IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re **SC HEALTHCARE HOLDING, LLC *et al.*,** **Debtors.**[1]	Chapter 11 Case No. 24-10443 (TMH) Jointly Administered **Ref. Docket Nos. 38, 97**

FINAL ORDER (I) AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION FINANCING, (II) GRANTING SECURITY INTERESTS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS, (III) GRANTING ADEQUATE PROTECTION TO CERTAIN PREPETITION SECURED CREDIT PARTIES, (IV) MODIFYING THE AUTOMATIC STAY; (V) AUTHORIZING THE DEBTORS TO ENTER INTO AGREEMENTS WITH JMB CAPITAL PARTNERS LENDING, LLC, (VI) AUTHORIZING USE OF CASH COLLATERAL, AND (VII) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above captioned debtors (collectively, the "Debtors") in the above-captioned chapter 11 cases (collectively, the "Chapter 11 Cases"), pursuant to sections 105, 361, 362, 363, 364, 503 and 507 of title 11 of the United States Code, (11 U.S.C. §§ 101 *et seq.*, as amended, the "Bankruptcy Code"), Rules 2002, 4001, 6003, 6004 and 9006 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rules 2002-1 and 4001-2 and 9006-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), seeking entry of an interim order, which was entered by the Court on March 24, 2024 at Docket No. 97 (the "Interim Order"), and a final order (this "Final Order") granting *inter alia*:

[1] The last four digits of SC Healthcare Holding, LLC's tax identification number are 2584. The mailing address for SC Healthcare Holding, LLC is c/o Petersen Health Care Management, LLC 830 West Trailcreek Dr., Peoria, IL 61614. Due to the large number of debtors in these Chapter 11 Cases, for which the Debtors have requested joint administration, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information will be made available on a website of the Debtors' proposed claims and noticing agent at www.kccllc.net/Petersen.

[2] Unless stated otherwise, capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion or the DIP Credit Agreement (as defined below), as applicable.

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i. authority, pursuant to sections 105, 363, and 364(c) and 364(d) of the Bankruptcy Code, for each of the Debtors, jointly and severally, to obtain a non-amortizing priming super-priority senior secured postpetition financing ("DIP Facility") in an aggregate principal amount of up to $45,000,000 (the "DIP Commitment") which will be available through multiple draws, in each case subject to the terms and conditions set forth in the Debtor-in-Possession Loan and Security Agreement attached hereto as Exhibit 1 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "DIP Credit Agreement" and, together with any ancillary, collateral or related documents and agreements, including without limitation the DIP Term Sheet attached as Exhibit 1 to the Interim Order, the "DIP Loan Documents"), among the Debtors, as borrowers, and JMB Capital Partners Lending, LLC, as lender (the "DIP Lender");

ii. authority for the Debtors to execute, deliver, and perform under the DIP Loan Documents, and all other credit documentation relating to the DIP Facility, including, without limitation, as applicable, security agreements, pledge agreements, debentures, mortgages, control agreements, deeds, charges, guarantees, promissory notes, intercompany notes, certificates, instruments, intellectual property security agreements, notes, fee letters, and such other documents that are ancillary or incidental thereto or that may be reasonably requested by the DIP Lender in connection with the DIP Facility, in each case, as amended, restated, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and hereof;

iii. authority for the Debtors to issue, incur and guarantee all loans, notes, advances, extensions of credit, financial accommodations, reimbursement obligations, fees and premiums (including, without limitation, the Commitment Fee, upfront fees, the Exit Fee, backstop fees or premiums, administrative agency fees, and any other fees payable pursuant to the DIP Loan Documents), costs, expenses and other liabilities and all other obligations (including indemnities and similar obligations, whether contingent or absolute) due or payable to or for the benefit of the DIP Lender under the DIP Loan Documents (collectively, the "DIP Obligations"), and to perform

such other and further acts as may be required, necessary, desirable, or appropriate in connection therewith;

iv. authority for the Debtors to use the DIP Facility and the proceeds thereof in accordance with this Final Order, the DIP Loan Documents to (a) fund the necessary postpetition working capital needs of the Debtors, (b) pay fees, costs and expenses of the DIP Facility on the terms and conditions described in the DIP Loan Documents, and (c) pay the allowed administrative costs and expenses of the Chapter 11 Cases, in each case, solely in accordance with the DIP Loan Documents, the DIP Budget (as defined below), and this Final Order;

v. authority for the Debtors to grant to the DIP Lender valid, enforceable, non-avoidable, automatically and fully perfected priming security interests, liens and superpriority claims, including allowed superpriority administrative expense claims pursuant to sections 364(c)(1) and 507(b) of the Bankruptcy Code, subject only to the Carve Out and the Permitted Prior Liens (as defined in the DIP Credit Agreement), and liens pursuant to sections 364(c)(2), 364(c)(3) and 364(d)(1) of the Bankruptcy Code in the DIP Collateral (as defined below) (and all proceeds thereof), including, without limitation, all property constituting "Cash Collateral," as defined in section 363(a) of the Bankruptcy Code, ("Cash Collateral"), to secure all DIP Obligations, subject only to the Carve Out and the Permitted Prior Liens;

vi. authority for the Debtors to grant the Prepetition Secured Parties (as defined below) valid, enforceable, non-avoidable, automatically and fully perfected security interests, liens and superpriority claims, as set forth herein, including allowed superpriority administrative expense claims pursuant to section 507(b) of the Bankruptcy Code, subject only to the Carve Out, the Permitted Prior Liens and the superpriority claims and liens of the DIP Lender, to secure any diminution in value of the Prepetition Collateral and as it relates to the Cost Allocation as set forth herein;

vii. authority for the DIP Lender to take all commercially reasonable actions to implement and effectuate the terms of this Final Order and the DIP Loan Documents;

viii. waiver by the Debtors of all rights to surcharge against the collateral of the DIP Lender and the Prepetition Secured Parties pursuant to section 506(c) of the Bankruptcy Code;

ix. determination that the equitable doctrine of marshaling or any other similar doctrine shall not apply with respect to any collateral of the DIP Lender and the Prepetition Secured Parties (other than (A) as it relates to the Cost Allocation with respect to the Prepetition Secured Parties and (B) as expressly set forth in Paragraph 9 of this Final Order);

x. modification of the automatic stay provided by section 362(a) of the Bankruptcy Code to the extent set forth herein and as necessary to permit the Debtors and the DIP Lender to implement and effectuate the terms and provisions of the DIP Loan Documents, including, upon entry, the Final Order, and, subject to the terms of the DIP Loan Documents (including this Final Order), to deliver any Carve Out Trigger Notice (as defined herein) or other notices in relation thereto and the exercise of certain rights and remedies, as contemplated hereby and by the DIP Loan Documents; and

xi. waiver of any applicable stay (including under Bankruptcy Rule 6004) and providing for immediate effectiveness of this Final Order.

This Court having considered the relief requested in the Motion (including the DIP Loan Documents), the evidence submitted or adduced, pursuant to the *Declaration of David R. Campbell in Support of Chapter 11 Petitions and First Day Motions* (the "First Day Declaration"), the declaration of Luke Andrews in support of the Motion (the "DIP Marketing Declaration") and the declaration of David R. Campbell in support of the Motion (the "Campbell Valuation Declaration"), the declaration of Mark Myers in Support of the Motion (the "Myers Valuation Declaration") and the arguments of counsel made at the hearing held on March 22, 2024 (the "Interim Hearing") and having found that due and proper notice of the Motion and the Interim Hearing having been given in accordance with Bankruptcy Rule 2002 and 4001(b), (c) and (d) and all applicable Local Rules; and the Interim Hearing to consider the relief requested in the Motion having been held and concluded; and having entered the Interim Order on March 26, 2024; and a final hearing (the "Final Hearing") having been held by this Court on May 13 and 14, 2024; and

objections, if any, to the relief requested in the Motion having been withdrawn, resolved or overruled; and it appearing to this Court that granting the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates, otherwise is fair and reasonable and in the best interests of the Debtors, their estates, creditors, and other parties in interest, and is essential for the continued operation of the Debtors' businesses and the preservation of the value of the Debtors' assets and represents a sound exercise of the Debtors' business judgment; and after due deliberation and consideration, and for good and sufficient cause appearing therefor;

THIS COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW BASED UPON THE MOTION, THE REPRESENTATIONS OF COUNSEL AND EVIDENCE SUBMITTED DURING THE FINAL HEARING:[3]

A. *Petition Date*. On March 20, 2024 (the "Petition Date"), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Court") commencing these Chapter 11 Cases.

B. *Joint Administration*. The Chapter 11 Cases are being jointly administered pursuant to the *Order, Pursuant to Bankruptcy Rule 1015 and Local Rule 1015-1, (I) Directing Joint Administration of the Debtors' Chapter 11 Cases, (II) Modifying the Requirements for Filing Monthly Operating Reports, and (III) Granting Related Relief* [Docket No. 79] entered by this Court on March 22, 2024.

C. *Debtors in Possession*. The Debtors, with the exception of some inactive entities, are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

[3] The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014, and shall take effect and be fully enforceable effective as of the Petition Date immediately upon entry hereof. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

D. *Jurisdiction and Venue*. This Court has core jurisdiction over the persons and property affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334. Consideration of the Motion constitutes a core proceeding under 28 U.S.C. § 157(b)(2). Venue for the Chapter 11 Cases and proceedings on the Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

E. *Notice*. Under the circumstances, the notice given by the Debtors of, and as described in, the Motion, the relief requested therein, and the Final Hearing constitutes proper notice thereof and complies with Bankruptcy Rules 2002, 4001(b), (c) and (d), and 9014 and the Local Rules, and no further notice of the relief sought at the Final Hearing and the relief granted herein is necessary or required. The relief granted herein is necessary to avoid immediate and irreparable harm to the Debtors and their estates, creditors, and other parties in interest.

F. *Committee Formation*. On April 9, 2024, the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed an official committee of unsecured Creditors (the "Committee") in the Chapter 11 Cases, as provided for under section 1102 of the Bankruptcy Code.

G. *No Credit Available on More Favorable Terms*. The Debtors are unable to procure financing in the form of unsecured credit allowable as an administrative expense under sections 364(a), 364(b), or 503(b)(1) of the Bankruptcy Code. The Debtors are also unable to obtain secured credit without (i) granting to the DIP Lender the DIP Liens and the DIP Superpriority Claims (each as defined herein) and (ii) incurring the Adequate Protection Obligations (as defined herein), to the extent set forth herein and under the terms and conditions set forth in this Final Order, the DIP Loan Documents, in each case of (i) and (ii) subject and subordinate to the Carve Out and the Permitted Prior Liens, and have been unable to procure the necessary financing on terms more favorable, taken as a whole, than the financing offered by DIP Lender pursuant to the DIP Loan Documents, as modified by this Final Order.

H. *Best Interests of Estates*. It is in the best interests of the Debtors' estates and creditors that the Debtors be allowed to obtain postpetition secured financing from the DIP Lender under the terms and conditions set forth herein and in the DIP Loan Documents, as such financing

is necessary to avoid immediate and irreparable harm to the Debtors' estates and for the continued operation of the Debtors' businesses.

I. *Good Faith*. The extension of credit and financial accommodations under the DIP Loan Documents are fair, reasonable, in good faith, negotiated at arm's length, reflect the Debtors' exercise of prudent business judgment, and are supported by reasonably equivalent value and fair consideration. The liens, claims and other covenants and payments as set forth in this Final Order and the DIP Loan Documents, as well as the protections afforded parties acting in "good faith" under section 364(e) of the Bankruptcy Code are integral, critical and essential components of the DIP Facility provided by the DIP Lender to the Debtors. Accordingly, the DIP Lender is entitled to the protections of Bankruptcy Code section 364(e).

J. *Good Cause*. The relief requested in the Motion is necessary, essential and appropriate, and is in the best interest of and will benefit the Debtors, their creditors and their estates, as its implementation will, among other things, provide the Debtors with the necessary liquidity to (1) minimize disruption to the Debtors' businesses and ongoing operations, (2) preserve and maximize the value of the Debtors' estates for the benefit of all the Debtors' creditors, and (3) avoid potential immediate and irreparable harm to the Debtors, their creditors, their businesses, their employees, and their assets.

K. *Interim Order*. On March 26, 2024, the Court entered the Interim DIP Order, pursuant to which the Court, *inter alia*, (i) authorized the Debtors to obtain postpetition secured financing from the DIP Lender, on an interim basis, under the terms and conditions set forth therein and in the DIP Loan Documents, (ii) approved the DIP Term Sheet, and (iii) approved the (a) Commitment Fee and (b) the Exit Fee on a final basis.

L. *Necessity of DIP Facility Terms*. The terms of this Final Order, the DIP Loan Documents assuring that the liens and the various claims, superpriority claims, and other protections granted in this Final Order will not be affected by any subsequent reversal or modification, as provided in section 364(e) of the Bankruptcy Code, which is applicable to the

postpetition financing arrangement contemplated in the DIP Loan Documents, are necessary in order to induce the DIP Lender to provide postpetition financing to the Debtors.

M. *Need for Postpetition Financing*. The Debtors do not have sufficient and reliable sources of working capital to continue to operate their businesses in the ordinary course without the financing requested in the Motion. The Debtors' ability to care for their residents, maintain business relationships with their vendors, suppliers and customers, to pay their employees, and to otherwise fund their operations is essential to the Debtors' continued viability as the Debtors seek to maximize the value of the assets of their estates for the benefit of all creditors of the Debtors. The ability of the Debtors to obtain sufficient and stable working capital and liquidity through the proposed postpetition financing arrangements with the DIP Lender as set forth in this Final Order and the DIP Loan Documents is vital to the preservation and maintenance of the going concern value of each Debtor. Accordingly, the Debtors have an immediate need to obtain the postpetition financing in order to, among other things, permit the orderly continuation of the operation of their businesses, minimize the disruption of their business operations, and preserve and maximize the value of the assets of the Debtors' bankruptcy estates in order to maximize the recovery to all creditors of the estates.

N. *Need to Use Cash Collateral*. The Debtors need to use Cash Collateral in order to, among other things, preserve, maintain and maximize the value of their assets and businesses. The ability of the Debtors to maintain liquidity through the use of Cash Collateral is vital to the Debtors and their efforts to maximize the value of their assets. Accordingly, the Debtors have demonstrated good and sufficient cause for the relief granted herein.

O. *Sections 506(c) and 552(b)*. As material inducement to the DIP Lender to agree to provide the DIP Facility and in exchange for agreement by the DIP Lender and the Prepetition Secured Parties to subordinate their superpriority claims to the Carve Out, the DIP Lender and the Prepetition Secured Parties are entitled to a waiver of any "equities of the case" exception under section 552(b) of the Bankruptcy Code, and (b) the DIP Lender and the Prepetition Secured Parties are entitled to a waiver of the provisions of section 506(c) of the Bankruptcy Code.

P. *Priming of Prepetition Liens*. The priming of the Prepetition Liens by the DIP Lender under section 364(d)(1) of the Bankruptcy Code, to the extent set forth in this Final Order and, to the extent not inconsistent with this Final Order, the DIP Loan Documents and as further described below, will enable the Debtors to obtain the DIP Facility and, among other benefits, continue to operate their business for the benefit of their estates and stakeholders.

Q. *DIP Budget*. The Debtors prepared and delivered to the DIP Lender and Prepetition Secured Parties an initial budget attached as Schedule 1 to the Interim Order (together with any additional line-item or other detail and supplements as may be provided pursuant to the terms of this Final Order and the DIP Loan Documents, the "Initial DIP Budget"). The Initial DIP Budget reflects, among other things, for the 13-week period commencing on or about the Petition Date, the Debtors' projected operating receipts, operating disbursements, non-operating disbursements, net operating cash flow and liquidity for each one-week period covered thereby. The Initial DIP Budget may be modified, amended, extended, and updated from time to time in accordance with this Final Order, the DIP Loan Documents, and such modified, amended, extended and/or updated budget, once approved by the Debtors (upon prior consultation with the Committee) and the DIP Lender, shall modify, replace, supplement or supersede, as applicable, the Initial DIP Budget for the periods covered thereby (the Initial DIP Budget and each subsequent approved budget (including any additional line-item or other detail and supplements as may be provided pursuant to the terms of this Final Order, the DIP Loan Documents) shall constitute, without duplication, an "Approved Budget"). Each subsequent Approved Budget (as approved in accordance with the DIP Loan Documents and this Final Order) shall be provided to the U.S. Trustee, counsel for the Prepetition Secured Parties, counsel for U.S. Department of Housing and Urban Development ("HUD") and counsel to the Committee in full. The Initial DIP Budget has been reviewed by the Debtors, their management and their advisors, and the Debtors believe that the Initial DIP Budget is reasonable under the circumstances. The DIP Lender is relying, in part, upon the Debtors' agreement to comply with the Approved Budget (subject only to permitted variances) and the

terms of the DIP Loan Documents and this Final Order in determining to enter into the DIP Facility and to consent to the use of Cash Collateral provided for in this Final Order.

R. *Debtors' Acknowledgments and Agreements*. Without prejudice to the rights of the Committee or other parties-in-interest as and to the extent set forth in paragraph 18 of this Final Order, the Debtors admit, stipulate, acknowledge and agree that:

(a) *Prepetition Loan Documents*. Prior to the Petition Date, the applicable Debtors entered into the following loan documents and credit facilities with the lenders party thereto (collectively, and including their respective successors and assigns, the "Prepetition Secured Parties"):

- Amended and Restated Loan Agreement dated February 24, 2021 with XCAL 2019-IL-1 Mortgage Trust, as lender, pursuant to which not less than $33,038,340 is presently outstanding.

- Amended and Restated Loan Agreement dated August 5, 2020 with Column Financial, Inc. (as successor in interest to Sector Financial Inc.), as the administrative agent and collateral agent (in such capacity, the "Sector Agent") and the lenders party thereto (the "Sector Lenders") pursuant to which not less than $64,605,074 is presently outstanding.

- Amended and Restated Loan Agreement dated August 5, 2020 with GMF Petersen Note LLC, as the lender pursuant to which not less than $26,400,302.55 is presently outstanding.

- Credit and Security Agreement (the "eCapital Credit Agreement") dated October 4, 2023 with eCapital Healthcare Corp. ("eCapital" and such obligations of the Debtor under the eCapital Credit Agreement, the "eCapital Obligations") as the lender pursuant to which not less than $3,833,089.27 which was paid in full in connection with the Interim Order.

- HUD Facilities and the lenders party thereto (collectively, together with their successors and assigns, the "HUD Lenders"):

    - Multiple FHA insured loans with Berkadia Commercial Mortgage LLC as lender and the applicable Debtor party thereto with not less than $2,936,067 in the aggregate (net of escrows) is presently outstanding.

    - Multiple FHA insured loans with Grandbridge Real Estate Capital, LLC as lender and the applicable Debtor party

thereto with not less than $7,369,000 in the aggregate (net of escrows) presently outstanding.

- Multiple FHA insured loans with Lument Real Estate Capital, LLC as lender and the applicable Debtor party thereto with not less than $8,267,261 in the aggregate (net of escrows) presently outstanding.

- An FHA-insured loan with Wells Fargo Mortgage as lender and Debtor SJL Health Systems, Inc. as borrower with not less than $1,826,279.02 (net of reserves) presently outstanding.

- Solutions Bank Loan. Debtor Petersen Healthcare, Inc. is party to various loan documents in favor of Solutions Bank (the "Solutions Bank Facility"), pursuant to which Petersen Healthcare Inc. granted to Solution Bank a security interest in certain assets related to an assisted living facility located at 160 E. Walton Street, Canton, Illinois known as "Courtyard Estates of Canton." In the relevant default notice, it was alleged that approximately $3,408,171 is outstanding under the Solutions Bank Facility.

- Community State Bank. Debtor Petersen Health Systems, Inc. is party to various loan documents in favor of Community State Bank (the "CSB Facility"), pursuant to which Petersen Health Systems, Inc. granted to Community State Bank a security interest in certain assets related to real property located at 13516 Townline Road, Green Valley Illinois known as "Courtyard Estates of Green Valley." As of the Petition Date, approximately $2,494,108 is outstanding under the CSB Facility.

- Bank of Farmington. Debtor Petersen Health Systems, Inc. is party to various loan documents in favor of Bank of Farmington (the "Farmington Facility"), pursuant to which Petersen Health Systems, Inc. granted to Bank of Farmington a security interest in certain assets related to an assisted living located at 1000 E. Fort Street, Farmington, IL known as "Courtyard Estates of Farmington." As of the Petition Date, approximately $2,845,278 is outstanding under the Farmington Facility.

- Hickory State Bank. Debtor CYE Girard HCO, LLC is party to various loan documents in favor of Hickory Point Bank & Trust (the "Hickory Point Facility"), pursuant to which CYE Girard HCO, LLC granted to Hickory Point Bank & Trust a security interest in certain assets related to an assisted living facility located at 1016 W North St, Girard, IL known as "Courtyard Estates of Girard." As of

the Petition Date, approximately $1,839,599 is outstanding under the Farmington Facility.

- Bank of Rantoul. Debtor Petersen Health Systems, Inc. is the borrower under a certain loan facility with Bank of Rantoul, as lender ("Rantoul Facility") secured by a mortgage and assignment of rents pertaining to the Courtyard Estates of Herscher healthcare facility located at 100 Harvest View Lane, Herscher, IL. As of the Petition Date, approximately $2,352,907 in principal amount is outstanding under the Rantoul Facility.

(all of the foregoing, as all of the same have heretofore been amended, supplemented, modified, extended, renewed, restated and/or replaced at any time prior to the Petition Date, collectively, the "Prepetition Loan Documents").

(b) *Prepetition Secured Obligations*. As of the Petition Date, the applicable Debtors were indebted to the Prepetition Secured Parties under the Prepetition Loan Documents in an aggregate outstanding principal amount of not less than $179,103,915 plus interest accrued and accruing thereon, together with all costs, fees, expenses (including attorneys' fees and legal expenses) and other charges accrued, accruing or chargeable with respect thereto (the "Prepetition Secured Obligations"). The Prepetition Secured Obligations constitute allowed, legal, valid, binding, enforceable and non-avoidable obligations of Debtors, and are not subject to any offset, defense, counterclaim, avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or any other applicable law, and Debtors do not possess, shall not assert, hereby forever release, and are forever barred from bringing any claim, counterclaim, setoff or defense of any kind, nature or description which would in any way affect the validity, enforceability and non-avoidability of any of the Prepetition Secured Obligations.

(c) *Prepetition Collateral*. As of the Petition Date, the Prepetition Secured Obligations were secured pursuant to the applicable Prepetition Loan Documents by valid, perfected, enforceable and non-avoidable first-priority security interests and liens (the "Prepetition Liens") granted by the Debtors party thereto to the applicable Prepetition Secured Parties under the applicable Prepetition Loan Documents as listed on Schedule3 of the DIP Term Sheet, in certain real estate of the applicable Debtors as more fully set forth in the Prepetition Loan Documents and in accounts receivable of the applicable Debtors (the "Prepetition Collateral"), and such security interests are perfected and have priority over all other security interests. The Debtors do not possess and will not assert any claim, counterclaim, setoff or defense of any kind, nature or description which would in any way affect the validity, enforceability and non-avoidability of any of the Prepetition Secured Party's liens, claims or security in the Prepetition Collateral.

(d) *No Control*. Subject to Paragraph 18 of this Final Order, the Debtors stipulate and this Court finds that in making decisions to advance loans to the Debtors, in administering any loans, in accepting the Initial DIP Budget or any future Approved Budget or in taking any other actions permitted by the Final Order, or the DIP Loan Documents in their capacity as DIP Lender, the DIP Lender shall not be deemed to be in control of the operations of the Debtors or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of the Debtors.

S. *Adequate Protection*. The Prepetition Secured Parties consent to the senior priming liens and security interests in favor of the DIP Lender or are otherwise entitled to receive adequate protection on account of their interests in the Prepetition Collateral pursuant to sections 361, 362, and 363 of the Bankruptcy Code solely to the extent of any diminution in the value of their interests in the Prepetition Collateral and as it relates to the Cost Allocation as set forth herein. As part of the adequate protection, and, with respect to the Consenting Lenders (as defined herein), as it relates to the Cost Allocation herein, provided by this Final Order, the Prepetition Secured Parties shall receive, among other things, replacement liens, superpriority claims and reporting information as set forth in this Final Order. Consenting Lenders (as defined herein) shall, in addition to their Consenting Lender Adequate Protection Claims (as defined herein) and their Consenting Lender Adequate Protection Liens (as defined herein), receive reimbursement of their reasonable professional fees, including those of their attorneys and financial advisors to the extent provided for in an Approved Budget; *provided* that any fees, costs and expenses paid as adequate protection for a Consenting Lender shall be recharacterized as payments of principal if such Consenting Lender is later determined to be undersecured and not entitled to received post-petition interest, fees, costs and expenses. The terms of the Adequate Protection Obligations (as defined in paragraph 13 below) are fair and reasonable, reflect the Debtors' prudent exercise of business judgment and are sufficient to allow the Debtors' use of the Prepetition Collateral and to permit the relief granted in this Final Order.

T. *Requisite Authority*. Each Debtor has all requisite corporate or entity power and authority to execute and deliver the DIP Loan Documents to which it is a party and to perform its obligations thereunder.

U. *Immediate Entry*. Sufficient cause exists for immediate entry of this Final Order pursuant to Bankruptcy Rule 4001(c)(2). Absent granting the relief set forth in this Final Order, the Debtors' estates will be immediately and irreparably harmed. Consummation of the DIP Facility and the permitted use of Prepetition Collateral in accordance with this Final Order and the DIP Loan Documents, are therefore in the best interests of the Debtors' estates and consistent with the Debtors' exercise of their fiduciary duties.

Based upon the foregoing findings and conclusions, the Motion and the record before this Court with respect to the Motion, and after due consideration and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED that:

1. DIP Facility Approval. The relief sought in the Motion is granted to the extent set forth herein, the financing described herein is authorized and approved, and the Debtors' use of Cash Collateral is authorized, in each case subject to the terms and conditions set forth herein and in the DIP Loan Documents. All objections to the Motion to the extent not withdrawn, waived, settled, or resolved are hereby denied and overruled on the merits. The Debtors are authorized, pursuant to section 364 of the Bankruptcy Code, to execute, deliver, enter into and, as applicable, comply with and perform all of their obligations under the DIP Loan Documents and such other and additional documents necessary or desired to implement the DIP Facility, and to obtain postpetition secured financing from the DIP Lender, to avoid immediate and irreparable harm to the Debtors' estates. Except as modified by this Final Order, including, for the avoidance of doubt, paragraph 38 below, all provisions of the DIP Loan Documents are incorporated herein and approved in their entirety, whether explicitly referenced or not. For the avoidance of doubt, if there are any inconsistencies between the terms of this Final Order and the DIP Loan Documents,

the terms of this Final Order shall control, and all references herein to the DIP Loan Documents shall mean as modified by this Final Order.

2. DIP Obligations. The DIP Loan Documents shall constitute and evidence the valid and binding effect of the Debtors' obligations under the DIP Facility, which DIP Obligations shall be legal, valid, and binding obligations of the Debtors and enforceable against the Debtors, their estates, any successors thereto, including, without limitation, any trustee appointed in any of the Debtors' cases, or in any case under chapter 7 of the Bankruptcy Code upon the conversion of any such cases, or in any other proceedings superseding or related to any of the foregoing, any successors thereto, and any party determined to be the beneficial owner of the DIP Collateral by this Court. The Debtors and their successors shall be jointly and severally liable for repayment of any funds advanced pursuant to the DIP Loan Documents and the DIP Obligations. No obligation, payment, transfer or grant of security under the DIP Loan Documents or this Final Order, with respect to the DIP Facility shall be stayed, restrained, voided, voidable or recoverable under the Bankruptcy Code or under any applicable non-bankruptcy law, or subject to any defense, reduction, setoff, recoupment or counterclaim.

3. Authorization to Borrow. The Debtors are hereby authorized to execute, deliver, enter into and, as applicable, comply with and perform all of their obligations, and to pay all fees, costs, expenses, indemnities, and other amounts contemplated, under the DIP Loan Documents and to take such other and further acts as may be necessary, appropriate or desirable in connection therewith. Upon entry of this Final Order, the Debtors are authorized to borrow up to aggregate amount of the DIP Commitment, and the Debtors are hereby authorized to provide a guaranty of payment and performance in respect of the DIP Obligations, in each case, in accordance with the DIP Loan Documents, and the DIP Obligations up to the amount of the DIP Commitment are hereby approved (as and when such amounts become earned, due, and payable in accordance with this Final Order, the DIP Loan Documents) without the need to seek further Court approval. Once repaid, the DIP Commitment may not be re-borrowed.

4. Use of DIP Facility Proceeds. The Debtors shall use the DIP Commitment only for the express purposes specifically set forth in the DIP Loan Documents, the Initial DIP Budget and this Final Order. The Debtors are authorized to use the proceeds of the DIP Commitment to (a) fund the postpetition working capital needs of the Debtors during the pendency of the Chapter 11 Cases, (b) pay fees, costs, and expenses of the DIP Facility on the terms and conditions described in this Final Order, the Initial DIP Budget and any Approved Budget, and the DIP Loan Documents, and (c) pay the allowed administrative costs and expenses of the Chapter 11 Cases, in each case, solely in accordance with the DIP Loan Documents (including, but not limited to, the Approved Budget) and this Final Order.

5. DIP Budget and DIP Facility Reporting. Except as otherwise provided herein or approved by the DIP Lender, the proceeds from the DIP Commitment shall be used only in compliance with the terms of this Final Order, the DIP Loan Documents, and the Initial DIP Budget and any Approved Budget. The Debtors shall comply with the reporting requirements and obligations set forth in this Final Order and the DIP Loan Documents.

6. Payment of DIP Facility Fees and Expenses.

(a) The Commitment Fee (as defined in the DIP Loan Documents) has been paid pursuant to the Interim DIP Order and the DIP Loan Documents and the Exit Fee (as defined in the Loan Documents) has been approved on a final basis in accordance with, and on the terms set forth in the Interim DIP Order. The Debtors are hereby authorized and directed to and shall pay the Exit Fee (as defined in the Loan Documents) in accordance with, and on the terms set forth in the Interim DIP Order, the DIP Loan Documents, this Final Order and the Initial DIP Budget and any Approved Budget. The Debtors are also hereby authorized and directed to pay upon demand, all other reasonable and documented fees, costs, expenses and other amounts payable under the terms of the DIP Loan Documents and this Final Order and all other reasonable and documented fees and out-of-pocket costs and expenses of the DIP Lender in accordance with the terms of the DIP Loan Documents and this Final Order, including, without limitation, all reasonable and documented fees and out-of-pocket costs and expenses of Norton Rose Fulbright

US LLP and Morris James LLP as counsel to the DIP Lender (the "DIP Professional Fees and Expenses"), subject to receiving a written invoice therefor. None of such fees, costs, expenses or other amounts shall be subject to further application to or approval of this Court, and shall not be subject to allowance or review by this Court or subject to the U.S. Trustee's fee guidelines, and no attorney or advisor to the DIP Lender shall be required to file an application seeking compensation for services or reimbursement of expenses with this Court; provided, however, that copies of any such invoices shall be provided contemporaneously to the U.S. Trustee, counsel for the Prepetition Secured Parties and counsel to the Committee (together with the Debtors, the "Review Parties"), provided further, however, that such invoices may be redacted or modified to the extent necessary to delete any information subject to the attorney-client privilege, any information constituting attorney work product, or any other confidential information, and the provision of such invoices shall not constitute a waiver of the attorney-client privilege or any benefits of the attorney work product doctrine. Any objections raised by any Review Party with respect to such invoices must be in writing and state with particularity the grounds therefor and must be submitted to the affected professional within ten (10) calendar days after delivery of such invoices to the Review Parties (such ten (10) day calendar period, the "Review Period"). If no written objection is received prior to the expiration of the Review Period from the Review Parties, the Debtors shall pay such invoices within five (5) business days following the expiration of the Review Period. If an objection is received within the Review Period, the Debtors shall promptly pay the undisputed amount of the invoice within five (5) business days, and the disputed portion of such invoice shall not be paid until such dispute is resolved by agreement between the affected professional and the objecting party or by order of this Court. Any hearing to consider such an objection to the payment of any fees, costs or expenses set forth in a professional fee invoice hereunder shall be limited to the reasonableness of the fees, costs and expenses that are the subject of such objection. All such unpaid fees, costs, expenses and other amounts owed or payable to the DIP Lender shall be secured by the DIP Collateral and afforded all of the priorities and protections afforded to the DIP Obligations under the DIP Loan Documents and this Final Order.

(b) Reserved.

(c) Notwithstanding anything contained in this Final Order to the contrary, any and all payments, premiums, fees, costs, expenses, and other amounts paid at any time by any of the Debtors to the DIP Lender pursuant to the requirements of this Final Order or the DIP Loan Documents shall be non-refundable and irrevocable, are hereby approved, and shall not be subject to any challenge, objection, defense, claim or cause of action of any kind or nature whatsoever, including, without limitation, avoidance (whether under chapter 5 of the Bankruptcy Code or under applicable law (including any applicable state law Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law)), reduction, setoff, offset, recoupment, recharacterization, subordination (whether equitable, contractual, or otherwise), reclassification, disgorgement, disallowance, impairment, marshaling, surcharge, or recovery or any other cause of action, whether arising under the Bankruptcy Code, applicable non- bankruptcy law or otherwise, by any person or entity (subject, solely in the case of the DIP Professional Fees and Expenses, to paragraph 6(a) of this Final Order).

7. Cash Management. Until such time as all DIP Obligations are Paid in Full, the Debtors shall maintain the cash management system in accordance with the applicable "first day" order and such deposit accounts shall, upon the request of the DIP Lender, be subject to a control agreement in favor of the DIP Lender as required by the DIP Loan Documents (excluding for the avoidance of doubt, the Carve Out Account, and subject to any mandatory prepayment obligations owed to the DIP Lender, any account into which proceeds of any asset sales are escrowed and any account into which a government payor deposits accounts receivable).

8. Indemnification. The Debtors are hereby authorized to and hereby agree to indemnify and hold harmless the DIP Lender and its affiliates, directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing the DIP Lender (collectively, an "Indemnified Party") from and against: (a) all obligations, demands, claims, damages, losses and liabilities (including, without limitation, reasonable fees and disbursements of counsel) (collectively, "Indemnity Claims") as set forth in the DIP Loan Documents including those

asserted by any other party in connection with the transactions contemplated by the DIP Loan Documents; and (b) all losses or expenses incurred, or paid by the DIP Lender from, following, or arising from the transactions contemplated by the DIP Loan Documents, including reasonable and documented attorneys' fees and expenses, except for Indemnity Claims and/or losses directly caused by the DIP Lender's fraud, gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this paragraph applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by any of the Debtors or any of their respective directors, security holders or creditors, an Indemnified Party, or if any other Person or Indemnified Party is otherwise a party thereto, and whether or not the transactions contemplated hereby are consummated. No Indemnified Party shall have any liability (whether direct or indirect, in contract, tort or otherwise) to any Debtor or any of its subsidiaries or any shareholders or creditors of the foregoing for or in connection with the transactions contemplated hereby, except to the extent such liability is determined by a court of competent jurisdiction in a final non-appealable judgment or order to have resulted solely from such Indemnified Party's gross negligence, willful misconduct or material breach of the DIP Loan Documents. All indemnities of the Indemnified Parties shall constitute DIP Obligations secured by the DIP Collateral and afforded all of the priorities and protections afforded to the DIP Obligations under the DIP Loan Documents and this Final Order.

9. DIP Superpriority Claims. In accordance with section 364(c)(1) of the Bankruptcy Code, the DIP Obligations shall constitute allowed senior administrative expense claims against each Debtor and their estates (the "DIP Superpriority Claims") with priority in payment over any and all administrative expenses at any time existing or arising, of any kind or nature whatsoever, including, without limitation, the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including, but not limited to, sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 726, 1113 and 1114 of the Bankruptcy Code or otherwise, including those resulting from the conversion of any of the Chapter 11 Cases pursuant to section 1112 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other

non-consensual lien, levy or attachment; provided, however, that the DIP Superpriority Claims shall be subject to and subordinate to only the Carve Out; provided, further that the DIP Superpriority Claims shall have recourse to and be payable from all prepetition and postpetition property and assets of the Debtors and the estates and all DIP Collateral and all proceeds thereof; provided that, the DIP Lender may seek payment from the following DIP Collateral only after using commercially reasonable efforts to seek payment from all other DIP Collateral and so long as such payment is otherwise in accordance with the DIP Documents, and in any event no sooner than December 15, 2024: (a) proceeds ("Tort Claim Proceeds") of commercial tort claims, and claims, actions, suits, causes of action, if any, that may be brought by the Debtors or their estates against parties that are current or former "insiders" of the Debtors as such term is defined in 11 U.S.C. § 101(31), or are current or former "affiliates" of the Debtors as such term is defined in 11 U.S.C. § 101(31), including, but not limited to, the Debtors' current and former direct and indirect parent entities and the Debtors' current and former insiders ("Tort Claims") and (b) proceeds ("Avoidance Action Proceeds") of any actions, claims, or remedies under sections 544, 545, 547, 548, and 550 of the Bankruptcy Code or other similar or related state or federal statutes or common law, including fraudulent transfer laws ("Avoidance Actions"). The DIP Superpriority Claims shall be entitled to the full protection of section 364(e) of the Bankruptcy Code in the event that this Final Order or any provision hereof is vacated, reversed or modified, on appeal or otherwise. Any Avoidance Action Proceeds and Tort Claim Proceeds received by the Debtors shall be retained by the Debtors until the DIP Obligations are paid in full. No Avoidance Action Proceeds or Tort Claim Proceeds shall be used to repay the DIP Obligations without at least five (5) business days' notice to Committee, during which time the Committee may seek expedited relief from the Court for a determination whether the obligation to use commercially reasonable efforts to seek payment from all other DIP Collateral has been satisfied.

10. DIP Liens.

(a) As security for the DIP Obligations, the DIP Lender is granted continuing, valid, binding, enforceable, non-avoidable, and automatically and properly perfected priming first

lien security interests in and liens (collectively, the "DIP Liens") on the DIP Collateral as collateral security for the prompt and complete performance and payment when due (whether at the Maturity Date (as defined in the DIP Credit Agreement), by acceleration, or otherwise) of the DIP Obligations under the terms of the DIP Loan Documents and this Final Order. The term "DIP Collateral" means collectively all of the Debtors' right, title and interest in, to and under all of the Debtors' assets, including, but not limited to the following, in each case, whether now owned or existing or hereafter acquired, created or arising and wherever located: all assets and property of such Debtor and its estate, real or personal, tangible or intangible, now owned or hereafter acquired, whether arising before or after the Petition Date, including, without limitation, all fee-owned real properties listed on Schedule 4.11(b) of the DIP Credit Agreement, contracts, contract rights, licenses, general intangibles, instruments, equipment, accounts, documents, goods, inventory, fixtures, documents, cash, cash equivalents, accounts receivables, chattel paper, letters of credit and letter of credit rights, investment property (including, without limitation, all equity interests owned by any Loan Party in its current and future subsidiaries), arbitration awards, money, insurance, receivables, receivables records, deposit accounts, collateral support, supporting obligations and instruments, fixtures, all interests in leaseholds and real properties, all patents, copyrights, trademarks, all trade names and other intellectual property (whether such intellectual property is registered in the United States or in any foreign jurisdiction), together with all books and records relating to the foregoing, all proceeds, products, accessions, rents and profits of or in respect of any of the foregoing (as such terms are defined in the Uniform Commercial Code as in effect from time to time in the State of New York) and (i) proceeds of actions brought under section 549 of the Bankruptcy Code to recover any postpetition transfer of DIP Collateral and (ii) the Avoidance Action Proceeds and Tort Claim Proceeds; provided, however, that DIP Collateral shall not include Tort Claims or Avoidance Actions.

(b) To the fullest extent permitted by the Bankruptcy Code or applicable law, and except as otherwise set forth herein, any provision of any lease other than a real property lease, loan document, easement, use agreement, proffer, covenant, license, contract, organizational

document, or other instrument or agreement that requires the consent or the payment of any fees or obligations to any entity in order for any of the Debtors to pledge, grant, mortgage, sell, assign, or otherwise transfer any fee or leasehold interest or the proceeds thereof or other DIP Collateral, shall have no force or effect with respect to the DIP Liens on such leasehold interests or other applicable DIP Collateral or the proceeds of any assignment and/or sale thereof by any Debtor, in favor of the DIP Lender in accordance with the terms of the DIP Loan Documents or this Final Order.

11. Priority of DIP Liens.

(a) To secure the DIP Obligations, immediately and automatically upon and effective as of entry of this Final Order, the DIP Liens granted to the DIP Lender under this Final Order are continuing, valid, binding, enforceable, non-avoidable, and automatically and properly perfected first priority priming DIP Liens in the DIP Collateral as follows, in each case subject to the Carve Out and the Permitted Prior Liens:

(i) *Liens Priming the Prepetition Liens*. Pursuant to section 364(d)(1) of the Bankruptcy Code, valid, binding, continuing, enforceable, non-avoidable automatically and fully perfected priming first priority senior liens and security interests in the DIP Collateral, regardless of where located, which senior priming liens and security interests in favor of the DIP Lender shall be senior to the Prepetition Liens. For the avoidance of doubt, as a result of the priming of the Prepetition Liens pursuant to this Final Order, the DIP Lender shall have a first priority senior priming lien and security interest in the "Collateral" as defined in any of the Prepetition Loan Documents;

(ii) *Liens on Unencumbered Property*. Pursuant to section 364(c)(2) of the Bankruptcy Code, valid, binding, continuing, enforceable, non-avoidable automatically and fully perfected first priority liens on and security interests in all DIP Collateral that is not otherwise subject to any valid, enforceable, and non-avoidable liens on and security interests in the DIP Collateral that (A) were perfected prior to the Petition Date (or perfected on or after the Petition Date to the extent permitted by Section 546(b) of the Bankruptcy Code), and (B) are not subject to avoidance, disallowance, or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law, (the "Unencumbered Property"); provided, however, that the DIP Liens shall have priority over all Prepetition Liens; and

(iii) *Liens Junior to Certain Other Liens*. Pursuant to section 364(c)(3) of the Bankruptcy Code, valid, enforceable, non-avoidable automatically and fully

perfected junior liens on and security interests in all DIP Collateral (other than as set forth in clauses (i) and (ii)) encumbered by the Permitted Prior Liens.

(b) Except as expressly set forth herein, the DIP Liens and the DIP Superpriority Claims shall not be made junior to or *pari passu* with (1) any lien, security interest or claim heretofore or hereinafter granted in any of the Chapter 11 Cases or any successor cases (collectively, the "Successor Cases"), and shall be valid and enforceable against the Debtors, their estates, any trustee or any other estate representative appointed or elected in the Chapter 11 Cases or any Successor Cases and/or upon the dismissal or conversion of any of the Chapter 11 Cases or any Successor Cases, (2) any lien that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or otherwise, (3) any intercompany or affiliate lien or claim, and (4) any liens arising after the Petition Date excluding any liens or security interests granted in favor of any federal, state, municipal or other governmental unit, commission, or board for any liability of the Debtors.

(c) Notwithstanding anything herein or in the DIP Loan Documents to the contrary, the priming liens granted pursuant to section 364(d)(1) of the Bankruptcy Code in this Final Order shall not apply to encumber the Excluded HUD Mortgage Collateral (as defined below) owned by the following Debtors (the "HUD Debtors"): Petersen Health Care – Illini, LLC; Petersen Roseville, LLC; Petersen 23 LLC; Petersen 26 LLC; Petersen 27 LLC; Petersen 29 LLC Petersen 30 LLC; South Elgin, LLC; Jonesboro, LLC; Macomb, LLC; Petersen Roseville, LLC; and SJL Health Systems, Inc. "Excluded HUD Mortgage Collateral" means the "real property" portion of the HUD Lenders' collateral, with real property defined specifically to be the ground, buildings, fixtures (as defined in Article 9, § 102 of the UCC) , together with, in each case related thereto, (i) claims under any real property insurance and the proceeds thereof, (ii) condemnation claims, awards and proceeds; and (iii) any funds held by HUD Lenders in escrow or reserves relating to such real property or loan secured thereby ("Reserves"). For the avoidance of doubt, the Excluded HUD Mortgage Collateral does not include accounts, contract rights, chattel paper, cash (to the extent such cash is

not Reserves or proceeds of any other Excluded HUD Mortgage Collateral), general intangibles, machinery, equipment, goods, inventory, furniture, letter of credit rights, books and records, deposit accounts, documents, instruments, commercial tort claims, leases and leaseholds and rents, or the going concern value of any of the Debtors' business operations, including any government issued licenses issued in connection with the operations of the Debtors' business. Funds shall be released from Reserves to pay any real estate tax obligations owed by the applicable HUD Debtor that come due during the pendency of the Chapter 11 Cases, up to a cap in the aggregate of $1,000,000. HUD Lenders are authorized to use Reserves to pay mortgage insurance premiums consistent with prepetition amounts of such insurance in accordance with applicable loan documents and/or regulations as the same come due during the pendency of the Chapter 11 Cases. For the avoidance of doubt, in the event of a dispute as to the valuation of any part of the Excluded HUD Mortgage Collateral, such part of the Excluded HUD Mortgage Collateral shall be valued on an unoccupied market value basis and shall not be valued on a going concern, in-use, or as-occupied basis; provided, however, the Reserves shall not be subject to such valuation method.

12. Use of Cash Collateral. The Debtors are authorized to use Cash Collateral to fund the postpetition working capital needs of the Debtors during the pendency of the Chapter 11 Cases that are not funded with the DIP Facility and to pay the allowed administrative costs and expenses of the Chapter 11 Cases not funded by the DIP Facility, each solely in accordance with the DIP Loan Documents, the Initial DIP Budget and any Approved Budget and this Final Order, provided that the Debtors' performance against the Approved Budget shall be subject to variance permitted in the DIP Credit Agreement, and provided further that funds in Reserves held by HUD Lenders may be used by the Debtors and/or HUD Lenders (as applicable) only for the payment, when and as due post-petition, of real estate taxes owed on the HUD Debtor's property that is the subject of such Reserve and the mortgage insurance premiums as set forth in paragraph 11(c) herein. The Initial DIP Budget was attached to the Interim Order. Each proposed DIP Budget shall only become an Approved Budget for the use of Cash Collateral and DIP Obligations as set forth in this

Final Order and the DIP Loan Documents when it is agreed upon by the Debtors (after consultation with the Committee) and DIP Lender. The Debtors' use of Cash Collateral shall automatically terminate upon the occurrence of an Event of Default (as defined below). Any increase in the amounts budgeted for the Committee's professionals' fees and expenses in any proposed Budget shall be subject to prior written consent of the Prepetition Secured Parties or further Court order.

13. Adequate Protection of Prepetition Secured Parties. Each Prepetition Secured Party is entitled, pursuant to sections 361, 362, 363(c)(2), 363(e) and 507 of the Bankruptcy Code, to adequate protection of its interest in its respective Prepetition Collateral, (i) in an amount equal to the diminution in value of such Prepetition Secured Party's interests in its respective Prepetition Collateral from and after the Petition Date, if any, for any reasons provided under the Bankruptcy Code, and (ii) in respect of the Cost Allocation. In consideration for the foregoing, each Prepetition Secured Party is hereby granted the following in the amount of such diminution or in respect of the Cost Allocation, as applicable (collectively, together with the payment of the professional fees of certain Prepetition Secured Parties as detailed in paragraph S of this Final Order, the "Adequate Protection Obligations"):

(a) *Adequate Protection Claims and Liens for Consenting Lenders.* Each Prepetition Secured Party who does not object at the Final Hearing and affirmatively consents in writing within 15 days of entry of this Final Order to being primed by the DIP Lender and the Consenting Lender Cost Allocation Adequate Protection Claims as and to the extent provided in this Final Order (any such Prepetition Secured Party, a "Consenting Lender") is hereby granted an allowed claim against all Debtors in the amount equal to the diminution in value of such Consenting Lender's interests in its respective Prepetition Collateral from and after the Petition Date, if any, for any reasons provided under the Bankruptcy Code (with respect to each such Consenting Lender, the "Consenting Lender Diminution Adequate Protection Claim"), which is hereby secured (effective and perfected upon the date of this Final Order and without the necessity of any mortgages, security agreements, pledge agreements, financing statements, or other agreements) by a valid, perfected replacement security interest in and lien (with respect to each

such Consenting Lender, the "Consenting Lender Diminution Adequate Protection Liens") on the DIP Collateral, but not including the Excluded HUD Mortgage Collateral or the Specified Assets (as defined below) (with respect to each such Consenting Lender, the "Consenting Lender Diminution Adequate Protection Collateral"). Each Consenting Lender's Consenting Lender Diminution Adequate Protection Lien shall be (i) *pari passu* with each other Consenting Lender's Consenting Lender Diminution Adequate Protection Lien, (ii) junior only to the DIP Liens, Permitted Prior Liens, the Carve Out, Prepetition Liens (including without limitation the Prepetition Liens on the Excluded HUD Mortgage Collateral) and the Consenting Lender Cost Allocation Adequate Protection Liens, and (iii) senior to the Non-Consenting Lender Adequate Protection Liens.

(b) In addition, each of the Consenting Lenders is hereby granted an allowed claim against all Debtors, in the amount equal to such Consenting Lender's Cost Allocation Overpayment (as defined below), if any (with respect to each such Consenting Lender, the "Consenting Lender Cost Allocation Adequate Protection Claim" and, with the Consenting Lender Diminution Adequate Protection Claim, the "Consenting Lender Adequate Protection Claim"), which is hereby secured (effective and perfected upon the date of this Final Order and without the necessity of any mortgages, security agreements, pledge agreements, financing statements, or other agreements) by a valid, perfected replacement security interest in and lien on the DIP Collateral, but not including the Excluded HUD Mortgage Collateral or (i) Avoidance Action Proceeds, or (ii) Tort Claims Proceeds ((i) and (ii), collectively, the "Specified Assets") (with respect to each such Consenting Lender, the "Consenting Lender Cost Allocation Adequate Protection Liens" and, with the Consenting Lender Diminution Adequate Protection Liens, the "Consenting Lender Adequate Protection Liens"), including, but not limited to, the "Collateral" as defined in any of the Prepetition Loan Documents, the Prepetition Collateral, and the DIP Collateral (with respect to each such Consenting Lender, the "Consenting Lender Cost Allocation Adequate Protection Collateral" and, with the Consenting Lender Diminution Adequate Protection Collateral, the "Consenting Lender Adequate Protection Collateral"). Such Consenting Lender

Cost Allocation Adequate Protection Liens shall be (i) *pari passu* with each other Consenting Lender's Consenting Lender Cost Allocation Adequate Protection Lien, and (ii) senior in priority to (x) Prepetition Liens (other than on Excluded HUD Mortgage Collateral), (y) Consenting Lender Diminution Adequate Protection Liens, and (z) Non-Consenting Lender Adequate Protection Liens. Notwithstanding the foregoing, the Prepetition Secured Parties' right to seek and receive additional adequate protection under any subsequent orders entered by this Court, including monthly cash payments, is hereby reserved and nothing herein shall be deemed a waiver of such rights. No Consenting Lender Cost Allocation Adequate Protection Claim may be recovered from any other Consenting Lender's Prepetition Collateral in an amount that would cause repayment of the DIP Obligation and Consenting Lender Cost Allocation Adequate Protection Claims in excess of such other Consenting Lender's Attributable Cost Allocation.

(c) *507(b) Claims for Consenting Lenders.* Each Consenting Lender is hereby granted an allowed superpriority administrative expense claim as provided in section 507(b) of the Bankruptcy Code against all Debtors in the amount of such Consenting Lender's Consenting Lender Adequate Protection Claim with, except as set forth in this Final Order, priority in payment over any and all administrative expenses of the kind specified or ordered pursuant to any provision of the Bankruptcy Code (the "Consenting Lender 507(b) Claims"); which Consenting Lender 507(b) Claims shall have recourse to and be payable only from the Consenting Lender Adequate Protection Collateral in the same order of priority as the Consenting Lender Adequate Protection Liens and, for the avoidance of doubt, shall not be payable from the Specified Assets. The Consenting Lender 507(b) Claims shall, in all instances, be subject and subordinate only to (i) the Carve Out and (ii) the DIP Superpriority Claims. The Consenting Lenders shall not receive or retain any payments, property, or other amounts in respect of the Consenting Lender 507(b) Claims unless and until the DIP Obligations (other than contingent indemnification obligations as to which no claim has been asserted) have indefeasibly been paid in cash in full and all DIP Commitments have been terminated. The Consenting Lender 507(b) Claims shall be senior to the Non-Consenting Lender 507(b) Claims in all respects.

(d) *Adequate Protection Claims and Liens for Non-Consenting Lenders.* Each Prepetition Secured Party that is not a Consenting Lender (each, a "Non-Consenting Lender") is hereby granted a claim against the Debtors that are obligors under the Non-Consenting Lender's Prepetition Loan Documents, in the amount equal to the diminution in value of such Non-Consenting Lender's interest in its respective Prepetition Collateral from and after the Petition Date, if any, for any reasons provided under the Bankruptcy Code (the "Non-Consenting Lender Adequate Protection Claim," together with the Consenting Lender Adequate Protection Claim, the "Adequate Protection Claims"), which is hereby secured (effective and perfected upon the date of this Final Order and without the necessity of any mortgages, security agreements, pledge agreements, financing statements, or other agreements) by a valid, perfected replacement security interest in and lien on such Non-Consenting Lender's Prepetition Collateral (the "Non-Consenting Lender Adequate Protection Liens," together with the Consenting Lender Adequate Protection Liens, the "Adequate Protection Liens"), including, but not limited to, the "Collateral" as defined in any of the Prepetition Loan Documents to which such Non-Consenting Lender was granted Prepetition Collateral (with respect to each such Non-Consenting Lender, the "Non-Consenting Lender Adequate Protection Collateral," together with the Consenting Lender Adequate Protection Collateral, the "Adequate Protection Collateral"); provided, however, that the Non-Consenting Lender Adequate Protection Collateral shall not include the Specified Assets. For the avoidance of doubt, and notwithstanding anything to the contrary herein, other than with respect to Consenting Lender Cost Allocation Adequate Protection Claims, no Prepetition Secured Party shall be entitled to payment on account of an asserted Adequate Protection Claim without further order of the Court determining (i) that such Prepetition Secured Party's interest in its Prepetition Collateral has diminished in value and (ii) the amount of such diminution in value.

(e) *507(b) Claims for Non-Consenting Lenders.* Each Non-Consenting Lender is hereby granted, an allowed superpriority administrative expense claim as provided in section 507(b) of the Bankruptcy Code against the Debtors that are obligors under the Non-Consenting Lender's Prepetition Loan Documents in the amount of the Non-Consenting Lender Adequate

Protection Claim with, except as set forth in this Final Order, priority in payment over any and all administrative expenses of the kind specified or ordered pursuant to any provision of the Bankruptcy Code (the "Non-Consenting Lender 507(b) Claims," together with the Consenting Lender 507(b) Claims, the "507(b) Claims"). The Non-Consenting Lender 507(b) Claims shall be payable only from the Non-Consenting Lender Adequate Protection Collateral and, for the avoidance of doubt, shall not be payable from the Specified Assets. The Non-Consenting Lender 507(b) Claims shall, in all instances, be subject and subordinate only to (i) the Carve Out, (ii) the DIP Superpriority Claims, and (iii) claims of Consenting Lenders with respect to the Cost Allocation Overpayment. The Non-Consenting Lenders shall not receive or retain any payments, property, or other amounts in respect of the Non-Consenting Lender 507(b) Claims unless and until the DIP Obligations (other than contingent indemnification obligations as to which no claim has been asserted) have indefeasibly been paid in cash in full and all DIP Commitments have been terminated.

(f) *Defined Terms.*

(i) "Cost Allocation" shall mean (i) the direct costs allocable to a home (*e.g.*, food, medicine, utilities, payroll) minus the revenue from such home ("Direct Costs") (which, if it yields a negative number, will be credited against Indirect Costs) plus (ii) each home's pro rata portion of the general costs of the Chapter 11 Cases, calculated by the Debtors on a per bed basis (i.e., determined by using number of beds in such home as of the Petition Date as the numerator, and the aggregate number as of the Petition Date of all beds in all homes owned by Debtors other than Receivership Debtors as the denominator), minus, solely with respect to Consenting Lenders, the Exit Fee Discount (defined below) ("Indirect Costs"). Each Prepetition Secured Party's pro rata portion of Indirect Costs shall be fixed for the duration of the Chapter 11 Cases, subject only to any decrease or increase to the total number of Debtors in the Chapter 11 Cases and the allocations described in the definition of Exit Fee Discount below. The Cost Allocation for Direct Costs shall be updated within ten (10) business days of each month to reflect actual incurred Direct Costs, filed with the Court, and served on all Prepetition Secured Parties, the Committee, and the U.S. Trustee.

(ii) The "Exit Fee Discount" shall mean an amount equal to 25% of the Exit Fee if there are any Non-Consenting Lenders, and $0 of the Exit Fee if there are no Non-Consenting Lenders. The Exit Fee Discount shall be allocated ratably to all Non-Consenting Lenders, if any, as part of the Cost Allocation. To the extent the

Exit Fee Discount cannot be recovered in full from the Non-Consenting Lenders' collateral, any such portion of the Exit Fee Discount will be reallocated to the Consenting Lenders pro rata using the per bed calculation used for the general costs of the Chapter 11 Cases.

(iii) "Attributable Cost Allocation" for any Prepetition Secured Party shall mean the Cost Allocation attributable to the homes that are part of such Prepetition Secured Party's Prepetition Collateral.

(iv) "Cost Allocation Overpayment" for any Consenting Lender means that portion of the DIP Facility repaid from such Consenting Lender's Prepetition Collateral in excess of such Consenting Lender's Attributable Cost Allocation.

(g) *Sale Proceeds Reconciliation Period*. All sale proceeds of DIP Collateral in excess of the aggregate Cost Allocation Overpayment for the Collateral sold at such time shall be held in escrow by the Debtors for thirty (30) days prior to being used to pay down the DIP Facility if sale proceeds then on hand are deficient to repay the entire Cost Allocation Overpayment to the affected Consenting Lender(s) at that time.

(h) *Reporting*. As additional adequate protection, all Prepetition Secured Parties and counsel for HUD shall receive monthly cash flow reporting and all reports required to be delivered under the DIP Facility (substantially concurrently with delivery to the DIP Lender). The Debtors shall provide copies of all such reports to the Committee concurrently with delivery to the DIP Lender and the Prepetition Secured Parties.

(i) Notwithstanding anything to the contrary contained herein, any Consenting Lender Adequate Protection Claim of the Sector Lenders shall (a) have priority over any Consenting Lender Adequate Protection Claim of the HUD Lenders on the first $1.5 million of any proceeds of the sale of assets of the Receivership Debtors, Petersen Health Care X, LLC, Petersen Health Network, LLC, and, solely to the extent such entities become Debtors, Charleston HCC, LLC, Charleston HCO, LLC, Cumberland HCC, LLC, and Cumberland HCO, LLC, received by the Debtors' estates, and (b) share *pari passu* with any Consenting Lender Adequate Protection Claim of the HUD Lenders on the next $2.9 million of any such proceeds, up to $4.4 million; provided, however, that (x) as to proceeds of the sale of assets of the Receivership Debtors,

(i) the first $3.3 million of such proceeds can be used to pay Consenting Lender Adequate Protection Claims and (ii) such proceeds in excess of $3.3 million shall not be available to pay any Adequate Protection Claims and shall not be subject to any Adequate Protection Liens; and (y) as to proceeds of the sale of assets of Petersen Health Care X, LLC, Petersen Health Network, LLC, and, solely to the extent such entities become Debtors, Charleston HCC, LLC, Charleston HCO, LLC, Cumberland HCC, LLC, and Cumberland HCO, LLC, any such proceeds in excess of the $1.1 million for Consenting Lender Adequate Protection Claims may be used to pay Consenting Lender Diminution Adequate Protection Claims but no other Adequate Protection Claims. Any Consenting Lender Diminution Adequate Protection Claims of the Sector Lenders and HUD Lenders that are not otherwise repaid pursuant to this Final Order shall, in addition to all other protections afforded to such parties and claims by this Final Order, be allowed as unsecured claims in the bankruptcy estates of the Receivership Debtors, Petersen Health Care X, LLC, Petersen Health Network, LLC, and, solely to the extent such entities become Debtors, Charleston HCC, LLC, Charleston HCO, LLC, Cumberland HCC, LLC, and Cumberland HCO, LLC.

(j) In the event all Prepetition Secured Obligations and Adequate Protection Claims are paid in full, the Debtors and the Committee shall work in good faith to agree on allocating the DIP Obligations, the Direct Costs, and the Indirect Costs among the Debtors for purposes of distributions to unsecured creditors.

14. DIP Termination Event; Exercise of Remedies.

(a) DIP Termination Events. An "Event of Default" shall exist upon the occurrence of any of the events that triggers the DIP Termination Date (as defined in the DIP Loan Documents, a "DIP Termination Event").

(b) Exercise of Remedies. Upon the occurrence of a DIP Termination Event, without further notice to, hearing of, application to, or order from this Court, the automatic stay provisions of section 362 of the Bankruptcy Code shall be vacated and modified to the extent necessary to permit the DIP Lender to take any of the following actions, at the same or different time: (i) deliver a written notice (which may be via electronic mail) to counsel for the Debtors, the

U.S. Trustee and counsel for the Committee, (the "Remedies Notice") declaring the occurrence of a DIP Termination Event (such date, the "DIP Termination Declaration Date") and/or deliver a Carve Out Trigger Notice (as defined and in the manner described below), (ii) declare the termination, reduction or restriction of the commitments under the DIP Facility (to the extent any such commitment remains), (iii) declare all DIP Obligations to be immediately due and payable, without presentment, demand or protest or other notice of any kind, all of which are expressly waived by the Debtors, (iv) declare the termination, restriction or reduction of the DIP Facility and the DIP Loan Documents as to any further liability or obligation thereunder, but without affecting the DIP Liens, the DIP Superpriority Claims, or the DIP Obligations, (v) charge default interest at the default rate set forth in the DIP Loan Documents, and (vi) declare the termination, restriction, or revocation of the ability of the Debtors to use Cash Collateral. The Debtors shall promptly provide any Remedies Notice to counsel for the Consenting Lenders.

(c) Waiting Period Procedures. The Debtors may seek an emergency hearing during the period beginning on the DIP Termination Date and prior to the expiration of ten (10) calendar days following the DIP Termination Date (such period, the "Waiting Period"). During the Waiting Period, the Debtors shall continue to have the right to use DIP Collateral (including Cash Collateral) in accordance with the terms of this Final Order and the Approved Budget; provided, however, that the professional fees and expenses of the Professional Persons (as defined below) shall be governed by Paragraph 16 and subject to the Approved Budget. The DIP Lender shall not (x) object to any motion filed by the Debtors during the Waiting Period seeking an expedited hearing with respect to the Remedies Notice or (y) seek to reduce such Waiting Period.

(d) Rights and Remedies Following Termination Date. Following a DIP Termination Date and unless this Court has entered an order prior to the expiration of the Waiting Period finding that an Event of Default has not occurred, the DIP Lender shall be entitled to exercise all rights and remedies in accordance with the DIP Loan Documents, this Final Order, and applicable law and the automatic stay of section 362 of the Bankruptcy Code shall

automatically, without further order, be lifted, to allow the DIP Lender to pursue all rights and remedies in accordance with the DIP Loan Documents, this Final Order, and applicable law.

(e) Leased Premises. Following a DIP Termination Event (subject to the terms of paragraph 14 herein), the DIP Lender shall be entitled to enter upon any leased premises in accordance with (i) a separate agreement with the landlord by and between the DIP Lender and the applicable landlord, (ii) consent of the landlord, (iii) upon entry of an order of this Court, upon notice to the landlord and a hearing, or (iv) in accordance with the rights of the DIP Lender under applicable non-bankruptcy law.

15. No Waiver by Failure to Seek Relief. The rights and remedies of the DIP Lender specified herein are cumulative and not exclusive of any rights or remedies that the DIP Lender may have under this Final Order, the DIP Loan Documents, applicable law, or otherwise. The failure or delay on the part of the DIP Lender to seek relief or otherwise exercise its rights and remedies under this Final Order, the DIP Loan Documents, or applicable law, as the case may be, shall not constitute a waiver of any of its respective rights hereunder, thereunder, or otherwise. Except as expressly set forth herein, none of the rights or remedies of the DIP Lender under this Final Order or the DIP Loan Documents shall be deemed to have been amended, modified, suspended, or waived unless such amendment, modification, suspension, or waiver is express, in writing and signed by the DIP Lender. No consents required hereunder by the DIP Lender shall be implied by any inaction or acquiescence by the DIP Lender.

16. Carve Out.

(a) Priority of Carve Out. The DIP Liens and the DIP Superpriority Claims shall be subject and subordinate to payment of the Carve Out. The Carve Out shall be senior to all claims and liens over all assets of the Debtors, including any DIP Collateral, as set forth in this Final Order.

(b) *Carve Out*. The term "Carve Out" shall mean the sum of (i) all fees required to be paid to the Clerk of this Court and to the U.S. Trustee under 28 U.S.C. § 1930(a), together with any interest thereon pursuant to 31 U.S.C. § 3717 ("Statutory Fees"), which shall not be

subject to the Approved Budget; (ii) Court-allowed fees and expenses of a trustee appointed under section 726(b) of the Bankruptcy Code in an amount not to exceed $25,000, (iii) to the extent allowed at any time, whether by interim order, procedural order, or otherwise, all unpaid fees and expenses (the "Allowed Professional Fees") incurred by persons or firms retained by the Debtors pursuant to sections 327, 328, or 363 of the Bankruptcy Code (the "Debtor Professionals"), the Patient Care Ombudsman appointed pursuant to the *Order Directing the Appointment of a Patient Care Ombudsman* (Docket No. 137) and her professionals (the "PCO Professionals")[4] and persons or firms retained by the Committee, pursuant to sections 328 or 1103 of the Bankruptcy Code (the "Committee Professionals," together with the Debtor Professionals, the Patient Care Ombudsman and the PCO Professionals, the "Professional Persons"), at any time before or on the first business day following delivery by the DIP Lender of a Carve Out Trigger Notice (as defined below), whether allowed by this Court prior to or after delivery of a Carve Out Trigger Notice (the "Pre-Trigger Date Fees"), subject to and not to exceed the Approved Budget and any limits by this Final Order, provided that Professional Persons may carry forward and carry backward budgeted but unused disbursements set forth in the Approved Budget for any week for use in any prior or subsequent week; and (iv) Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed $750,000 incurred after the first calendar day following delivery by the DIP Lender of the Carve Out Trigger Notice (the "Trigger Date"), to the extent allowed at any time, whether by interim order, procedural order, or otherwise (the amounts set forth in this clause (iv) being the "Post-Carve Out Trigger Notice Cap" and together with the Pre-Trigger Date Fees, the "Carve Out Cap"); provided, however, that nothing herein shall be construed to impair the ability of the DIP Lender to object to the fees, expenses, reimbursement, or compensation described in clauses (iii) or (iv) above, on any grounds. Prior to the occurrence of the Trigger Date, the Carve-Out for Professional Persons shall be funded on a weekly basis to a trust or segregated account in

[4] The PCO Professionals shall be permitted to seek and obtain compensation pursuant to the procedures and timeline set forth in the Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals [Dkt #235].

the amounts specified in the Approved Budget for distribution to such Professional Persons once such fees and expenses are allowed by the Court. Following the occurrence of the Trigger Date, any remaining fees and expenses in the amount specified in the Approved Budget for the Professional Persons through the Trigger Date, including the Pre-Trigger Date Fees, shall be funded to a trust or segregated account and distributed to such Professionals once such fees and expenses are allowed by the Court.

(c) For purposes of the foregoing, "Carve Out Trigger Notice" shall mean a written notice delivered by email (or other electronic means) by the DIP Lender or its counsel to the Debtors, their counsel, the U.S. Trustee, counsel for any Consenting Lenders and counsel to the Committee, which notice may be delivered only following the occurrence and during the continuation of an Event of Default and acceleration of the DIP Facility, stating that the Post-Carve Out Trigger Notice Cap has been invoked. On the day on which a Carve Out Trigger Notice is received by the Debtors, the Carve Out Trigger Notice shall constitute a demand to the Debtors to transfer cash to the Carve Out Account in an amount equal to the Carve Out Cap.

(d) Carve Out Account. Immediately upon the delivery of a Carve Out Trigger Notice, and prior to the payment of any DIP Obligations, the Debtors shall be required to deposit cash in the amount of the Carve Out Cap into a segregated account not subject to the control of the DIP Lender (the "Carve Out Account"). The amounts in the Carve Out Account shall be available only to satisfy amounts included in the Carve Out until such amounts are paid in full. The amount in the Carve Out Account shall be reduced on a dollar-for-dollar basis for amounts included in the Carve Out that are paid after the delivery of the Carve Out Trigger Notice, and the Carve Out Account shall not be replenished for such amounts so paid. The failure of the Carve Out Account to satisfy in full the amount set forth in the Carve Out shall not affect the priority of the Carve Out.

(e) Carve Out Draw. Subject to exhaustion of the DIP Commitments, the Debtors shall be permitted to draw on the DIP Facility in the amount of the Carve Out less the amounts contained in the Carve Out Account, notwithstanding any default, Event of Default, or the occurrence of a Trigger Date; provided, however, the DIP Lender shall not have any obligation

to fund any Carve Out shortfall beyond what it is obligated to fund under the DIP Commitments. Any Carve Out Trigger Notice shall be deemed a consent by the DIP Lender to the Debtors depositing Cash Collateral or proceeds of the DIP Facility into the Carve Out Account in an amount equal to the sum of the Carve Out Cap.

(f) Payment of Allowed Professional Fees Prior to the Trigger Date. Any payment or reimbursement made prior to the occurrence of the Trigger Date in respect of any Allowed Professional Fees shall not reduce the Carve Out. Nothing herein shall be deemed to abridge the rights of any Professional Persons from submitting an application for allowance of professional fees in an amount greater than the amount identified in the Budget.

(g) No Direct Obligation to Pay Professional Fees; No Waiver of Right to Object to Fees. The DIP Lender and the Prepetition Secured Parties shall not be responsible for the direct payment or reimbursement of any fees or disbursements of any of the Professional Persons incurred in connection with the Chapter 11 Cases or any Successor Cases under any chapter of the Bankruptcy Code. Nothing in this Final Order or otherwise shall be construed to obligate the DIP Lender or any Prepetition Secured Party in any way to pay compensation to, or to reimburse expenses of, any of the Professional Persons, or to guarantee that the Debtors or their estates has sufficient funds to pay such compensation or reimbursement. Notwithstanding any provision in this paragraph to the contrary, no portion of the Carve Out, any Cash Collateral, any DIP Collateral or any proceeds of the DIP Facility (including any disbursements set forth in the Approved Budget or obligations benefitting from the Carve Out) shall be utilized for the payment of professional fees and disbursements to the extent restricted under paragraph 16 herein. Nothing herein shall be construed as consent to the allowance of any fees and/or expenses of any Professional Persons in the Chapter 11 Cases or any Successor Cases, or of any other person or entity, or shall affect the right of the Debtors, the DIP Lender, the Prepetition Secured Parties or any other party in interest to object to the allowance and/or payment of any such fees and expenses or amounts incurred or requested.

17. Limitations on Use of DIP Proceeds, Cash Collateral and Carve Out.

(a) The DIP Facility, DIP Collateral (including Cash Collateral), and Carve Out may not be used in connection with: (i) preventing, hindering, or delaying any of the DIP Lender's enforcement or realization upon any of the DIP Collateral; (ii) using or seeking to use Cash Collateral without the permission of the DIP Lender or selling or otherwise disposing of DIP Collateral without the consent of the DIP Lender or as permitted by the DIP Loan Documents (iii) using or seeking to use any insurance proceeds constituting DIP Collateral without the consent of the DIP Lender; (iv) seeking to amend or modify any of the rights granted to the DIP Lender under this Final Order or the DIP Loan Documents, including seeking to use Cash Collateral and/or DIP Collateral on a contested basis; (v) litigating, objecting to, challenging or contesting in any manner in any way the DIP Liens, DIP Obligations, DIP Superpriority Claims, DIP Collateral (including Cash Collateral), or any other claims, held by or on behalf of the DIP Lender; (vi) asserting, commencing or prosecuting any claims or causes of action whatsoever, including, without limitation, Avoidance Actions or applicable state law equivalents or actions to recover or disgorge payments, against the DIP Lender or any of its respective affiliates, agents, attorneys, advisors, professionals, officers, directors and employees; (vii) litigating, objecting to, challenging, or contesting in any manner, or raising any defenses to, the validity, extent, amount, perfection, priority, or enforceability of any of the DIP Obligations, the DIP Liens, or any other liens or interests of the DIP Lender; or (ix) seeking to subordinate, recharacterize, disallow or avoid the DIP Obligations.

(b) The Prepetition Collateral and Adequate Protection Collateral (including any Cash Collateral that constitutes Prepetition Collateral or Adequate Protection Collateral) may not be used in connection with: (i) after payment in full of the DIP Obligations, selling or otherwise disposing of Adequate Protection Collateral without the consent of the Prepetition Secured Parties; (ii) seeking to amend, challenge or modify any of the rights granted to the Prepetition Secured Parties under this Final Order or the Prepetition Loan Documents, including seeking to use Cash Collateral or Adequate Protection Collateral on a contested basis; (iii) litigating, objecting to, challenging or contesting in any manner in any way the Prepetition

Collateral, the Adequate Protection Obligations, the Adequate Protection Claims, the 507(b) Claims, the Adequate Protection Collateral, the Adequate Protection Liens or any other claims, held by or on behalf of any of the Prepetition Secured Parties, respectively; (iv) litigating, objecting to, challenging, or contesting in any manner, or raising any defenses to, the validity, extent, amount, perfection, priority, or enforceability of any of the Prepetition Liens, the Adequate Protection Liens or any other liens or interests of any of the Prepetition Secured Parties; or (v) seeking to subordinate, recharacterize, disallow or avoid the Adequate Protection Obligations or the liens or claims of any Prepetition Secured Parties. For the avoidance of doubt, and notwithstanding anything to the contrary herein, the Carve Out and the proceeds of the DIP Facility may be used for allowed fees and expenses incurred by the Committee in investigating the validity, enforceability, perfection, priority or extent of the Prepetition Liens.

18. Effect of Stipulation on Third Parties.

(a) *Generally*. The admissions, stipulations, agreements, releases, and waivers set forth in this Final Order (collectively, the "Prepetition Lien and Claim Matters") are and shall be binding on the Debtors, any subsequent trustee, responsible person, examiner with expanded powers, any other estate representative, and all creditors and parties-in-interest and all of their successors in interest and assigns, including, without limitation, the Committee, unless, and solely to the extent that, a party-in-interest that has sought and obtained standing and the requisite authority to commence a Challenge (as defined below) (other than the Debtors, as to which any Challenge is irrevocably waived and relinquished): (i) has timely filed the appropriate pleadings, and timely commenced the appropriate proceeding required under the Bankruptcy Code and Bankruptcy Rules, including, without limitation, as required pursuant to Part VII of the Bankruptcy Rules (in each case subject to the limitations set forth in this paragraph 18 of this Final Order) challenging the Prepetition Lien and Claim Matters, but in no event the DIP Liens or the Adequate Protection Liens, as set forth in paragraph 23 of this Final Order (each such proceeding or appropriate pleading commencing a proceeding or other contested matter, a "Challenge"), by no later than July 8, 2024, for any party-in-interest with requisite standing (each the "Challenge

Deadline"), as such applicable date may be extended in writing from time to time in the sole discretion of each Prepetition Secured Party with respect to its respective Prepetition Claim and Lien Matters, or by this Court for good cause shown pursuant to an application filed by a party in interest prior to the expiration of the Challenge Deadline, or (ii) this Court enters judgment in favor of the plaintiff or movant in any such timely and properly commenced Challenge proceeding and any such judgment has become a final judgment that is not subject to any further review or appeal. If, prior to the Challenge Deadline, these Chapter 11 Cases convert to cases under chapter 7, or if a chapter 11 trustee is appointed, the Challenge Deadline shall be extended for any such chapter 7 or chapter 11 trustee until the later of (i) July 8, 2024, or (ii) 30 days after such appointment. The Committee shall have standing to commence a Challenge without further order of the Court.

(b) *Binding Effect*. To the extent no Challenge is timely and properly commenced by the Challenge Deadline, or to the extent such proceeding does not result in a final and non-appealable judgment or order of this Court that is inconsistent with the Prepetition Lien and Claim Matters, then, without further notice, motion, or application to, order of, or hearing before, this Court and without the need or requirement to file any proof of claim, the Prepetition Lien and Claim Matters shall, pursuant to this Final Order, become binding, conclusive, and final on any person, entity, or party-in-interest in the Chapter 11 Cases, and their successors and assigns, and in any Successor Case for all purposes and shall not be subject to challenge or objection by any party-in-interest, including, without limitation, a trustee, responsible individual, examiner with expanded powers, or other representative of the Debtors' estates. Notwithstanding anything to the contrary herein, if any such proceeding is properly and timely commenced, the Prepetition Lien and Claim Matters shall nonetheless remain binding on all other parties-in-interest and preclusive as provided in subparagraph (a) above except to the extent that any of such Prepetition Lien and Claim Matters is expressly the subject of a timely and properly filed Challenge, which Challenge is successful as set forth in a final judgment as provided in subparagraph (a) above, and only as to plaintiffs or movants that have complied with the terms hereof. To the extent any such Challenge proceeding is timely and properly commenced, the Prepetition Secured Parties shall be entitled to

payment of the reasonable related costs and expenses, including, but not limited to reasonable attorneys' fees, incurred under the Prepetition Loan Documents in defending themselves in any such proceeding as adequate protection; provided that the payment of such attorneys' fees shall be subject to the same notice requirements, objection procedures, and Review Period as are applicable to the DIP Professional Fees and Expenses under paragraph 6(a) of this Order. Upon a successful Challenge brought pursuant to this paragraph 18, this Court may fashion any appropriate remedy.

19. Bankruptcy Code Sections 506(c) and 552(b) Waivers. Without limiting the Carve Out, the Debtors irrevocably waive and shall be prohibited from asserting (i) any surcharge claim, under section 506(c) of the Bankruptcy Code or otherwise, for any costs and expenses incurred in connection with the preservation, protection or enhancement of, or realization by the DIP Lender upon the DIP Collateral and no costs or expenses of administration that have been or may be incurred in any of the Chapter 11 Cases at any time shall be charged against the DIP Lender or its respective claims or liens (including any claims or liens granted pursuant to this Final Order), and (ii) the "equities of the case" exception under section 552(b) of the Bankruptcy Code in connection with the DIP Facility and the use of Cash Collateral.

20. Application of Proceeds. Except (i) as it relates to the Cost Allocation with respect to the Prepetition Secured Parties and (ii) as set forth in Paragraph 9 with respect to Avoidance Action Proceeds and Tort Claim Proceeds, in no event shall the DIP Lender, with respect to the DIP Collateral, or the Prepetition Secured Parties, with respect to the Adequate Protection Collateral, be subject to the equitable doctrine of "marshaling" or any other similar doctrine, and all proceeds of such DIP Collateral and Adequate Protection Collateral shall be received and used in accordance with this Final Order.

21. [Reserved].

22. Restrictions on Granting Postpetition Liens. Other than the Carve Out or as otherwise provided in this Final Order or the DIP Loan Documents, no claim or lien having a priority superior or *pari passu* with those granted by this Final Order to the DIP Lender shall be granted or permitted by any order of this Court in the Chapter 11 Cases heretofore or hereafter,

and the Debtors will not grant any such mortgages, security interests or liens in the DIP Collateral (or any portion thereof) or the Adequate Protection Collateral (or any portion thereof) or to any other parties pursuant to section 364(d) of the Bankruptcy Code or otherwise, while (i) any portion of the DIP Facility or any other DIP Obligations, are outstanding, or (ii) the DIP Lender has any Commitment under the DIP Loan Documents. For avoidance of doubt, there shall be no restriction and this paragraph shall not apply to and excludes any liens or security interests granted in favor of any federal, state, municipal or other governmental unit, commission, board or court for any liability of the Debtors.

23. Automatic Effectiveness of Liens. The DIP Liens and the Adequate Protection Liens shall not be subject to a Challenge and shall attach and become valid, perfected, binding, enforceable, non-avoidable and effective by operation of law as of the date of the entry of this Final Order, automatically, without any further action by the Debtors, the DIP Lender or the Prepetition Secured Parties, respectively, and without the necessity of execution by the Debtors or the filing or recordation, of any financing statements, security agreements, deposit control agreements, vehicle lien applications, mortgages, filings with a governmental unit, or other documents or the taking of any other actions. All DIP Collateral shall be free and clear of other liens, claims and encumbrances, except as provided in the DIP Loan Documents and this Final Order. All Adequate Protection Collateral shall be free and clear of other liens, claims and encumbrances, except as provided in this Final Order. If the DIP Lender hereafter requests that the Debtors execute and deliver to such party financing statements, security agreements, pledge agreements, control agreements, collateral assignments, mortgages, or other instruments and documents considered by the DIP Lender to be reasonably necessary or desirable to further evidence the perfection of the DIP Liens or the Adequate Protection Liens, as applicable, the Debtors are hereby authorized and directed to execute and deliver such financing statements, security agreements, pledge agreements, control agreements, mortgages, collateral assignments, instruments, and documents, and the DIP Lender is hereby authorized to file or record such documents in its discretion without seeking modification of the automatic stay under section 362

of the Bankruptcy Code, in which event all such documents shall be deemed to have been filed or recorded at the time and on the date of the entry of this Final Order; provided, however, no such filing or recordation shall be necessary or required in order to create or perfect the DIP Liens or the Adequate Protection Liens. The DIP Lender, in its sole discretion, may file a photocopy of this Final Order as a financing statement with any filing or recording office or with any registry of deeds or similar office, in addition to, or in lieu of, such financing statements, notices of liens or similar statements.[5]

24. Protection Under Section 364(e) of the Bankruptcy Code. The DIP Lender has acted in good faith in connection with this Final Order and its reliance on this Final Order is in good faith. For the avoidance of doubt, the DIP Lender is entitled to all the protections of section 364(e) of the Bankruptcy Code.

25. Reservation of Rights of the DIP Lender and the Prepetition Secured Parties. Notwithstanding any other provision of this Final Order to the contrary, the entry of this Final Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, or otherwise impair: (i) any of the rights of the DIP Lender or the Prepetition Secured Parties under the Bankruptcy Code or under non-bankruptcy law, including, without limitation, the right of any of such parties to (a) request modification of the automatic stay of section 362 of the Bankruptcy Code, (b) request dismissal of any of these Chapter 11 Cases, conversion of any of these Chapter 11 Cases to cases under chapter 7, or appointment of a chapter 11 trustee or examiner with expanded powers in any of these Chapter 11 Cases, (c) seek to propose, subject to the provisions of section 1121 of the Bankruptcy Code, a chapter 11 plan or plans; or (ii) any other rights, claims, or privileges (whether legal or equitable or otherwise) of the DIP Lender or the Prepetition Secured Parties. The delay in or failure of the DIP Lender or the Prepetition Secured Parties to seek relief or otherwise exercise their respective rights and remedies shall not constitute a waiver of any of the DIP Lender's or the Prepetition Secured Parties' rights and remedies.

[5] The provisions of section 1146(a) of the Bankruptcy Code do not apply herein.

26. Modification of Stay. Subject to the terms set forth herein, the automatic stay imposed under section 362(a) of the Bankruptcy Code is hereby modified as necessary to effectuate all of the terms, rights, benefits, privileges, remedies and provisions of this Final Order and the DIP Loan Documents, including without limitation, to permit the DIP Lender to exercise all rights and remedies provided for in the DIP Loan Documents and this Final Order and to take any and all actions provided therein, in each case, without further notice, application to, order of or hearing before this Court, including those set forth in paragraph 24 of this Final Order.

27. Survival of DIP Liens, DIP Superpriority Claims, Adequate Protection Liens, Adequate Protection Obligations and Other Rights. If, in accordance with section 364(e) of the Bankruptcy Code, this Final Order does not become a final non-appealable order, or if any of the provisions of this Final Order are hereafter modified, amended, vacated or stayed by subsequent order of this Court or any other court, such termination or subsequent order shall not affect the priority, validity, enforceability or effectiveness of (or subordination to the Carve Out of) any lien, security interests or any other benefit or claim authorized hereby with respect to any DIP Obligations or Adequate Protection Obligations incurred prior to the effective date of such termination or subsequent order. All such liens, security interests, claims and other benefits shall be governed in all respects by the original provisions of this Final Order, and the DIP Lender and Prepetition Secured Parties shall be entitled to all the rights, remedies, privileges and benefits granted herein, including the liens and priorities granted herein, with respect to the DIP Facility and Adequate Protection Obligations, subject to the Carve Out and the Permitted Prior Liens.

28. Proof of Claim. The DIP Lender shall not be required to file proofs of claim with respect to any DIP Obligations or other obligations existing under the DIP Loan Documents or this Final Order, and the evidence presented with the Motion and the record established at the Final Hearing are deemed sufficient to, and do, constitute proofs of claim with respect to the DIP Obligations, secured status, and priority.

29. Survival of this Final Order.

(a) The provisions of this Final Order and any actions taken pursuant hereto shall survive the entry of any order: (i) confirming any plan of reorganization in any of the Chapter 11 Cases; (ii) converting any of the Chapter 11 Cases to a chapter 7 case; or (iii) dismissing any of the Chapter 11 Cases, and the terms and provisions of this Final Order as well as the DIP Superpriority Claims, the DIP Liens in DIP Collateral granted pursuant to this Final Order or the DIP Loan Documents, the Adequate Protection Liens, the 507(b) Claims, and the Adequate Protection Obligations shall continue in full force and effect notwithstanding the entry of any such order.

(b) The DIP Liens and the DIP Superpriority Claims shall maintain their priority as provided by this Final Order or the DIP Loan Documents, and to the maximum extent permitted by law, until all of the DIP Obligations are indefeasibly paid in full in cash and discharged or otherwise treated under a plan of reorganization, which is reasonably acceptable to the DIP Lender. In no event shall any plan of reorganization be allowed to alter the terms of repayment of any of the DIP Obligations from those set forth in the DIP Loan Documents unless agreed to by and among the Debtors and the DIP Lender.

30. Modifications of DIP Loan Documents. The Debtors and the DIP Lender are hereby authorized to implement, in accordance with the terms of the DIP Loan Documents any non-material modifications of the DIP Loan Documents without further notice, motion or application to, order of or hearing before, this Court; provided that the Debtors and the DIP Lender shall provide notice to the Committee and the Prepetition Secured Parties of any such non-material modifications of the DIP Loan Documents. Any material modification or amendment to the DIP Loan Documents shall only be permitted pursuant to an order of this Court, after being submitted to this Court upon five (5) days' notice to the U.S. Trustee, Prepetition Secured Parties, and counsel to the Committee; provided, that any forbearance from, or waiver of, (i) a breach by the Debtors of a covenant representation or any other agreement or (ii) a default or an Event of Default, in each case under the DIP Loan Documents shall not require an order of this Court. In the event of any

inconsistency between this Final Order and the DIP Loan Documents, this Final Order shall control.

31. Insurance Policies. On each insurance policy maintained by the Debtors which in any way relates to the DIP Collateral: (i) the DIP Lender shall be, and shall be deemed to be, without any further action by or notice to any person, named as additional insureds; and (ii) the DIP Lender shall be and shall be deemed to be, without any further action by or notice to any person, named as loss payee for DIP Collateral on which the DIP Lien holds a first priority lien. The Debtors are hereby authorized on an interim basis, to and shall take any actions necessary to have the DIP Lender be added as an additional insured and loss payee on each insurance policy maintained by the Debtors consistent with this Final Order and the DIP Loan Documents, which in any way relates to the DIP Collateral.

32. Financial Information. The Debtors shall deliver to the DIP Lender, HUD and the Prepetition Secured Parties such financial and other information concerning the business and affairs of the Debtors and any of the DIP Collateral and the Adequate Protection Collateral as may be required pursuant to the DIP Loan Documents, the Prepetition Loan Documents and/or as the DIP Lender or the Prepetition Secured Parties shall reasonably request from time to time. The Debtors shall provide copies to the Committee of any such financial and other information delivered to the DIP Lender or Prepetition Secured Parties. The Debtors shall allow the DIP Lender and the Prepetition Secured Parties access to the premises in accordance with the terms of the DIP Loan Documents or Prepetition Loan Documents for the purpose of enabling such parties to inspect and audit the DIP Collateral, the Adequate Protection Collateral and the Debtors' books and records.

33. Reserved.

34. Reserved.

35. Reserved.

36. Immediate Effect of Order. The terms and conditions of this Final Order shall be effective and immediately enforceable upon its entry by the Clerk of the Court notwithstanding

any potential application of Bankruptcy Rule 6004(h) or otherwise. Furthermore, to the extent applicable, the notice requirements and/or stays imposed by Bankruptcy Rules 4001(a)(3), 6003(b), and 6004(a) are hereby waived for good and sufficient cause. The requirements of Bankruptcy Rules 4001 and 6004, in each case to the extent applicable, are satisfied by the contents of the Motion.

37. Reserved.

38. Receivership Debtors. Notwithstanding anything herein to the contrary, this Order, and no finding or order herein, shall be binding upon or apply to Debtors El Paso HCC, LLC; Flanagan HCC, LLC; Kewanee AL, LLC; Knoxville AL, LLC; Legacy Estates AL, LLC; Marigold HCC LLC; Monmouth AL LLC; Polo LLC; El Paso HCO, LLC; Flanagan HCO, LLC; CYE Kewanee HCO, LLC; CYE Knoxville HCO, LLC; Legacy HCO, LLC; Marigold HCO, LLC; CYE Monmouth HCO LLC; and Polo HCO, LLC (collectively, "Receivership Debtors"), any assets of Receivership Debtors or X-Caliber Funding LLC, in its capacity as servicer for U.S. Bank, N.A., as trustee of XCAL 2019-IL-1 MORTGAGE TRUST ("X-Caliber"), except as set forth in this paragraph 38 and paragraph 40. In addition:

(a) *X-Caliber's Reservation of Rights.* X-Caliber shall have the full opportunity to object on factual and legal bases to any subsequent request by Debtors to bind X-Caliber and/or Receivership Debtors to provisions of this Order (other than this paragraph 38) at a later date and its factual and legal arguments in response thereto shall not be limited, by any finding or order set forth herein, including, without limitation, all findings and/or grants of adequate protection, granting of liens, granting of superpriority and/or administrative claims, waivers under 506(c) and 552(b), identification and fees.

(b) *X-Caliber Financing for Receivership Debtors*. Until a final order is entered on X-Caliber's Motion to Dismiss [Docket. No. 60] and Motion to Prohibit Turnover [Docket. No. 59], Receiver may use X-Caliber's cash collateral and borrower funds from X-Caliber pursuant to the Receivership Order ("Interim Receiver Financing"); provided that Receiver must provide Receivership Debtors, with a copy to the Committee, at least forty-eight hours' notice

of funds being expended. If Receivership Debtors object to any expenditure and are unable to resolve it, they may raise the matter to the Court before the expenditure is made (and if such expenditure is an emergency, the parties shall request the Court's expedited consideration of the dispute).

(c) *X-Caliber Superpriority Claims*. X-Caliber is hereby granted an allowed senior administrative expense claim against Receivership Debtors and their estates (the "X-Caliber Superpriority Claims") with priority in payment over any and all administrative expenses at any time existing or arising, of any kind or nature whatsoever, including, without limitation, the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including, but not limited to, sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 726, 1113 and 1114 of the Bankruptcy Code or otherwise, including those resulting from the conversion of any of the Chapter 11 Cases pursuant to section 1112 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment; provided that the X-Caliber Superpriority Claims shall have recourse to and be payable from all prepetition and postpetition property and assets of Receivership Debtors and their estates and all proceeds thereof, except that the X-Caliber Superpriority Claims shall not be payable from Avoidance Actions, Avoidance Action Proceeds, Tort Claims or Tort Claim Proceeds. The X-Caliber Superpriority Claims shall be entitled to the full protection of section 364(e) of the Bankruptcy Code in the event that this Final Order or any provision hereof is vacated, reversed or modified, on appeal or otherwise.

(d) *X-Caliber DIP Liens*. Effective immediately and automatically as of the entry of this Final Order, as security for the Interim Receiver Financing, X-Caliber is granted continuing, valid, binding, enforceable, non-avoidable, and automatically and properly perfected priming first lien security interests in and liens (collectively, the "X-Caliber DIP Liens") on assets of Receivership Debtors as collateral security for the prompt and complete performance and payment of the Interim Receiver Financing. Pursuant to section 364(d)(1) of the Bankruptcy Code, the X-Caliber DIP Liens are valid, binding, continuing, enforceable, non-avoidable automatically

and fully perfected priming first priority senior liens and security interests in all of Receivership Debtors assets; provided that the X-Caliber DIP Liens shall not include any liens on or interests in Avoidance Actions, Avoidance Action Proceeds, Tort Claims or Tort Claim Proceeds.

(e) *X-Caliber Adequate Protection Claim*. X-Caliber is further granted a valid, perfected replacement lien on and security interest in its pre-petition collateral in an amount equal to the aggregate diminution of value of its interest thereon by Receiver's use of its cash collateral ("X-Caliber Adequate Protection Claim").

(f) *X-Caliber 507(b) Claim*. X-Caliber is further granted an allowed superpriority administrative expense claim as provided in section 507(b) of the Bankruptcy Code in the amount of the X-Caliber Adequate Protection Claim with, except as set forth in this Final Order, priority in payment over any and all administrative expenses of the kind specified or ordered pursuant to any provision of the Bankruptcy Code (the "X-Caliber's 507(b) Claims"); which 507(b) Claims shall have recourse to and be payable from Receivership Debtors' assets; provided that the X-Caliber's 507(b) Claims shall not have recourse to or be payable from Avoidance Actions, Avoidance Action Proceeds, Tort Claims or Tort Claim Proceeds.

(g) For the avoidance of doubt, if neither of X-Caliber's Motion to Dismiss or Motion to Prohibit Turnover are granted, the Receivership Debtors reserve the right to request that their assets be subject to the DIP priming first lien and superpriority claim granted to the DIP Lender hereunder and all of X-Caliber's rights with respect thereto are reserved.]

39. Retention of Jurisdiction. This Court shall retain jurisdiction to enforce the provisions of this Final Order, and this retention of jurisdiction shall survive the confirmation and consummation of any chapter 11 plan for any one or more of the Debtors notwithstanding the terms or provisions of any such chapter 11 plan or any order confirming any such chapter 11 plan.

40. Surety Matters. Nothing in the Final Order, the Interim Order relating to the DIP Financing or the DIP Financing Documents shall in any way prime or affect the rights of Hartford Fire Insurance Company, or their past, present or future parents, subsidiaries or affiliates (individually and collectively as the "Surety") as to (a) any funds it is holding and/or being held

for it presently or in the future, whether in trust, as security, or otherwise, including any proceeds due or to become due any of the Debtors or their non-debtor affiliates in relation to obligations bonded by the Surety; or (b) any substitutions or replacements of said funds including accretions to and interest earned on said funds (collectively (a) and (b), the "Surety Assets"). In addition:

(a) Nothing in the Final Order, the Interim Order relating to the DIP Financing or the DIP Financing Documents shall affect the rights of the Surety under any current or future indemnity, collateral, trust or related agreements between or involving the Surety and any of the Debtors or any of the Debtors' non-debtor affiliates as to the Surety Assets or otherwise, including, but not limited to, the General Indemnity Agreement dated May 1, 2023 executed by certain of the Debtors and non-debtors, including Petersen Health Operations, LLC; Petersen Health Care-Farmer City, LLC; Petersen Health Care-Illini, LLC; Midwest Health Operations, LLC; Petersen Health Network, LLC; Petersen Health Care-Roseville, LLC; Swansea HCO, LLC; Watseka HCO, LLC; Bement HCO, LLC; Eastview HCO, LLC; Prairie City HCO, LLC; Tarkio HCO, LLC; Westside HCO, LLC; XCH, LLC; Collinsville HCO, LLC; Effingham HCO, LLC; Robings HCO, LLC; Tuscola HCO, LLC; Shangri La HCO, LLC; Havana HCO, LLC; Rosiclare HCO, LLC; Petersen Health Care Management, LLC; Twin HCO, LLC; SABL, LLC; Lebanon HCO, LLC; Royal HCO, LLC; Petersen Health Care, Inc; Vandalia HCO, LLC; Aledo HCO, LLC; McLeansboro HCO, LLC; Shelbyville HCO, LLC; Arcola HCO, LLC; Piper HCO, LLC; SJL Health Systems, Inc.; Petersen Management Company, LLC; Petersen Health Junction, LLC (non-debtor); Petersen Health & Wellness, LLC; Petersen Health Quality, LLC; Petersen Health Properties, LLC; Petersen Health Business, LLC; Petersen Health Group, LLC; Sullivan HCO, LLC, Aspen HCO, LLC; Decatur HCO, LLC; Pleasant View HCO, LLC; Petersen Health Care II, Inc.; Charleston HCO, LLC (non-debtor); Cumberland HCO, LLC (non-debtor); El Paso HCO, LLC; Flanagan HCO, LLC; Marigold HCO, LLC; Polo HCO, LLC; Casey HCO, LLC; Kewanee HCO, LLC; North Aurora HCO, LLC and non-debtor Mark B. Petersen.

(b) Nothing in the Final Order, the Interim Order or the DIP Financing Documents shall prime or otherwise impact (x) current or future setoff and/or recoupment rights

and/or the lien rights of the Surety or any party to whose rights the Surety has or may be subrogated; and/or (y) any existing or future subrogation or other common law rights of the Surety. In addition, notwithstanding anything in the Final Order, the Interim Order relating to the DIP Financing, or the DIP Financing Documents to the contrary, and subject to the Bankruptcy Code, the rights, claims and defenses of the Debtors and of the Surety, including, but not limited to, the Surety's rights under any properly perfected lien and claims and/or claim for equitable rights of subrogation, and rights of the Debtors and of any successors in interest to any of the Debtors and any creditors, to object to any such liens, claims and/or equitable subrogation and other rights, are fully preserved. Nothing herein is an admission by the Surety or the Debtors, or a determination by the Bankruptcy Court, regarding any claims under any bonds, and the Surety and the Debtors reserve any and all rights, remedies and defenses in connection therewith.

(c) Additionally, all Resident Trust Accounts that are governed by the Illinois Nursing Home Care Act or the Missouri Omnibus Nursing Home Act do not constitute property of the Debtors' bankruptcy estate, and, as such, are not subject to any prepetition or post-petition liens. Moreover, Debtors will abide by all obligations required by way of any bonds, account agreements, state law and/or regulations that pertain to the use of funds in the Resident Trust Accounts.

(d) No liens, including, for the avoidance of doubt, DIP Liens, shall attach to the Adequate Assurance Deposit Account, except as to any reversionary interest of the Debtors.

41. For the avoidance of doubt, and except for the DIP Liens and the Adequate Protection Liens, nothing in this Final Order shall (i) create new liens for the benefit of or improve the lien position of any of the Prepetition Secured Parties, or (ii) grant any lien for any party on any collateral that was not granted to that party prior to the Petition Date

42. Refinancing of eCapital Obligations.

(a) *Paydown of eCapital Obligations*. Following entry of the Interim DIP Order, the Debtors wired cash in the amount of the eCapital Obligations to eCapital.

(b) *Allowance of eCapital Obligations.* Prior to payment in full, the eCapital Obligations constituted allowed, legal, valid, binding, enforceable and non-avoidable obligations of Debtors, and were not subject to any offset, defense, counterclaim, avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or any other applicable law, and Debtors did not possess, will not assert, hereby forever release, and are forever barred from bringing any claim, counterclaim, setoff or defense of any kind, nature or description which would in any way affect the validity, enforceability and non-avoidability of any of the eCapital Obligations.

(c) *eCapital Indemnification.* The Debtors are hereby authorized to and hereby agree to indemnify and hold harmless eCapital and its affiliates, directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing eCapital (collectively, the "eCapital Indemnified Party") from and against: (a) all obligations, demands, claims, damages, losses and liabilities (including, without limitation, reasonable fees and disbursements of counsel) (collectively, "eCapital Indemnity Claims") including those asserted by any other party in connection with the paydown contemplated by this Final DIP Order; and (b) all losses or expenses incurred, or paid by the eCapital from, following, or arising from the paydown contemplated by this Final DIP Order, including reasonable and documented attorneys' fees and expenses, except for eCapital Indemnity Claims and/or losses directly caused by the eCapital's fraud, gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this paragraph applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by any of the Debtors or any of their respective directors, security holders or creditors, an eCapital Indemnified Party, or if any other eCapital Indemnified Party is otherwise a party thereto, and whether or not the transactions contemplated hereby are consummated. No eCapital Indemnified Party shall have any liability (whether direct or indirect, in contract, tort or otherwise) to any Debtor or any of its subsidiaries or any shareholders or creditors of the foregoing for or in connection with the transactions contemplated hereby. All indemnities of the eCapital Indemnified Parties shall constitute eCapital Obligations.

(d) *Release of DACAs.* Following payment in full in cash of the eCapital Obligations, released all applicable deposit account control agreements or similar control agreements.

43. Notwithstanding anything to the contrary herein, the Bank of Rantoul retains the right to object to any revised Cost Allocation that includes an Attributable Cost Allocation to the Bank of Rantoul's real property Collateral in excess of $156,000.00. The current amount of the Bank of Rantoul's loan and mortgage on the Herscher property is $2,352,907. The priming DIP Lien shall not prime the Bank of Rantoul's lien of approximately $505,000 on approximately 10 motor vehicles, to the extent that such liens, mortgages, and other security interests are valid and perfected, and have priority status. The Bank of Rantoul reserves all rights including the rights to object to the sale and to request that its liens attach to the proceeds of the sale and that the Bank of Rantoul shall be immediately paid in full at the closing of the sale, including additional applicable penalties, interest, costs and fees, and the right to seek relief from stay to repossess the vehicles as depreciating assets. As a result of the foregoing, the Bank of Rantoul shall be a Consenting Lender.

44. The Debtors shall promptly serve copies of this Final Order (which shall constitute adequate notice of the Final Hearing) to the parties having been given notice of the Final Hearing and to any party that has filed a request for notices with this Court in these Chapter 11 Cases.

45. Nothing in this Final Order is intended to create an injunction, but injunctive relief may be sought.

Thomas M. Horan

Dated: May 14th, 2024
Wilmington, Delaware

THOMAS M. HORAN
UNITED STATES BANKRUPTCY JUDGE

31642292.3

EXHIBIT 1

DIP Credit Agreement

SENIOR SECURED, SUPER-PRIORITY DEBTOR-IN-POSSESSION LOAN AND SECURITY AGREEMENT

by and among

SC HEALTHCARE HOLDING, LLC, and the other Borrowers party hereto

and

JMB CAPITAL PARTNERS LENDING, LLC as Lender

Dated as of May 14, 2024

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SENIOR SECURED, SUPER-PRIORITY DEBTOR-IN-POSSESSION LOAN AND SECURITY AGREEMENT

THIS SENIOR SECURED, SUPER-PRIORITY DEBTOR-IN-POSSESSION LOAN AND SECURITY AGREEMENT (this "Agreement"), is entered into as of May 14, 2024 (the "Effective Date"), by and among the borrowers signatory hereto (collectively, the "Borrowers" and sometimes, the "Loan Parties"), and JMB Capital Partners Lending, LLC, a California limited liability company, as lender (together with its successors and assigns, the "Lender").

WHEREAS, on March 26, 2024 (the "Petition Date"), the Borrowers commenced voluntary bankruptcy proceedings, under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"), in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") under the lead case filed by SC Healthcare Holding, LLC, a Delaware limited liability company ("SC Healthcare"), Case No. 24-10443 (each, a "Chapter 11 Case" and collectively, the "Chapter 11 Cases");

WHEREAS, the Borrowers remain in possession of their businesses and manage their properties as debtors and debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code;

WHEREAS, prior to the Petition Date, the financial institutions set forth on Annex A hereto each a "Prepetition Lender" and collectively, the "Prepetition Lenders"), made loans, advances and provided other financial accommodations to SC Healthcare pursuant to the terms and conditions set forth in those certain credit and loan agreements as set forth on Annex A (as amended, supplemented or otherwise modified from time to time through the Petition Date, the "Prepetition Credit Agreements");

WHEREAS, the obligations under and as defined in the Prepetition Credit Agreements, are secured by a security interest in some of the existing and after-acquired assets of certain of the Borrowers and its Subsidiaries (as defined in the Prepetition Credit Agreements) as more fully set forth in the Prepetition Loan Documents, and such security interest is perfected and, as described in the Prepetition Loan Documents, has priority over other security interests;

WHEREAS, the Loan Parties have requested that Lender provide financing to Borrowers consisting of a senior secured super-priority term loan in a principal amount of up to Forty-Five Million Dollars ($45,000,000) (the "Facility'') pursuant to Sections 105, 363, 364(c) and 364(d) of the Bankruptcy Code;

WHEREAS, Lender has indicated its willingness to agree to extend the Facility to Borrowers, all on terms and conditions set forth herein and in the other Loan Documents and in accordance with Sections 105, 363, 364(c) and 364(d) of the Bankruptcy Code, so long as the Obligations are (i) secured by priming Liens on the Collateral granted by the Loan Parties as hereinafter provided, and (ii) given superpriority status as provided in the Final Order;

WHEREAS, the Loan Parties have agreed to grant to the Lender (i) a fully perfected first priority senior priming lien and security interest in all of their assets (other than the HUD Mortgage Collateral) as Collateral and (ii) a second lien security interest in the HUD Mortgage Collateral (as specified in Section 8.2 hereto); and

WHEREAS, the Borrowers have further agreed that the Lender shall have Superpriority Claims in their Chapter 11 Cases for the repayment of the Obligations pursuant to the Final Order, subject to the approval of the Bankruptcy Court.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, the parties hereto hereby agree as follows:

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions. As used in this Agreement, the following terms shall have the meanings specified below:

"Acceptable Plan" means a plan of reorganization or liquidation for the Chapter 11 Cases that (i) provides for the indefeasible payment in full in cash of the Obligations in a manner acceptable to the Lender in its reasonable discretion, in exchange for full discharge thereof, on or prior to the effective date of the plan as a condition to the effectiveness thereof, and (ii) contains releases, exculpations, waivers and indemnification for the Lender in form and substance reasonably acceptable to the Lender in its discretion.

"Additional Documents" has the meaning specified in Section 5.12.

"Advances" has the meaning specified in Section 2.1(a).

"Advance Date" means each date that an Advance is extended pursuant to Section 2.1(a).

"Affiliate" means, as to any Person, any other Person (a) that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such Person, (b) who is a director or officer (i) of such Person, (ii) of any Subsidiary of such Person, or (iii) of any Person described in clause (a) above with respect to such Person, or (c) which, directly or indirectly through one or more intermediaries, is the beneficial or record owner (as defined in Rule 13d-3 of the Securities Exchange Act of 1934, as amended, as the same is in effect on the date hereof) of ten percent (10%) or more of any class of the outstanding voting equity interests, securities or other equity or ownership interests of such Person. For purposes of this definition, the term "control" (and the correlative terms, "controlled by" and "under common control with") shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies, whether through ownership of securities or other interests, by contract or otherwise.

"Agreement" has the meaning set forth in the preamble to this Agreement.

"Authorized Person" means any one of the individuals identified on Schedule A-2, as such schedule is updated from time to time by written notice from Loan Parties to Lender.

"Avoidance Actions" has the meaning specified in Section 8.1(a)(i).

"Avoidance Action Proceeds" means the proceeds and recoveries from Avoidance Actions.

"Bankruptcy Code" has the meaning specified in the recitals hereto.

"Bankruptcy Court" has the meaning specified in the recitals hereto.

"Borrowers" has the meaning set forth in the preamble to this Agreement.

"Budget" means an initial budget, prepared by Borrowers, that sets forth in reasonable detail all of the Borrowers' operating cash flow on a weekly basis, separated into line items of sufficient detail, and is otherwise in form and substance reasonably acceptable to Lender, and is attached hereto as Exhibit B.

"Business Day" means any day that is not a Saturday, Sunday, or other day on which banks are authorized or required to close in the State of New York.

"Capital Expenditures" means, with respect to any Person for any period, the aggregate of all expenditures by such Person during such period that are capital expenditures as determined in accordance with GAAP, whether such expenditures are paid in cash or financed, except "Capital Expenditures" shall exclude any and all expenditures relating to or in accordance with a plan of reorganization.

"Capital Lease" means a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

"Carve-Out" has the meaning ascribed to it in the Final Order.

"Cash Collateral" has the meaning ascribed to it in the Final Order.

"Change of Control" means, except with respect to the consummation of a Sale (whether under a plan of reorganization or under Section 363 of the Bankruptcy Code), or as otherwise approved by Lender in its reasonable discretion which shall not be unreasonably delayed or withheld, the acquisition, through purchase or otherwise (including the agreement to act in concert without anything more), by any Person or group (as such term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended), after the date of this Agreement, of (i) the beneficial ownership, directly or indirectly, of 50% or more of the equity interests in any Loan Party or (ii) all or substantially all of the assets of such Loan Party, except, in each case, as otherwise permitted in this Agreement.

"Chapter 11 Cases" has the meaning specified in the recitals hereto.

"Chapter 11 Plan" means a chapter 11 plan that provides for, *inter alia,* payment in full in cash of all Obligations on the effective date thereof in a manner acceptable to the Lender in its reasonable discretion, together with releases, exculpations, waivers and indemnification in form and substance reasonably acceptable to the Lender in its discretion.

"Closing Date" means the date upon which the Interim Advance was made pursuant to the Interim Order, which was March 25, 2024.

"Chief Restructuring Officer" means David Campbell, or such other person as reasonably acceptable to the Lender.

"Collateral" means, collectively, all pre-petition and post-petition real property and all pre-petition and post-petition tangible and intangible personal property of each Loan Party, in each case wherever located and whether now owned or hereafter acquired, including, but not limited to all accounts, contracts rights, chattel paper, cash, general intangibles, investment property, machinery, equipment, real property, goods, inventory, furniture, fixtures, letter of credit rights, books and records, deposit accounts, documents, instruments, commercial tort claims, leases and leaseholds and rents, business operations, including, any government issued licenses issues in connection with the operations of the Borrowers' business, avoidance actions under Section 549 of the Bankruptcy Code and related recoveries under Section 550 of the Bankruptcy Code, together with all supporting obligations and proceeds of each of the foregoing, including insurance proceeds (as each such term above is defined in the UCC, to the extent applicable), and including the proceeds and recoveries from Avoidance Actions.

"Commitment" means Forty-Five Million Dollars ($45,000,000).

"Commitment Fee" means the fee of two percent (2%) of the amount of the Commitment, which fee was earned and paid in full to the Lender on the Closing Date from the proceeds of the Interim Advance.

"Compliance Certificate" means a certificate substantially in the form of Exhibit A delivered by the Authorized Person of Borrowers to Lender.

"Control Agreement" means, with respect to each Deposit Account of a Borrower, an agreement in form and substance reasonably satisfactory to the Lender and the depository institution maintaining such Deposit Account, pursuant to which such depository institution agrees to comply with the Lender's instructions with respect to disposition of funds in such Deposit Account without further consent by the relevant Borrower.

"Daily Balance" means, as of any date of determination and with respect to any fixed monetary Obligations, the amount of such Obligations owed at the end of such day.

"Default" means an event, condition, or default that, with the giving of notice, the passage of time, or both, would be an Event of Default.

"Default Rate" has the meaning specified in Section 2.4(b).

"Deposit Account" means any deposit account, as that term is defined in the UCC.

"Designated Account" means the Deposit Account of Borrowers identified on Schedule D-1.

"Designated Account Bank" has the meaning specified in Schedule D-1.

"Dollars" or "$" means United States dollars.

"Effective Date" has the meaning set forth in the preamble to this Agreement.

"Environmental Action" means any written complaint, summons, citation, notice, directive, order, claim, litigation, investigation, judicial or administrative proceeding, judgment, letter, or other written communication from any Governmental Authority, or any third party relating to or arising out of violations of Environmental Laws or releases of Hazardous Materials (a) from any Collateral; (b) from adjoining properties or businesses of any real property that constitutes Collateral, or (c) from or onto any facilities, with respect to the Collateral, which received Hazardous Materials generated by any Loan Party.

"Environmental Law" means any applicable federal, state, provincial, foreign or local statute, law, rule, regulation, ordinance, code, binding and enforceable guideline, binding and enforceable written policy, or rule of common law now or hereafter in effect and in each case as amended, or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, in each case, to the extent binding on the Borrowers, relating to the environment, the effect of the environment on employee health, or Hazardous Materials, in each case as amended from time to time.

"Environmental Liabilities" means all liabilities, monetary obligations, losses, damages, costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts, or consultants, and costs of investigation and feasibility studies), fines, penalties, sanctions, and interest incurred as a result of any claim or demand, or Remedial Action required, by any Governmental Authority or any third party, and which relate to any Environmental Action.

"Environmental Lien" means any Lien in favor of any Governmental Authority for Environmental Liabilities.

"Event of Default" has the meaning specified in Section 7.1.

"Existing Prepetition Liens" has the meaning specified in Section 4.4.

"Exit Fee" means the fee of eight percent (8%), as applicable of (i) any outstanding principal amount hereunder that is prepaid pursuant to Section 2.3(c), and (ii) without duplication of any principal amounts repaid pursuant to clause (i), the amount of the Commitment (which shall be due and payable on the Maturity Date), in each case to be paid in cash and without further order of the Bankruptcy Court.

"Facility" has the meaning specified in the recitals to this Agreement.

"Fees" means all fees due and payable to the Lender under this Agreement, any Loan Document or the Interim Order or Final Order, including the Commitment Fee and the Exit Fee.

"Final Order" means a final order of the Bankruptcy Court authorizing and approving the Borrowers' entry into this Agreement and the other Loan Documents, in form and substance satisfactory to Lender, Borrowers, and their respective counsel, on a final basis and entered following a final hearing.

"Governmental Authority" means any federal, state, local, or other governmental or administrative body, instrumentality, board, department, or agency or any court, tribunal,

administrative hearing body, arbitration panel, commission, or other similar dispute-resolving panel or body.

"Hazardous Materials" means (a) substances that are defined or listed in, or otherwise classified pursuant to, any applicable laws or regulations as "hazardous substances," "hazardous materials," "hazardous wastes," "toxic substances," or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity, or "EP toxicity'', (b) oil, petroleum, or petroleum derived substances, natural gas, natural gas liquids, synthetic gas, drilling fluids, produced waters, and other wastes associated with the exploration, development, or production of crude oil, natural gas, or geothermal resources, (c) any flammable substances or explosives or any radioactive materials, and (d) asbestos in any form or electrical equipment that contains any oil or dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million.

"HUD Mortgage Collateral" means the "real property" portion of the HUD collateral, with real property defined specifically to be the ground, buildings and fixtures (as defined in Article 9, § 102 of the UCC). For the avoidance of doubt, the HUD Mortgage Collateral does not include accounts, contracts rights, chattel paper, cash, general intangibles, machinery, equipment, goods, inventory, furniture, letter of credit rights, books and records, deposit accounts, documents, instruments, commercial tort claims, leases and leaseholds and rents, going concern value of any of the Borrowers' business operations, including, any government issued licenses issues in connection with the operations of the Borrowers' business.

"HUD Mortgage Lenders" means the lenders set forth on Annex B attached hereto.

"HUD Mortgage Lien" means liens on any real property in favor of the HUD Mortgage Lenders on the HUD Mortgage Collateral.

"Indebtedness" means (a) all obligations for borrowed money, including, without limitation, the Obligations, (b) all obligations evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit, bankers acceptances, or other financial products, (c) all obligations as a lessee under Capital Leases, (d) all obligations or liabilities of others secured by a Lien on any asset of such Person, irrespective of whether such obligation or liability is assumed, (e) all payment obligations to pay the deferred purchase price of assets (other than trade payables incurred in the ordinary course of business and repayable in accordance with customary trade practices), (f) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to property acquired by such Person, (g) the principal balance outstanding under any synthetic lease, off-balance sheet loan or similar off balance sheet financing products, or (h) any obligation guaranteeing or intended to guarantee (whether directly or indirectly guaranteed, endorsed, co-made, discounted, or sold with recourse) any obligation of any other Person that constitutes Indebtedness under any of clauses (a) through (h) above. For purposes of this definition, (i) the amount of any Indebtedness represented by a guaranty or other similar instrument shall be the lesser of the principal amount of the obligations guaranteed and still outstanding and the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Indebtedness, and (ii) the amount of any

Indebtedness described in clause (d) above shall be the lower of the amount of the obligation and the fair market value of the assets of such Person securing such obligation.

"Indemnified Liabilities" has the meaning specified in Section 9.3.

"Indemnified Person" has the meaning specified in Section 9.3.

"Information" has the meaning specified in Section 15.

"Interim Advance" has the meaning specified in the Interim Order.

"Interim Order" means that certain interim order of the Bankruptcy Court in respect of SC Healthcare entered as of March 26, 2024.

"IRC" means the Internal Revenue Code of 1986, as in effect from time to time.

"Lead Borrower" means SC Healthcare.

"Lender" has the meaning set forth in the preamble to this Agreement.

"Lender Expenses" means all (a) costs or expenses (including taxes and insurance premiums) required to be paid by the Borrowers under any of the Loan Documents that are actually paid, advanced, or incurred by Lender on behalf of the Borrowers, (b) out-of-pocket fees or charges paid or incurred by Lender in connection with its transactions with the Borrowers under any of the Loan Documents, including, but not limited to, fees or charges for photocopying, notarization, couriers and messengers, telecommunication, public record searches (including tax lien, litigation, and UCC searches and including searches with the patent and trademark office, the copyright office, or the department of motor vehicles), filing, recording, publication, appraisal (including periodic collateral appraisals or business valuations), real estate surveys, real estate title policies and endorsements, and environmental audits, (c) out-of-pocket costs and expenses incurred by Lender in the disbursement of funds to Borrowers (by wire transfer or otherwise), (d) out-of-pocket charges paid or incurred by Lender resulting from the dishonor of checks payable by or to any Loan Party, (e) out-of-pocket costs, fees (including reasonable attorneys' fees) and expenses paid or incurred by Lender to correct any default or enforce any provision of the Loan Documents, or during the continuance of an Event of Default, in gaining possession of, maintaining, handling, preserving, storing, shipping, selling, preparing for sale, or advertising to sell the Collateral, or any portion thereof, irrespective of whether a sale is consummated, (f) out-of-pocket audit fees and reasonable expenses of Lender (including travel, meals, and lodging) related to any inspections or audits, (g) out-of-pocket costs and expenses of third party claims or any other suit paid or incurred by Lender in enforcing or defending the Loan Documents or in connection with the transactions contemplated by the Loan Documents or Lender's relationship with the Borrowers, (h) Lender's out-of-pocket costs and reasonable expenses (including reasonable attorneys' fees) incurred in advising, structuring, drafting, reviewing, administering (including travel, meals, and lodging), or amending the Loan Documents, (i) out-of-pocket fees and reasonable expenses of Lender (including travel, meals, and lodging) related to any due diligence in connection with the Facility or meetings with Borrowers in connection with the Facility, and (j) Lender's out-of-pocket costs and reasonable expenses (including reasonable attorneys, accountants, consultants, and other advisors fees and expenses) incurred in terminating, enforcing (including reasonable attorneys,

accountants, consultants, and other advisors fees and expenses incurred in connection with a ‘‘workout,’’ a “restructuring,” or an insolvency proceeding concerning any Loan Party or in exercising rights or remedies under the Loan Documents), or defending the Loan Documents, irrespective of whether suit is brought, or in taking any Remedial Action concerning the Collateral.

“Lender Related Person” means Lender, together with Lender’s officers, directors, employees, attorneys, and agents.

“Lender’s Liens” means the Liens granted by Borrowers in and to the Collateral in favor of Lender.

“Lien” means any pledge, hypothecation, assignment (which is intended as security), charge, deposit arrangement (which is intended as security), encumbrance, easement, lien (statutory or other), mortgage, security interest, or other security arrangement and any other preference, priority, or preferential arrangement of any kind or nature whatsoever (which is intended as security), including any conditional sale contract or other title retention agreement, the interest of a lessor under a Capital Lease, and any synthetic or other financing lease having substantially the same economic effect as any of the foregoing.

“Loan Account” means the Deposit Account of Lender identified on Schedule A-1.

“Loan Documents” means this Agreement, the Final Order, the Control Agreements, the Additional Documents and any other notes, account control agreements, or mortgages executed by Borrowers in connection with the Agreement and payable to Lender, any other agreement entered into, now or in the future, by the Borrowers or Lender in connection with this Agreement, and all amendments, modifications, renewals, substitutions and replacements of any of the foregoing.

“Loan Parties” has the meaning set forth in the preamble to this Agreement.

“Material Adverse Change” means, except, in each case, as a result of the commencement of the Chapter 11 Cases, any event, condition, circumstance or contingency that, individually, or in the aggregate, (a) has had or could reasonably be expected to have a material adverse effect on a material adverse change in the business, operations, properties, assets, performance or financial condition of the Loan Parties, (b) has resulted in, or could reasonably be expected to result in, a material adverse effect of the Loan Parties (taken as a whole) ability to perform its material obligations under any Loan Document to which it is a party, or of Lender’s ability to enforce the Obligations or realize upon a material portion the Collateral or (c) has had, or could reasonably be expected to have a material adverse effect on the enforceability of, or the rights, remedies, benefits or priority of Lender’s Liens with respect to the Collateral, or the priority of such Liens, all determined at the Lender’s reasonable discretion.

“Material Contract” means each contract or agreement as to which the breach, nonperformance, cancellation, termination, loss, expiration or failure to renew by any party thereto would reasonably be expected to result in a Material Adverse Change.

“Maturity Date” means the earliest of (i) the Stated Maturity Date; (ii) the effective date of a plan of reorganization; (iii) entry of an order converting the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code or dismissing the Chapter 11 Cases; (iv) the closing of a Sale of

all, or substantially all, the assets of all Borrowers; and (v) the acceleration of the outstanding Obligations or termination of the Commitment as a result of the occurrence and continuation of an Event of Default.

"Net Cash Proceeds" means with respect to any sale or disposition of Collateral by any Person, the amount of cash proceeds received (directly or indirectly) from time to time (whether as initial consideration or through the payment of deferred consideration) by or on behalf of such Person, in connection therewith, after deducting therefrom only (i) fees, commissions, and expenses related thereto and required to be paid in connection with such sale or disposition, including legal, investment banking, brokerage, advisor and accounting and other professional fees, sales commissions and disbursements, and (ii) taxes paid or payable to any taxing authorities in connection with such sale or disposition, in each case to the extent, but only to the extent, that the amounts so deducted are payable to a Person that is not a Borrower or an Affiliate of a Borrower, and are properly attributable to such transaction.

"Obligations" means all loans, Advances, debts, principal, interest, contingent reimbursement or indemnification obligations, premiums, liabilities (including all amounts charged to the Loan Account pursuant to this Agreement), obligations (including indemnification obligations), earned and unpaid Fees (including, without limitation the Exit Fee), Lender Expenses, guaranties, covenants, and duties of any kind and description owing by any Loan Party, to the Lender pursuant to or evidenced by the Loan Documents and/or pursuant to or in connection with any one or more documents, instruments or agreements described in clause (i) of the definition of Lender Expenses and, in each case, irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all interest not paid when due and all other expenses or other amounts that Borrowers are required to pay or reimburse by the Loan Documents or by law or otherwise in connection with the Loan Documents including, without limitation, in connection with the collection or enforcement of or preservation of rights under the Loan Documents.

"Ordinary Course" shall mean, in respect of any Person, the ordinary course and reasonable requirements of such Person's business, as conducted in accordance with past practices, and undertaken in good faith except as such conduct has been changed resulting from the Chapter 11 Cases.

"Organizational Documents" means (a) for any corporation, the certificate or articles of incorporation, the bylaws, any certificate of designation or other instrument relating to the rights of preferred shareholders or stockholders of such corporation, any shareholder rights agreement and all applicable resolutions of the board of directors (or any committee thereof) of such corporation, (b) for any partnership, the partnership agreement and, if applicable, the certificate of limited partnership, (c) for any limited liability company, the operating agreement and articles or certificate of formation or organization and all applicable resolutions of any managing member of such limited liability company, and (d) any agreement between any Loan Party and its shareholders, members, partners or its equity owners, or among any of the foregoing relating to the governance of such Loan Party.

"Permits" means any license, lease, power, permit, franchise, certificate, authorization or approval issued by a Governmental Authority.

"Permitted Indebtedness" means:

(a) Indebtedness evidenced by this Agreement and the other Loan Documents;

(b) Indebtedness outstanding as of the Petition Date, including any Prepetition Credit Facility;

(c) Indebtedness, including any unsecured guarantees, incurred in the Ordinary Course with respect to surety and appeal bonds, performance bonds, bid bonds, appeal bonds, statutory bonds, completion guarantees and similar obligations; and

(d) Indebtedness for purchase money obligations incurred after the Petition Date for equipment used in the ordinary course of the Borrowers' business in an aggregate principal amount not to exceed at any time $100,000.

"Permitted Liens" means all Permitted Prior Liens, the Liens described on Schedule 4.4, and all other Liens permitted pursuant to Section 4.4.

"Permitted Prior Lien" has the meaning specified in Section 8.2(b).

"Permitted Protest" means the right of any Loan Party to protest any Lien (other than any Lien that secures the Obligations), taxes (other than payroll taxes or taxes that are the subject of a United States federal tax lien), or rental payment, provided that (a) a reserve with respect to such obligation is established on such Loan Party's books and records in such amount as is required under GAAP, (b) any such protest is instituted promptly and prosecuted diligently by such Loan Party in good faith and (c) Lender is satisfied in its reasonable discretion that, while any such protest is pending, there will be no impairment of the enforceability, validity, or priority of any of Lender's Liens.

"Permitted Variance" means a variance of net operating cash flow on the Budget of no more than 20.0%, which variance shall be tested on a four (4) week cumulative basis, as opposed to a line-by-line, basis; provided that, for the avoidance of doubt, the calculation of any aforementioned Permitted Variance shall exclude any disbursements in connection with professional fees, Lender Expenses, interest, Fees, all direct costs and budgeted professional fees associated with the Chapter 11 Cases and any other amounts payable hereunder or any Loan Document.

"Person" means natural persons, corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities, and governments and agencies and political subdivisions thereof.

"Petition Date" means on or about March 26, 2024.

"Prepetition Credit Agreements" has the meaning specified in the recitals hereto.

"Prepetition Credit Liens" has the meaning given to such term in the Final Order.

"Prepetition Loan Documents" means the Loan Documents as defined in the Prepetition Credit Agreements.

"Priority Collateral" means any Collateral subject to liens granted pursuant to Section 8.1(a) and 8.1(b).

"Promissory Note" shall mean the promissory note, in form and substance satisfactory to Lender and the Borrowers, to be given by the Borrowers to the Lender to evidence the Advances.

"Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

"Remedial Action" means all actions taken to (a) clean up, remove, remediate, contain, treat, monitor, assess, evaluate, or in any way address Hazardous Materials in the indoor or outdoor environment, (b) prevent or minimize a release or threatened release of Hazardous Materials so they do not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment, (c) restore or reclaim natural resources or the environment, (d) perform any pre-remedial studies, investigations, or post-remedial operation and maintenance activities, or (e) conduct any other actions with respect to Hazardous Materials required by Environmental Laws.

"Required Lien Priority" has the meaning set forth in Section 8.2.

"Sale" means the sale of all or substantially all of the assets of any Borrower or any Subsidiary thereof (including any Collateral transferred to another Borrower), to any party, including the Lender, pursuant to the provisions of Section 363 of the Bankruptcy Code or pursuant to an Acceptable Plan.

"Sale Deposit" has the meaning specified in Section 8.1(a)(i).

"SC Healthcare" has the meaning specified in the recitals hereto.

"Schedules" means those certain schedules annexed hereto and made a part hereof.

"Security Documents" means (i) all UCC financing statements, or amendments or continuations thereof, and (ii) any other documents or filings in connection with the perfection of the Liens hereunder.

"Site Lease" means a lease pursuant to which each location operated by a Loan Party or a Subsidiary of a Loan Party has been leased to such Person.

"Stated Maturity Date" means December 31, 2024.

"Subsidiary" means, with respect to any Person, any corporation, partnership, limited liability company, association or other business entity of which more than fifty percent (50%) of the total voting power of shares of stock (or equivalent ownership or controlling interest) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers,

governors or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof.

"Superpriority Claim" has the meaning specified in Section 8.1(a)(i).

"UCC" means the Uniform Commercial Code as in effect in the State of New York; provided that, if perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"United States" means the United States of America.

"Weekly Budget Variance Report" has the meaning specified in Section 5.2.

1.2 Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP; provided, that if Borrowers notify Lender that Borrowers requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Closing Date in GAAP or in the application thereof on the operation of such provision (or if Lender notifies Borrowers that Lender requests an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then Lender and Borrowers agree that they will negotiate in good faith amendments to the provisions of this Agreement that are directly affected by such change in GAAP with the intent of having the respective positions of Lender and Borrowers after such change in GAAP conform as nearly as possible to their respective positions as of the date of this Agreement and, until any such amendments have been agreed upon, the provisions in this Agreement shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective. When used herein, the term "financial statements" shall include the notes and schedules thereto. Whenever the term "Borrowers" is used in respect of a financial covenant or a related definition, it shall be understood to mean Borrowers on a consolidated basis, unless the context clearly requires otherwise.

1.3 UCC. Any terms used in this Agreement that are defined in the UCC shall be construed and defined as set forth in the UCC unless otherwise defined herein; provided, that to the extent that the UCC is used to define any term herein and such term is defined differently in different Articles of the UCC, the definition of such term contained in Article 9 of the UCC shall govern.

1.4 Construction. Unless the context of this Agreement or any other Loan Document clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms "includes" and "including" are not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereby," "hereunder," and similar terms in this Agreement or any other Loan Document refer to this Agreement or such other Loan Document, as the case may be, as a whole and not to any particular provision of this Agreement or such other Loan Document, as the case may be. Section, subsection, clause, schedule, and exhibit references herein are to this

Agreement unless otherwise specified. Any reference in this Agreement or in any other Loan Document to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). The words "asset'' and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts, and contract rights. Any reference herein or in any other Loan Document to the satisfaction, repayment, or payment in full of the Obligations shall mean the repayment in full in cash of all Obligations other than unasserted contingent indemnification Obligations (with all such Obligations consisting of monetary or payment Obligations having been paid in full in cash). Any reference herein to any Person shall be construed to include such Person's successors and assigns. Any requirement of a writing contained herein or in any other Loan Document shall be satisfied by the transmission of a Record.

1.5 Schedules and Exhibits. All of the schedules and exhibits attached to this Agreement shall be deemed incorporated herein by reference.

2. LOAN AND TERMS OF PAYMENT.

2.1 Agreement to Lend; Delayed Draw; Security Documents and Loan Documents.

(a) Subject to the terms and conditions of this Agreement, the Bankruptcy Court's entry of the Final Order and in accordance with the approved Budget, Lender agrees, subject to the satisfaction or waiver of the conditions precedent in Section 3, to make advances to Borrowers (each, an "Advance" and collectively, the "Advances"); provided that in no event shall the aggregate amount of Advances made by Lender hereunder exceed the Lender's Commitment. Any Advance, or portion thereof, that is repaid or prepaid (whether as an optional prepayment or a mandatory prepayment) cannot be reborrowed. For the avoidance of doubt, it is understood and agreed that the Interim Advance was funded pursuant to the Interim Order on the Closing Date.

(b) The Advances shall be secured by the Collateral as set forth in this Agreement, the Final Order, and the other Loan Documents.

(c) Each Loan Party agrees that it is jointly and severally liable for the prompt payment and performance of all Obligations under the Loan Documents. Borrowers promise to pay the Obligations (including principal, interest, fees, costs, and expenses) in Dollars in full (including the Exit Fee) on the Maturity Date.

2.2 Borrowing Procedures. Each Advance under Section 2.1(a) shall be made by a written request substantially in the form of the Request for Advance attached hereto as Exhibit C executed by an Authorized Person of the Lead Borrower and delivered to the Lender no later than three (3) Business Days prior to the requested funding date (or such shorter period as the Lender may permit in its sole discretion): provided, that the aggregate amount of all such Advances shall not exceed the Lender's Commitment. Upon satisfaction or waiver of the conditions precedent specified herein, Lender shall make the proceeds of the relevant Advance available to the

Borrowers on the requested funding date by causing the principal amount of the relevant Advance to be credited to the Designated Account.

2.3 Payments; Reductions of the Commitment; Prepayments.

(a) **Payments by Borrowers**. Except as otherwise expressly provided herein, all payments by Borrowers shall be made to the Loan Account for the account of Lender and shall be made in immediately available funds, no later than 4:00 p.m. (Eastern time) on the date specified herein. Any payment received by Lender later than 4:00 p.m. (Eastern time) shall be deemed to have been received on the following Business Day and any applicable interest or fee shall continue to accrue until such following Business Day.

(b) **Application of Payments and Proceeds**. Subject to the Final Order, all payments remitted to Lender and all proceeds of Priority Collateral received by Lender shall be applied as follows:

(i) first, to pay any Lender Expenses (including reasonable cost or expense reimbursements, such as reasonable attorneys' fees) then owed to the Lender or Lender Related Persons in accordance with the Final Order, or indemnities then due to Lender under the Loan Documents, until paid in full;

(ii) second, to pay any Fees then due to Lender under the Loan Documents until paid in full;

(iii) third, to pay interest due in respect of the Advances until paid in full;

(iv) fourth, to pay the principal of all Advances until paid in full;

(v) fifth, to pay any other Obligations until paid in full; and

(vi) sixth, to Borrowers (to be wired to the Designated Account) or as otherwise required by applicable law.

In the event of a direct conflict between the priority provisions of this Section 2.3(b) and any other provision contained in any other Loan Document (except for the Final Order), it is the intention of the parties hereto that such provisions be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of this Section 2.3(b) shall control and govern. Notwithstanding the foregoing, to the extent there is a conflict between the Final Order and any other Loan Document, the Final Order shall control and govern.

(c) **Optional Prepayments**. Borrowers may prepay any Advance, in whole or in part, at any time, provided that (i) the principal amount being prepaid shall be an amount not less than $1,000,000 and (ii) Borrowers shall also pay all accrued and unpaid interest on such principal amount and the Exit Fee as applied to the principal amount that was prepaid pursuant to clause (i).

(d) **Mandatory Prepayments**.

(i) **Indebtedness**. Within one (1) Business Day of the date of incurrence by any Loan Party or any Subsidiary of a Loan Party of any Indebtedness (other than Permitted Indebtedness), the Borrowers shall prepay the outstanding principal amount of the Obligations in accordance with Section 2.3(b) in an amount equal to 100% of the Net Cash Proceeds received in connection with the incurrence of such Indebtedness plus the accrued interest and Exit Fee as applied to the principal amount of such prepayment. The provisions of this Section 2.3(d)(ii) shall not be deemed to be implied consent to any such incurrence otherwise prohibited by the terms and conditions of this Agreement.

(ii) **Equity**. Within one (1) Business Day of the receipt by any Loan Party of any equity or any cash proceeds received from the issuance of equity interests or any capital contributions, the Borrowers shall prepay the outstanding principal amount of the Obligations in accordance with Section 2.3(b) in an amount equal to 100% of such Net Cash Proceeds received in connection with the incurrence of such Indebtedness plus the accrued interest and Exit Fee as applied to the principal amount of such prepayment. The provisions of this Section 2.3(d)(iii) shall not be deemed to be implied consent to any such incurrence otherwise prohibited by the terms and conditions of this Agreement.

2.4 Interest Rates and Rates, Payments and Calculations.

(a) **Interest Rate**. Except as provided in Section 2.4(b), all Advances shall bear interest on the Daily Balance thereof at a rate equal to twelve percent (12%) per annum. For the avoidance of doubt, for the purpose of calculating interest for purposes of this Section 2.4(a). The Daily Balance shall exclude accrued but unpaid interest due or owing hereunder.

(b) **Default Rate**. Upon the occurrence and during the continuation of an Event of Default, the principal amount of all Advances shall bear interest on the Daily Balance thereof at a per annum rate equal to two percentage points (2%) above the per annum rate otherwise applicable hereunder upon notice from Lender of its election to impose interest at the default rate. Any such notice may impose interest at the default rate retroactively to the date of the occurrence of the related Event of Default. For the avoidance of doubt, for the purpose of calculating interest for purposes of this Section 2.4(b), Daily Balance shall exclude accrued but unpaid interest due or owing hereunder.

(c) **Payment**. Except to the extent provided to the contrary herein, interest, all Fees due and payable hereunder or under any Loan Document, and all costs, expenses, and Lender Expenses payable hereunder or under any Loan Documents shall be due and payable, in arrears, on the first (1st) day of each month at any time that Obligations or the Commitment are outstanding. Borrowers hereby authorize Lender, from time to time, upon written notice to Borrowers and solely to extent in accordance with the Budget, to charge all interest and Fees payable hereunder or under any Loan Documents (in each case, solely to the extent due and payable), all reasonable costs, expenses, and Lender Expenses payable hereunder or under any of the other Loan Documents (in each case, solely to the extent due and payable) and all Fees provided for in Section 2.8 (in each case, solely to the extent due and payable).

(d) **Computation**. All interest and fees chargeable under the Loan Documents shall be computed on the basis of a 360 day year, in each case, for the actual number of days elapsed in the period during which the interest or fees accrue.

(e) **Intent to Limit Charges to Maximum Lawful Rate**. In no event shall the interest rate or rates payable under this Agreement, plus any other amounts paid in connection herewith, exceed the highest rate permissible under any law that a court of competent jurisdiction shall, in a final determination, deem applicable. Loan Parties and Lender, in executing and delivering this Agreement, intend legally to agree upon the rate or rates of interest and manner of payment stated within it; provided, that, anything contained herein to the contrary notwithstanding, if said rate or rates of interest or manner of payment exceeds the maximum allowable under applicable law, then, *ipso facto,* as of the date of this Agreement, Loan Parties are and shall be liable only for the payment of such maximum as allowed by law, and payment received from Loan Parties in excess of such legal maximum, whenever received, shall be applied to reduce the principal balance of the Obligations to the extent of such excess.

2.5 Crediting Payments; Clearance Charge. The receipt of any payment item by Lender shall not be considered a payment on account unless such payment item is a wire transfer of immediately available federal funds made to the Loan Account or unless and until such payment item is honored when presented for payment. Should any payment item not be honored when presented for payment, then Loan Parties shall be deemed not to have made such payment and interest shall be calculated accordingly. Anything to the contrary contained herein notwithstanding, any payment item shall be deemed received by Lender only if it is received into the Loan Account on a Business Day on or before 4:00 p.m. (Eastern time). If any payment item is received into the Loan Account on a non-Business Day or after 4:00 p.m. (Eastern time) on a Business Day, it shall be deemed to have been received by Lender as of the opening of business on the immediately following Business Day.

2.6 Designated Account.

(a) Borrowers agree to establish and maintain the Designated Account with the Designated Account Bank and to receive the proceeds of the Advances requested by Borrowers and made by Lender hereunder in such Designated Account.

(b) Borrowers agree to deposit all proceeds of sales of the Collateral into the Designated Account.

2.7 Maintenance of Loan Account; Statements of Obligations; Promissory Note. Lender shall maintain true, correct and complete electronic or written records evidencing the Indebtedness and other Obligations owed by the Borrowers to Lender, in which Lender will record (i) the amount of all Advances made under this Agreement, (ii) the amount of any principal and/or interest due and payable and/or to become due and payable from the Borrowers to the Lender under this Agreement and (iii) all amounts received by Lender under this Agreement from any Loan Party. Borrower's obligation to pay the principal of, and interest on, the Advances made to the Borrower shall be evidenced by the Promissory Note executed by the Borrowers and delivered to the Lender in addition to such records.

2.8 Fees. On the Closing Date, Borrowers paid the Commitment Fee. The Commitment Fee, the Exit Fee and any other Fees payable to Lender hereunder or under any of the other Loan Documents shall not be subject to proration and shall be non-refundable and non-avoidable obligations of the Borrowers and shall be paid by the Borrowers in full in cash.

3. CONDITIONS; TERM OF AGREEMENT

3.1 Conditions Precedent to Advancing the Commitment. Lender shall not be required to make any subsequent Advances after the Interim Advance unless and until all of the conditions specified below in this Section 3.1 and in Section 3.2 shall have been satisfied or waived by Lender in its sole discretion.

(a) Lender shall have received a copy of the Budget, acceptable to the Lender in its reasonable discretion.

(b) The Final Order shall be in full force and effect and shall not have been modified or amended, reversed, stayed or subject to a motion for re-argument or reconsideration, or appealed (unless, in each case set forth above, otherwise agreed to by Lender). Borrowers and Lender shall be entitled to rely in good faith upon the Final Order and shall be permitted and required to perform their respective obligations in compliance with this Agreement notwithstanding any such objections thereto, unless the relevant order has been stayed by a court of competent jurisdiction.

(c) Lender shall have received evidence, in form and substance reasonably acceptable to Lender, that, all necessary Uniform Commercial Code financing statements necessary to provide Lender with a valid, perfected priming security interest in the Collateral pledged by the Loan Parties in accordance with the Required Lien Priority have been filed or will be filed by Lender promptly upon the Effective Date.

(d) Lender shall have received copies of UCC, tax, and judgment lien searches and title reports, in each case satisfactory to Lender in its sole discretion.

(e) All Fees required to be paid on the Closing Date under this Agreement shall have been paid or will be paid from such Advance. The Lender hereby acknowledges receipt of the Commitment Fee as of the Closing Date.

(f) All other documents in connection with the transactions contemplated by this Agreement shall have been delivered or executed and shall be in form and substance reasonably satisfactory to Lender.

(g) No Material Adverse Change shall have occurred and be continuing.

(h) All representations and warranties of the Loan Parties under the Loan Documents shall be true and correct in all material respects (or in the case of representations and warranties with a "materiality" qualifier, true and correct in all respects).

3.2 Conditions Precedent to all Extensions of Credit. Lender shall not be required to make any Advances unless and until all of the additional conditions specified below shall have been satisfied or waived by Lender in its sole discretion.

(a) Borrowers shall be in compliance with the conditions precedent set forth in Section 3.1 of this Agreement.

(b) The representations and warranties of Borrowers contained in this Agreement or in the other Loan Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date of such extension of credit, as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier date).

(c) No Default or Event of Default shall have occurred and be continuing on the date of such extension of credit, nor shall either result from the making thereof.

(d) No injunction, writ, restraining order, or other order of any nature restricting or prohibiting, directly or indirectly, the extending of such credit shall have been issued and remain in force by any Governmental Authority against any Loan Party or Lender; and

(e) No action, proceeding, investigation, regulation or legislation shall have been instituted or threatened before any Governmental Authority to enjoin, restrain or prohibit, or to obtain damages in respect of, or which is related to or arises out of this Agreement or any of the other Loan Documents or the consummation of the transactions contemplated hereby and thereby and which, in Lender's reasonable judgment, would make it inadvisable to consummate the transactions contemplated by this Agreement or any of the other Loan Documents.

(f) The Borrowers shall have delivered to the Lender a customary borrowing notice in accordance with Exhibit C.

(g) The Borrowers shall be in compliance in all respects with the Final Order and the Loan Parties shall be in compliance in all respects with the Loan Documents.

(h) The Borrowers shall have all insurance policies maintained by Loan Parties name the Lender as additional insured and lender/mortgagee loss payee, as applicable, and shall use commercially reasonable efforts to cause each of their tenants under leases of the fee-owned real properties listed on Schedule 9.4(e) to name the Lender as additional insured and lender/mortgagee loss payee (for the avoidance of doubt, if the Borrowers are unable to direct that the tenants name the Lender on such policies as required hereunder, the Borrower shall cooperate with the Lender in order to reach an agreement that ensures that the Lender is adequately protected with respect to these properties).

(i) All Fees, costs, expenses (including, without limitation, legal fees and expenses) set forth in the Loan Documents or otherwise to be paid to the Lender shall have been paid when due.

3.3 Maturity. This Agreement shall continue in full force and effect until the payment in full of the Obligations. All Obligations including, without limitation, the outstanding unpaid principal balance and all accrued and unpaid interest and all Fees (including, without limitation, the Exit Fee) on the Advances shall be due and payable on the Maturity Date.

3.4 Effect of Maturity. On the Maturity Date, the Commitment of Lender to provide any additional credit hereunder shall automatically be terminated and all Obligations immediately shall become due and payable without notice or demand. No termination of the obligations of Lender (other than payment in full of the Obligations and termination of the Commitment) shall relieve or discharge any Loan Party of its duties, obligations, or covenants hereunder or under any other Loan Document and Lender's Liens in the Collateral shall continue to secure the Obligations and shall remain in effect until all Obligations have been paid in full and the Commitment has been terminated. When all of the Obligations have been indefeasibly paid in full in immediately available funds and Lender has no further obligation hereunder to make further Advances, Lender will, at the Borrowers' expense, execute and deliver any termination statements, lien releases, discharges of security interests, and other similar discharge or release documents (and, if applicable, in recordable form) as are reasonably necessary to release, as of record, Lender's Liens and all notices of security interests and Liens previously filed by Lender with respect to the Obligations.

4. REPRESENTATIONS AND WARRANTIES

In order to induce Lender to enter into this Agreement, each Loan Party represents and warrants to the Lender on each Advance Date that the following representations and warranties are true and correct:

4.1 Due Organization and Qualification.

(a) Each Loan Party (i) is duly formed and existing and in good standing under the laws of the jurisdiction of its formation, (ii) solely to the extent that the ownership of Collateral requires such qualification, is qualified to do business in any state where the failure to be so qualified would reasonably be expected to result in a Material Adverse Change, and (iii) subject to any limitation under the Bankruptcy Code or other debtor relief law, has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Loan Documents to which it is a party and to carry out the transactions contemplated thereby. Schedule 4.1(a) is an organizational chart showing the complete and accurate ownership structure of the Loan Parties.

(b) Schedule 4.l(b) sets forth, for each Loan Party, its legal name (within the meaning of Section 9-503 of the UCC), jurisdiction of incorporation or formation, type of entity (for profit or non-profit), and equity owners.

4.2 Due Authorization. The execution, delivery, and performance by each Loan Party of the Loan Documents to which it is a party have been duly authorized by all necessary corporate or limited liability company action on the part of such Loan Party.

4.3 Binding Obligations. Each Loan Document has been duly executed and delivered by each Loan Party that is a party thereto and is the legally valid and binding obligation of such

Loan Party pursuant to the Final Order, enforceable against such Loan Party in accordance with its respective terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally (regardless of whether such enforceability is considered in a proceeding at law or in equity).

4.4 Existing Prepetition Liens. Except for the existing Liens of Loan Parties' pre-Petition Date lenders or creditors set forth on Schedule 4.4 ("Existing Prepetition Liens"), each Loan Party has (i) good, sufficient and legal title to, and (ii) good and marketable title to (in the case of personal property), all of such Loan Party's right, interest and title in the Collateral.

4.5 Jurisdiction of Formation; Location of Principal Place of Business; Organizational; Identification Number; Commercial Tort Claims.

(a) The name (within the meaning of Section 9-503 of the UCC), jurisdiction of formation, tax identification numbers and organizational identification number (if any) of each Loan Party are as set forth on Schedule 4.5 (as such Schedule may be updated from time to time by notice from such Loan Party to Lender).

(b) The principal place of business of each Loan Party is located at the address indicated on Schedule 4.5 (as such Schedule may be updated from time to time by notice from such Loan Party to Lender). Except with respect to potential claims with respect to accounts receivable collections, the Loan Parties have no actual knowledge of the existence by them of any commercial tort claims except as described on such Schedule 4.5.

4.6 Litigation. There are no actions, suits, proceedings, claims or disputes pending or, to the actual knowledge of Loan Parties, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or against any of its properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby, or (b) except as set forth on Schedule 4.6, either individually or in the aggregate, if determined adversely, would reasonably be expected to have a Material Adverse Change.

4.7 Fraudulent Transfer. No transfer of property is being made by a Loan Party and no obligation is being incurred by a Loan Party in connection with the transactions contemplated by this Agreement or the Loan Documents with the intent to hinder, delay or defraud either present or future creditors of any Loan Party.

4.8 Indebtedness. Set forth on Schedule 4.8 is a true and complete list of all material Indebtedness of each Loan Party outstanding immediately prior to the Petition Date and such Schedule accurately sets forth the aggregate principal amount of such Indebtedness as of such date.

4.9 Payment of Taxes. Except as provided on Schedule 4.9, all United States federal, state and other material tax returns and reports of each Borrower required to be filed by any of them with respect to the Collateral have been timely filed, and all taxes due with respect to the period covered by such tax returns and all material assessments, fees and other governmental charges upon any Collateral that are due and payable have been paid when due and payable, other than taxes that are the subject of a Permitted Protest. With respect to the Collateral, the Loan

Parties are not aware of any proposed tax assessment against a Borrower with respect to United States federal, state or municipal taxes.

4.10 Budget. Attached to this Agreement as Exhibit B is a true and complete copy of the Budget. The Budget may be amended from time to time in accordance with the Final Order.

4.11 Site Leases.

(a) Each location maintained by a Loan Party or a Subsidiary of a Loan Party, including but not limited to all buildings and other improvements comprising any real property, is (i) in good condition and repair and well maintained, ordinary wear and tear and casualty or condemnation events excepted; (ii) equipped and operational in all material respects for purposes of the business operated therein in the Ordinary Course of such Loan Party or Subsidiary of a Loan Party; (iii) to each Loan Party's knowledge, free from material structural defects; and (iv) to each Loan Party's knowledge, in compliance in all material respects with all applicable regulations relating to public safety. The equipment, including all machinery, furniture, appliances, trade fixtures, tools, and office and record keeping equipment, of each Loan Party and their respective Subsidiaries now located at such locations includes all of the material equipment, machinery, furniture, appliances, trade fixtures, tools, and office and record keeping equipment necessary for the proper and prudent operation of such locations in the Ordinary Course of such Loan Party or Subsidiary of a Loan Party as a designer, manufacturer and distributor of costumes and related accessories and all such equipment is in good condition and repair and well maintained, ordinary wear and tear excepted, except where the failure to so comply would not have a Material Adverse Change.

(b) Each Site Lease is in full force and effect and the applicable Loan Party or Subsidiary is the sole owner of the entire leasehold interest thereunder, and such Person's interest in such Site Lease has not been assigned, transferred, subleased, mortgaged, hypothecated or otherwise encumbered, except for Permitted Liens and as set forth on Schedule 4.11(b). To each Loan Party's knowledge, no event has occurred and no condition exists that, with the giving of notice or the lapse of time or both, would constitute a material default by any Loan Party or any of their respective Subsidiaries under any Site Lease, except as set forth on Schedule 4.11(b).

4.12 Permits. Except as set forth on Schedule 4.12, each Loan Party is in compliance with, and has, all Permits required for the operation of its business and for the execution, delivery and performance by, and enforcement against, such Loan Party of each Loan Document, in each case, except where the failure thereof would not reasonably be expected to result in a Material Adverse Change.

4.13 No Other Representations. Except for the representations and warranties contained in this Article 4 (including the related portions of the Schedules), no Loan Party nor, to each Loan Party's knowledge, any other Person has made or makes any other express or implied representation or warranty, either written or oral, on behalf of the Loan Parties as to the accuracy or completeness of any information, documents or material delivered to Lender or made available to Lender. Lender hereby acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, Lender has relied solely upon its own investigation and the express representations and warranties of the Loan Parties set

forth in this Article 4 (including the related portions of the Schedules) and (b) no Loan Party nor any other Person has made any representation or warranty except as expressly set forth in this Article 4 (including the related portions of the Schedules).

4.14 Full Disclosure No representation, warranty or other statement made by any Loan Party to Lender in connection with this Agreement or any other Loan Document contains any untrue statement of a material fact, or omits to state any material fact necessary in order to make the statements contained herein or therein not misleading in any material respect.

5. AFFIRMATIVE COVENANTS

Each Loan Party covenants and agrees that, until termination of the Commitment and payment in full of the Obligations, it shall comply with each of the following:

5.1 Financial Statements, Reports, Certificates. Lead Borrower shall deliver to Lender (a) promptly upon it or any Loan Party becoming aware of any Default, notice of such default; and (b) promptly upon becoming aware of any litigation threatened in writing against any Loan Party or filed (other than any adversary proceeding filed in the Chapter 11 Cases), or any event (other than events of public knowledge in the Chapter 11 Cases) which would reasonably be expected to have a Material Adverse Change, notice of such event.

5.2 Reporting. The Lead Borrower will:

(a) commencing on the first Thursday to occur after the entry of the Final Order and on the Thursday of each week thereafter, prepare and deliver to Lender (x) a report showing actual cash receipts and disbursements of the entities covered by the Budget for the preceding Monday through the following Sunday, and (y) a written explanation in reasonable detail of all material variances to the Budget (the "Weekly Budget Variance Report"); provided that, for the avoidance of doubt, the Weekly Budget Variance Report and net operating cash flow set forth therein shall not include any disbursements in connection with professional fees, Lender Expenses, interest, Fees, all direct costs and budgeted professional fees associated with the Chapter 11 Cases and any other amounts payable hereunder or any Loan Document;

(b) update and roll-forward the proposed Budget (the "Updated Budget") no less frequently than every four (4) weeks or at such other interval as agreed to by the Lender and the Borrowers, each such amended Budget to be delivered to Lender no later than the thirtieth (30^{th}) day of each month; and

(c) participate in a weekly conference call, if required, commencing on the third (3^{rd}) Business Day of each week following the Petition Date regarding the Budget, management issues, sale process, and other matters.

5.3 Material Contracts; Sale Offers. Other than defaults existing as of the date hereof, Lead Borrower shall deliver to Lender (a) promptly upon any Loan Party becoming aware of any default (other than the filing of the Chapter 11 Case) under any Material Contract to which any Loan Party is a party, notice of such defaults, and (b) promptly notify Lender upon any written offer by a third party to purchase all or substantially all of the assets of the Borrowers, or to purchase all or substantially all of the equity of the Borrowers or to refinance the Facility (including

the material terms of such refinancing). If requested by Lender, the Chief Restructuring Officer and/or the chief financial officer of the Borrowers shall participate in a conference call with Lender (as long as no Event of Default has occurred and is continuing, such call shall be no more often than weekly), following the Petition Date regarding management issues and other matters.

5.4 Existence. At all times, each Loan Party shall (a) maintain and preserve in full force and effect its existence (including being in good standing in its jurisdiction of incorporation or formation) and (b) maintain all its rights and franchises, licenses and permits, except where the failure to maintain any such rights and franchises, or licenses and permits would not reasonably be expected to result in a Material Adverse Change.

5.5 Maintenance of Properties; Permits. Each Loan Party shall (a) maintain and preserve the Collateral that is necessary to the proper conduct of its business in good working order and condition, ordinary wear, tear, and casualty excepted to the extent permitted by the Budget and the Permitted Variance, (b) comply with the material provisions of all material leases related to the Collateral pledged by it, so as to prevent the loss or forfeiture thereof, unless (i) such provisions are the subject of a Permitted Protest, or (ii) such lease is a Site Lease that is rejected in the exercise of such Borrower's reasonable judgment, or a Site Lease described on Schedule 4.1l(b): and (c) maintain, comply with and keep in full force and effect its Permits with respect to the Collateral pledged by it. Each Loan Party shall comply with, and obtain and maintain, all Permits required for the operation of its business except where the failure to comply, obtain, and maintain would not have a Material Adverse Change.

5.6 Taxes. Each Loan Party shall cause all assessments and taxes imposed, levied, or assessed after the Petition Date against any Collateral to be paid in full, before delinquency or before the expiration of any extension period, except to the extent that any such assessments and taxes shall be paid as part of a plan of reorganization approved by Lender or subject to a Permitted Protest.

5.7 Insurance. At the relevant Loan Party's expense, each Loan Party shall maintain insurance with respect to the Collateral in which such Loan Party has any right, interest or title, covering loss or damage by fire, theft, explosion, and all other hazards and risks as ordinarily are insured against by other Persons engaged in the same or similar businesses and consistent with such Loan Party's insurance policies in effect on the Petition Date. Each Loan Party shall maintain general liability, director's and officer's liability insurance, fiduciary liability insurance, employment practices liability insurance, title insurance as well as insurance against larceny, embezzlement, and criminal misappropriation. All such policies of insurance shall be with responsible and reputable insurance companies and in such amounts as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated and located and in any event in amount, adequacy and scope reasonably satisfactory to Lender. All property insurance policies and title insurance policies covering the Collateral are to be made payable to Lender for the benefit of Lender, in case of loss, pursuant to a standard loss payable endorsement with a standard non-contributory "lender" or "secured party'' clause and are to contain such other provisions as Lender may reasonably require to fully protect Lender's interest in the Collateral and any payments to be made under such policies. All certificates of property and general liability insurance are to be delivered to Lender, with the loss payable (but only in respect of Collateral) and additional insured endorsements in favor of Lender and shall provide for

not less than thirty (30) days (ten (10) days in the case of non-payment) prior written notice to Lender of the exercise of any right of cancellation. If any Loan Party fails to maintain the insurance required by this Section 5.7, Lender may arrange for such insurance, but at the Borrowers' expense and without any responsibility on Lender's part for obtaining the insurance, the solvency of the insurance companies, the adequacy of the coverage, or the collection of claims. Each relevant Loan Party shall give Lender prompt notice of any loss covered by its casualty or business interruption insurance. Upon the occurrence and during the continuance of an Event of Default, Lender shall have the sole right to file claims under any property and general liability insurance policies in respect of the Collateral, to receive, receipt and give acquittance for any payments that may be payable thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents that may be necessary to effect the collection, compromise or settlement of any claims under any such insurance policies; provided, however, that in the event the Lender does not exercise such rights, the applicable Loan Party may exercise those rights in its discretion.

5.8 Inspection. Each Loan Party shall permit Lender and each of its duly authorized representatives or agent to visit any of its properties and inspect any of its Collateral or books and records, to conduct appraisals and valuations, to examine and make copies of its books and records, and to discuss its affairs, finances, and accounts with, and to be advised as to the same by, its officers and employees at such reasonable times and intervals as Lender may reasonably require and, so long as no Default or Event of Default exists, with reasonable prior notice to the applicable Loan Party. Such inspections shall not occur more than once every three (3) months; provided that no such limitation shall apply in the event that a Default or Event of Default exists.

5.9 Environmental. Each Loan Party shall:

(a) Keep the Collateral owned or operated by it free of any Environmental Liens,

(b) Comply with all applicable Environmental Laws, except where the failure to so comply would not reasonably be expected result in a Material Adverse Change.

(c) Promptly notify Lender of any release of which such Loan Party has knowledge of a Hazardous Material in any reportable quantity from or onto property owned or operated by any Loan Party that would reasonably be expected to result in a Material Adverse Change, and

(d) Promptly, but in any event within five (5) Business Days of its receipt thereof, provide Lender with written notice of any of the following: (i) written notice that an Environmental Lien has been filed against any of the Collateral, (ii) commencement of any Environmental Action or written notice that an Environmental Action will be filed against any Loan Party, and (iii) written notice of a violation, citation, or other administrative order from a Governmental Authority.

5.10 Compliance with Laws. Each Loan Party shall comply with the requirements of all applicable laws, rules, regulations, and orders of any Governmental Authority, other than laws,

rules, regulations, and orders the non- compliance with which, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Change.

5.11 [Reserved].

5.12 Further Assurances. Upon reasonable written notice from Lender, each Loan Party shall execute or deliver to Lender any and all financing statements, fixture filings, endorsements of certificates of title, mortgages, deeds of trust, and all other documents (collectively, the "Additional Documents") that Lender may reasonably request in form and substance reasonably satisfactory to Lender, to create, perfect, and continue perfected or to better perfect Lender's Liens in the Collateral (whether now owned or hereafter arising or acquired, tangible or intangible, real or personal), subject, in each case, to the requirements hereunder.

5.13 Budget. Borrowers shall comply with the Budget and the Permitted Variance.

6. NEGATIVE COVENANTS

Each Loan Party covenants and agrees that, until termination of the Commitment and payment in full of the Obligations, such Loan Party will not do any of the following without the prior consent of Lender in its reasonable discretion:

6.1 Indebtedness. Except for Permitted Indebtedness, create, incur, assume, suffer to exist, guarantee, or otherwise become or remain, directly or indirectly, liable with respect to any Indebtedness.

6.2 Liens. Create, incur, assume, or suffer to exist on or after the date of this Agreement, directly or indirectly, any Lien on or with respect to any of the Collateral, of any kind, whether now owned or hereafter acquired, or any income or profits therefrom, except for Liens (a) created by the Loan Documents, (b) set forth on Schedule 4.4 and (c) any other Lien that is the subject of a Permitted Protest.

6.3 Restrictions on Fundamental Changes. Except, in each case, in connection with a plan of reorganization or a Sale or Sales approved by the Bankruptcy Court or otherwise with the prior written consent of Lender:

(a) no Loan Party shall enter into any merger, consolidation, reorganization, or recapitalization, or reclassify its equity interests,

(b) no Borrower shall liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), and

(c) no Borrower shall suspend or close a material portion of its business for a period of longer than five (5) Business Days.

6.4 Disposal of Assets. Except for a Sale approved by the Bankruptcy Court, convey, sell, lease, license, assign, transfer, or otherwise dispose of (or enter into an agreement to convey, sell, lease, license, assign, transfer, or otherwise dispose of) any Collateral held by any Loan Party,

other than the sale or replacement of Collateral in the Ordinary Course. For the avoidance of doubt, any proceeds of such disposed Collateral shall be used to replace such Collateral.

6.5 Change Name. Change any Loan Party's name, state of organization, or organizational identity.

6.6 Nature of Business. Make any change in the nature of any Loan Party's business or acquire any properties or assets that are not reasonably related to the conduct of such business activities; provided, that the foregoing shall not prevent any Loan Party from (i) engaging in any business that is reasonably related or ancillary to its or their business, or (ii) complying with any requirement of the Bankruptcy Code.

6.7 Material Leases or Contracts; Amendments. Change or modify the material terms of any material lease or contract in connection with Collateral or materially alter any Organizational Documents, except, in each case, with the prior written consent of Lender.

6.8 Change of Control. Cause, permit, or suffer, directly or indirectly, any Change of Control.

6.9 Accounting Methods. Modify or change its fiscal year or its method of accounting (other than as may be required to conform to GAAP) and as otherwise permitted hereunder.

6.10 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any transaction with any other Borrower or any Affiliate of any Loan Party, except for transactions that are in the Ordinary Course of such Loan Party's business, including intercompany transactions and various employee incentive and retention programs (in compliance with the Bankruptcy Code) among the Loan Parties and their Affiliates.

6.11 Use of Advances. Use the proceeds of the Advances for any purpose other than to pay (i) the Fees and Lender's Expenses, and (ii) such other costs, expenses and fees for Borrowers' conduct of their respective businesses and operations and other post-Petition Date expenses, including the fees and expenses of the administration of the Borrowers' Chapter 11 Cases in accordance with the Budget.

6.12 Limitation on Capital Expenditures. Make or incur any Capital Expenditure in excess of $3,000,000 in an aggregate principal amount outstanding at any time.

6.13 Chapter 11 Case. Seek, consent or suffer to exist (i) any modification, stay, vacation or amendment to the Final Order; (ii) in connection with the Collateral, a priority claim for any administrative expense or unsecured claim against any Borrower (now existing or hereafter arising of any kind or nature whatsoever, including, without limitation, any administrative expense of any kind specified in Section 503(b), 506(b) or (c) or 507(b) of the Bankruptcy Code) equal to or superior to the priority claim of Lender in respect to the Collateral; and (iii) any Lien on Collateral having a priority equal or superior to the Liens in favor of Lender in respect of the Obligations, other than as required under a purchase agreement with respect to the good faith deposit thereunder.

6.14 Plan. Propose and/or support any plan or reorganization that fails to pay in full in cash all Obligations on the effective date of said plan or is otherwise not acceptable to Lender.

6.15 Acquisitions, Loans or Investments. Make any acquisition, advance, loan or any other investment of any kind or nature other than (A) acquisitions of inventory or equipment in the Ordinary Course or (B) intercompany loans and advances in the ordinary course of business or consistent with past practice.

6.16 Payments on Indebtedness. Other than with respect to the Obligations, make any payment with respect to any Indebtedness.

6.17 Distributions or Redemptions. Pay any dividends or distributions on, or make any redemptions of, any equity interest of any Loan Party.

6.18 Formation of Subsidiaries. Form any direct or indirect Subsidiary or acquire any direct or indirect Subsidiary after the Closing Date without the consent of Lender, in its sole discretion, unless such Subsidiary is joined as a Borrower under this Agreement and executes any such documentation reasonably requested by Lender.

7. EVENTS OF DEFAULT

7.1 Event of Default. Any one or more of the following events shall constitute an event of default following giving of any applicable notice (if required) and the expiration of the applicable cure period (if any) (each, an "Event of Default") under this Agreement:

(a) Any Loan Party shall fail to pay any Obligation to the Lender when due, including, but not limited to, the payment of principal, interest or any Fees or costs due to the Lender, in each case, under this Agreement or any Loan Document;

(b) Any Loan Party shall fail to comply with its obligations under Sections 5.1 and 5.2 (and such failure to comply with Sections 5.1 and 5.2 shall continue unremedied for three (3) Business Days), 5.3, 5.4, 5.8, 5.12, Section 6 and/or Section 8;

(c) Other than as set forth in any other sub-section of this Section 7.1, any Loan Party, as applicable, shall fail to perform, or otherwise breach, any of its respective covenants or obligations contained in this Agreement, which failure or breach shall continue for ten (10) Business Days after the earlier to occur of (i) the date on which such failure to comply is known or reasonably should have become known to the Chief Restructuring Officer of the Loan Parties, or (ii) the date on which Lender shall have notified the relevant Loan Party of such failure; provided, however, that such ten (10) Business Day period shall not apply in the case of any failure which is not capable of being cured at all or within such ten (10) Business Day period;

(d) Any representation, warranty or certification made by any Loan Party in this Agreement or in any agreement, certificate, instrument or financial statement or other statement delivered to the Lender pursuant to or in connection with this Agreement shall prove to have been incorrect in any material respect when made or deemed made, which failure or breach shall continue for ten (10) Business Days after the date upon which such default is known or reasonably

should have become known to the Chief Restructuring Officer of the Loan Parties or it has received a written notice of such failure or breach from the Lender;

(e) Except upon the Lender's prior written request or with the Lender's express prior written consent (and no such consent shall be implied from any other action, inaction, or acquiescence of the Lender), any Loan Party shall file a motion with the Bankruptcy Court or any other court with jurisdiction in the matter seeking an order, or an order is otherwise entered, modifying, reversing, revoking, staying, rescinding, vacating, or amending the Final Order or any of the Loan Documents;

(f) Borrowers shall file or obtain Bankruptcy Court (i) approval of a disclosure statement for a plan of reorganization that is not an Acceptable Plan or (ii) sale of Collateral pursuant to Section 363 of the Bankruptcy Code which proposed sale is not reasonably acceptable to the Lender;

(g) Any Loan Party shall file any motion or application, or the Bankruptcy Court allows the motion or application of any other Person, which seeks approval for or allowance of any claim, lien, security interest ranking equal or senior in priority to the claims, liens and security interests granted to the Lender under the Final Order, or with respect to the Collateral or any such equal or prior claim, lien, or security interest shall be established in any manner, except, in any case, as expressly permitted under the Final Order;

(h) The Final Order shall cease to be in full force and effect;

(i) The occurrence of any default or event of default under the Final Order and the continuance thereof after any grace or cure period provided in such order or granted by order of a court in the Bankruptcy Cases;

(j) The entry of an order which provides relief from the automatic stay otherwise imposed pursuant to Section 362 of the Bankruptcy Code, which order permits any creditor, other than the Lender (other than any creditor having a Lien on specific equipment that is senior to the Lender), to realize upon, or to exercise any right or remedy with respect to, the Collateral with an aggregate fair market value in excess of $5,000,000;

(k) Conversion of the Chapter 11 Case to a Chapter 7 case under the Bankruptcy Code, or dismissal of the Chapter 11 Case or any subsequent Chapter 7 case either voluntarily or involuntarily and the Obligations are not simultaneously indefeasibly paid in full;

(l) The Final Order is modified, reversed, revoked, remanded, stayed, rescinded, vacated or amended on appeal or by the Bankruptcy Court without the prior written consent of Lender (and no such consent shall be implied from any other authorization or acquiescence by Lender);

(m) A trustee or an examiner with special powers is appointed pursuant to Section 1104 of the Bankruptcy Code;

(n) A chapter 11 plan is confirmed that does not provide for the payment in full in cash of all Obligations on the effective date thereof, together with releases, exculpations, waivers and indemnifications for the Lender and Lender Related Persons;

(o) The occurrence of a Change of Control; or

(p) The Chief Restructuring Officer shall have resigned or terminated his employment with the Borrowers, or serve notice of his resignation.

7.2 Rights and Remedies

(a) Upon the occurrence and during the continuance of an Event of Default, and notwithstanding Section 362 of the Bankruptcy Code and without further order of the Bankruptcy Court or any other court or the initiation of any further proceeding with the Loan Parties except as provided in this Section 7.2, in addition to any other rights or remedies provided for hereunder or under any other Loan Document (including the Final Order) or by the UCC or any other applicable law, the Lender may do any one or more of the following:

(i) declare the Obligations, whether evidenced by this Agreement or by any of the other Loan Documents, immediately due and payable, whereupon the same shall become and be immediately due and payable, without presentment, demand, protest, or further notice or other requirements of any kind, all of which are hereby expressly waived by the Loan Parties;

(ii) terminate the Borrowers' ability to use Cash Collateral other than amounts used for purposes and in a manner otherwise permitted by this Agreement and held in operating accounts subject to deposit account control agreements in favor of Lender until such time as Borrowers are no longer in possession of their revenue generating properties;

(iii) charge interest at the Default Rate;

(iv) upon five (5) days' prior written notice (which period shall be deemed to be reasonable notice) to the Loan Parties, Borrower's lead bankruptcy counsel and the United States Trustee and lead counsel for any creditors' committee, obtain and liquidate the Collateral. If notice of disposition of Collateral is required by law, ten (10) days prior notice by the Lender to the Loan Parties designating the time and place of any public sale or the time after which any private sale or other intended disposition of Collateral is to be made, shall be deemed to be reasonable notice thereof and shall constitute "authenticated notice of disposition" within the meaning of Section 9-611 of the UCC, and the Loan Parties waive any other notice. The Lender may bid for and purchase the Collateral at any public sale. The Lender may bid and purchase any Collateral at a private sale if the Collateral in question has a readily ascertainable market value;

(v) require the applicable Loan Party to assemble all of the Collateral constituting personal property without judicial process pursuant to Section 9-609 of the UCC;

(vi) upon five (5) days' prior written notice (which period shall be deemed to be reasonable notice) to the Loan Parties and the Borrowers' lead bankruptcy counsel and the United States Trustee and lead counsel for any creditors' committee, take possession of all Collateral constituting tangible personal property without judicial process pursuant to Section 9-609 of the UCC; and

(vii) exercise any of its other rights under the Loan Documents, any rights granted under the Final Order and applicable law.

(b) To the extent an Event of Default occurs as a result of the Loan Parties' failure to indefeasibly satisfy the Obligations in full by the Stated Maturity Date, the Loan Parties waive any right (a) to any notice period set forth in Section 7.2 (except to the extent a notice period is required by operation of law) and (b) to challenge (i) whether or not the Maturity Date or an Event of Default has occurred, (ii) the Lender's exercise of its rights and remedies against the Collateral, including without limitation, any foreclosure through a state court proceeding, and (iii) the applicability of the Default Rate.

7.3 Application of Proceeds upon Event of Default. Lender shall apply the cash proceeds actually received from any foreclosure sale or other disposition of the Priority Collateral upon an Event of Default as follows: (i) first, to Lender Expenses consisting of reasonable attorneys' fees and all expenses (including, but not limited to, court costs, advertising expenses, auctioneer's fees, premiums for any required bonds, auditor's fees, amounts advanced for taxes and other expenses) incurred by the Lender in attempting to enforce this Agreement or in the prosecution or defense of any action or proceeding related to the subject matter of this Agreement; (ii) second, to the discharge of any accrued but unpaid Fees (including, but not limited to, the Exit Fee), (iii) third, to the discharge of any accrued but unpaid interest on the Obligations, (iv) fourth, to the outstanding principal balance of any Obligations, (v) fifth, to the satisfaction of the other security interests and liens of record which are inferior to the security interest created by this Agreement, in order of their priority; and (vi) sixth, to pay any remaining surplus to Lead Borrower, on behalf of the Loan Parties collectively.

7.4 Remedies Cumulative. The rights and remedies of Lender under this Agreement, the other Loan Documents, and all other agreements shall be cumulative. Lender shall have all other rights and remedies not inconsistent herewith as provided under the UCC, by law, or in equity. No exercise by Lender of one right or remedy shall be deemed an election, and no waiver by Lender of any Event of Default shall be deemed a continuing waiver. No delay by Lender shall constitute a waiver, election, or acquiescence by it.

7.5 Acknowledgments. Notwithstanding anything herein to the contrary, Lender acknowledges and agrees that in no event shall an "event of default" or "default" under the Prepetition Credit Agreement, any Site Lease or any other Indebtedness of any Borrower (other than the Indebtedness evidenced by this Agreement and the other Loan Documents), cause a Default or Event of Default hereunder, or cause a breach of any covenant described in Section 5 or Section 6 of this Agreement.

8. PRIORITY AND COLLATERAL SECURITY

8.1 Superpriority Claims; Subordination in favor of Lender Liens

(a) Each Borrower warrants and covenants that, except as otherwise expressly provided in this paragraph, the Obligations of any Borrower under the Loan Documents:

(i) Shall, in accordance with section 364(c)(l) of the Bankruptcy Code, constitute allowed senior administrative expense claims against each Borrower and their estates (the "Superpriority Claims") with priority in payment over any and all administrative expenses at any time existing or arising, of any kind or nature whatsoever, including, without limitation, the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including, but not limited to, Sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 726, 1113 and 1114 of the Bankruptcy Code or otherwise, including those resulting from the conversion of any of the Chapter 11 Cases pursuant to Section 1112 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment; provided, however, that the Superpriority Claims shall be subject to and subordinate to only the Carve-Out and Permitted Liens; provided, further that the Superpriority Claims shall have recourse to and be payable from all prepetition and postpetition property and assets of the Debtors and the estates and all Collateral and all proceeds thereof, and (a) any and all avoidance power claims or causes of action under Sections 544, 545, 547, 548 through 551 and 553(b) of the Bankruptcy Code (the "Avoidance Actions") and the proceeds thereof, (b) prepetition tort claims, including claims against the Debtors' current and former directors and officers (if any) and the proceeds thereof; and (c) any deposit in connection with a proposed Sale (whether terminated or otherwise) that becomes property of the Debtors' estates (a "Sale Deposit") subject, however, only to the senior lien rights of a stalking horse purchaser and such stalking horse bid protections as may be approved by the Bankruptcy Court;

(ii) shall be secured by valid, enforceable, non-avoidable and perfected priming liens on and security interests in favor of the Lender in all Collateral in which any Borrower has any right, title or interest, in accordance with the Required Lien Priority.

(b) In the event any of the Collateral is transferred to any Borrower, such transfer shall be subject in all respects to the Lender's Liens.

(c) The Superpriority Claims referred to in this Section 8.1 shall have the priority afforded to such Superpriority Claims in the Final Order.

8.2 Grant of Security Interest in the Collateral. To secure the payment and performance of the Obligations, each Borrower hereby grants, collaterally pledges and assigns to Lender the following:

(a) *Liens Priming the Prepetition Credit Liens*. Pursuant to Section 364(d)(l) of the Bankruptcy Code, valid, binding, continuing, enforceable, non-avoidable automatically and fully perfected first priority senior priming liens and security interests in all Collateral (other than HUD Mortgage Collateral), subject to the Carve-Out and Permitted Liens, regardless of where

located, which senior priming liens and security interests in favor of the Lender shall be senior to all Prepetition Credit Liens. For the avoidance of doubt, as a result of the priming of the Prepetition Credit Liens pursuant to the Final Order, the Lender shall have a first priority senior priming lien and security interest in, among other things, (a) all of the assets of each Borrower, including, but not limited to, the "Collateral" as defined in the Prepetition Credit Agreement, other than HUD Mortgage Collateral, and (b) the Debtors' prepetition and postpetition commercial tort claims, including but not limited to all claims and causes of action (i) against the Debtors' officers and directors, and (ii) all other prepetition tort claims, and the proceeds thereof (regardless of whether such proceeds arise from damages to the Prepetition Collateral).

(b) *Liens on Unencumbered Property*. Pursuant to Section 364(c)(2) of the Bankruptcy Code, valid, binding, continuing, enforceable, non-avoidable automatically and fully perfected first priority liens on and security interests in all Collateral that is not otherwise subject to any Permitted Prior Lien. As used herein, the term "Permitted Prior Lien" shall mean any valid, enforceable, and non-avoidable liens on and security interests in the Collateral that (a) were perfected prior to the Petition Date (or perfected on or after the Petition Date to the extent permitted by Section 546(b) of the Bankruptcy Code), (b) are not subject to avoidance, disallowance, or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law, and (c) are senior in priority to the Lender's Liens under applicable law and after giving effect to any lien release, subordination or inter-creditor agreements; provided, however, that the Lender's Liens shall have priority over all Prepetition Credit Liens (other than a HUD Mortgage Lien); and

(c) *Liens Junior to Certain Other Liens*. Pursuant to Section 364(c)(3) of the Bankruptcy Code, valid, enforceable, non-avoidable automatically and fully perfected junior liens on and security interests in all of the Collateral (other than as set forth in clauses (i) and (ii)) subordinate only to the Permitted Prior Liens and a valid, enforceable, non-avoidable automatically and fully perfected second lien on and security interests in all of the HUD Mortgage Collateral.

The Lien priorities set forth above shall be referred to as the "Required Lien Priorities".

8.3 Representations and Warranties in Connection with Security Interest. Each Loan Party represents and warrants to the Lender as follows:

(a) Subject to the approval of the Bankruptcy Court, such Loan Party has full right and power to grant to the Lender a perfected, security interest and Lien, in accordance with the Required Lien Priority, on such Loan Party's respective interests in the Collateral pursuant to this Agreement and the other Loan Documents.

(b) Subject to the approval of the Bankruptcy Court, upon (i) the execution and delivery of this Agreement, and (ii) the filing of the necessary financing statements and other appropriate filings or recordations and/or delivery of any necessary certificates, as applicable, the Lender will have a good, valid and perfected Lien and security interest in the Collateral granted by the applicable Loan Party, in accordance with the Required Lien Priority, subject to no transfer or other restrictions or Liens of any kind in favor of any other Person.

(c) As of the Closing Date, no financing statement, mortgage or any other evidence of lien relating to any of the Collateral granted by such Loan Party is on file in any public office except those on behalf of the Lender, other than the filings made by the Loan Parties' pre-Petition Date lenders or creditors as referenced in Schedule 4.4.

(d) As of the Closing Date, such Loan Party is not party or otherwise subject to any agreement, document or instrument that conflicts with this Section 8.3.

8.4 Covenants with Respect to Collateral. As long as any Obligations are outstanding, each Loan Party covenants and agrees as follows:

(a) Such Loan Party shall not sell, transfer, give, assign or in any other manner dispose of all or any portion of, or any interest in, any of the Collateral, except to the extent permitted by this Agreement. Such Loan Party shall not permit or suffer to exist any Liens or security interests encumbering any of the Collateral other than as permitted under this Agreement.

(b) Lead Borrower shall inform the Lender of any default or event of default under any agreement comprising the Collateral that materially and adversely impacts the Collateral or its value as soon as practicable upon any Loan Party becoming aware of any such default or event of default, and shall exercise remedies thereunder at the instruction of, or with the prior written consent of, the Lender.

(c) Such Loan Party shall not consolidate with or merge with or into any other corporation, or liquidate or dissolve, without the prior written consent of the Lender. Such Loan Party shall not sell all or substantially all of its assets, except as otherwise permitted by this Agreement or otherwise with the prior written consent of the Lender.

(d) Such Loan Party shall not change the jurisdiction of its formation without the prior written consent of the Lender. Such Loan Party shall not change its name or the location of its principal executive office without giving the Lender thirty (30) days' prior written notice.

(e) The Collateral shall be kept only at the locations set forth on Schedule 9.4(e) and shall not be moved from such locations without the prior consent of the Lender, except for ordinary course activities incidental to the operation of the Loan Parties businesses.

(f) With respect to any Deposit Account of a Loan Party, the relevant Loan Party shall use commercially reasonable efforts to cause the depositary institution maintaining such account to enter into a Control Agreement (in such depositary institution's form thereof or such other form acceptable to such depositary institution) in favor of the Lender within fifteen (15) Business Days after the date of the Final Order (as such date may be extended by the Lender in its reasonable discretion); provided that the foregoing date shall automatically be extended by an additional fifteen (15) Business Days so long as the Loan Parties are using commercially reasonable efforts to obtain satisfactory Control Agreements in favor of the Lender.

8.5 Lender's Ability to Perform Obligations on Behalf of Loan Parties with Respect to the Collateral. The Lender shall have the right, but not the obligation, to perform on such Loan Party's behalf any or all of such Loan Party's obligations under this Agreement with

respect to the Collateral, when such obligations are due, at the expense, for the account and at the sole risk of the applicable Loan Party.

8.6 Filing of Financing Statements. Each Loan Party irrevocably authorizes the Lender to prepare and file financing statements provided for by the UCC, including, without limitation, describing such property as "all assets, whether now owned or hereafter acquired, developed or created" or words of similar effect, to perfect the Lender's security interest in the Collateral, in all jurisdictions in which the Lender believes in its sole opinion that such filing is appropriate. Each Loan Party also irrevocably authorizes the Lender to file such continuation statements and amendments and to take such other action as may be required or appropriate, in either case in Lender's sole judgment, in order to perfect and to continue the perfection of Lender's security interests in the Collateral, unless prohibited by law.

8.7 No Discharge; Survival of Claims. Pursuant to Section l 14l(d)(4) of the Bankruptcy Code, the Borrowers hereby waive any discharge of the Obligations with respect to any plan of reorganization that shall not provide for the indefeasible payment in full in cash of the Obligations under this Agreement.

9. WAIVERS; INDEMNIFICATION

9.1 Demand; Protest; etc. To the extent permitted by applicable law or as expressly required pursuant to the terms of this Agreement, each Loan Party waives demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment, nonpayment at maturity, release, compromise, settlement, extension, or renewal of documents, instruments, chattel paper, and guarantees at any time held by Lender on which such Loan Party may in any way be liable.

9.2 Lender's Liability for Collateral. As long as Lender complies with its obligations, if any, under the UCC and applicable law, Lender shall not in any way or manner be liable or responsible for: (i) the safekeeping of the Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof, or (iv) any act or default of any carrier, warehouseman, bailee, forwarding agency, or other Person. All risk of loss, damage, or destruction of the Collateral shall be borne by the Loan Parties, except any thereof resulting from the gross negligence, bad faith or willful misconduct of Lender as finally determined by a court of competent jurisdiction.

9.3 Indemnification. The Loan Parties shall pay, indemnify, defend, and hold the Lender Related Persons (each, an "Indemnified Person") harmless (to the fullest extent permitted by law) from and against any and all claims, demands, suits, actions, investigations, proceedings, liabilities, fines, costs, penalties, and actual damages, and all reasonable out-of-pocket fees and disbursements of attorneys, experts, or consultants and all other costs and expenses actually incurred in connection therewith or in connection with the enforcement of this indemnification (as and when they are incurred and irrespective of whether suit is brought), at any time asserted against, imposed upon, or incurred by any of them (a) in connection with or as a result of or related to the execution and delivery, enforcement, performance, or administration (including any restructuring or workout with respect hereto) of this Agreement, any of the other Loan Documents, or the transactions contemplated hereby or thereby or the monitoring of the Loan Parties'

compliance with the terms of the Loan Documents, (b) with respect to any investigation, litigation, or proceeding related to this Agreement, any other Loan Document, or the use of the proceeds of the credit provided hereunder (irrespective of whether any Indemnified Person is a party thereto), or any act, omission, event, or circumstance in any manner related thereto, and (c) in connection with or arising out of any presence or release of Hazardous Materials at, on, under, to or from any Collateral or any Environmental Actions, Environmental Liabilities or Remedial Actions related in any way to any Collateral (each and all of the foregoing, the "Indemnified Liabilities"). The foregoing to the contrary notwithstanding, the Loan Parties shall have no obligation to any Indemnified Person under this Section 9.3 with respect to any Indemnified Liability that a court of competent jurisdiction finally determines to have resulted from the gross negligence or willful misconduct of such Indemnified Person. This provision shall survive the termination of this Agreement and the repayment of the Obligations. If any Indemnified Person makes any payment to any other Indemnified Person with respect to an Indemnified Liability as to which any Loan Party was required to indemnify the Indemnified Person receiving such payment, the Indemnified Person making such payment is entitled to be indemnified and reimbursed by such Loan Party with respect thereto. **WITHOUT LIMITATION OF THE FOREGOING, THE INDEMNITY ABOVE SHALL APPLY TO EACH INDEMNIFIED PERSON WITH RESPECT TO INDEMNIFIED LIABILITIES WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF ANY NEGLIGENT ACT OR OMISSION OF SUCH INDEMNIFIED PERSON EXCEPT FOR ANY ACT OR OMISSION THAT CONSTITUTES GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNIFIED PERSON.**

10. NOTICES

All notices or demands relating to this Agreement or any other Loan Document shall be in writing and shall be personally delivered or sent by registered or certified mail (postage prepaid, return receipt requested), overnight courier, or electronic mail (at such email addresses as a party may designate in accordance herewith). In the case of notices or demands to any party hereunder or any service of process to any party hereunder, they shall be sent to the respective addresses set forth below:

If to any Loan Party:

c/o Getzler Henrich & Associates LLC
ATTN: David R. Campbell
150 S. Wacker Drive
24th Floor
Chicago, IL 60606

With a copy, which shall not constitute notice to:

Winston & Strawn LLP
ATTN: Dan McGuire, Gregory Gartland and April Doxey
35 W. Wacker Drive
Chicago, IL 60601-9703

If to Lender:

JMB Capital Partners Lending, LLC
1999 Avenue of the Stars, Suite 2040
Los Angeles, CA 90067
Attn: Vikas Tandon
Telephone: 310-286-2929
Email: vikas@jmbcapital.com

with a copy to:

Norton Rose Fulbright US LLP
1301 Avenue of the Americas
New York, NY 10019-6022
Attn: Robert M. Hirsh
Telephone: 212-318-3060
Email: robert.hirsh@northrosefulbright.com

Any party hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other party. All notices or demands sent in accordance with this Section 10, shall be deemed received on the earlier of the date of actual receipt or five (5) Business Days after the deposit thereof certified, return receipt requested in the mail; provided, that (a) notices sent by overnight courier service shall be deemed to have been given when received, and (b) notices by electronic mail shall be deemed received when sent upon confirmation of transmission as evidenced by a delivery receipt or similar electronic mail function. If any notice, disclosure, or report is required to be delivered pursuant to the terms of this Agreement on a day that is not a Business Day, such notice, disclosure, or report shall be deemed to have been required to be delivered on the immediately following Business Day.

11. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER

(a) THE VALIDITY OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANOTHER LOAN DOCUMENT IN RESPECT OF SUCH OTHER LOAN DOCUMENT), THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF AND THEREOF, AND THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(b) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE TRIED AND LITIGATED ONLY IN THE BANKRUPTCY COURT AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN NEW YORK; PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT LENDER'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE

LENDER ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH LOAN PARTY AND LENDER WANE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 11(b); PROVIDED, FURTHER, HOWEVER, THAT ALL PARTIES HEREBY AGREE THAT THEY HAVE CONSENTED TO THE JURISDICTION OF THE BANKRUPTCY COURT AND THAT THE BANKRUPTCY COURT WILL RETAIN EXCLUSIVE JURISDICTION WITH RESPECT TO ALL DISPUTES SO LONG AS THE CHAPTER 11 CASE REMAINS PENDING.

12. AMENDMENTS; WAIVERS; SUCCESSORS; INDEMNIFICATION

12.1 Amendments and Waivers. No amendment, waiver or other modification of any provision of this Agreement or any other Loan Document, and no consent with respect to any departure by any Loan Party therefrom, shall be effective unless the same shall be in writing and signed by Lender and Loan Parties that are party thereto and then any such waiver or consent shall be effective, but only in the specific instance and for the specific purpose for which given.

12.2 No Waivers; Cumulative Remedies. No failure by Lender to exercise any right, remedy, or option under this Agreement or any other Loan Document, or delay by Lender in exercising the same, will operate as a waiver thereof. No waiver by Lender will be effective unless it is in writing, and then only to the extent specifically stated. No waiver by Lender on any occasion shall affect or diminish Lender's rights thereafter to require strict performance by Loan Parties of any provision of this Agreement. Lender's rights under this Agreement and the other Loan Documents will be cumulative and not exclusive of any other right or remedy that Lender may have.

12.3 Successors. This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties; provided that no Loan Party may assign this Agreement or any rights or duties hereunder without Lender's prior written consent and such consent shall not, unless otherwise provided in such consent, release any Loan Party from its Obligations. Any assignment by a Loan Party which is not explicitly permitted hereunder shall be absolutely void *ab initio*. Lender may assign all or part of its rights and duties hereunder without consent from any other party. Lender may assign this Agreement and the other Loan Documents and its rights and duties hereunder and thereunder or assign any Advances or Commitment (in whole or in part) to an Affiliate without notice to or consent of any Loan Party; except in no event shall Lender assign its rights hereunder to any Person that competes, directly or indirectly, with any Borrower or any of their respective Subsidiaries.

13. GENERAL PROVISIONS

13.1 Effectiveness. This Agreement shall be binding and deemed effective when executed by the Loan Parties and Lender.

13.2 Section Headings. Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each Section applies equally to this entire Agreement.

13.3 Interpretation. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed against Lender or any Loan Party, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of all parties hereto.

13.4 Severability of Provisions. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

13.5 Debtor-Creditor Relationship. The relationship between Lender, on the one hand, and each Loan Party, on the other hand, is solely that of creditor and debtor, as applicable. Lender does not have (and shall not be deemed to have) any fiduciary relationship or duty to any Loan Party arising out of or in connection with the Loan Documents or the transactions contemplated thereby, and there is no agency or joint venture relationship between Lender, on the one hand, and Loan Parties, on the other hand, by virtue of any Loan Document or any transaction contemplated therein.

13.6 Counterparts; Electronic Execution. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by facsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by facsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement. The foregoing shall apply to each other Loan Document *mutatis mutandis.*

13.7 Revival and Reinstatement of Obligations. If the incurrence or payment of the Obligations by Loan Parties or the transfer to Lender of any property should for any reason subsequently be asserted, or declared, to be void or voidable under any state or federal law relating to creditors' rights, including provisions of the Bankruptcy Code relating to fraudulent conveyances, preferences, or other voidable or recoverable payments of money or transfers of property (each, a "Voidable Transfer"), and if Lender is required to repay or restore, in whole or in part, any such Voidable Transfer, or elects to do so upon the reasonable advice of its counsel, then, as to any such Voidable Transfer, or the amount thereof that Lender is required or elects to repay or restore, and as to all reasonable and actual out-of-pocket costs, expenses, and attorneys' fees of Lender related thereto, the liability of Loan Parties automatically shall be revived, reinstated, and restored and shall exist as though such Voidable Transfer had never been made.

13.8 Lender Expenses. The Borrowers agree to pay any and all Lender Expenses promptly after written demand therefor by Lender and that such Obligations shall survive payment or satisfaction in full of all other Obligations.

13.9 Integration. This Agreement, together with the other Loan Documents, reflects the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.

14. JOINT AND SEVERAL LIABILITY AMONG BORROWERS

Each Borrower acknowledges, represents and warrants the following:

14.1 Inducement. Lender has been induced to make the Advances to Borrowers in part based upon the assurances by each Borrower that such Borrower desires that the Advances be honored and enforced as separate obligations of such Borrower, should Lender desire to do so.

14.2 Combined Liability. Notwithstanding the foregoing, the Advances and the other Obligations constitute the joint and several obligations of each and every Borrower, and Lender may at its option enforce the entire amount of the Advances and the other obligations of any Borrower against any one or more Borrowers.

14.3 Separate Exercise of Remedies. Lender may exercise remedies against each Borrower and its property separately, whether or not Lender exercises remedies against any other Borrower or its property. Lender may enforce one or more Borrower's Obligations without enforcing any other Borrower's Obligations. Any failure or inability of Lender to enforce one or more Borrower's Obligations shall not in any way limit Lender's right to enforce the Obligations of any other Borrower. If Lender forecloses or exercises similar remedies on any Collateral, then such foreclosure or similar remedy shall be deemed to reduce the balance of the Advances only to the extent of the cash proceeds actually realized by Lender from such foreclosure or similar remedy or, if applicable, Lender's credit bid at such sale, regardless of the effect of such foreclosure or similar remedy on the Advances secured by such Collateral under the applicable state law.

15. TREATMENT OF CERTAIN INFORMATION

Lender agrees to use reasonable precautions to keep confidential, in accordance with its customary procedures for handling confidential information of the same nature, all non-public information supplied by any Borrower or any of their respective Subsidiaries pursuant to this Agreement which (a) is clearly identified by such Person as being confidential at the time the same is delivered to the Lender or (b) constitutes any financial statement, financial projections or forecasts, budget, compliance certificate, audit report, management letter or accountants' certification delivered hereunder ("Information"), provided, however that nothing herein shall limit the disclosure of any such Information (i) to any Lender Related Person as need to know such Information, (ii) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, or requested by any bank regulatory authority, (iii) to auditors or accountants, and any analogous counterpart thereof, (v) in connection with any litigation to which Lender is a party, (vi) to the extent such Information (a) becomes publicly available other than as a result of a breach of this Agreement, (b) becomes available to the Lender on a confidential basis from a

source other than the Borrowers or any Subsidiary, or (c) was available to the Lender on a non-confidential basis prior its disclosure to it by the Borrowers, any Subsidiary, or any of their agents or advisors, and (vii) to the extent the applicable Borrower shall have consented to such disclosure in writing.[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first above written.

LEAD BORROWER:

SC HEALTHCARE HOLDING, LLC, a Delaware limited liability company

By: DAVID R. CAMPBELL
Name: David R. Campbell
Title: Chief Restructuring Officer

ADDITIONAL BORROWERS:

ALEDO HCO, LLC, an Illinois limited liability company
ALEDO RE, LLC, an Illinois limited liability company
ARCOLA HCO, LLC, an Illinois limited liability company
ARCOLA RE, LLC, an Illinois limited liability company
ASPEN HCO, LLC, an Illinois limited liability company
ASPEN RE, LLC, an Illinois limited liability company
BEMENT HCO, LLC, an Illinois limited liability company
BEMENT RE, LLC, an Illinois limited liability company
BETTY'S GARDEN HCO, LLC, an Illinois limited liability company
BETTY'S GARDEN RE, LLC, an Illinois limited liability company
BRADFORD AL RE, LLC, an Illinois limited liability company
BUSHNELL AL RE, LLC, an Illinois limited liability company
CASEY HCO, LLC, an Illinois limited liability company
COLLINSVILLE HCO, LLC, an Illinois limited liability company
COLLINSVILLE RE, LLC, an Illinois limited liability company

CYE BRADFORD HCO, LLC, an Illinois limited liability company
CYE BUSHNELL HCO, LLC, an Illinois limited liability company
CYE GIRARD HCO, LLC, an Illinois limited liability company
CYE KEWANEE- PHC, INC., an Illinois corporation
CYE KNOXVILLE - PHC, INC., an Illinois corporation
CYE MONMOUTH - PHC, INC., an Illinois corporation
CYE SULLIVAN HCO, LLC, an Illinois limited liability company
CYE WALCOTT HCO, LLC, an Illinois limited liability company
CYV KEWANEE AL RE, LLC, an Illinois limited liability company
DECATUR HCO, LLC, an Illinois limited liability company
DECATUR RE, LLC, an Illinois limited liability company
EASTVIEW HCO, LLC, an Illinois limited liability company
EASTVIEW RE, LLC, an Illinois limited liability company
EFFINGHAM HCO, LLC, an Illinois limited liability company
EFFINGHAM RE, LLC, an Illinois limited liability company
EL PASO - PHC, INC., an Illinois corporation
FLANAGAN - PHC, INC., an Illinois corporation
HAVANA HCO, LLC, an Illinois limited liability company
HAVANA RE, LLC, an Illinois limited liability company
JONESBORO, LLC, an Illinois limited liability company
KEWANEE, LLC, an Illinois limited liability company
KNOXVILLE & PENNSYLVANIA, LLC, an Illinois limited liability company
LEBANON HCO, LLC, an Illinois limited liability company
LEBANON RE, LLC, an Illinois limited liability company

LEGACY - PHC INC., an Illinois corporation
MACOMB, LLC, an Illinois limited liability company
MARIGOLD - PHC INC., an Illinois corporation
MBP PARTNER, LLC, an Illinois limited liability company
MCLEANSBORO HCO, LLC, an Illinois limited liability company
MCLEANSBORO RE, LLC, an Illinois limited liability company
MIDWEST HEALTH OPERATIONS, LLC, an Illinois limited liability company
MIDWEST HEALTH PROPERTIES, LLC, an Illinois limited liability company
NORTH AURORA HCO, LLC, an Illinois limited liability company
NORTH AURORA, LLC, an Illinois limited liability company
PETERSEN 23, LLC, an Illinois limited liability company
PETERSEN 25, LLC, an Illinois limited liability company
PETERSEN 26, LLC, an Illinois limited liability company
PETERSEN 27, LLC, an Illinois limited liability company
PETERSEN 29, LLC, an Illinois limited liability company
PETERSEN 30, LLC, an Illinois limited liability company
PETERSEN FARMER CITY, LLC, an Illinois limited liability company
PETERSEN HEALTH & WELLNESS, LLC, an Illinois limited liability company
PETERSEN HEALTH BUSINESS, LLC, an Illinois limited liability company
PETERSEN HEALTH CARE - FARMER CITY, LLC, an Illinois limited liability company
PETERSEN HEALTH CARE - ILLINI, LLC, an Illinois limited liability company
PETERSEN HEALTH CARE - ROSEVILLE, LLC, an Illinois limited liability company
PETERSEN HEALTH CARE II, INC., an Illinois corporation
PETERSEN HEALTH CARE III, LLC, an Illinois limited liability company

PETERSEN HEALTH CARE MANAGEMENT, LLC, an Illinois limited liability company
PETERSEN HEALTH CARE V, LLC, an Illinois limited liability company
PETERSEN HEALTH CARE VII, LLC, an Illinois limited liability company
PETERSEN HEALTH CARE VIII, LLC, an Illinois limited liability company
PETERSEN HEALTH CARE X, LLC, an Illinois limited liability company
PETERSEN HEALTH CARE XI, LLC, an Illinois limited liability company
PETERSEN HEALTH CARE XIII, LLC, an Illinois limited liability company
PETERSEN HEALTH CARE, INC., an Illinois corporation
PETERSEN HEALTH ENTERPRISES, LLC, an Illinois limited liability company
PETERSEN HEALTH GROUP, LLC, an Illinois limited liability company
PETERSEN HEALTH NETWORK, LLC, an Illinois limited liability company
PETERSEN HEALTH PROPERTIES, LLC, an Illinois limited liability company
PETERSEN HEALTH QUALITY, LLC, an Illinois limited liability company
PETERSEN HEALTH SYSTEMS, INC., an Illinois corporation
PETERSEN MANAGEMENT COMPANY, LLC, an Illinois limited liability company
PETERSEN MT, LLC, an Illinois limited liability company
PETERSEN MT3, LLC, an Illinois limited liability company
PETERSEN MT4, LLC, an Illinois limited liability company
PETERSEN ROSEVILLE, LLC, an Illinois limited liability company
PIPER HCO, LLC, an Illinois limited liability company
PIPER RE, LLC, an Illinois limited liability company
PLEASANT VIEW HCO, LLC, an Illinois limited liability company
PLEASANT VIEW RE, LLC, an Illinois limited liability company

POLO - PHC, INC., an Illinois corporation
PRAIRIE CITY HCO, LLC, an Illinois limited liability company
PRAIRIE CITY RE, LLC, an Illinois limited liability company
ROBINGS HCO, LLC, an Illinois limited liability company
ROBINGS, LLC, an Illinois limited liability company
ROSICLARE HCO, LLC, an Illinois limited liability company
ROSICLARE RE, LLC, an Illinois limited liability company
ROYAL HCO, LLC, an Illinois limited liability company
ROYAL RE, LLC, an Illinois limited liability company
SABL, LLC, an Illinois limited liability company
SHANGRI LA HCO, LLC, an Illinois limited liability company
SHANGRI LA RE, LLC, an Illinois limited liability company
SHELBYVILLE HCO, LLC, an Illinois limited liability company
SHELBYVILLE RE, LLC, an Illinois limited liability company
SOUTH ELGIN, LLC, an Illinois limited liability company
SULLIVAN AL RE, LLC, an Illinois limited liability company
SULLIVAN HCO, LLC, an Illinois limited liability company
SULLIVAN RE, LLC, an Illinois limited liability company
SWANSEA HCO, LLC, an Illinois limited liability company
SWANSEA RE, LLC, an Illinois limited liability company
TARKIO HCO, LLC, an Illinois limited liability company
TARKIO RE, LLC, an Illinois limited liability company
TUSCOLA HCO, LLC, an Illinois limited liability company
TUSCOLA RE, LLC, an Illinois limited liability company

TWIN HCO, LLC, an Illinois limited liability company
TWIN RE, LLC, an Illinois limited liability company
VANDALIA HCO, LLC, an Illinois limited liability company
VANDALIA RE, LLC, an Illinois limited liability company
VILLAGE KEWANEE HCO, LLC, an Illinois limited liability company
WALCOTT AL RE, LLC, an Illinois limited liability company
WAR DRIVE, LLC, a Delaware limited liability company
WATSEKA HCO, LLC, an Illinois limited liability company
WATSEKA RE, LLC, an Illinois limited liability company
WESTSIDE HCO, LLC, an Illinois limited liability company
WESTSIDE RE, LLC, an Illinois limited liability company
XCH, LLC, an Illinois limited liability company

By: DAVID R. CAMPBELL
Name: David R. Campbell
Title: Chief Restructuring Officer

LENDER:

JMB CAPITAL PARTNERS LENDING, LLC

By: _____
Name: Vikas Tandon
Title: Manager

ANNEX A

Prepetition Credit Agreements; Prepetition Lenders

1. X-CAL Loan Agreement. Amended and Restated Loan Agreement dated February 24, 2021 with XCAL 2019-IL-1 Mortgage Trust, as lender, pursuant to which not less than $33,038,340 is presently outstanding.

2. Column Financial Loan Agreement. Amended and Restated Loan Agreement dated August 5, 2020 with Column Financial, Inc. (as successor in interest to Sector Financial Inc.), as the administrative agent and collateral agent and the other lenders party thereto (the "Sector Lenders") pursuant to which not less than $ 64,605,074 is presently outstanding.

3. GMF Petersen Loan Agreement. Amended and Restated Loan Agreement dated August 5, 2020 with GMF Petersen Note LLC, as the lender pursuant to which not less than $26,400,302.55 is presently outstanding.

4. Wells Fargo Mortgage. Debtor SJL Health Systems, Inc. is party to a loan agreement with Wells Fargo Bank, N.A. as servicer related to the Prairie Rose Health Care Facility (the "Wells Fargo Mortgage"). In the relevant default notice, it was alleged that approximately $1,455,631 is outstanding under the Wells Fargo Mortgage.

5. Solutions Bank Loan. Debtor Petersen Healthcare, Inc. is party to various loan documents in favor of Solutions Bank (the "Solutions Bank Facility"), pursuant to which Petersen Healthcare Inc. granted to Solution Bank a security interest in certain assets related to an assisted living facility located at 160 E. Walton Street, Canton, Illinois known as "Courtyard Estates of Canton." In the relevant default notice, it was alleged that approximately $3,408,171 is outstanding under the Solutions Bank Facility.

6. Community State Bank. Debtor Petersen Health Systems, Inc. is party to various loan documents in favor of Community State Bank (the "CSB Facility"), pursuant to which Petersen Health Systems, Inc. granted to Community State Bank a security interest in certain assets related to real property located at 13516 Townline Road, Green Valley Illinois known as "Courtyard Estates of Green Valley." As of the Petition Date, approximately $2,494,108 is outstanding under the CSB Facility.

7. Bank of Farmington. Debtor Petersen Health Systems, Inc. is party to various loan documents in favor of Bank of Farmington (the "Farmington Facility"), pursuant to which Petersen Health Systems, Inc. granted to Bank of Farmington a security interest in certain assets related to an assisted living located at 1000 E. Fort Street, Farmington, IL known as "Courtyard Estates of Farmington." As of the Petition Date, approximately $2,845,278 is outstanding under the Farmington Facility.

8. Hickory State Bank. Debtor CYE Girard HCO, LLC is party to various loan documents in favor of Hickory Point Bank & Trust (the "Hickory Point Facility"), pursuant to which CYE Girard HCO, LLC granted to Hickory Point Bank & Trust a security interest in certain assets related to an assisted living facility located at 1016 W North St, Girard, IL known as "Courtyard Estates of Girard." As of the Petition Date, approximately $1,839,599 is outstanding under the Farmington Facility.

9. Bank of Rantoul. Debtor Petersen Health Systems, Inc. is the borrower under a certain loan facility with Bank of Rantoul, as lender ("Rantoul Facility") secured by a mortgage and assignment of rents pertaining to the Courtyard Estates of Herscher healthcare facility located at 100 Harvest View Lane, Herscher, IL. As of the Petition Date, approximately $2,352,907 in principal amount is outstanding under the Rantoul Facility.

10. HUD Facilities:

- Multiple FHA insured loans with Berkadia Commercial Mortgage LLC as lender and the applicable Debtor party thereto with not less than $2,936,067 in the aggregate (net of escrows) is presently outstanding.
- Multiple FHA insured loans with Grandbridge Real Estate Capital, LLC as lender and the applicable Debtor party thereto with not less than $7,369,000 in the aggregate (net of escrows) presently outstanding.
- Multiple FHA insured loans with Lument Real Estate Capital, LLC as lender and the applicable Debtor party thereto with not less than $8,267,261 in the aggregate (net of escrows) presently outstanding.

ANNEX B

HUD Mortgage Lenders

1. Berkadia Commercial Mortgage LLC
2. Grandbridge Real Estate Capital, LLC
3. Lument Real Estate Capital, LLC
4. Wells Fargo Mortgage

EXHIBIT B

Budget

[See attached]

PETERSEN HEALTHCARE
DIP Budget

		Filing Date	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	4-Week	13-Week	Case
	Week Ending -->	3/23/2024	3/30/2024	4/6/2024	4/13/2024	4/20/2024	4/27/2024	5/4/2024	5/11/2024	5/18/2024	5/25/2024	6/1/2024	6/8/2024	6/15/2024	6/22/2024	6/29/2024	7/6/2024	7/13/2024	7/20/2024	7/27/2024	8/3/2024	8/10/2024	8/17/2024	8/24/2024	8/31/2024	9/7/2024	9/14/2024	9/21/2024	9/28/2024	10/5/2024	10/12/2024	10/19/2024	Total	Total	Total
Total Critical Vendor Payments		-	-	-	-	-	-	-	800,000	-	-	800,000	-	-	-	800,000	-	-	-	-	800,000	-	-	-	800,000	-	-	-	-	800,000	-	-	-	1,600,000	4,800,000
Professional Fees																																			
Debtor Legal (Winston & Strawn)	*4,000,000*	150,000	-	-	-	-	-	-	-	-	-	533,333	-	-	-	533,333	-	-	-	533,333	-	-	-	-	533,333	-	-	-	-	533,333	533,333	800,000	150,000	683,333	4,150,000
Debtor Schedules Processor (KCC)	*600,000*	35,000	-	-	-	-	-	-	-	-	-	165,000	-	-	-	100,000	-	-	-	100,000	-	-	-	-	100,000	-	-	-	-	100,000	-	-	35,000	200,000	600,000
Debtor Local Counsel (Young Conaway)	*1,500,000*	-	-	-	-	-	-	-	-	-	-	200,000	-	-	-	200,000	-	-	-	200,000	-	-	-	-	200,000	-	-	-	-	200,000	200,000	300,000	-	200,000	1,500,000
Debtor FA/CRO (Getzler Henrich)	*2,750,000*	62,424	-	-	-	-	-	-	-	-	-	366,667	-	-	-	366,667	-	-	-	366,667	-	-	-	-	366,667	-	-	-	-	366,667	366,667	550,000	62,424	429,091	2,812,424
Claims Agent	*702,000*	-	-	-	-	-	-	-	-	-	-	93,600	-	-	-	93,600	-	-	-	93,600	-	-	-	-	93,600	-	-	-	-	93,600	93,600	140,400	-	93,600	702,000
Patient Ombudsman & Counsel	*127,325*	-	-	-	-	-	-	-	-	-	-	83,663	-	-	-	147,325	-	-	-	127,325	-	-	-	-	127,325	-	-	-	-	127,325	127,325	127,325	-	83,663	867,613
UCC Legal (Greenberg Traurig)	*3,500,000*	-	-	-	-	-	-	-	-	-	-	750,000	-	-	-	650,000	-	-	-	550,000	-	-	-	-	550,000	-	-	-	-	450,000	350,000	200,000	-	750,000	3,500,000
UCC FA (Province)	*1,580,000*	-	-	-	-	-	-	-	-	-	-	380,000	-	-	-	350,000	-	-	-	300,000	-	-	-	-	200,000	-	-	-	-	150,000	150,000	50,000	-	380,000	1,580,000
Secured Creditor(s) Legal and Financial Advisor	*1,500,000*	-	-	-	-	-	-	-	-	-	-	200,000	-	-	-	200,000	-	-	-	200,000	-	-	-	-	200,000	-	-	-	-	200,000	200,000	300,000	-	200,000	1,500,000
Communications Firm (Stanton)		-	-	25,500	-	-	-	-	-	-	-	39,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,500	65,000	65,000
Total Professional Fees		**247,424**	**-**	**25,500**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,811,763**	**-**	**-**	**-**	**2,640,925**	**-**	**-**	**-**	**2,470,925**	**-**	**-**	**-**	**-**	**2,370,925**	**-**	**-**	**-**	**-**	**2,220,925**	**2,020,925**	**2,467,725**	**272,924**	**3,084,687**	**17,277,037**
Other Chapter 11 Fees																																			
US Trustee Fees	*250,000*	-	-	-	-	-	-	35,250	-	-	-	77,179	-	-	-	-	250,000	-	-	-	-	-	-	-	-	-	-	-	-	250,000	-	-	-	112,429	612,429
Adequate Assurance Utilities		-	-	-	-	-	-	323,542	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	323,542	323,542
Other Deposits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D&O Tail Insurance	*250,000*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	250,000	-	-	250,000
Total Chapter 11 Fees		**-**	**-**	**-**	**-**	**-**	**-**	**358,792**	**-**	**-**	**-**	**77,179**	**-**	**-**	**-**	**-**	**250,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**250,000**	**-**	**250,000**	**-**	**435,971**	**1,185,971**
DIP																																			
Lender DIP Fees		-	900,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,600,000	900,000	900,000	4,500,000
Lender Legal Fees (Norton Rose)	*100,000*	-	-	64,519	-	-	-	-	300,000	-	100,000	-	-	-	100,000	-	-	-	100,000	-	-	-	100,000	-	-	100,000	-	-	-	-	100,000	-	64,519	264,519	764,519
Lender Legal Fees Local Counsel (Morris James)	*100,000*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,000	-	-	-	-	-	-	-	-	-	-	-	100,000	-	-	-	200,000
DIP Interest		-	-	35,000	-	-	-	150,000	-	-	-	171,712	-	-	-	-	247,397	-	-	-	247,397	-	-	-	-	373,973	-	-	-	339,452	-	-	35,000	356,712	1,564,982
DIP Fees		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
eCapital Loan		-	3,933,641	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,933,641	3,933,641	3,933,641
Total DIP Uses of Cash		**-**	**4,833,641**	**99,519**	**-**	**-**	**-**	**150,000**	**300,000**	**-**	**100,000**	**171,712**	**-**	**-**	**100,000**	**-**	**247,397**	**-**	**200,000**	**-**	**247,397**	**-**	**100,000**	**-**	**-**	**373,973**	**100,000**	**-**	**-**	**339,452**	**200,000**	**3,600,000**	**4,933,160**	**5,454,872**	**10,963,091**
Total Chapter 11 Fees (non operational)		247,424	4,833,641	125,019	-	-	-	508,792	900,000	-	100,000	3,860,654	-	-	100,000	3,440,925	497,397	-	200,000	2,470,925	1,047,397	-	100,000	-	3,170,925	373,973	100,000	-	-	3,610,377	2,220,925	6,317,725	5,206,084	10,575,529	34,226,089
Operational Cash Uses (Generated)		1,677,098	(2,627,724)	(2,391,998)	738,315	(3,853,661)	3,635,991	(496,423)	3,725,305	(2,236,613)	3,144,606	(997,247)	(2,336,104)	2,063,205	(1,930,797)	4,373,264	(616,598)	3,796,174	(2,123,455)	3,138,038	(1,005,197)	3,302,248	(2,781,256)	3,178,626	(937,526)	(2,225,282)	2,161,935	(1,856,776)	4,427,153	(530,026)	3,929,564	(1,942,329)	(2,604,304)	44,755	12,202,521
Total Cash Requirements		**1,924,522**	**2,205,917**	**(2,266,976)**	**738,315**	**(3,853,661)**	**3,635,991**	**12,369**	**4,625,305**	**(2,236,613)**	**3,244,606**	**2,863,407**	**(2,336,104)**	**2,063,205**	**(1,830,797)**	**7,814,189**	**(119,198)**	**3,796,174**	**(1,923,455)**	**5,608,963**	**42,200**	**3,302,248**	**(2,681,256)**	**3,178,626**	**2,233,399**	**(1,851,310)**	**2,261,935**	**(1,856,776)**	**4,427,153**	**3,080,351**	**6,150,489**	**4,375,396**	**2,601,780**	**10,620,284**	**46,428,620**

EXHIBIT C

[Form of] Request for Advance

JMB Capital Partners Lending, LLC
1999 Avenue of the Stars, Suite 2040
Los Angeles, CA 90067

Please refer to the Senior Secured, Super-Priority Debtor-In-Possession Loan And Security Agreement, dated as of May 14, 2024 (as amended, restated, amended and restated, supplemented and/or otherwise modified from time to time, the "Loan Agreement") by and among SC Healthcare Holding, LLC, a Delaware limited liability company ("Lead Borrower"), the other borrowers from time party thereto (each a "Borrower", and collectively, the "Borrowers") and JMB Capital Partners Lending, LLC, as the Lender ("Lender"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Loan Agreement. This request is given pursuant to Section 2.2 of the Loan Agreement. Lead Borrower hereby requests an Advance under the Loan Agreement as follows:

The aggregate amount of the proposed Advance is $_____. The requested date for the proposed Advance (which is a Business Day) is _____, 2024.

[Signature Page Follows]

Lead Borrower has caused this request to be executed and delivered by its officer thereunto duly authorized on _____, 2024.

SC HEALTHCARE HOLDING, LLC,
as Lead Borrower

By:_____
Name: _____
Title: _____