment shall occur between employment with the Seller and employment with New Operator, and such that there will be no violation of the WARN Act or any comparable state or local laws, with such employment with the New Operator to commence as of the Effective Time. If New Operator fails to offer immediate employment to substantially all of the Facility Employees, Buyer acknowledges and agrees that it shall be responsible for the payment of any amounts or liabilities arising or due under the WARN Act or any comparable state or local laws. In furtherance and not in limitation of the foregoing, New Operator shall treat prior service with Current Operators reflected in the information provided above as service with New Operator for purposes of determining eligibility to participate and vesting in all benefits programs maintained by New Operator.

Seller shall cooperate with Buyer and New Operator in providing information reasonably requested by either of them to facilitate hiring and establishing benefits for Hired Employees who accept employment with New Operator. This Agreement shall not be deemed to create or grant to any Hired Employee any third-party beneficiary rights or claims or any cause of action of any kind or nature.

- (c) The Seller shall provide Buyer, at least ten (10) days prior to the Closing Date, a schedule setting forth, for each of the Facility Employees, an estimated amount of accrued but unused paid time off (including any accrued vacation, sick and holiday time) (collectively, the “*Accrued PTO*”) and the estimate aggregate value of the Accrued PTO as of the Effective Time. Seller shall provide Buyer, on the Closing Date, with an update schedule reflecting actual Accrued PTO amounts as of the Effective Time. New Operator will assume the Accrued PTO liability, as updated on the Closing Date, with respect to the Hired Employees and New Operator will, thereafter, be responsible for paying the Hired Employees for their use of their Accrued PTO during their employment with New Operator and upon the termination of their employment with New Operator in accordance with the New Operator’s employment practices.
- (d) New Operator shall provide COBRA continuation coverage (within the meaning of Section 4980B of the Internal Revenue Code and U.S. Treasury regulations thereunder) to all Facility Employees who are “M&A qualified beneficiaries” (within the meaning of Treasury Regulation Section 54.4980B-9, Q&A-4) for the duration of the period to which such Facility Employees are entitled to such coverage.

Section 8.02 Misdirected Payments. From and after the Closing, if any Seller or any of its respective Affiliates receives any right, property or asset that is a Purchased Asset, the Seller shall within five (5) business days transfer or cause such of its Affiliates to transfer such right, property or asset (and shall promptly endorse and deliver any such asset that is received in the form of cash, checks or other documents) to Buyer, and such asset will be deemed the property of Buyer held in trust by the Seller for Buyer until so transferred. From and after the Closing, if Buyer or any of its Affiliates receives any right, property or asset that is an Excluded Asset, Buyer shall within five (5) business days transfer or cause such of its Affiliates to transfer such asset (and shall promptly endorse and deliver any such right, property or asset that is received in the form of cash, checks, or other documents) to the Seller, and such asset will be deemed the property of the Seller held in trust by Buyer for the Seller until so transferred.

ARTICLE IX TERMINATION

Section 9.01 Termination Prior to Closing.

- (a) This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing:

- (i) By the mutual written consent of Buyer and the Seller;
- (ii) By Buyer, by written notice to Seller, if: (x) Buyer is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Seller pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Article VII, and such breach, inaccuracy or failure has not been cured by Seller within ten (10) days of Seller's receipt of written notice of such breach; or (y) any of the conditions set forth in Section 7.01 or Section 7.02 shall not have been, or it becomes apparent that any of such conditions will not be, satisfied by the date that is seventy-five (75) days following the date on which the Sale Order is entered (the "**Conditions Satisfaction Deadline**"), unless such failure shall be due to the failure of Buyer to perform or comply with any of its representations, warranties or covenants contained in this Agreement and to be performed or complied with by Buyer prior to the Closing;
- (iii) By the Seller, by written notice to Buyer, if: (x) Seller is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Buyer pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Article VII, and such breach, inaccuracy or failure has not been cured by Buyer within ten (10) days of Buyer's receipt of written notice of such breach; (y) any of the conditions set forth in Section 7.01 or Sections 7.03(a) to 7.03(f) shall not have been, or it becomes apparent that any of such conditions will not be, satisfied Conditions Satisfaction Deadline, unless such failure shall be due to the failure of Seller to perform or comply with any of its representations, warranties or covenants contained in this Agreement and to be performed or complied with by Seller prior to the Closing;
- (iv) By either the Seller or Buyer in the event the Closing shall not have occurred on or before the Outside Closing Date (which Outside Closing Date may be extended by mutual agreement of Buyer and Seller), unless such delay is the result of an action or omission by the Party wishing to terminate this Agreement pursuant to this subsection.
- (v) This Agreement will terminate on December 27, 2024 unless on or prior to such date this Agreement has been accepted and designated as the primary agreement for purchase of the Facility and is no longer a back up agreement.

Section 9.02 Effect of Termination.

- (a) In the event of the termination of this Agreement in accordance with this Article IX, this Agreement shall forthwith become void and there shall be no liability on the part of any Party hereto, except (i) as expressly set forth herein, (ii) in the event of termination pursuant to Section 9.01(a)(i), 9.01(a)(ii) (subject to such failure to meet a condition or delay thereunder not being a result of Buyer's breach), 9.01(a)(iv) or 9.01(a)(v), Buyer shall,

within five (5) Business Days, be refunded the Escrow Deposit, and such refund shall be Buyer's sole and exclusive remedy with respect to this Agreement and the transactions contemplated herein; and (iii) in the event of termination by the Seller pursuant to Section 9.01(a)(iii) (subject to such failure to meet a condition or delay thereunder not being a result of Seller's breach), Seller shall retain the Escrow Deposit as liquidated damages and as Seller's sole and exclusive remedy with respect to this Agreement and transactions contemplated herein. With respect to the foregoing clause (iii) and retention by the Seller of the Escrow Deposit as liquidated damages, Seller and Buyer agree that Seller's actual damages would be extremely difficult or impracticable to determine, and that the amount of the Escrow Deposit is a reasonable estimate of the damages that Seller would incur in such event.

- (b) Upon termination of this Agreement, the rights and obligations of the Parties under this Agreement shall likewise terminate, except that those obligations set forth in Section 10.01 and Section 10.02 shall survive termination of this Agreement.

ARTICLE X MISCELLANEOUS

Section 10.01 Confidentiality. It is understood by the Parties hereto that the information, documents, and instruments delivered to Buyer by the Seller and its agents and the information, documents and instruments delivered to the Seller by Buyer and its agents are of a confidential and proprietary nature. Each of the Parties hereto agrees that both prior and subsequent to the Closing it will maintain the confidentiality of all such confidential information, documents or instruments in connection with the negotiation of this Agreement or in compliance with the terms, conditions and covenants hereof and will only disclose such information, documents and instruments to its duly authorized officers, members, directors, representatives, and agents (including consultants, attorneys and accountants of each party) and applicable governmental authorities in connection with any required notification or application for approval or exemption therefrom. Nothing in this Section, however, shall prohibit the use of such confidential information, documents or information for such governmental filings as in the opinion of Seller's counsel or Buyer's counsel are required by law or governmental regulations or are otherwise required to be disclosed pursuant to applicable state law or the filing of this Agreement with the Bankruptcy Court or pursuant to any Order of the Bankruptcy Court, including, without limitation, the Bid and Sale Procedures Order.

Section 10.02 Cost of Transaction. Whether or not the transactions contemplated hereby shall be consummated, the Parties agree as follows: (a) the Seller shall pay the fees, expenses and disbursements of the Seller and its Affiliates and their agents, representatives, accountants, and legal counsel incurred in connection with the subject matter hereof and any amendments hereto; (b) Buyer shall pay the fees, expenses and disbursements of Buyer and its Affiliates and their agents, representatives, accountants and legal counsel incurred in connection with the subject matter hereof and any amendments hereto; and (c) Buyer shall pay any state or local recording fees, deed, stamp, or other transfer taxes, filing fees, license fees, and any third-

party consent or license fees associated with or assessed in connection with the conveyance of any of the Purchased Assets.

Section 10.03 Announcements. The content of any communications to the public relating to the transaction that is the subject of this Agreement including, but not limited to, any letters to patients regarding such transaction, shall be mutually agreed to by Buyer and the Seller.

Section 10.04 Tax and Medicare Effect. None of the Parties (nor such Parties' counsel or accountants) has made or is making any representations to any other Party (nor such party's counsel or accountants) concerning any of the tax, Medicare or Medicaid effects of the transactions provided for in this Agreement as each Party hereto represents that each has obtained, or may obtain, independent tax, Medicare and Medicaid advice with respect thereto and upon which it, if so obtained, has solely relied.

Section 10.05 Survival. The obligations, representations or warranties which by their nature or content would continue beyond the Closing or the expiration or termination of this Agreement shall survive the Closing or any expiration or termination of this Agreement to the extent specifically provided for herein.

Section 10.06 Notices. All notices, demands and other communications required or permitted hereunder shall be deemed sufficiently given if delivered in person, mailed by certified mail, postage prepaid, or sent via nationally recognized overnight carrier, as well as being sent simultaneously by e-mail, addressed as follows:

If to Buyer: c/o Altitude Acquisitions, LLC
2201 Main Street
Evanston, Illinois 60202
Attn: William Rothner
[Email: arothner@altitudehs.com](mailto:arothner@altitudehs.com)

Copy to: Sher, LLP
5750 Old Orchard Road, Suite 420
Skokie, Illinois 60077
Attention: Stephen N. Sher, Esq.
[Email: steve@sherlegal.com](mailto:steve@sherlegal.com)

If to Seller: Senior Care Pharmacy Services LLC
c/o Christian Horizons
Attn: Kate Bertram, President and Shawn O'Conner, CRO
Two City Place Drive, 2nd Floor
St. Louis, Missouri 63141
[Email: kbertram@chliving.org](mailto:kbertram@chliving.org)
sconner@hcmpllc.com

Copy to: Dentons US LLP

Attn: Thomas Vandiver
101 South Hanley, Suite 600
St. Louis, Missouri 63105
[Email: thomas.vandiver@dentons.com](mailto:thomas.vandiver@dentons.com)

or to such other address as either Party may designate by notice to the other Parties.

Section 10.07 Assignment. Neither Party may assign its rights or obligations under this Agreement, by operation of law or otherwise, without the prior written consent of the other party, which consent shall not be unreasonably withheld, provided, however, that Buyer may take title to certain or all assets at Closing through a nominee. Any attempted assignment in violation of this section shall be deemed void and of no force or effect, and a non-curable breach of this Agreement.

Section 10.08 Successors and Assigns. This Agreement shall inure to the benefit of and bind the respective permitted successors and assigns of the Parties hereto. Nothing expressed or referred to in this Agreement is intended or shall be construed to give any person other than the Parties to this Agreement or their respective successors or permitted assigns any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein, it being the intention of the Parties to this Agreement that the Agreement be for the sole and exclusive benefit of such Parties or such successors and assigns and not for the benefit of any other person. Notwithstanding the foregoing, the Parties expressly acknowledge the rights of and benefits accruing to the Bond Trustee hereunder.

Section 10.09 Governing Law; Venue. The validity and construction of this Agreement shall be governed by the laws of the State of Missouri without regard to the conflicts of law rules thereof. The Parties hereby consent to jurisdiction and venue in the Federal or State courts situated in St. Louis County, Missouri including while the Chapter 11 cases are pending, the exclusive jurisdiction of the Bankruptcy Court, and hereby waive any objection to the jurisdiction of, or the venue of any action instituted in, such courts.

Section 10.10 Attorneys' Fees. If legal action is commenced to enforce this Agreement, each Party shall pay its own costs and attorneys' fees in connection with any such action.

Section 10.11 Severability. If any provision of this Agreement shall be held invalid under any applicable laws, such invalidity shall not affect any other provision of this Agreement that can be given effect without the invalid provision, and, to this end, the provisions hereof are severable.

Section 10.12 Section Headings. The Section headings are for reference only and shall not limit or control the meaning of any provision of this Agreement.

Section 10.13 Waiver. No delay or omission on the part of any Party in exercising any right hereunder shall operate as a waiver of such right or any other right under this Agreement.

Section 10.14 Amendments. This Agreement may be amended, but only in a writing signed by all Parties hereto and subject to any requisite approval by the Bankruptcy Court.

Section 10.15 Exhibits and Schedules. All Exhibits and Schedules referred to in this Agreement are integral parts of this Agreement and are hereby incorporated into this Agreement as if fully set forth herein, and all statements appearing therein shall be deemed to be representations.

Section 10.16 Entire Agreement. This Agreement, the Exhibits and the Schedules delivered pursuant hereto constitute the entire contract between the Parties hereto pertaining to the subject matter hereof and thereof and supersede all prior and contemporaneous agreements, understandings, negotiations and discussions, whether written or oral, of the Parties, and there are no representations, warranties or other agreements between the Parties in connection with the subject matter hereof or thereof, except as specifically set forth herein or therein. The Parties specifically acknowledge that in entering into and executing this Agreement, the Parties rely solely upon the representations and agreements contained in this Agreement, and all prior representations or agreements, whether written or verbal, not expressly incorporated herein are superseded.

Section 10.17 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall comprise one and the same instrument. Signature pages exchanged by email shall be fully binding on the Parties.

Section 10.18 WAIVER OF JURY TRIAL. BUYER, AND SELLER HEREBY WAIVE ANY RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM IN CONNECTION WITH ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ANY CONTRACT OR INSTRUMENT EXECUTED IN CONNECTION WITH THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, EVENTS LEADING UP TO THE EXECUTION OF THIS AGREEMENT, THE PARTIES' PERFORMANCE OF THIS AGREEMENT, OR ANY CLAIM OF INJURY OR DAMAGE RELATING TO THE FOREGOING OR THE ENFORCEMENT OF ANY REMEDY HEREUNDER.

[Signature Pages Immediately Follow]

IN WITNESS WHEREOF, the Parties hereto have duly executed this Asset Purchase Agreement as of the Execution Date.

BUYER:

Altitude Acquisitions, LLC, an Illinois limited liability company

By:  _____
William Rothner, Manager

SELLER:

Senior Care Pharmacy Services LLC, an Illinois limited company

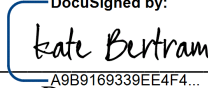
By: 
A9B9169339EE4F4...
Kate Bertram
President and Chief Executive Officer

Exhibit 2.06(a)

ESCROW DEPOSIT AGREEMENT

Exhibit 3.02(a)

BILL OF SALE OF PERSONAL PROPERTY

This Bill of Sale is made and executed as of the ____ day of _____, 2024, by and between _____, a[n] [Illinois][Indiana][Iowa][Missouri] [not-for-profit][nonprofit] corporation] [limited liability company] (“***Seller***”) and _____, a[n] _____ (“***Buyer***”).

WHEREAS, pursuant to that certain Asset Purchase Agreement dated as of [_____], 2024 by and between Seller and Buyer (the “***Purchase Agreement***”), Seller has agreed to sell to Buyer free and clear of all liens and encumbrances, except with respect to any lien or encumbrance arising out of or related to any liability of Seller assumed by Buyer pursuant to the Purchase Agreement, and Buyer has agreed to purchase from Seller, all of Seller’s right, title and interest in and to the Purchased Assets, as that term is defined in the Purchase Agreement, for the consideration in the amount and on the terms provided therein.

NOW THEREFORE, in consideration of the premises and of the mutual representations, warranties, covenants and agreements set forth herein and in the Purchase Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Capitalized Terms. All capitalized terms used and not otherwise defined in this Bill of Sale shall have the meanings ascribed to them in the Purchase Agreement.

2. Sale and Transfer of Purchased Assets. Seller hereby sells, assigns, transfers, conveys, grants and delivers to Buyer, free and clear of all liens and encumbrances, except with respect to any lien or encumbrance arising out of or related to any liability of Seller assumed by Buyer pursuant to the Purchase Agreement, all of Seller’s right, title and interest in and to the Purchased Assets, but only to the extent such Purchased Assets are to be transferred under the Purchase Agreement at Closing.

3. Warranty of Ownership. Seller warrants that Seller is the legal owner of the Purchased Assets and that the Purchased Assets are transferred free and clear of all liens and encumbrances, except with respect to any lien or encumbrance arising out of or related to any liability of Seller assumed by Buyer pursuant to the Purchase Agreement.

4. Further Acts Required. Seller covenants that at the request of Buyer it will promptly do or cause to be done all such further acts, and shall execute and deliver, or cause to be executed and delivered, all transfers, assignments and conveyances, evidences of title, notices, consents and assurances necessary or desirable to put Buyer in actual possession and control of the Purchased Assets, or as Buyer shall reasonably require to better assure and confirm title of Buyer to the Purchased Assets.

5. Purchase Agreement. Nothing in this Bill of Sale shall be deemed to supersede, enlarge or modify any of the provisions of the Purchase Agreement, all of which survive the execution and delivery of this Bill of Sale as provided and subject to the limitations set forth in the Purchase Agreement. If any conflict

exists between the terms of this Bill of Sale and the terms of the Purchase Agreement, the terms of the Purchase Agreement shall govern and control.

6. Notices. All notices or other communications or deliveries provided for under this bill of sale shall be given as provided in the Purchase Agreement.

7. Caption Headings and Construction of Agreement. The caption headings are used in this bill of sale only as a matter of convenience and for reference and do not define, limit or describe the scope of this bill of sale nor the intent of any provisions.

8. Applicable Law. This bill of sale is made and entered into in the State of [Illinois][Indiana][Iowa][Missouri] and shall be construed and enforced in accordance with the laws of such state.

9. Successors and Assigns. The provisions of this Bill of Sale shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed under seal in its name as of the date first above written.

SELLER:

,
a[n] [Illinois][Indiana][Iowa][Missouri][not-for-profit][nonprofit] corporation

By:

[Name]

[Title]

Exhibit 3.02(b)

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (this “**Agreement**”) is made and entered into as of the ____ day of _____, 2024 (the “**Effective Date**”), by and between by and between _____, a[n] [Illinois][Indiana][Iowa][Missouri] [not-for-profit][nonprofit] corporation] (hereinafter referred to as “**Assignor**”) and _____, a[n] _____ (hereinafter referred to as “**Assignee**”).

WHEREAS, pursuant to that certain Asset Purchase Agreement dated _____, 2024, (the “**Purchase Agreement**”) by and between Assignor and Assignee, Assignor is selling and conveying to Assignee certain of Assignor’s assets (the “**Assets**”) used in connection with Assignor’s operation of _____, a senior living community located in _____, [Illinois][Indiana][Iowa][Missouri] (the “**Facility**”);

WHEREAS, in connection with the sale, Assignor has agreed to assign to Assignee all of Assignor’s right, title and interest in and to executory contracts and certain intangible assets of Assignor used in connection with Assignor’s operation of the Facility (the “**Assignor’s Business**”), and Assignee has agreed to assume all of the duties and obligations of the Assignor with respect to such executory contracts and intangible assets arising from and after the date hereof; and

WHEREAS, also pursuant to the Purchase Agreement, Assignee has agreed to assume certain liabilities and obligations of Assignor (the “**Assumed Liabilities**”).

NOW THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) paid by Assignee to Assignor, the receipt of which is hereby acknowledged, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Assignor hereby assigns to Assignee all of its right, title and interest in and to executory contracts identified in Exhibit “A” attached hereto and incorporated herein by this reference (the “**Executory Contracts**”), and further assigns and delegates to Assignee all of Assignor’s rights, duties, obligations and covenants contained in such Executory Contracts. Assignee hereby assumes and agrees to perform and discharge all duties, obligations and covenants contained in the Executory Contracts.

2. Assignor hereby assigns to Assignee all of Assignor’s right, title and interest in, to and under the following intangible property owned by Assignor and used in connection with Assignor’s Business (collectively, the “**Intangibles**”):

a. All licenses, permits, certifications, certificates of need, and accreditations held by Assignor relating to the ownership, development and operation of Assignor’s Business (including any applications and pending approvals), to the extent assignable (the “**Licenses**”);

b. All intellectual property used in the operation of Assignor's Business, facilities and properties (the "***Intellectual Property***"), including, but not limited to, the items listed on Exhibit "B" attached hereto and incorporated herein by this reference;

c. All paper and/or electronic resident records relating to Assignor's past and present residents of the Facility;

d. All manufacturers' and vendors' warranties relating to the Assets, to the extent transferable, and rights and claims that may be asserted by (but not against) Assignor related to the Assets;

e. All personnel records relating to employees of Assignor's Business who are hired by Assignee (to the extent such records are transferable under applicable law), equipment records, documents, catalogs, books, records, files, operating manuals, and other records relating to the Assets (but excepting any documents or records relating to Assignor's tax returns and Assignor's internal corporate affairs); and

f. All goodwill associated with the Assets;

3. Assignee hereby assumes and agrees to perform all covenants, agreements and undertakings of Assignor, arising from and after the date hereof, under the Intangibles.

4. Assignee hereby agrees to indemnify, defend and hold harmless Assignor from any claim, cause of action, loss, damage or expense (including without limitation reasonable attorneys' fees and court costs) resulting from any breach by Assignee of its obligations under the Executory Contracts or the Intangibles or any claim of such breach arising out of or based on events from and after the Effective Date. Assignor hereby agrees to indemnify, defend and hold harmless Assignee from any claim, cause of action, loss, damage or expense (including without limitation reasonable attorneys' fees and court costs) resulting from any breach by Assignor of its obligations under the Executory Contracts or the Intangibles or any claim of such breach arising out of or based on events prior to the Effective Date.

5. Assignee hereby assumes and agrees to be personally liable for all liabilities and obligations arising under the Executory Contracts from and after the Effective Date.

Any creditor of Assignee with respect to the Assumed Liabilities may enforce its rights against Assignor directly, without any obligation to proceed against Assignee.

6. This Agreement may be executed in one or more counterparts, and by electronically transmitted signature, and each counterpart and signature shall be deemed to be an original and all of which together shall constitute one agreement that is binding on all parties.

[Signature Pages Immediately Follow]

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment and Assumption Agreement as of the day and year first above written.

ASSIGNOR:

_____,
a[n] [Illinois][Indiana][Iowa][Missouri][not-
for-profit][nonprofit] corporation

By: _____
[Name], [Title]

ASSIGNEE:

A handwritten signature in black ink, appearing to be 'W. R. [unclear]', written over a horizontal line.

a[n] _____

By: _____

[Name], [Title]

[

Exhibit 3.02(c) FORM OF DEED

[SPACE ABOVE THIS LINE IS FOR RECORDING INFORMATION]

_____,
a[n] [not-for-profit][nonprofit]

to

_____,
a[n] [Illinois][Indiana][Iowa][Missouri]

QUIT CLAIM DEED

Dated: As of [_____], 2024

Location:

County:

UPON RECORDATION RETURN TO:

Dentons US LLP
101 S. Hanley, Suite 600
St. Louis, Missouri 63105
Attention: Thomas K. Vandiver

QUIT CLAIM DEED

This Quit Claim Deed, made this ____ day of _____, 2024, _____,
a[n] [Illinois][Indiana][Iowa][Missouri][not-for-profit][nonprofit] corporation, (“Grantor”), and
_____, a[n] _____ (“Grantee”), WITNESSETH, that Grantor,
for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration in
hand paid, by Grantee, the receipt of which is hereby acknowledged, by these presents does REMISE,
RELEASE, ALIENATE AND CONVEY unto the Grantee, FOREVER, all the following described real
estate, situated in the
County of _____ and State of [Illinois][Indiana][Iowa][Missouri], known and described as
follows, to wit (the “Premises”):

See Schedule 1 attached hereto and made a part hereof, together with all improvements and
fixtures located thereon and owned by Grantor as of the date hereof and any rights,
privileges and appurtenances pertaining thereto.

TO HAVE AND TO HOLD the said Premises as described above, with the appurtenances unto
the Grantee, forever.

This is a Quit Claim Deed. Grantor makes no representations whatsoever, express or implied,
regarding the Premises, this Deed or any other matters.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, Grantor executed this Quit Claim Deed the day and year first above written.

GRANTOR:

_____,
a[n] [Illinois][Indiana][Iowa][Missouri] [not-for-
profit][nonprofit]

By: _____
[Name], [Title]

STATE OF _____)

)

COUNTY OF _____)

On _____, 2024, before me, the undersigned, a notary public in and for said State, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that, by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

_____, Notary Public

Printed Name: _____

My Commission Expires:

Send Subsequent Tax Bills to:

I affirm under penalties of perjury, that I have taken reasonable care to redact each social security number in this document unless required by law. This instrument is prepared by

_____. **[NTD: this clause is only required for recordation in Indiana; confirm form of Quit Claim Deed with local title company]**

SCHEDULE 1 TO QUIT CLAIM DEED

LEGAL DESCRIPTION

[To be inserted.]

EXHIBIT 7.01(d)

FORM OF OPERATIONS TRANSFER AGREEMENT

[To be inserted.]

FORM OF OPERATIONS TRANSFER AGREEMENT

OPERATIONS TRANSFER AGREEMENT

by and among

[identify transferor entity], as Transferor

and

_____, as New Operator

dated as of _____, 2024

OPERATIONS TRANSFER AGREEMENT

This Operations Transfer Agreement (“**Agreement**”) is made this ____ day of _____, 2024 (the “**Effective Date**”) and entered into by and among the undersigned entities (the “**Transferor**”) and _____, a[n] _____ (“**New Operator**”). Transferor and New Operator are collectively referred to herein as the “**Parties**.”

RECITALS:

A. The Transferor owns and operates a senior living community or other business as set forth on **Schedule 1** hereto (the “**Facility**”).

B. On July 16, 2024, the Transferor and certain of its Affiliates each filed a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Eastern District of Missouri (the “**Bankruptcy Court**”), commencing jointly administered bankruptcy cases captioned In re Midwest Christian Villages, Inc., et al., under lead case number 24-42473-659 (the “**Bankruptcy Case**”).

C. The Transferor continues to own and operate the Facility during the pendency of the Bankruptcy Case as a debtor in possession under and pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

D. Concurrently with the execution of this Agreement, the Parties have entered into that certain Asset Purchase Agreement (“**APA**”) whereby, upon the terms and subject to the conditions set forth in the APA, and as may be authorized under Sections 105, 363 and 365 of the Bankruptcy Code, the New Operator agreed to purchase from the Transferor all of the Purchased Assets (as defined in the APA), and New Operator agreed to assume all of the Assumed Liabilities (as defined in the APA), relating to or used in connection with the Facility.

E. The undersigned parties desire to provide for the orderly transfer of the Facility and the operating licenses from the State of Illinois and Indiana, as applicable, and such other licenses, permits registrations, provider agreements, approvals, certificates, consents, bed rights and ownership (including certificate of need, if applicable), and other authorizations located at, arising with or relating to the Facility and its operation (collectively, the “**Approvals**”) issued by all applicable governmental agencies (the “**Agencies**”) as may be required to authorize New Operator to operate the Facility as currently operated and own the Purchased Assets and assume the Assumed Liabilities.

NOW, THEREFORE, for valuable consideration received, the parties agree as follows:

AGREEMENT

- 1. Defined Terms.** For purposes of this Agreement, each of the following terms, when capitalized, has the meaning ascribed to such term as set forth in the corresponding section of this Agreement specified below, unless the context of such term as specifically used in this Agreement clearly and unequivocally requires the application of a different meaning:

Agencies
Agreement
APA

Recitals
Preamble
Recitals

| | |
|-------------------------------|--------------------------|
| Approvals | Recitals |
| Assumed Liabilities | Asset Purchase Agreement |
| Bankruptcy Case | Recitals |
| Bankruptcy Code | Recitals |
| Bankruptcy Court | Recitals |
| Closing | Asset Purchase Agreement |
| Closing Date | Asset Purchase Agreement |
| Closing Statement | Asset Purchase Agreement |
| CMS | 6.7(a) |
| Confidential Information | 3.4 |
| Effective Date | Preamble |
| Excluded Assets | Asset Purchase Agreement |
| Facility | Recitals |
| Inspection Items | 3.1(a) |
| Inspection Period | 3.1(b) |
| New Operator | Preamble |
| Operating Contracts | 2.4(a) |
| Parties | Preamble |
| Provider Agreements | 6.7(a) |
| Purchased Assets | Asset Purchase Agreement |
| Resident Trust Funds | 6.2(a) |
| Supplemental Inspection Items | 3.1(c) |
| Transferor | Preamble |

2. **Excluded Assets; Possession; Conveyance; and Inspection.**

2.1 **Excluded Assets.** Notwithstanding any term, condition, agreement, or provision in this Agreement to the contrary, any right, title, and interest of Transferor in and to the Excluded Assets (as defined in the APA) shall not be transferred, and shall not be deemed to be transferred, to New Operator in connection with the transactions contemplated by this Agreement.

2.2 **Possession of the Facility.** On the Closing Date (as defined in the APA), New Operator shall take over possession of and continue operation of the Facility and Transferor shall surrender possession of the Facility and shall relinquish any right to operate the Facility; provided, however, that Transferor may remove from the Facility the Excluded Assets.

2.3 **Conveyance of Purchased Assets.** As of the Closing Date, Transferor agrees to sell, transfer, and convey to New Operator good and marketable title, and New Operator shall purchase, accept, and assume from Transferor all Purchased Assets applicable to the Facility pursuant to the terms and conditions of the APA.

2.4 **Termination of Operating Contracts.** As of the Closing Date, the Transferor shall use its best efforts in good faith to terminate the contracts set forth on **Schedule 2.4**, attached hereto and incorporated herein for all purposes (collectively, the “***Operating Contracts***”).

2.5 **Assumption of Liabilities.** Except for the Assumed Liabilities (as defined in the APA), New Operator shall not be obligated to pay, perform, or otherwise be responsible for any debts, liabilities, or obligations of the Transferor now or hereafter existing, accrued or contingent including, but not limited to, any (a) liabilities or obligation of the Transferor to its creditors, shareholders, owners or affiliates, (b) liabilities or obligations of the Transferor with respect to any acts, events or transactions occurring prior to, or after the Closing Date (c) liabilities or obligations of the Transferor for any federal, state, county or

local taxes applicable to or assessed against the Facility and/or Transferor prior to the Closing Date, (d) any employee claim that arose out of an occurrence prior to the Closing Date, (e) any contingent liabilities or obligations of the Transferor, whether known or unknown by the Transferor, at or before the Closing Date, or (f) any obligation, known or unknown, arising as a result of participation by Transferor and/or the Facility in any public or private reimbursement program prior to the Closing Date. Except as otherwise provided in this Agreement, New Operator shall have no duty whatsoever to take any action or receive or make any payment or credit arising from or related to any services provided or costs incurred in connection with the management and operation of the Facility prior to the Closing Date, including, but not limited to, any matters relating to cost reports, collections, audits, hearings, or legal actions arising therefrom.

3. Inspection; Copying; Records.

3.1 Inspection.

(a) During the Inspection Period (as defined below) Transferor shall provide New Operator, at a mutually agreeable time and in a manner not unreasonably intrusive to the business operations of the Facility, access to the employees, assets, properties, books, records, and other materials, including, without limitation, upon reasonable notice, the physical inspections New Operator requires of the Facility and the Purchased Assets in connection with the transaction contemplated by this Agreement (collectively, the “*Inspection Items*”).

(b) The “*Inspection Period*” shall be defined as the period of time beginning on the Effective Date and ending on the Closing Date. On or before the 5th day following the date the Inspection Period commences, Transferor shall make available the Inspection Items for inspection by the New Operator.

(c) In addition to the inspections as described in Section 3.1(a) and (b) above, Transferor shall afford New Operator, its accountants, advisers, counsel, and other representatives with (i) further information which relates to the Inspection Items and (ii) further access to the assets, properties, books, records, and other materials, including, without limitation, the physical inspections of the Facility, which New Operator may in its discretion desire (the “*Supplemental Inspection Items*”).

(d) Without limiting the foregoing, Transferor shall promptly upon request, and at mutually agreeable times: (i) permit New Operator to meet with and/or interview Facility employees; (ii) permit New Operator to conduct an on-site due diligence investigation of the Facility; (iii) permit New Operator access to set up its telephone and computer systems or access to utilize Transferor’s telephone and computer systems as New Operator may direct; (iv) assist New Operator in contacting and arranging meetings with such suppliers and customers of Transferor as New Operator may reasonably request; and (v) assist New Operator with respect to assuming and/or applying for all Permits. Transferor and New Operator shall endeavor to complete the transfer of operations of each Facility to the applicable New Operator on or prior to the Closing Date identified in the APA.

3.2 Right to Make Copies. New Operator shall be permitted to make copies of all books and records it reasonably deems pertinent hereunder. Any copies made shall be made at the sole cost and expense of New Operator.

3.3 Cooperation. Subject to Section 3.1 above, Transferor agrees to cooperate with New Operator to effectuate an orderly transfer of the operations of the Facilities, by, among other things,

permitting a transfer of electronic records and supplying information that New Operator deems to be reasonably required to affect an orderly transfer of the operations of the Facility.

3.4 Confidentiality. New Operator and Transferor, together with their respective officers, directors, trustees, employees, representatives, agents, shareholders, members or affiliates shall treat all information obtained regarding the other party as confidential and shall not disclose any such confidential information regarding the other party, except to its own officers, directors, trustees, employees, representatives, agents, shareholders, members or affiliates who have a need to know for the sole and limited purpose of assisting in the transactions contemplated by this Agreement. This Section 3.4 shall not prohibit disclosures of confidential information as may be required by any lawful statute, regulation, order, summons or subpoena or the filing of this Agreement with the Bankruptcy Court or pursuant to any orders of the Bankruptcy Court. For purposes of this Agreement, the term “**Confidential Information**” includes all information exchanged between, or provided by the parties related to the transaction including, without limitation, business records, financial information and all other such information not otherwise known to the public. The term “**Confidential Information**” does not include information that has been made generally available to the public other than as a result of a breach of the obligations hereunder.

4. The Closing.

4.1 Deliveries from Transferor. At the Closing (as defined in the APA), Transferor shall deliver or cause to be delivered the following:

- (a) All deliverables as defined and set forth in the APA;
- (b) Documentation reasonably satisfactory to New Operator evidencing: (i) the Transferor's authority to enter into this Agreement and consummate the transaction contemplated thereby, and (ii) the authority of the person to execute all documents on behalf of Transferor;
- (c) A certificate of good standing for Transferor issued by the Secretary of State of its formation;
- (d) A duly-executed counterpart of the Closing Statement;
- (e) A true, correct and complete accounting of all Resident Trust Funds;
- (f) Any other documentation required to be delivered by Transferor to New Operator or Owner under the terms of this Agreement or the APA or any exhibit thereto or other document entered into or delivered in connection with the Facility; and

4.2 Deliveries by New Operator. At the Closing, New Operator shall deliver to Transferor the following:

- (a) All deliverables as defined and set forth in the APA;
- (b) A duly-executed counterpart of the Closing Statement; and

(c) Documentation reasonably satisfactory to Transferor evidencing that the New Operator shall receive licensure approval from the State of _____ as of the Closing Date or that such license shall be issued soon after the Closing and that such license, when issued, shall be issued retroactive to the Closing Date.

5. Prorations, Credits and Expenses.

5.1 Prorations. The following items shall be prorated as of the Closing Date. In the event that amounts as of the Closing Date cannot be accurately determined, such amounts shall be estimated and adjusted as promptly as practicable thereafter but in no event later than thirty (30) days after the Closing Date.

(a) Property Taxes. All state, county, city, school, ad valorem, and other local real and personal property taxes and assessments relating to or assessed against the Facility (including any bed taxes) shall be prorated as of the Closing Date, and shall be set out in the Closing Statement. If the real property or personal property tax rate or base for the current tax year is not established by the Closing Date, the prorations shall be made on the basis of the rate or base in effect for the preceding tax year and shall be adjusted when exact amounts are determined. Any such proration shall be based upon the most recent available assessed value of the Facility prior to the Closing Date.

(b) Utilities. All utilities shall be prorated as of the Closing Date.

(c) Prepayments. Transferor shall credit to New Operator at Closing payments received by Transferor for resident or other services to be provided on or after the Closing Date.

5.2 Expenses. Each of the parties shall pay its own costs and expenses incurred or to be incurred by it in negotiating and preparing this Agreement and in closing and carrying out the transactions contemplated herein, except as may otherwise be provided herein.

6. Covenants of Transferor.

6.1 Continuity of Business. Prior to the Closing Date:

(a) Transferor shall operate the business in the ordinary course of business as operated during the Bankruptcy Case and in compliance with all applicable laws;

(b) Transferor shall engage only in transactions or other activities with respect to the Facility which are in the ordinary course of its business and the business of the Facility, and shall not sell or remove any personal property other than the Excluded Assets; and

(c) Transferor shall maintain in force all licenses and permits required for operation of the Facility, and shall renew any such permit or license which expires prior to the Closing Date. If, prior to the Closing Date, Transferor receives notice that any permit or license has expired and is not renewed, or has been suspended or revoked, Transferor shall promptly notify New Operator and shall use reasonable efforts to have such permit reinstated or extended.

(d) Transferor shall use all reasonable efforts to timely obtain any necessary third party consents for the valid conveyance, transfer, assignment or delivery of the Facility and Property to New Operator per the terms of this Agreement.

(e) Transferor will maintain the Facility's provider agreements in compliance in all material respects with all applicable laws.

(f) Transferor will use commercially reasonable efforts to preserve the residency occupancy levels of the Facility as of the Effective Date and the goodwill with all of the suppliers, residents and others having business relationships with Transferor or the Facility.

(g) Transferor will maintain the inventories of perishable food, non-perishable food, central supplies, linen, housekeeping and other supplies at the Facility, if applicable, at substantially the same condition, quality and amounts as maintained by the Facility in the ordinary course of business, but in no event less than required by State Department of Health regulations.

(h) Transferor will not other than in the ordinary course of business enter into any new contract that could reasonably materially and adversely affect the Facility; provided, however, that Transferor shall have the right to accept new residents, so long as the contract governing the residents shall be in substantially the same form and subject to substantially the same terms as have been previously executed by Transferor with residents in the ordinary course of business. Transferor will not decrease any rates of private pay residents of the Facility, except with the prior consent of New Operator.

(i) Transferor shall notify New Operator of any IDPH or CMS surveys or enforcement, whether through health survey or Life Safety Code Survey.

(j) In connection with the foregoing, if required by Illinois or Indiana law, as applicable, New Operator shall prepare and request prior to the Closing Date: (A) Bulk Sales Stop Orders from the Illinois Department of Revenue ("**IDOR**") dated not earlier than thirty (30) days before the Closing Date and a full release of claims from the IDOR with respect to all debts owed by Transferor; and (B) with the reasonable assistance of Transferor, Letters of Clearance from the Illinois Department of Employment Security. Any credit or refund of prior years' Tax bills (for periods prior to the Closing) shall be and remain the property of Transferor.

(k) Transferor will promptly notify New Operator in writing of any material adverse change of which Transferor has actual knowledge in the condition of the Facility, including delivery to New Operator, within three (3) Business Days of receipt of the following: (A) copies of all surveys and inspection reports from any governmental authorities received after the date hereof; and (B) notices received of any action pending, threatened or recommended by the appropriate governmental authority having jurisdiction thereof to revoke, withdraw or suspend any right of Transferor to operate the Facility, or to terminate the participation of the Facility in the Title XVIII or Title XIX of the Social Security Act programs, to terminate or fail to renew any provider agreement related to the Facility.

(l) Transferor will promptly deliver to New Operator a copy of any notice of any lawsuits, investigations or other proceedings pending against the Facility or the operation thereof or Transferor's right to carry on and conduct business or to enter into this Agreement, including claims, lawsuits, governmental actions or other proceedings, before any Governmental Authority related to reimbursement including any desk audit or full audit.

(m) Transferor will promptly deliver to New Operator a copy of any written notice or request from any insurance company or board of fire underwriters setting forth any defects in the Facility which would reasonably be expected to affect the insurability thereof, or requesting the performance of any work or alteration of the Facility.

(n) Transferor will maintain records in accordance in all material respects with all applicable Laws and as otherwise maintained in the ordinary course of business.

(o) Transferor will not increase or promise to increase any wages or benefits of, or grant or promise to grant any bonuses to, any of the employees of the Facility without the prior consent of New Operator (not to be unreasonably withheld, conditioned or delayed) except those bonuses and wage increases in the Ordinary Course or as required by applicable Laws.

6.2 Resident Trust Funds.

(a) On the Closing Date, Transferor shall provide to New Operator a true, correct and complete accounting (properly reconciled) of any resident trust funds held by Transferor on the Closing Date for residents at the Facility (collectively, the “*Resident Trust Funds*”).

(b) Transferor hereby agrees to transfer such Resident Trust Funds to New Operator upon receipt of written confirmation from New Operator that it agrees with the accounting provided to it by Transferor. New Operator hereby agrees that it will accept such Resident Trust Funds in trust for the residents, in accordance with applicable statutory and regulatory requirements.

6.3 Cost Reports. Transferor shall prepare and file with the appropriate Medicare and Medicaid agencies its final cost reports in respect to its operation of the Facility as soon as practicable after the Closing Date, but in no event later than the date on which such final cost report is required to be filed by law under the terms of the Medicare and Medicaid Programs, and will provide the appropriate Medicare and Medicaid agencies with any information needed to support claims for reimbursement made by Transferor either in said final cost report or in any cost reports filed for prior cost reporting periods, it being specifically understood and agreed that the intent and purpose of this provision is to ensure that the reimbursement paid to New Operator after it becomes the licensed Transferor of the Facility is not reduced or offset in any manner as a result of Transferor’s failure to timely file such final cost reports or such supporting documentation with respect to any past reimbursement claims, including, but not limited to, those included in the final cost reports. Transferor shall promptly after filing provide New Operator with copies of such reports and supporting documentation.

6.4 Personal Property and Bed Taxes. Subject to any Order entered by the Bankruptcy Court, Transferor shall pay on or before the due date thereof all amounts of personal property taxes, assessment taxes, bed taxes or license fees that accrued through the Closing. Subject to any Order entered by the Bankruptcy Court, Transferor shall provide to New Operator, on or before the Closing Date, evidence reasonably satisfactory to New Operator of payment of all of such fees and taxes.

6.5 Resident Records. Transferor agrees to deliver to New Operator the records of all current residents of the Facility by leaving all such records at the Facility to the extent legally permissible. Such records shall include the records of the residents of the Facility as of the Closing Date.

6.6 Cooperation. Transferor agrees to cooperate with New Operator’s Approvals by supplying any and all information that may be reasonably required to affect an orderly transfer of the operations of the Facility and the transfer of the Approvals, including any information required by any state licensing agency.

6.7 Medicare and Medicaid Provider Agreements.

(a) As of the Closing Date and to the extent permitted by applicable law, Transferor shall transfer and assign to New Operator and New Operator shall accept all of Transferor’s rights and interests in and to Transferor’s Medicare and Medicaid provider numbers and Medicare and Medicaid provider agreements. The Parties acknowledge and agree that New Operator is not expected to receive its tie-in notice from Centers for

Medicare and Medicaid Services (“**CMS**”) with respect to the Transferor’s Medicare provider agreements (collectively, the “**Provider Agreements**”) as of the Closing Date. Prior to New Operator’s receipt of its tie-in notice, Transferor agrees that New Operator may bill for services performed following the Closing under Transferor’s Medicare provider number to the extent permitted by applicable laws. The Parties further acknowledge and agree that New Operator may bill for services performed following the Closing under Transferor’s Medicaid provider number, to the extent permitted by applicable laws, until New Operator is enrolled in Medicaid. Effective as of the Closing Date, Transferor shall, as soon as reasonably possible, amend (or cause the amendment of) the provider name and/or provider number associated with any Medicaid electronic funds transfer accounts, if any, in connection with the applicable Facility from Transferor to the New Operator or its agent, such that after the Closing Date, the New Operator or its agent shall receive all electronically transferred Medicaid payments in connection with services rendered at the Facility.

(b) The Parties acknowledge and agree that Transferor’s managed care provider plans and agreements with third-party payors are not expected to have been updated with New Operator’s provider information as of the Closing Date. From and after the Closing Date until such managed care provider plans and agreements with third-party payors are updated with New Operator’s provider information, Transferor agrees that New Operator may bill for services provided following the Closing under Transferor’s managed care provider plans and agreements with other third-party payors using Transferor’s provider information, solely to the extent permitted by applicable laws and the terms and conditions of such plans and agreements with the third party payors, so long as New Operator is utilizing commercially reasonable efforts to as expeditiously as possible update the information with such third-party payors.

(c) Any reimbursements from Medicare or Medicaid billed by New Operator for dates of service after the Closing Date which are paid into Transferor’s accounts shall be forwarded by Transferor to New Operator within five (5) business days and otherwise in accordance with Section 8 hereof. Any reimbursements from Medicare or Medicaid billed by Transferor for dates of service before the Closing Date which are paid into New Operator’s accounts shall be forwarded by New Operator to Transferor within five (5) business days and otherwise in accordance with Section 8 hereof.

(d) New Operator will bill using Transferor’s Medicare and Medicaid provider numbers and managed care or other third-party payor agreements in full compliance with applicable laws, including, without limitation all the conditions of participation and all applicable coverage and billing rules mandated by the applicable government program or payor.

(e) New Operator shall notify Transferor, and Transferor shall notify New Operator, within ten (10) days after receipt of any notice of any claim by Illinois Department of Healthcare and Family Services, Illinois Department of Public Health, Indiana Department of Health, CMS or any other governmental authority or other payor with respect to services provided at the Facility of any withholding, recoupment, overpayment, repayment, recapture, recovery and/or other claim with respect to the period prior to the Closing Date of: (i) any alleged overpayment by Medicaid or Medicare; (ii) any alleged underpayment of any Tax or assessment, including but not limited to State Bed Tax/Assessment; (iii) any civil monetary penalty or other state penalty or fine; or (iv) any Minimum Data Set audit results or results of any other audit respect to periods prior to the Closing.

7. Covenants of New Operator. New Operator covenants and promises that between the date hereof and the Closing Date the following:

(a) New Operator shall promptly make all required applications, file such notices and pay such fees as are necessary to receive all governmental and quasi-governmental licenses and other regulatory approvals needed to own and operate the Facility under [insert state] law including

but not limited to the License issued by [insert agency], and the assumption of Transferor's Medicare provider agreement.

(b) New Operator shall obtain all governmental or quasi-governmental approvals that are necessary or appropriate in order for New Operator to operate the Facility under applicable State and Federal law, including a nursing home License issued by the applicable State's department of health, and also use best efforts to begin to obtain a Medicare provider agreement and certification, Medicaid provider agreement and certification, and managed care provider agreements with respect to the Facility.

(c) New Operator shall provide notice and obtain prior approval from Transferor, and shall at all times reasonably cooperate with Transferor, before disclosing or communicating about the pending sale of Facility to residents, families, guardians, employees or staff of Facility.

8. Accounts Receivable.

8.1 Transferor shall retain whatever right, title and interest it may have in and to all outstanding accounts receivable with respect to the Facility which relate to periods ending on or before the Closing Date.

8.2 Payments received by New Operator after the Closing Date from third-party payors including, but not limited to governmental programs, such as Medicare or Medicaid, or managed care and health insurance, shall be handled as follows:

(a) If such payments either specifically indicate on the accompanying remittance advice, or if New Operator and Transferor agree that such payments relate to the period ending before the Closing Date, they shall be forwarded by New Operator to Transferor, along with the applicable remittance advice, within ten (10) days after receipt thereof; and

(b) If such payments indicate on the accompanying remittance advice, or if New Operator and Transferor agree that such payments relate to the period after the Closing Date, they shall be retained by New Operator.

8.3 Payments received by Transferor after the Closing Date from third-party payors including, but not limited to governmental programs, such as Medicare or Medicaid, or managed care and health insurance, shall be handled as follows:

(a) If such payments either specifically indicate on the accompanying remittance advice, or if New Operator and Transferor agree that such payments relate to the period after the Closing Date, they shall be forwarded by Transferor to New Operator, along with the applicable remittance advice, within ten (10) days after receipt thereof; and

(b) If such payments indicate on the accompanying remittance advice, or if New Operator and Transferor agree that they relate to the period ending on or before the Closing Date, they shall be retained by Transferor.

8.4 If the remittance advice indicates or the Parties agree that any payment relates to periods both prior to or on and after the Closing Date, the Party receiving the payment shall forward the amount relating to the other Party's operation of the Business, along with the applicable remittance advice, within five (5) days after receipt thereof. If the remittance advice with respect to residents that have third-party payors source including, but not limited to governmental programs, such as Medicare or Medicaid, or managed care and health insurance does not indicate the period to which a payment relates or whether it is for New Operator

or Transferor, or if there is no accompanying remittance advice, or the payment is not otherwise identifiable using commercially reasonable efforts, and if the Parties do not otherwise agree as to how to apply such payment, then 100% of such payments received within the forty-five (45) days after the Closing Date shall be deemed to have been collected in respect of Transferor's accounts receivable due from the payee in respect of services provided on or prior to the Closing Date. All such payments received in excess of the amount of Transferor's accounts receivables due from said payee and all such payments received forty-five (45) days after the Closing Date shall be deemed to belong to New Operator. If the party receiving the funds is not the party entitled to the funds hereunder, such party shall forward such funds to the other party within five (5) days. For the avoidance of doubt, no party shall have the right to setoff or recoup against amounts it is required to send to the other party under this paragraph.

9. Employees.

9.1 Transferor shall terminate all of the employees effective as of 11:59 p.m. on the day immediately prior to the Closing Date.

9.2 Any continued employment of an employee by New Operator following the Closing shall be subject to New Operator's employment policies and practices.

9.3 Responsibility for payment of all Accrued PTO, salaries and other benefits of all employees is to be governed by the provisions of the APA.

10. Conditions to Closing. The obligations of each Party to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction, prior to the Closing, of the conditions set forth in Article VII of the APA, or the waiver of any or all of such conditions in whole or in part.

11. Miscellaneous.

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

11.2 **Knowledge Defined.** As used herein, the term "knowledge" means, (a) in the case of an individual, that such individual has information sufficient to reasonably believe the accuracy of such fact or matter without confirmation, or (b) in case of a corporation or other entity, that officer primarily responsible for such transaction has information sufficient to reasonably believe the accuracy of such fact or matter without confirmation.

11.3 **Notices.** All notices, demands and other communications required or permitted hereunder shall be deemed sufficiently given if delivered in person, mailed by certified mail, postage prepaid, or sent via nationally recognized overnight carrier, as well as being sent simultaneously by email, addressed as follows:

If to Transferor:

c/o Christian Horizons
Attn: Kate Bertram, President and Shawn O'Conner, CRO
Two City Place Drive, 2nd Floor
St. Louis, MO 63141

With a Copy to:
Dentons US LLP
Attn: Thomas Vandiver
101 South Hanley, Suite 600
St. Louis, Missouri 63105
Email thomas.vandiver@dentons.com

If to New Operator:

With a Copy to:

or to such other address as either Party may designate by notice to the other Parties.

11.4 Assignment. Neither Party may assign its rights or obligations under this Agreement, by operation of law or otherwise, without the prior written consent of the other party, which consent shall not be unreasonably withheld. Any attempted assignment in violation of this section shall be deemed void and of no force or effect, and a non-curable breach of this Agreement.

11.5 Survival. The obligations, representations or warranties which by their nature or content would continue beyond the Closing or the expiration or termination of this Agreement shall survive the Closing or any expiration or termination of this Agreement to the extent specifically provided for herein.

11.6 Assignment. Neither Party may assign its rights or obligations under this Agreement, by operation of law or otherwise, without the prior written consent of the other party, which consent shall not be unreasonably withheld. Any attempted assignment in violation of this section shall be deemed void and of no force or effect, and a non-curable breach of this Agreement.

11.7 Successor and Assigns. This Agreement shall inure to the benefit of and bind the respective permitted successors and assigns of the Parties hereto. Nothing expressed or referred to in this Agreement is intended or shall be construed to give any person other than the Parties to this Agreement or their respective successors or permitted assigns any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein, it being the intention of the Parties to this Agreement that the Agreement be for the sole and exclusive benefit of such Parties or such successors and assigns and not for the benefit of any other person.

11.8 Governing Law; Venue. The validity and construction of this Agreement shall be governed by the laws of the State of Missouri without regard to the conflicts of law rules thereof. The Parties hereby consent to jurisdiction and venue in the Federal or State courts situated in St. Louis County, Missouri including while the Chapter 11 cases are pending, the exclusive jurisdiction of the Bankruptcy Court, and hereby waive any objection to the jurisdiction of, or the venue of any action instituted in, such courts.

11.9 Attorneys' Fees. If legal action is commenced to enforce this Agreement, each Party shall pay its own costs and attorneys' fees in connection with any such action.

11.10 Severability. If any provision of this Agreement shall be held invalid under any applicable laws, such invalidity shall not affect any other provision of this Agreement that can be given effect without the invalid provision, and, to this end, the provisions hereof are severable.

11.11 Section Headings. The section headings are for reference only and shall not limit or control the meaning of any provision of this Agreement.

11.12 Waiver. No delay or omission on the part of any Party in exercising any right hereunder shall operate as a waiver of such right or any other right under this Agreement.

11.13 Amendments. This Agreement may be amended, but only in a writing signed by all Parties hereto and subject to any requisite approval by the Bankruptcy Court.

11.14 Schedules. All Schedules referred to in this Agreement are integral parts of this Agreement and are hereby incorporated into this Agreement as if fully set forth herein, and all statements appearing therein shall be deemed to be representations.

11.15 Entire Agreement. This Agreement and the Schedules delivered pursuant hereto constitute the entire contract between the Parties hereto pertaining to the subject matter hereof and thereof and supersede all prior and contemporaneous agreements, understandings, negotiations and discussions, whether written or oral, of the Parties, and there are no representations, warranties or other agreements between the Parties in connection with the subject matter hereof or thereof, except as specifically set forth herein or therein. The Parties specifically acknowledge that in entering into and executing this Agreement, the Parties rely solely upon the representations and agreements contained in this Agreement, and all prior representations or agreements, whether written or verbal, not expressly incorporated herein are superseded.

11.16 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall comprise one and the same instrument. Signature pages exchanged by email shall be fully binding on the Parties.

11.17 WAIVER OF JURY TRIAL. TRANSFEROR, AND NEW OPERATOR HEREBY WAIVE ANY RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM IN CONNECTION WITH ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ANY CONTRACT OR INSTRUMENT EXECUTED IN CONNECTION WITH THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, EVENTS LEADING UP TO THE EXECUTION OF THIS AGREEMENT, THE PARTIES' PERFORMANCE OF THIS AGREEMENT, OR ANY CLAIM OF INJURY OR DAMAGE RELATING TO THE FOREGOING OR THE ENFORCEMENT OF ANY REMEDY HEREUNDER.

[Signature Page Follows]

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


TRANSFEROR:

[_____]

By: _____
Name: _____
Its: _____

NEW OPERATOR:

[_____]

By:  _____
Name: William Rothner _____
Its: _____

Schedule 1 to Asset Purchase Agreement

FACILITIES TO BE PURCHASED

1. Senior Care Pharmacy Services, LLC, 1212 Bear Lane, Monticello, IL 61856

Schedule 2.01(a) to Asset Purchase Agreement

DESCRIPTIONS OF REAL PROPERTY

Schedule 2.01(d) to Asset Purchase Agreement

CONTRACTS

Schedule 2.01(g) to Asset Purchase Agreement

INTELLECTUAL PROPERTY

[To be inserted.]

Schedule 2.02(b) to Asset Purchase Agreement

PREPAID EXPENSES

[To be inserted.]

Schedule 2.02(d) to Asset Purchase Agreement

DEPOSIT ACCOUNTS

[To be inserted.]

Schedule 2.03(d) to Asset Purchase Agreement

OTHER ASSUMED LIABILITIES

The Accrued PTO.

Schedule 2.07 to Asset Purchase Agreement

ALLOCATION

Schedule 4.02 to Asset Purchase Agreement

CONTRACT VIOLATIONS

[To be inserted.]

Schedule 4.07 to Asset Purchase Agreement

PERMITS

[To be inserted.]

Schedule 4.08 to Asset Purchase Agreement

LITIGATION PROCEEDINGS

[To be inserted.]

Schedule 4.10(b) to Asset Purchase Agreement

GOVERNMENTAL NOTICES

[To be inserted.]

Schedule 4.11 to Asset Purchase Agreement

EMPLOYEES

Schedule 4.12 to Asset Purchase Agreement

INSURANCE

Schedule 4.16 to Asset Purchase Agreement

OUTSTANDING LIABILITIES

Schedule 6.05 to Asset Purchase Agreement

ASSUMED AND REJECTED CONTRACTS

Schedule 7.01(c) to Asset Purchase Agreement

REGULATORY APPROVALS

Approval from the Attorney Generals' Offices for the States of Illinois and Indiana, if required.