IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: Pacifica of the Valley Corp.,[1] Debtor.	Chapter 11 Case No. 26-11060 (TMH)

DEBTOR'S MOTION FOR ENTRY OF AN ORDER (I) EXTENDING THE TIME TO ASSUME OR REJECT DEBTOR'S LEASES OF NONRESIDENTIAL REAL PROPERTY PURSUANT TO SECTION 365(d)(4) AND (II) GRANTING RELATED RELIEF

Pacifica of the Valley Corporation d/b/a Pacifica Hospital of the Valley, the debtor and debtor in possession (the "Debtor") in the above-captioned chapter 11[2] case (the "Chapter 11 Case"), by and through its undersigned counsel, hereby moves (the "Motion"), pursuant to § 365(d)(4), for entry of an order (substantially in the form attached hereto as **Exhibit A**, the "Order"): (i) extending the deadline for the Debtor to assume or reject its unexpired leases of nonresidential real property through and including **January 30, 2027**; and (ii) granting related relief. In support of this Motion, the Debtor submits the *Declaration of Peter C. Chadwick in Support of Debtor's Motion for Entry of an Order (I) Extending the Time to Assume or Reject Debtor's Leases of Nonresidential Real Property Pursuant to Section 365(d)(4) and (II) Granting Related Relief* (the "Chadwick Declaration"), attached hereto as **Exhibit B**. In further support of the Motion, the Debtor incorporates by reference the *Declaration of Precious Mayes in Support of*

[1] The Debtor in this Chapter 11 Case, along with the last four digits of the Debtor's federal tax identification number, is: Pacifica of the Valley Corporation d/b/a Pacifica Hospital of the Valley [7312]. The Debtor's mailing address is 9449 San Fernando Road, Sun Valley, CA 91352.

[2] Unless specified otherwise, all chapter and section references are to the Bankruptcy Code, 11 U.S.C. §§ 101–1532; all "Bankruptcy Rule" references are to the Federal Rules of Bankruptcy Procedure; and "Local Rule" references are to the Local Rules of the United States Bankruptcy Court for the District of Delaware.

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Chapter 11 Petition and First Day Pleadings [Docket No. 16] (the "First Day Declaration") and respectfully states as follows:

PRELIMINARY STATEMENT

1. The Debtor seeks a 90-day extension, through and including **January 30, 2027**, of the deadline to assume or reject the Lease of its Hospital premises, and any other lease of non-residential real property, pursuant to § 365(d)(4)(B). In particular, the requested extension with respect to the Lease is critical because the Lease is integral to the Debtor's contemplated transaction with Axios—the only presently available path forward in this Chapter 11 Case—and to the continued operation of the Hospital. The Debtor cannot operate the Hospital, treat patients, generate revenue, or preserve the going-concern value of its enterprise without continued access to the leased premises. The Lease therefore is not merely one executory contract among many; it is a foundational component of both the Debtor's restructuring strategy and its ability to preserve and promote uninterrupted patient care. Moreover, the treatment of the Lease remains the subject of ongoing negotiations among the Debtor, Axios, and the Landlord Entities in connection with the contemplated transaction. Requiring the Debtor to assume or reject non-residential real property leases, including the Lease, before those negotiations and the related transaction terms are sufficiently developed would risk undermining the only viable transaction currently available to the Debtor and, with it, the continued operation of the Hospital.

2. The requested extension will therefore preserve the status quo while the Debtor, Axios, and the Landlord Entities continue working toward a transaction that is intended to preserve the Hospital as a going concern and maintain continuity of care for its patients. The extension is also expressly contemplated by the Debtor's Court-approved DIP financing, which requires the Debtor to seek additional time under section 365(d)(4), further underscoring the Lease's importance to the Axios transaction and the Debtor's broader restructuring efforts. The Landlord

Entities, meanwhile, will not be prejudiced by the requested extension because the Debtor has performed, and will continue to perform, its postpetition obligations under the Lease as required by section 365(d)(3). Under these circumstances, granting the extension will protect the estate from a premature and potentially value-destructive lease decision, preserve the Debtor's only viable path forward, and support the continued delivery of patient care at the Hospital.

JURISDICTION AND VENUE

3. The United States Bankruptcy Court for the District of Delaware (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and the Court may enter a final order consistent with Article III of the United States Constitution. Pursuant to Bankruptcy Rule 7008 and Local Rule 9013-1(f), the Debtor consents to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

4. Venue of the Chapter 11 Case and related proceedings is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

5. The statutory basis for the relief requested herein is § 365(d)(4).

BACKGROUND

6. On July 4, 2026 (the "Petition Date"), the Debtor commenced the Chapter 11 Case by filing a voluntary petition for relief under chapter 11. The Debtor has continued in the possession of its property and continues to operate and manage its business as a debtor in possession pursuant to §§ 1107(a) and 1108.

7. Additional factual background regarding the Debtor, including its current and historical business operations and the events precipitating its chapter 11 filing, is set forth in detail in the First Day Declaration.

8. On July 20, 2026, the U.S. Trustee appointed a five-member Committee of Unsecured Creditors (the "Committee"). *See* Docket No. 78. No trustee or examiner has been appointed in the Chapter 11 Case.

9. On September 28, 2026, the Debtor filed the *Debtor's Motion for Entry of Interim and Final Orders (I) Authorizing the Debtor to (A) Obtain Postpetition Secured Financing and (B) Utilize Cash Collateral; (II) Granting Liens and Superpriority Administrative Expense Claims; (III) Granting Adequate Protection; (IV) Modifying the Automatic Stay; (V) Scheduling a Final Hearing; and (VI) Granting Related Relief* [Docket No. 217] (the "DIP Motion"). The DIP Motion attached, as Exhibit 1 to the proposed order on the DIP Motion, that certain DIP Financing Term Sheet (the "DIP Term Sheet") and, as Exhibit A to the DIP Term Sheet, the plan term sheet (the "Plan Term Sheet" and, with the DIP Motion and DIP Term Sheet, the "DIP Filings"). On September 30, 2026, the Court entered an order granting the relief requested in the DIP Motion on an interim basis [Docket No. 229]. A final hearing on the DIP Motion is scheduled for October 15, 2026 at 9:00 a.m. (prevailing Eastern Time).

10. The DIP Filings contemplate a sale of the Hospital (defined below) to Axios Capital Solutions, LLC ("Axios"), the Debtor's senior secured prepetition lender and DIP lender, either pursuant to a chapter 11 plan or through a private sale under section 363 of the Bankruptcy Code. As a condition to certain advances, as described more fully in the DIP Motion, the Debtor is required to file this Motion by October 5, 2026. The DIP Filings further describe that the Debtor will assume the Lease, as amended in accordance with the Lease Principle Agreement (as defined

in the DIP Term Sheet), and assign the Lease to Axios in connection with the contemplated transaction.

11. Since 2013, the Debtor has operated its hospital (the "Hospital") pursuant to a long-term Master Lease (the "Lease") with Reliq Pacifica LLC, Beverly Gemini Investments, LLC, Taking the 5th, LLC, and Fifth/Arizona Investors, LLC (collectively, the "Landlord Entities"). The Hospital is the Debtor's principal operating facility and is indispensable to its ability to provide acute care services to the surrounding community. The initial 120-day deadline to assume or reject the Lease established by § 365(d)(4)(A) will expire on November 1, 2026 absent an extension.

12. The Debtor is not currently aware of any other non-residential real property leases but continues to review its books and records and seeks an extension of the § 365(d)(4)(A) deadline for all purposes so a premature rejection of unknown leases is not effectuated.

RELIEF REQUESTED

13. By this Motion, the Debtor seeks entry of an order, substantially in the form of the Order, pursuant to § 365(d)(4)(B)(i); (i) extending the time for the Debtor to assume or reject the Lease and other non-residential real property leases until **January 30, 2027**—ninety (90) days after the current deadline of November 1, 2026; and (ii) granting related relief.

BASIS FOR RELIEF

14. Section 365(d)(4)(A) provides that a debtor is automatically deemed to reject nonresidential real property leases to which it is a party by the earlier of 120 days from the petition date or the date on which a bankruptcy court confirms a plan of reorganization if it has not moved for an extension. § 365(d)(4)(A). Section 365(d)(4)(B)(i) provides that a bankruptcy court may extend the applicable period to assume or reject unexpired nonresidential real property leases for 90 days on the motion of a debtor "for cause." § 365(d)(4)(B)(i). Section 365(d)(4)(B)(ii) provides that a Court may grant subsequent extensions with the consent of the lessors. § 365(d)(4)(B)(ii).

15. "Cause" is not defined in the Bankruptcy Code. The decision to grant an extension of the time to assume or reject unexpired leases of nonresidential real property is subject to judicial interpretation and discretion. *See In re Wheeling-Pittsbugh Steel Corp.*, 54 B.R. 385, 388 (Bankr. W.D. Pa. 1985); *South Street Seaport LP v. Burger Boys, Inc. (In re Burger Boys, Inc.)*, 94 F.3d 755, 760-61 (2d Cir. 1996); *Sterry v. Cannata (In re Cannata)*, 2018 WL 1559767, at *1 (D. Conn. Mar. 23, 2018); Fed. R. Bankr. P. 9006(b) (allowing courts to exercise their discretion to enlarge the time for taking an action in a specified time period so long as the request to extend is made before the expiration of the time originally prescribed).

16. To determine if cause exists to extend the time to assume or reject unexpired leases of nonresidential real property, courts consider, among other things, whether:

a) the debtor was "paying for the use of the property;"

b) the "debtor's continued occupation . . . could damage the lessor [] beyond the compensation available under the Bankruptcy Code;"

c) the lease is the debtor's primary asset; and

d) the debtor has had sufficient time to formulate a plan of reorganization.

Burger Boys, 94 F.3d at 761 (quoting *Theatre Holding Corp. v. Mauro*, 681 F.2d 102, 105–06 (2d Cir. 1982))[3]; *McCord v. Jaspan Schlesinger Hoffman, LLP (In re Monahan Ford Corp. of Flushing)*, 390 B.R. 493, 500 (Bankr. E.D.N.Y. 2008); *In re Hernandez*, 287 B.R. 795, 806 (Bankr. D. Ariz. 2002) (discussing the *Theatre Holding* factors).

[3] Prior to the enactment of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (the "BAPCPA"), the time to assume or reject an unexpired lease of nonresidential real property was limited to 60 days from entry of the order for relief. In 2005, with the passage of the BAPCPA, Congress enlarged the time to assume or reject nonresidential real property leases to the earlier of 120 days from the order for relief or confirmation of a plan. Notwithstanding the amendments to § 365, the *Theatre Holding* factors are still relevant to the determination of a request to extend the time to assume or reject an unexpired lease of nonresidential real property. *See Burger Boys*, 94 F.3d at 761 (citing *In re Wedtech Corp.*, 72 B.R. 464, 471 (Bankr. S.D.N.Y. 1987)).

17. Furthermore, the *Theatre Holding* factors are not exhaustive. Courts may also consider the complexity of the chapter 11 case, the number of leases the debtor must evaluate, and "[t]he need for judicial determination of whether a lease exists." *See Burger Boys*, 94 F.3d at 761 (quoting *Wedtech*, 72 B.R. at 472).

18. Consistent with these considerations, courts routinely find cause to extend the section 365(d)(4) deadline where the initial period is insufficient for the debtor to determine which leases to assume or reject. *See, e.g.*, *In re Marelli Auto. Lighting USA LLC*, No. 25-11034 (CTG) (Bankr. D. Del. Oct. 6, 2025) (extending the deadline to assume or reject unexpired leases of nonresidential real property by 90 days); *In re At Home Grp. Inc.*, No. 25-11120 (JKS) (Bankr. D. Del. July 14, 2025) (same); *In re Liberated Brands LLC*, No. 25-10168 (JKS) (Bankr. D. Del. May 19, 2025) (same); *In re JOANN Inc.*, No. 25-10068 (CTG) (Bankr. D. Del. Feb. 14, 2025) (same); *In re Am. Tire Distribs., Inc.*, No. 24-12391 (CTG) (Bankr. D. Del. Feb. 6, 2025) (same); *see also See In re Circle K Corp.*, 127 F.3d 904, 909 (9th Cir. 1997) (observing that bankruptcy courts frequently grant such extensions). Courts may likewise consider whether additional time is needed to evaluate leases in light of a developing restructuring or sale process. *See In re Channel Home Ctrs., Inc.*, 989 F.2d 682, 687–89 (3d Cir. 1993); *In re GST Telecom Inc.*, 2001 WL 686971 (D. Del. June 8, 2001). An extension is proper in this Chapter 11 Case.

19. The initial 120-day period under § 365(d)(4)(A)(i) expires on November 1, 2026. No plan has been confirmed in the Chapter 11 Case. "Cause" exists to grant a 90-day extension of the period under § 365(d)(4)(A)(i) through and including **January 30, 2027**.

20. The Debtor requires additional time to determine whether to assume or reject its non-residential real property leases and, in particular, the Lease because the Lease is indispensable to the Debtor's continued operations and preservation of going-concern value. The Debtor operates

the Hospital from the leased premises, and without continued access to those premises, the Debtor could not continue treating patients, generate revenue, or preserve the value of its business for the benefit of creditors and other stakeholders. Chadwick Decl., ¶ 4. The Debtor's ability to continue operating the Hospital therefore represents substantially all of the going-concern value of its enterprise. *Id.* Courts have recognized that where a lease concerns property that is central to a debtor's business or constitutes a principal asset of the estate, that circumstance weighs strongly in favor of extending the deadline to assume or reject. *See Burger Boys*, 94 F.3d at 761; *Theatre Holding*, 681 F.2d at 105–06.

21. The Lease is also a critical component of Axios's contemplated acquisition of the Hospital. The terms and structure of that transaction have not yet been fully negotiated or finalized, and Axios and the Landlord Entities remain engaged in discussions concerning potential amendments to the Lease in connection with the contemplated transaction. Chadwick Decl., ¶ 4. Absent an extension, the Debtor could be forced to make an assumption-or-rejection decision before those negotiations are complete and before the Debtor has sufficient information to assess the Lease's economic benefits and burdens in the context of the proposed sale and chapter 11 plan. *Id.*, ¶ 5. Such a premature decision could materially prejudice the estate. *Id*. Premature assumption could expose the estate to substantial administrative obligations, while premature rejection could result in the loss of a valuable contractual right that is essential to the Debtor's contemplated sale. *Id.* The requested extension will permit the Debtor to make an informed decision once the relevant transaction terms are sufficiently developed and will reduce the risk of avoidable harm to the estate and its stakeholders. *Id.*

22. The decision whether to assume or reject non-residential real property leases, especially the Lease, is thus intertwined with the Debtor's contemplated sale of the Hospital to

Axios and the chapter 11 plan presently under development. *Id.*, ¶ 6. The Debtor is actively working with Axios, in its capacity as DIP Lender and prospective purchaser, the Landlord Entities, and other parties-in-interest to develop the transaction structure and formulate a confirmable plan. *Id.* The treatment of non-residential real property leases is central to those ongoing negotiations. *Id.* Additional time is therefore necessary to permit the Debtor to evaluate its leases, including the Lease, in the context of the transaction and plan as they develop, rather than in isolation and before the relevant economic and restructuring terms have been finalized. *Id.* Courts have recognized that the need to evaluate a lease in connection with an ongoing plan process supports an extension of the assumption-or-rejection deadline. *See Channel Home Ctrs.*, 989 F.2d at 689; *Wedtech*, 72 B.R. at 471–72.

23. The requested extension, with respect to the Lease is also contemplated by, and required under, the Debtor's Court-approved debtor in possession financing. Chadwick Decl, ¶ 7. Pursuant to the DIP financing, the Debtor is required to seek an extension of the deadline to assume or reject the Lease, underscoring the importance of the Lease to both the Debtor and its DIP Lender and to their coordinated sale and plan efforts. *Id.* The requested extension therefore is not an isolated procedural request, but an integral component of the sale transaction framework embodied in the DIP financing and the Debtor's broader sale efforts. *Id.* Granting the extension, by contrast, will preserve the status quo while the Debtor, Axios, the Landlord, and other parties continue working toward a value-maximizing transaction. *Id.*

24. Finally, the Landlord Entities will not be prejudiced by the requested extension. *See, e.g.*, *In re Am. Healthcare Mgmt., Inc.*, 900 F.2d 827, 832 (5th Cir. 1990) ("[A]n order extending the time for a debtor to assume or reject a lease merely preserves the status quo . . . .") (quoting *In re Victoria Station Inc.*, 875 F.2d 1380, 1386 (9th Cir. 1989)); *In re Bon Ton Rest. &*

Pastry Shop, Inc., 52 B.R. 850, 854–55 (Bankr. N.D. Ill. 1985) (concluding that a lessor who received continuing monthly rent payments was not prejudiced by an extension of the section 365(d)(4) deadline). The Debtor has performed and will continue to perform its post-petition obligations under the Lease as required by § 365(d)(3). Chadwick Decl., ¶ 7. The Landlord Entities' interests are therefore adequately protected during the extension period, and they will not suffer any damages beyond the compensation available under the Bankruptcy Code.

25. Accordingly, the Debtor submits that cause exists to extend the time for the Debtor to assume or reject its non-residential real property leases, including the Lease, pursuant to § 365(d)(4)(B) up to and including **January 30, 2027**.

RESERVATION OF RIGHTS

26. Debtor reserves its right to seek additional extensions of the time to assume or reject non-residential real property leases, including the Lease, under § 365(d)(4)(B)(ii).

NOTICE

27. Notice of this Motion shall be given to the following parties: (i) the U.S. Trustee; (ii) the Committee; (iii) the Debtor's thirty (30) largest unsecured creditors; (iv) the Landlord Entities; (iv) Axios; and (v) all parties that have filed notices of appearance pursuant to Bankruptcy Rule 2002. The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

NO PRIOR REQUEST

28. No prior request for the relief sought in this Motion has been made to this Court or any other court.

WHEREFORE, the Debtor respectfully requests entry of the Order: (i) granting the relief requested herein; and (ii) granting the Debtor such other and further relief as the Court deems just and proper.

Dated: October 5, 2026

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Laura Davis Jones

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: Pacifica of the Valley Corp.,[1] Debtor.	Chapter 11 Case No. 26-11060 (TMH)

Hearing Date: To Be Scheduled If Necessary
Objection Deadline: October 19, 2026 at 4:00 p.m. (ET)

NOTICE OF DEBTOR'S MOTION FOR ENTRY OF AN ORDER (I) EXTENDING THE TIME TO ASSUME OR REJECT DEBTOR'S LEASES OF NONRESIDENTIAL REAL PROPERTY PURSUANT TO SECTION 365(d)(4) AND (II) GRANTING RELATED RELIEF

PLEASE TAKE NOTICE that on October 5, 2026, the above-captioned debtor and debtor in possession (the "Debtor") filed the *Debtor's Motion for Entry of an Order (I) Extending the Time to Assume or Reject Debtor's Leases of Nonresidential Real Property Pursuant to Section 365(d)(4) and (II) Granting Related Relief* (the "Motion") with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

PLEASE TAKE FURTHER NOTICE that any responses to the Motion must be in writing and filed with the Clerk of the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, Third Floor, Wilmington, Delaware 19801, and served upon the undersigned, so as to be received on or before **4:00 p.m. (prevailing Eastern Time) on October 19, 2026**.

PLEASE TAKE FURTHER NOTICE that at the same time, you must also serve a copy of the response or objection upon: (a) the Debtor, Pacifica of the Valley Corp. d/b/a Pacifica

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Hospital of the Valley, 9449 San Fernando Road, Sun Valley, CA 91352; (b) co-counsel for the Debtor, (i) Dentons US LLP, 601 S. Figueroa Street, #2500, Los Angeles, CA 90017, Attn: Tania M. Moyron (tania.moyron@dentons.com) and Samuel Maizel (samuel.maizel@dentons.com), and Dentons US LLP, 1221 Avenue of the Americas, New York, NY 10020, Attn: John Beck (john.beck@dentons.com) and Geoffrey Miller (geoffrey.miller@dentons.com), and (ii) Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17th Floor, Wilmington, DE 19899, Attn: Laura Davis Jones (ljones@pszjlaw.com); (c) the Office of the United States Trustee, 844 King St., Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Hannah J. McCollum (hannah.mccollum@usdoj.gov); and (d) counsel to the Official Committee of Unsecured Creditors, Sills Cummis & Gross, P.C., One Riverfront Plaza, Newark, NJ 07102, Attn: Andrew H. Sherman (asherman@sillscummis.com) and Boris I. Mankovetskiy (bmankovetskiy@sillscummis.com).

PLEASE TAKE FURTHER NOTICE THAT, IF AN OBJECTION IS PROPERLY FILED AND SERVED IN ACCORDANCE WITH THE ABOVE PROCEDURES, A HEARING WILL BE HELD ON **A DATE AND TIME TO BE DETERMINED** BEFORE THE HONORABLE THOMAS M. HORAN, UNITED STATES BANKRUPTCY JUDGE FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, THIRD FLOOR, WILMINGTON, DELAWARE 19801. ONLY OBJECTIONS MADE IN WRITING AND TIMELY FILED WILL BE CONSIDERED BY THE BANKRUPTCY COURT AT SUCH HEARING.

PLEASE TAKE FURTHER NOTICE THAT IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: October 5, 2026

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Laura Davis Jones

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Counsel to the Debtor and Debtor in Possession

EXHIBIT A

Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: Pacifica of the Valley Corp.,[1] Debtor.	Chapter 11 Case No. 26-11060 (TMH) **Ref. Docket No. ____**

ORDER GRANTING DEBTOR'S MOTION FOR ENTRY OF AN ORDER (I) EXTENDING THE TIME TO ASSUME OR REJECT DEBTOR'S LEASES OF NONRESIDENTIAL REAL PROPERTY PURSUANT TO SECTION 365(d)(4) AND (II) GRANTING RELATED RELIEF

Upon consideration of the Motion[2] of the above-captioned debtor and debtor in possession (the "Debtor") for entry of an order (this "Order"): (i) extending the time to assume or reject the Debtor's leases of nonresidential real property pursuant to § 365(d)(4); and (ii) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration and the Chadwick Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012; and the Debtor having consented to entry of a final order; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtor's estate, its creditors, and other parties in interest; and this Court having found that the Debtor's notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and that no

[1] The Debtor in this Chapter 11 Case, along with the last four digits of the Debtor's federal tax identification number, is: Pacifica of the Valley Corporation d/b/a Pacifica Hospital of the Valley [7312]. The Debtor's mailing address is 9449 San Fernando Road, Sun Valley, CA 91352.

[2] Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

other notice need be provided; and this Court having determined that the legal and factual bases set forth in the Motion and at the hearing thereon, if any, establish just cause for the relief granted herein; and upon all of the proceedings before this Court; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.

2. The Court finds that 'cause' exists to extend the Debtor's deadline to assume or reject its non-residential real property lease, including the Lease, under § 365(d)(4), and, accordingly, the deadline to assume or reject the Lease is extended to **January 30, 2027**. The relief granted in this Order is without prejudice to the Debtor's ability to seek additional extensions of time to assume or reject its non-residential real property leases, including the Lease.

3. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of the Local Rules are satisfied by such notice.

4. Notwithstanding any Bankruptcy Rule to the contrary, the terms and conditions of this Order are immediately effective and enforceable upon entry.

5. The Debtor is authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

6. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

EXHIBIT B

Chadwick Declaration

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: Pacifica of the Valley Corp.,[1] Debtor.	Chapter 11 Case No. 26-11060 (TMH)

DECLARATION OF PETER C. CHADWICK IN SUPPORT OF DEBTOR'S MOTION FOR ENTRY OF AN ORDER (I) EXTENDING THE TIME TO ASSUME OR REJECT DEBTOR'S LEASES OF NONRESIDENTIAL REAL PROPERTY PURSUANT TO SECTION 365(d)(4) AND (II) GRANTING RELATED RELIEF

I, Peter C. Chadwick, hereby state and declare as follows:

1. I am the Chief Restructuring Officer ("CRO") of Pacifica of the Valley Corporation d/b/a Pacifica Hospital of the Valley, the above-captioned debtor and debtor in possession (the "Debtor") in the above-referenced case (the "Chapter 11 Case"). I have been a Managing Director with Berkeley Research Group, LLC ("BRG") since 2015. I specialize in corporate restructuring, interim management, financial advisory, and distressed business operations with over three decades of experience advising hospitals and healthcare systems in financial distress, including serving as chief restructuring officer, interim executive, and financial advisor in complex operational and chapter 11 restructurings. My work has focused on stabilizing healthcare operations, implementing cash management controls, preserving continuity of patient care, and developing operational budgets that allow hospitals to continue serving their communities while pursuing restructuring alternatives.

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2. I submit this declaration in support of the *Debtor's Motion for Entry of an Order (I) Extending the Time to Assume or Reject Debtor's Leases of Nonresidential Real Property Pursuant to Section 365(d)(4) and (II) Granting Related Relief* (the "Motion").[2]

3. Except as otherwise indicated, I have personal knowledge of the matters set forth herein based upon my work as CRO, my review of the Debtor's books and records, and discussions with the Debtor's management and advisors. If called upon to testify, I could and would testify competently to the matters stated herein.

4. The Debtor requires continued access to the premises it leases from the Landlord Entities under the Lease. The Lease provides the Debtor the premises on which it operates its Hospital, and without access to the leased premises the Debtor would be unable to continue treating patients, generate revenue, or preserve the value of its business for the benefit of creditors and other stakeholders. Operating the Hospital therefore represents substantially all of the going-concern value of its enterprise. Additionally, the Lease is a critical component of Axios's contemplated acquisition of the Hospital and discussions concerning potential amendments to the Lease in connection with the contemplated transaction remain ongoing.

5. Absent an extension of the deadline to assume or reject the Lease, the Debtor could be forced to make an assumption-or-rejection decision before those negotiations are complete and before the Debtor has sufficient information to assess the Lease's economic benefits and burdens in the context of the proposed sale and chapter 11 plan. Such a premature decision could materially prejudice the estate. Premature assumption could expose the estate to substantial administrative obligations, while premature rejection could result in the loss of a valuable contractual right that is essential to the Debtor's contemplated sale. The requested extension will permit the Debtor to

[2] Capitalized terms used but not otherwise defined herein have the meanings given to them in the Motion.

make an informed decision once the relevant transaction terms are sufficiently developed and will reduce the risk of avoidable harm to the estate and its stakeholders.

6. Additionally, the decision to assume or reject the Lease is intertwined with the Debtor's contemplated sale of the Hospital to Axios and the chapter 11 plan presently under development. The Debtor is actively working with Axios, in its capacity as DIP Lender and prospective purchaser, the Landlord Entities, and other parties-in-interest to develop the transaction structure and formulate a confirmable plan. The treatment of the Lease is central to those ongoing negotiations. Additional time is necessary to permit the Debtor to evaluate the Lease in the context of the transaction and plan as they develop, rather than in isolation and before the relevant economic and restructuring terms have been finalized.

7. Finally, the requested extension is contemplated by, and required under, the Debtor's Court-approved debtor in possession financing. Pursuant to the DIP financing, the Debtor is required to seek an extension of the deadline to assume or reject the Lease, underscoring the importance of the Lease to both the Debtor and its DIP Lender and to their coordinated sale and plan efforts. Granting the extension will preserve the status quo while the Debtor, Axios, the Landlord, and other parties continue working toward a value-maximizing transaction. The Landlord Entities will not be prejudiced by an extension of the time to assume or reject the Lease, particularly because the Debtor has and will continue to perform under the Lease.

I declare under penalty of perjury that, to the best of my knowledge and after reasonable inquiry, the foregoing is true and correct.

Executed October 5, 2026, at Washington, DC.

/s/ Peter C. Chadwick
Peter C. Chadwick
Chief Restructuring Officer
Pacifica of the Valley Corporation