**IN THE UNITED STATES BANKRUPTCY COURT**
**FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

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| **In re:**<br><br>**SOUTH HILLS OPERATIONS, LLC, *et al.*,**[1]<br><br>**Debtors.** | **Case No.: 24-21217-CMB**<br><br>**Chapter 11**<br>***Jointly Administered*** |
| **SOUTH HILLS OPERATIONS, LLC, et al.,**<br><br>**Movant,**<br><br>**-vs-**<br><br>**CIBC BANK USA; CUARZO HEALTHCARE CAPITAL; U.S. FOOD SERVICES; PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES; HARMONY PROPERTY MANAGEMENT, LLC; IRWIN PROPERTY MANAGEMENT, LLC; NEW CASTLE PROPERTY MANAGEMENT, LLC; NEW WILMINGTON PROPERTY MANAGEMENT, LLC; LATROBE PROPERTY MANAGEMENT, LLC; WASHINGTON PROPERTY MANAGEMENT, LLC; U.S. DEPARTMENT OF LABOR; INTERNAL REVENUE SERVICE; CENTERS FOR MEDICARE AND MEDICAID SERVICES; NEW WILMINGTON BOROUGH TAX, COLLECTOR; RICHARD L. RAPONE, LAWRENCE COUNTY TREASURER;** | **Related to Document No. 125**<br><br>**Hearing Date: September 30, 2024**<br><br>**Hearing Time: 1:00 PM (EST)**<br><br>**Response Deadline: 5:00 PM (EST) on July 12, 2024** |

[1] The "Debtors" as that term is used herein, along with the last four digits of each Debtor's federal tax identification number are: South Hills Operations, LLC (5527); Monroeville Operations, LLC (3280); Mt. Lebanon Operations, LLC (1133); Murrysville Operations, LLC (9149); Cheswick Rehabilitation and Wellness Center, LLC (9561); 3876 Saxonburg Boulevard Propco, LLC (3618); North Strabane Rehabilitation and Wellness Center, LLC (1677); 100 Tandem Village Road Propco, LLC (1918); Maybrook-C Briarcliff Opco, LLC (5187); Maybrook-C Briarcliff Propco, LLC (1823); Maybrook-C Evergreen Opco, LLC (5388); Maybrook-C Evergreen Propco, LLC (2000); Maybrook-C Kade Opco, LLC (4033); Maybrook-C Kade Propco, LLC (2097); Maybrook-C Latrobe Opco, LLC (4148); Maybrook-C Latrobe Propco, LLC (2178); Maybrook-C Overlook Opco, LLC (7081); Maybrook-C Overlook Propco, LLC (6804); Maybrook-C Silver Oaks Opco, LLC (7146); Maybrook-C Silver Oaks Propco, LLC (9654); Maybrook-C Whitecliff Opco, LLC (6211); Maybrook-C Whitecliff Propco, LLC (4835). The Debtors' address is 485 Lexington Avenue, 10th Floor, New York, NY 10017.

**UNITY TOWNSHIP TAX COLLECTOR; WESTMORELAND COUNTY TAX CLAIM BUREAU; ROBERT OHR, TAX COLLECTOR; MERCER COUNTY TAX CLAIM BUREAU; WASHINGTON COUNTY TAX CLAIM BUREAU; DONALD J. PROGAR, TAX COLLECTOR; KEYSTONE COLLECTION GROUP; JULIE LEVENTRY, TAX COLLECTOR; and SHELLEY BUCHANAN, TAX COLLECTOR, CITY OF NEW CASTLE,**

**Respondents.**

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**ORDER GRANTING DEBTORS' MOTION FOR ENTRY OF ORDERS (A) APPROVING SALE OF SUBSTANTIALLY ALL OF THE MAYBROOK AND CONSULATE DEBTORS' ASSETS, OTHER THAN ACCOUNTS, FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS, (B) APPROVING BID PROCEDURES FOR SALE OF SUBSTANTIALLY ALL OF THE MAYBROOK AND CONSULATE DEBTORS' ASSETS, OTHER THAN ACCOUNTS, (C) APPROVING STALKING HORSE BID PROTECTIONS, (D) SCHEDULING AUCTION FOR AND HEARING TO APPROVE THE SALE OF THE MAYBROOK AND CONSULATE DEBTORS' ASSETS, (E) APPROVING FORM AND MANNER OF NOTICE OF SALE, AUCTION, AND SALE ORDER HEARING, (F) APPROVING ASSUMPTION AND ASSIGNMENT PROCEDURES, (G) AUTHORIZING ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (H) GRANTING RELATED RELIEF**

This matter came before the Court on September 30, 2024 on the *Debtors' Motion for Entry of Orders (A) Approving Sale of Substantially All of the Maybrook and Consulate Debtors' Assets, Other Than Accounts, Free and Clear of All Liens, Claims, Encumbrances, and Interests, (B) Approving Bid Procedures for Sale of Substantially All of the Maybrook and Consulate Debtors' Assets, Other Than Accounts, (C) Approving Stalking Horse Bid Protections, (D) Scheduling Auction for and Hearing to Approve the Sale of the Maybrook and Consulate Debtors' Assets, (E) Approving Form and Manner of Notice of Sale, Auction, and Sale Order Hearing, (F) Approving Assumption and Assignment Procedures, (G) Authorizing Assumption and Assignment of*

*Executory Contracts and Unexpired Leases, and (H) Granting Related Relief* (the "Motion").[2] Due and proper notice of the Motion was given and a hearing was held on the same on September 30, 2024. Based upon the Court's review of the record, and having considered same, the relief sought by the Debtors is necessary and in the best interest of the Debtors, their bankruptcy estates, and other parties in interest and any timely objections that have not been withdrawn, waived, or resolved are overruled. Accordingly,

THE COURT HEREBY FINDS AND DETERMINES as follows:

A. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction over these Chapter 11 Cases, the Motion, and the proposed sale of the Purchased Assets and related Transactions pursuant to 28 U.S.C. §§ 157 and 1334. This matter constitutes a core proceeding under 28 U.S.C. §§ 157(b)(2)(A), (N), and (O).

C. Venue for these Chapter 11 Cases and thus for the Motion is proper in this District under 28 U.S.C. §§ 1408 and 1409.

D. The statutory predicates for the relief sought through the Motion are 11 U.S.C. §§ 105, 363, and 365 and Fed. R. Bankr. P. 2002, 6004, 6006 and 9014 and all other applicable law.

E. By order dated June 14, 2024 [Docket No. 246] (the "Sale Procedures Order"), the Court, among other things, approved (i) the Bid Procedures, (ii) the procedures for notice of the

[2] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion, the *Operations Transfer Agreement* attached to the Motion as Exhibit B (the "Stalking Horse OTA"), or *Contract of Sale* attached to the Motion as Exhibit B, and as amended by that certain First Amendment to Contract of Sale filed at Docket No. 631 (as amended, the "Stalking Horse PSA"), as applicable.

proposed sale of the Purchased Assets free and clear of all Claims and Encumbrances (other than Permitted Encumbrances and Assumed Liabilities) to the Buyers and New Operators and for raising any objections thereto; and (iii) procedures for the assumption and assignment of executory contracts and unexpired leases to the Buyers and New Operators and for raising objections thereto, all as more particularly set forth in the Sale Procedures Order.

F. The Debtors, Buyers, and New Operators have complied with the terms of the Sale Procedures Order. Without limitation, as reflected in Docket Nos. 158, 283, 306, 307, 308, 333, 334, 387, 399, 404, 607, and 631 proper, timely, adequate, and sufficient notice (including publication notice to unknown creditors or claimants) of the Motion and the Transactions has been provided in accordance with 11 U.S.C. §§ 102(1), and 363(b) and Fed. R. Bankr. P. 2002, 6004, and 9014, and other applicable law, including without limitation to all counterparties to executory contracts, creditors who have asserted or who could assert Claims or Encumbrances, and other parties in interest. Such notice was good and sufficient, and appropriate under the circumstances, and no other or further notice of the Motion, the hearing to consider the Motion (the "Hearing"), and/or the sale of the Purchased Assets and the Transactions is or shall be required.

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

H. The Debtors have demonstrated both (i) good, sufficient, and sound business purposes and justification, and (ii) compelling circumstances for the sale of the Purchased Assets to the Buyers and New Operators pursuant to 11 U.S.C. § 363. Such justification and compelling circumstances include, but are not limited to, the fact that (x) the Buyers' and New Operators' offer under the Transaction Documents constitutes the highest and best offer available for the Purchased Assets; (y) there were no other Qualified Bids by the Bid Deadline; and (z) consummation of the

Transactions presents the best opportunity to realize the highest value for the Purchased Assets and avoid potential decline and devaluation thereof, relieves the Debtors' bankruptcy estates of significant liabilities and provides a viable path for continued operations of the Facilities in the communities they serve.

I. After consideration of the circumstances described in the Motion and at the Hearing, including the declarations of Daniel Morris (filed at Docket No. 661), Louis Robichaux (filed at Docket No. 653), and Michael Segal (filed at Docket No. 654), the Court has determined that the proposed Transactions and sale of the Purchased Assets to the Buyers and New Operators pursuant to the Transaction Documents are in the best interests of the Debtors' estates.

J. The consideration to be paid at Closing by the Buyers and New Operators is fair and reasonable, represents the highest and best offer for the Purchased Assets, and is in the best interests of the Debtors, their creditors, and their estates.

K. The purchase terms, including the Purchase Price, as set forth in this Sale Order and the Transaction Documents, are fair and reasonable and constitute reasonably equivalent value and full, adequate, and fair consideration for the Purchased Assets under the Bankruptcy Code, or any other applicable laws of the United States, any state, territory, or possession.

L. The Buyers and New Operators are purchasers in "good faith," as that term is used in 11 U.S.C. § 363(m), with respect to the Purchased Assets and Transactions. The Transaction Documents and this Sale Order were negotiated, proposed, and entered into by the Debtors, Buyers, and New Operators in good faith, from arm's-length bargaining positions, and without collusion. Buyers and New Operators are not connected to or related to the Debtors or those in control of the Debtors in any manner that could reasonably affect the marketing, bidding, negotiating, or ultimate sale of the Purchased Assets on the terms set forth herein. The sale process

conducted was non-collusive, fair, and reasonable, and it was conducted openly and in good faith. Buyers and New Operators are entitled to the protections of 11 U.S.C. § 363(m) with respect to the Purchased Assets and the Transactions. The sale of the Purchased Assets to Buyers and New Operators, as applicable, is a sale in good faith within the meaning of 11 U.S.C. § 363(m). Buyers, New Operators, the Debtors, and their respective representatives and affiliates have not engaged in any conduct that would cause or permit the sale of the Purchased Assets, the Transactions, or this Sale Order to be avoided. Buyers and New Operators are not "insiders," as that term is defined in 11 U.S.C. § 101, of the Debtors.

M. The Transaction Documents do not provide for the transfer, or the promise to transfer, any of the Purchased Assets, or other assets of the Debtors' bankruptcy estates, to any insiders, affiliates, officers, or members of the Debtors, including, but not limited to, Mordy "Ephraim" Lahasky, or any other owner of any interest in the Debtors ("Insider") at the Closing or at any time thereafter.

N. Other than the Stalking Horse Agreements, any other Transaction Documents, and any non-disclosure agreement entered into with respect to the marketing process for the Debtors' assets, there are no other agreements between Kadima and the Stalking Horse Bidders, on the one hand, and the Debtors or Insiders, on the other, with respect to the sale of the Purchased Assets.

O. Neither Mr. Lahasky, nor any other Insider, own or control, directly or indirectly, any interest in the Stalking Horse Bidders or Kadima.

P. No agreement exists whereby Mr. Lahasky, nor any other Insider, has a right to purchase or has been promised the right to purchase or otherwise acquire or receive any direct or indirect ownership or financial or economic interest the Stalking Horse Bidders or Kadima.

Q. The Maybrook and Consulate Debtors may sell the Purchased Assets free and clear of all Claims and Encumbrances (other than Permitted Encumbrances and Assumed Liabilities) because, one or more of the standards set forth in 11 U.S.C. §§ 363(f)(1) – (5) have been satisfied. Each creditor or other person or entity asserting a Claim or Encumbrance in the Purchased Assets (i) has, subject to the terms and conditions of this Sale Order, consented to the Transactions or is deemed to have consented to the Transactions, (ii) could be compelled in a legal or equitable proceeding to accept money satisfaction of such Claim or Encumbrance, or (iii) otherwise falls within the provisions of 11 U.S.C. § 363(f). Those holders of Claims or Encumbrances who did not object (or who ultimately withdrew their objections, if any) to the Motion are deemed to have consented to the Motion and the Transactions pursuant to 11 U.S.C. § 363(f)(2).

R. As a condition to purchasing the Purchased Assets pursuant to the terms in the Transaction Documents, Buyers and New Operators require that the Purchased Assets be sold free and clear of all Claims and Encumbrances (other than Permitted Encumbrances and Assumed Liabilities), including without limitation (i) any liability for any Pennsylvania nursing home assessments (including as provided in 62 Pa. Stat. Ann. §§ 801-A, *et seq.*), (ii) any and all successor liability for any Department of Labor ("DOL") allegations or claims against the Debtors and their affiliates regardless of whether pending in any litigation against the Debtors, and (iii) any other amounts owed by the Debtors or their affiliates to the Commonwealth of Pennsylvania, the Department, or any other Governmental Authority. Buyers and New Operators would not have entered into the Transaction Documents and will not consummate the Transactions, thus adversely affecting the Debtors' bankruptcy estates, if the sale of the Purchased Assets is not free and clear of all Claims and Encumbrances (other than Permitted Encumbrances and Assumed Liabilities) or

if Buyers or New Operators were or could be liable for any Claims or Encumbrances against the Debtors or the Transferred Assets (other than Permitted Encumbrances and Assumed Liabilities).

S. Any of the executory contracts and unexpired leases of the Maybrook and Consulate Debtors that Buyers or New Operators have or will designate for assumption and assignment, and which are in default at the time of the Closing, shall be cured as provided in the Transaction Documents and this Sale Order, or as otherwise agreed to by the Buyers, New Operators, and the non-debtor counterparties to those executory contracts and unexpired leases.

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

U. The sale of the Purchased Assets to the Buyers and New Operators under the Transaction Documents will be a valid, legal, and effective transfer of the Purchased Assets and will vest the respective Buyers and New Operators with all right, title, and interests of the Maybrook and Consulate Debtors in and to the Purchased Assets, free and clear of all Claims and Encumbrances (other than Permitted Encumbrances and Assumed Liabilities).

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

**IT IS HEREBY ORDERED** as follows:

1. The Motion is granted and the Transactions, including the sale of the Purchased Assets to the Buyers and New Operators, are **APPROVED** in all respects as set forth herein.

2. Any objections to the Transactions that have not been withdrawn, waived, or resolved, and all reservation of rights included in such objections, are hereby **OVERRULED** on the merits. Any objections to the entry of this Sale Order or to the relief granted herein that were not timely filed are hereby forever barred.

3. The Stalking Horse OTA, Stalking Horse PSA, and all other Transaction Documents are hereby **APPROVED**, and the Maybrook and Consulate Debtors and their professionals are authorized, empowered, and directed to perform their obligations under the Transaction Documents and to take such actions as are necessary or appropriate to effectuate the terms of the Transaction Documents and this Sale Order. The failure specifically to include any particular provision of the Transaction Documents in this Sale Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the sale of the Purchased Assets and all other Transactions set forth in the Transaction Documents be authorized and approved in their entirety. In the event of any inconsistency between the terms of any prior pleading related to the Motion, the Transaction Documents, and this Sale Order, the terms of this Sale Order shall control. The Stalking Horse OTA and Stalking Horse PSA (without schedules) are attached hereto as **Exhibits 1 and 2**, respectively.

4. Upon the closing of the Transactions (the "Closing"), the sale of the Purchased Assets pursuant to this Sale Order and the Transaction Documents: (i) shall be a legal, valid, and effective transfer of the Purchased Assets from the Maybrook and Consulate Debtors to the respective New Operators and Buyers; (ii) shall vest in the respective New Operators and Buyers all rights, titles, and interests of the Maybrook and Consulate Debtors to the Purchased Assets and

good and marketable title thereto; (iii) shall constitute a transfer for reasonably equivalent value and full, adequate, and fair consideration under the Bankruptcy Code and all other law applicable to such transfer; and (iv) shall be on an "as is, where is" basis without any representations or warranties, except as provided in the Transaction Documents.

5. Pursuant to 11 U.S.C. §§ 105(a) and 363(f), upon the Closing, the Transactions and the sale of the Purchased Assets to the respective Buyers and New Operators shall be free and clear of all Claims and Encumbrances (other than Permitted Encumbrances and Assumed Liabilities), including but not limited to: (i) any mortgage, lien (as such term is defined in 11 U.S.C. § 101(37), including any mechanic's, materialman's, statutory, and any other consensual or non-consensual lien), security interest, charge, hypothecation, deed of trust, pledge, right of use, first offer or refusal, easement, servitude, restrictive covenant, lease, sublease, covenant, right of way, option, restriction (including, without limitation, any restriction on transfer or on the use, voting, receipt of income or other rights or exercise of any attributes of ownership), conditional sale or other title retention agreements, interest (including as that term is used in 11 U.S.C. § 363(f)), encroachment, "Encumbrance" (as defined in the OTA), or other encumbrance of any kind arising from or related in any way to the Debtors or any Debtor's ownership, operation, or control of the Purchased Assets during any pre-closing period (all of the foregoing collectively referred to as "Encumbrances"), and (ii) any claim, "Claim" (as defined in the OTA), debt, liability, interest, or obligation arising from or related in any way to the Debtors or any Debtors' ownership, operation, or control of the Purchased Assets during any pre-closing period (all of the foregoing collectively referred to as "Claims"). Without limitation, the sale of the Purchased Assets to the Buyers and New Operators shall be free and clear of all Claims and Encumbrances regardless of whether any such Claim or Encumbrance is in law or in equity, known or unknown, choate or inchoate, filed or unfiled,

scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, perfected or unperfected, allowed or disallowed, contingent or non-contingent, liquidated or unliquidated, matured or unmatured, material or non-material, disputed or undisputed, direct or indirect, and whether arising by agreement, understanding, law, equity or otherwise, and whether occurring or arising before, on or after the filing of the Debtors' bankruptcy petitions, or occurring or arising prior to the Closing Date.

6. Without limiting the foregoing, upon the Closing, New Operators and Buyers shall not be deemed to: (i) be the successors of the Maybrook and Consulate Debtors, any other Debtors, Manager, or their respective predecessors or affiliates, (ii) have, de facto, or otherwise, consolidated or merged with or into the Maybrook and Consulate Debtors, any other Debtors, Manager, or their respective predecessors or affiliates, (iii) be mere continuations or substantial continuations of the Maybrook and Consulate Debtors, any other Debtors, Manager, or their respective predecessors or affiliates, (iv) be mere continuations or substantial continuations of the identity, business, enterprises, or operations, of the Maybrook and Consulate Debtors, any other Debtors, Manager, or their respective predecessors or affiliates, or (v) be liable for any acts or omissions of the Maybrook and Consulate Debtors, any other Debtors, Manager, or their respective predecessors or affiliates, in the conduct of their business or arising under or related to the Purchased Assets (other than the Assumed Liabilities and Permitted Encumbrances).

7. For the avoidance of doubt, New Operators and Buyers shall not be liable for any Claims or Encumbrances (other than Assumed Liabilities and Permitted Encumbrances) against the Maybrook and Consulate Debtors, any other Debtors, Manager, or their respective predecessors or affiliates, and New Operators and Buyers shall have no successor or vicarious liability of any kind or character, whether known or unknown, as of the Closing Date, including,

without limitation, (i) any liabilities for Pennsylvania nursing home assessments (including as provided in 62 Pa. Stat. Ann. §§ 801-A, *et seq.*) owed by the Maybrook and Consulate Debtors, any other Debtors, Manager, or their respective predecessors or affiliates, (ii) any liabilities of the Maybrook and Consulate Debtors, any other Debtors, Manager, or their respective predecessors or affiliates owing to the DOL; (iii) any taxes of any kind whether now existing or hereafter arising, or whether fixed or contingent, owed by the Maybrook and Consulate Debtors, any other Debtors, Manager, or their respective predecessors or affiliates; (iv) any other liabilities of the Maybrook and Consulate Debtors, any other Debtors, Manager, or their respective predecessors or affiliates to the Commonwealth of Pennsylvania, the Department, or any other Governmental Authority; and (v) any other liabilities owed by the Maybrook and Consulate Debtors, any other Debtors, Manager, or their respective predecessors or affiliates.

8. For the avoidance of doubt, this Sale Order does not release any of the Debtors' estates' claims against any Insider or the Debtors' directors and officers.

9. With respect to Permitted Encumbrances and Assumed Liabilities, nothing within this Sale Order or the Transaction Documents shall be interpreted as providing that any New Operator or Buyer is liable for any Permitted Encumbrance or Assumed Liability that is not (i) directly related to the operations or assets of the relevant Facility that New Operator shall operate or Buyer shall own following Closing, or (ii) expressly assumed pursuant to any assignment, bill of sale, deed, or other similar document at Closing.

10. As of the Closing, all persons and entities holding Claims or Encumbrances and their respective successors and assigns, are hereby forever barred, estopped, and permanently enjoined from asserting, prosecuting, or otherwise pursuing such Claims or Encumbrances (other than Permitted Encumbrances and Assumed Liabilities) of any kind and nature against the Buyers,

New Operators, the Purchased Assets, or any other assets or properties of the New Operators or Buyers, or commencing or continuing any action that does not comply or is inconsistent with this Sale Order. Without limiting the foregoing, no persons or entities may condition the issuance to New Operators or Buyers of new licenses, new certifications, new Medicaid provider agreements or other payor program agreements on the assumption or payment by New Operators or Buyers of any such Claims or Encumbrances, including without limitation, Pennsylvania nursing home assessments (including as provided in 62 Pa. Stat. Ann. §§ 801-A, *et seq.*) or any liability, penalty or obligation that arose under or relate to the Debtors' Medicaid provider agreements. The Court hereby reserves exclusive jurisdiction over this Sale Order and the injunctions provided herein, including, without limitation, in this paragraph.

11. The Debtors are authorized, but not required, to pay without further order of the Court, whether before, at or after Closing, any expenses or costs required to be paid to consummate the Transactions or for the Maybrook and Consulate Debtors to perform their obligations in accordance with the Transaction Documents, including, without limitation, all Known Pre-Closing CMS Liabilities and Pre-Closing Monetary Penalties, all property taxes that may constitute a lien against any of the Purchased Assets, recording fees, transfer taxes and other items specified in the Transaction Documents. The Debtors are also authorized to pay at Closing the commission due to Blueprint Healthcare Real Estate Advisors, LLC (the "Blueprint Commission").

12. Upon the Closing, all Claims and Encumbrances shall attach to the proceeds of the Transactions remaining after payment of the items set forth in the preceding paragraph (the "Sale Proceeds") with the same validity, enforceability, priority, force, and effect that they now have as against the Purchased Assets, subject to the rights, claims, defenses, and objections of all interested parties with respect to such Claims and Encumbrances, including, without limitation, the rights of

the Debtors' bankruptcy estates under Chapter 5 of the Bankruptcy Code (all such issues to be reserved for further Orders of the Court); provided, however, at Closing, and in accordance with the Transaction Documents, $3,000,000.00 of the Sale Proceeds (the "Escrow Funds") shall be paid to the Escrow Agent for purposes of reimbursing the Buyers and New Operators for any Recoupment or any Indemnification Claims pursuant to the terms of the Indemnification Claims Escrow Agreement, and distributions of the Escrow Funds to the Buyers or New Operators shall not be subject to any Claims and Encumbrances; *provided, further*, that, from and after the entry of this Sale Order to and through the Closing, the Committee shall have consultation rights with respect to the creation, review, modification, and finalization of any closing statement, settlement statement, or other flow of funds ("Settlement Statement") identifying the expenses to be paid from the Sale Proceeds as required by the Transaction Documents or this Sale Order which Settlement Statement shall be provided to the Committee no less than (3) business days prior to the Closing.

13. Upon the Closing, the Sale Proceeds (other than the Escrow Funds) shall immediately satisfy all DIP Obligations, as defined in the *Final Order (i) Authorizing the Maybrook and Consulate Debtors to Obtain Postpetition Financing, (ii) Authorizing the Maybrook and Consulate Debtors to Use Cash Collateral, (iii) Granting Liens and Providing Superpriority Administrative Expense Status, (iv) Granting Adequate Protection, (v) Modifying Automatic Stay, and (vi) Granting Related Relief* [Dkt. No. 257] (the "Final DIP Order").[3] Such satisfaction of all DIP Obligations shall constitute the DIP Termination Date.

14. Upon satisfaction of all DIP Obligations, the remaining Sale Proceeds (the "Remaining Sale Proceeds") shall be deposited into an account controlled exclusively by the

[3] Capitalized terms not otherwise defined in this Paragraph 11 shall have the meaning set forth in the Final DIP Order.

Debtors, subject to CIBC's consent rights to use of Cash Collateral as set forth in the Final DIP Order. All rights in and to the Remaining Sale Proceeds and any objections to the use, priority, determination of secured status and the distribution of the Remaining Sale Proceeds, including any Escrow Funds that are not distributed to Buyers or New Operators pursuant to the terms of the Indemnification Claims Escrow Agreement, are preserved, and the determination thereof shall be subject to further Order of this Court.

15. In accordance with Paragraph 58 of the Final DIP Order, the DIP Agent and CIBC shall work in good faith with the Debtors and the Committee on crafting, preparing, and filing a Chapter 11 plan or other mutually acceptable exit of these Chapter 11 Cases. In furtherance of this good faith effort, the Debtors shall prepare, in consultation with the Committee and CIBC, a wind-down budget (the "Wind-Down Budget") for use of Cash Collateral necessary to achieve a Chapter 11 plan or other mutually acceptable exit of these Chapter 11 Cases, *provided, however,* this Order shall not constitute a finding regarding the obligation of CIBC, if any, to provide funding to satisfy any administrative expense claims or other priority claims necessary to confirm a plan except to the extent that the payment of any such claims is approved by CIBC or as may be ordered by this Court and all of the rights of any interested party, including the CIBC and the Committee, with respect thereto are reserved and preserved. The Wind-Down Budget may be approved by CIBC's consent or by further order of the Court. Upon the DIP Termination Date and until such time as the Wind-Down Budget is approved, Case Professionals' Allowed Professional Fees incurred after the DIP Termination Date shall be limited to the Wind-Down Carve Out Amount.

16. The Court **APPROVES** the assumption and assignment of the Assumed Contracts as set forth herein pursuant to 11 U.S.C. § 365. All requirements of 11 U.S.C. §§ 365(b) and 365(f) have been satisfied for the assumption by the Debtors, and the assignment by the Debtors to the

relevant Buyer or New Operator, of each Assumed Contract to be assumed and/or assigned to any Buyer or New Operator as of Closing. All counterparties of the Assumed Contracts that did not timely file an objection to the assumption and/or assignment of the Assumed Contract(s) to which they are a counterparty are deemed to consent to the assumption and assignment by the Maybrook and Consulate Debtors of their Assumed Contract to the respective Buyers or New Operators, and the respective Buyers or New Operators shall enjoy all of the rights and benefits under each such Assumed Contract as of the Closing without the necessity of obtaining such counterparty's consent to the assumption or assignment thereof.

17. In accordance with the terms of the Transaction Documents, the Buyers and New Operators may, at their discretion and up to the Closing, amend any Designation Notice to add or remove any executory contract or unexpired lease from the list of Assumed Contracts that shall be assumed and assigned to the respective Buyers or New Operators at Closing. Following the Closing, the Debtors shall file the final list of Assumed Contracts that have been assumed and assigned to the respective Buyers or New Operators at Closing. Other than the Assumed Contracts designated in such final list of Assumed Contracts filed on the docket, no other executory contract or unexpired lease shall be deemed assumed by the Maybrook and Consulate Debtors and assigned to any Buyers or New Operators pursuant to 11 U.S.C. § 365.

18. The Cure Costs designated in the notice filed at Docket No. 271 are deemed the amounts necessary to "cure" (within the meaning of 11 U.S.C. § 365(b)(l)) all "defaults" (within the meaning of 11 U.S.C. § 365(b)) under the Assumed Contracts. Any objections to the Cure Costs, to the extent not otherwise resolved, are hereby **OVERRULED**. To the extent that any counterparty to an Assumed Contract failed to timely object to its Cure Cost or to raise any other alleged default or breach of contract, such counterparty is deemed to have consented to such Cure

Cost as designated in the notice filed at Docket No. 271 and to the assumption and assignment of its respective Assumed Contract(s) to the respective Buyers or New Operators and to have waived any defaults or breaches thereunder. The Court finds that with respect to all Assumed Contracts, the payment of the Cure Costs, as provided herein, is reasonable and appropriate and is deemed to fully satisfy the Debtors' obligations under 11 U.S.C. §§ 365(b) and 365(f).

19. Pursuant to the Transaction Documents, the Buyers or New Operators will pay the Cure Costs under any Assumed Contracts at Closing, or as otherwise agreed by Buyers or New Operators and the counterparty to any Assumed Contract; *provided, however*, the Maybrook and Consulate Debtors shall be liable for paying all Known Pre-Closing CMS Liabilities and Pre-Closing Monetary Penalties.

20. The Buyers and New Operators have demonstrated adequate assurance of future performance of each Assumed Contract within the meaning of section 11 U.S.C. § 365. The Buyers' or New Operators' payment of Cure Costs (other than the Known Pre-Closing CMS Liabilities and Pre-Closing Monetary Penalties which shall be paid by the Maybrook and Consulate Debtors) in accordance with the terms of the Transaction Documents and this Sale Order, and the respective Buyer's or New Operator's promise to perform the obligations under the Assumed Contracts after the Closing Date, constitutes adequate assurance of future performance.

21. Upon assignment of the Assumed Contracts to the respective Buyers or New Operators in accordance with the terms of the Transaction Documents and this Sale Order, the Assumed Contracts shall be deemed valid and binding, in full force and effect in accordance with their terms, and the Maybrook and Consulate Debtors shall have no further liability or obligation under such Assumed Contracts. Without limiting the foregoing, each and every provision of the Assumed Contracts or applicable non-bankruptcy law that purport to prohibit, restrict, or

condition, or could be construed as prohibiting, restricting, or conditioning assignment of any Assumed Contract has been or will be satisfied or is otherwise unenforceable under 11 U.S.C. § 365. All counterparties to the Assumed Contracts shall cooperate and expeditiously execute and deliver, upon the reasonable request of the Buyers or New Operators, as applicable, and shall not charge the Debtors, Buyers, or New Operators for, any instruments, applications, consents, or other documents which may be required or requested by any public or quasi-public authority or other party or entity to effectuate the applicable transfers in connection with the Transactions.

22. Other than with respect to Assumed Liabilities, the Buyers and New Operators shall have no liability or obligation for any (i) defaults or breaches under any Assumed Contract that relate to acts or omissions that occurred in the period, or otherwise arose, prior to the Closing Date, or (ii) claims, counterclaims, offsets, or defenses (whether contractual or otherwise, including, any right of recoupment) with respect to any Assumed Contract that relate to any acts or omissions that arose or occurred prior to the Closing Date.

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

24. If any person or entity that has filed financing statements, mortgages, deeds of trust, mechanic's liens, lis pendens, or other documents or agreements evidencing interests with respect to the Debtors and/or the Purchased Assets shall not have delivered to the Debtors, Buyers, or New Operators prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, or releases of Claims and Encumbrances which the person or entity has with respect to the Debtors, the Purchased Assets, or otherwise (except

Permitted Encumbrances and Assumed Liabilities) then (i) the Buyers, New Operators, and/or the Debtors are hereby authorized and directed to execute and file such statements, instruments, releases, and other documents on behalf of the person or entity with respect to the Transferred Assets and (ii) the Buyers, New Operators, and/or the Debtors are hereby authorized to file, register, or otherwise record a certified copy of this Sale Order, which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of (but not a necessary condition to) the release of all such Claims and Encumbrances in, against, or with respect to the Debtors and/or the Purchased Assets. This Sale Order is deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state, and local governmental agency, department, or office. Notwithstanding the foregoing, the provisions of this Sale Order and the sale and transfer of the Purchased Assets to the Buyers and New Operators free and clear of all Claims and Encumbrances (other than Permitted Encumbrances and Assumed Liabilities) shall be and are self-executing without the necessity of any recording or filing of any document.

25. The Title Company may rely on this Sale Order as confirmation from this Court that the Maybrook and Consulate Debtors have all right, title, and authority and approval to transfer legal title to the Purchased Assets to the respective Buyers and New Operators, free and clear of all Claims and Encumbrances (other than Permitted Encumbrances and Assumed Liabilities).

26. No person or entity shall take or cause to be taken any action that would interfere with the transfer of the Purchased Assets to the Buyers and New Operators in accordance with the terms of this Sale Order and the Transaction Documents.

27. Any persons or entities that are presently, or as of the Closing may be, in possession of any portion of the Purchased Assets sold pursuant to this Sale Order and the Transaction

Documents are hereby directed to surrender possession of such Purchased Assets to the respective Buyers or New Operators on the date of the Closing.

28. The transactions contemplated by this Sale Order and the Transaction Documents have been bargained for and undertaken by Debtors, Buyers, and New Operators at arm's length, without collusion, and in good faith within the meaning of 11 U.S.C. § 363(m). Debtors, Buyers, and New Operators have not engaged in any conduct that would cause or permit this Sale Order or the Transactions to be avoided.

29. Pursuant to 11 U.S.C. § 363(m), if any or all of the provisions of this Sale Order are hereafter reversed, modified, or vacated by a subsequent order of this Court or any other court, such reversal, modification, or *vacatur* shall not affect the validity and enforceability of any obligation or right granted pursuant to the terms of this Sale Order. Notwithstanding any reversal, modification, or *vacatur* of this Sale Order, any actions taken by the Debtors, Buyers, and New Operators pursuant to the terms of this Sale Order prior to the effective date of any such reversal, modification, or *vacatur* shall be governed in all respects by the original provisions of this Sale Order and the Transaction Documents, as the case may be.

30. Debtors, Buyers, and New Operators, and their respective representatives, have not engaged in any conduct that would cause or permit the Transactions and/or the Transaction Documents to be avoided, or costs or damages to be imposed, pursuant to 11 U.S.C. § 363(n).

31. The Buyers and New Operators and their respective successors and assigns are hereby forever barred and permanently enjoined from transferring to any Insider any or all of the Purchased Assets, or profits or proceeds thereof, or any membership or ownership interest in the Buyers or New Operators.

32. No bulk sales law or any similar law of any state or other jurisdiction shall apply in any way to the Transaction Documents, the sale of the Purchased Assets, or this Sale Order.

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

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

35. Each and every federal, state, and governmental agency or department, and any other person or entity, is hereby authorized to accept any and all documents and instruments in connection with or necessary to consummate the Transactions. No governmental unit may revoke or suspend any lawful right, license, trademark, or other permission relating to the use of the Purchased Assets sold, transferred, or conveyed to the Buyers or New Operators on account of the filing or pendency of these Chapter 11 Cases or the consummation of the Transactions. For the avoidance of doubt, the Transactions authorized herein shall be of full force and effect, regardless of whether the Debtors or any of their affiliates lack good standing in any jurisdiction in which such entity is formed or is authorized to transact business.

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

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

38. The Court shall retain exclusive jurisdiction to enforce the provisions of this Sale Order and to resolve any dispute concerning this Sale Order, the Transaction Documents, and/or the rights and duties of the parties hereunder or thereunder, or any issues relating to the Transactions and this Sale Order, including, but not limited to, interpretation of the terms, conditions, and provisions hereof, and the status, nature, and extent of the Purchased Assets, and

all issues and disputes arising in connection with the relief authorized herein, inclusive of those concerning the transfer of the Purchased Assets free and clear of Claims and Encumbrances (other than Permitted Encumbrances and Assumed Liabilities) as set forth herein.

39. As more particularly provided in the Transaction Documents, New Operators shall obtain from the Operators and Manager all books, records, files and papers, whether in hard copy or computer format, related to the Purchased Assets, including any information relating to any tax imposed on the Purchased Assets; *provided*, that the Debtors shall also: (i) retain copies of the same including copies of computer servers, electronic mail records and all financial records of the Maybrook and Consulate Debtors, and (ii) retain and preserve any and all information related to the Maybrook and Consulate Debtors in their custody or control that was prepared by any third party, including but not limited to Comprehensive Healthcare Management Services, LLC ("CHMS") its agents, affiliates or assigns; *provided, further*, that, the Maybrook and Consulate Debtors and CHMS shall preserve and take no action to destroy, conceal, or alter any paper, electronic files, emails or their existing records of the Maybrook and Consulate Debtors, or allow the lapse of any cloud backup subscription or licenses other than with respect to medical records and any other protected health information which will be transferred to the New Operators, without the prior consent of the Committee or an Order of this Court. New Operators agree to maintain and retain in accordance with applicable laws all medical records and any other transferred protected health information and personally identifiable information related to current and former residents of the Facilities and shall comply with all applicable privacy policies and laws, subject to future notices regarding privacy policies provided by New Operators to current and former residents.

40. For the avoidance of doubt, the New Operators shall not acquire any interest in any Excluded Assets, as that term is defined in the Transaction Documents, including the Debtors' accounts receivable.

41. Notwithstanding anything in this Sale Order, any Patient Trust Funds and Property are and shall remain the property of the residents and are not Purchased Assets. The Maybrook and Consulate Debtors shall transfer the Patient Trust Funds and Property to New Operators at Closing in accordance with the Transaction Documents, and New Operators shall ensure that Patient Trust Funds and Property are maintained and utilized for the residents according to applicable law.

42. The Debtors are authorized and directed to take all steps necessary to fund the Indemnification Escrow and comply with the terms and obligations set forth in the Indemnification Claims Escrow Agreement. Nothing in this Sale Order shall be interpreted as impairing any rights of the Buyers or New Operators under the Indemnification Claims Escrow Agreement.

43. Any accounts receivable or proceeds thereof on account of services provided by New Operators after the Closing Date but paid to or received by the Debtors or deposited in any of their accounts, (i) shall be held in trust for the benefit of New Operators, (ii) shall be promptly turned over to New Operators, and (iii) shall under no circumstance be property of the Debtors or the Debtors' bankruptcy estates under 11 U.S.C. § 541 or otherwise. Any accounts receivable or proceeds thereof on account of services provided by Debtors before the Closing Date but paid to or received by the New Operators or deposited in any of their accounts, (i) shall be held in trust for the benefit of Debtors, (ii) shall be promptly turned over to Debtors, and (iii) shall be property of the Debtors or the Debtors' bankruptcy estates under 11 U.S.C. § 541 or otherwise.

44. *As to the Unions.* In no event shall the New Operators be bound by any collective bargaining agreements of the Debtors with any unions. However, conditioned upon the Closing (i) each New Operator shall recognize SEIU Healthcare Pennsylvania ("SEIU HCPA") as the exclusive collective bargaining agent for represented employees at Facilities under an existing collective bargaining agreement with SEIU HCPA (each an "Existing SEIU CBA"), and (ii) each applicable New Operator shall, within the time limits provided in an applicable Existing SEIU CBA, either (x) agree to execute a new collective bargaining agreement with SEIU HCPA on the same terms as the Existing SEIU CBA for the applicable Facility, or (y) after maintaining the terms and conditions of the Existing SEIU CBA for a period of sixty (60) days, provide notice to SEIU HCPA and its represented employees that such New Operator intends to negotiate a new collective bargaining agreement with employees represented by SEIU HCPA at the applicable Facility. SEIU HCPA shall not enforce against any New Operator any terms or conditions of an Existing SEIU CBA, including through any grievance procedure or other administrative or judicial remedy, without first providing written notice to the applicable New Operator and such New Operator shall have at least ten (10) business days from the date of the written notice to correct or cure any alleged violation, default, or breach of such Existing SEIU CBA. Other than as expressly provided herein, nothing in this paragraph shall be interpreted as imposing on New Operators (a) any financial or monetary obligations to any unions or unionized employees, including, without limitation, assumption of liability for any Claim by any union or unionized employees against the Debtors, Manager, or their respective affiliates, (b) any obligation to offer employment to any unionized employees, or (c) the terms or conditions of negotiating any collective bargaining agreement.

45. *As to the United States.*

A. Notwithstanding any provision to the contrary in this Order, the Stalking Horse OTA, the Stalking Horse PSA, or any other document related to the Transactions, nothing shall: (1) authorize the assumption, sale, assignment or other transfer to the Buyers or New Operators of any federal (a) grants, (b) grant funds, (c) contracts, including but not limited to agreements, leases, awards, and task orders, and specifically including contracts between the Debtors and the United States or its agencies, including Department of Veterans Affairs (VA) Contract Numbers 184, 185, 186, and 187 (as listed in the Debtors' Notice of Executory Contracts that may be Assumed and Assigned in connection with the Sale Transaction, Schedule of Contracts and Cure Amounts [Docket No. 271, Attachment 1]), (d) property, including but not limited to, any inventory, intellectual property and patents belonging to the United States or any of its agencies or components thereof, (e) certifications, (f) applications, (g) registrations, (h) billing numbers and other identifiers, including without limitation, national provider identifiers and provider transaction access numbers, (i) licenses, (j) permits, (k) covenants, (l) guarantees, (m) indemnifications, (n) data, (o) records, (p) payment obligations, or (q) any other interests belonging to the United States, including any of its agencies or components thereof (subsections (a) through (q) are collectively referred to as the "Federal Interests") without compliance by the Buyers and New Operators with all terms of the Federal Interests and with all applicable non-bankruptcy law; (2) be interpreted to set cure amounts or to require the United States to novate, approve or otherwise consent to the sale, assumption, assignment or other transfer of any Federal Interests; (3) waive, alter or otherwise limit the United States' Federal

Interests; (4) affect the setoff or recoupment rights of any federal governmental unit (as defined in 11 U.S.C. § 101(27)); (5) release, nullify, preclude or enjoin the enforcement of any federal police or regulatory power or any liability to a federal governmental unit that any entity would be subject to, except as allowed under 11 U.S.C. § 363(f), (6) confer exclusive jurisdiction to the Bankruptcy Court except to the extent set forth in 28 U.S.C. § 1334 (as limited by any other provisions of the United States Code); or (7) expand the scope of 11 U.S.C.§ 525; *provided, however, notwithstanding anything to the contrary in this Paragraph 45(a), and except as provided in Paragraphs 45(C)-(D) below*, other than Assumed Liabilities, the Buyers and New Operators shall not be liable for any claims the United States, its agencies, or any other federal Governmental Authority may have against the Debtors, their affiliates, or the Purchased Assets.

B. For the avoidance of doubt, nothing releases, nullifies, precludes or enjoins the DOL from seeking to enforce the Fair Labor Standards Act, 29 U.S.C. § 201 et. seq. against (1) the Debtors and their affiliates, (2) the Buyers or the New Operators with respect to their operations of the Facilities following Closing. Solely as defined by the scope of 11 U.S.C. § 363(f), the Buyers and New Operators shall not be liable for any of the DOL's claims against any of the Debtors, the Debtors' affiliates, or the Purchased Assets, including, without limitation, any claims of the DOL under that certain Judgment Order dated July 22, 2024 in the matter styled *Su v. Comprehensive Healthcare Management Services, LLC, et al.*, No. 2:18-cv-1608 (W.D. Pa.).

C. The transfer of the Maybrook and Consulate Debtors' Medicare provider agreements to the New Operators shall be approved on the terms herein pursuant to 11 U.S.C. § 365 and applicable non-bankruptcy law, including Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395–1395 *et. seq.*, all applicable Medicare regulations, and Medicare policies and procedures (together, "Medicare Program Law"). Further, (1) as a condition to Closing of the Transactions and transfer of the Maybrook and Consulate Debtors' Medicare provider agreements to the New Operators, the Debtors shall be required to satisfy all Known Pre-Closing CMS Liabilities and Pre-Closing Monetary Penalties prior to or at the closing of the Sale (such that the Purchased Assets shall be transferred to the Buyers and New Operators free and clear of such liabilities to the extent satisfied), and (2) all other setoff and recoupment rights under Medicare Program Law relating to the Maybrook and Consulate Debtors' Medicare provider agreements are reserved. Nothing in this Approval Order, the Stalking Horse OTA, or any other documents relating to the Transaction shall alter or diminish the successor liability of the New Operators for any unsatisfied liabilities under the Maybrook and Consulate Debtors' Medicare provider agreements, including any unsatisfied Known Pre-Closing CMS Liabilities or any Known Pre-Closing Monetary Penalties.

D. Nothing in this Order, the Stalking Horse OTA, Stalking Horse PSA, or any other document related to the Transactions shall limit, modify, or in any way affect the authority of the United States Secretary (the "Secretary") of the United States Department of Health and Human Services to regulate any New Operator's enrollment or participation as a Medicare provider (to the extent any New Operator

or any other buyer of the Purchased Assets enrolls or participates as a Medicare provider) or the right and authority of the Secretary, the Centers for Medicare & Medicaid Services ("CMS") or its contractors to review, approve, deny, or pay Medicare claims in the ordinary course of business in accordance with Medicare Program Law.

E. The United States takes no position with respect to, and nothing herein shall be construed as the Secretary's consent to, or acceptance of, the OTA or any underlying transactions described in or supporting the OTA.

F. The Maybrook and Consulate Debtors shall pay (i) their postpetition obligations under their employee health and welfare benefit plans including, but not limited to, health insurance premiums, in full through Closing and (ii) all postpetition wages of their employees through Closing, regardless of whether such wages are payable at the time of Closing.

46. *As to Cigna.* Notwithstanding anything to the contrary in this Sale Order, any plan of reorganization, or any notice related thereto, the following Cigna Payor Agreements (as defined in the Objection of Cigna Health and Life Insurance Company ("Cigna") [Docket No. 363] ("Cigna Objection")) shall be assumed and assigned to the New Operator for the relevant Facility as of the Closing of the Transactions: Ancillary Services Agreement between Cigna Health and Life Insurance Company and South Hills, effective July 15, 2017; Ancillary Provider Service Agreement, between HealthSpring Life & Health Insurance Company, Inc., Cigna Health and Life Insurance Company, Bravo Health of Pennsylvania and its Affiliates and Cheswick Rehabilitation and Wellness Center, LLC, effective 1/1/23; Ancillary Provider Service Agreement, between HealthSpring Life & Health Insurance Company, Inc., Cigna Health and Life Insurance Company,

Bravo Health of Pennsylvania and its Affiliates and The Grove at Harmony, effective 1/1/23; Ancillary Provider Service Agreement, between HealthSpring Life & Health Insurance Company, Inc., Cigna Health and Life Insurance Company, Bravo Health of Pennsylvania and its Affiliates and The Grove at Washington, effective 1/1/23; and Ancillary Provider Service Agreement, between HealthSpring Life & Health Insurance Company, Inc., Cigna Health and Life Insurance Company, Bravo Health of Pennsylvania and its Affiliates and Maybrook C Latrobe OPCO LLC, effective 2/1/23 (collectively, the "Assumed Cigna Contracts"). As a condition to Closing of the Transactions and assumption and assignment of the Assumed Cigna Contracts to New Operators, the Debtors shall be required to pay at Closing all Known Pre-Closing CMS Liabilities related to or arising under the Assumed Cigna Contracts. On or before the Sale Closing, the New Operators shall provide to Cigna the Tax ID, NPI, Billing, Remittance and Contact Information for each New Operator. Following the Closing, other than the Known Pre-Closing CMS Liabilities paid by the Debtors at Closing, all obligations due and unpaid under the Assumed Cigna Contracts accruing prior to the Closing Date of the Transactions shall be unimpaired and satisfied by the applicable New Operator(s), and nothing in this Sale Order or section 365 of the Bankruptcy Code shall affect such obligations as to the applicable New Operators(s), provided that, as to any such obligations, all rights and defenses related thereto are preserved and unimpaired, including without limitation, the rights of New Operators and Buyers under the Indemnification Escrow Agreement. Further, notwithstanding anything to the contrary in this Sale Order, or any notice related thereto, (i) the Assumed Cigna Contracts, and any related liabilities, shall only be assumed and assigned to a New Operator to the extent related to a Facility that is being transitioned to such New Operator upon Closing of the Transactions, and (ii) the Ancillary Provider Service Agreement dated effective as of 1/1/23 by and between HealthSpring Life &

Health Insurance Company, Inc., Cigna Health and Life Insurance Company, Bravo Health of Pennsylvania and its Affiliates, and Monroeville Rehabilitation and Wellness Center, shall not be assumed or assigned as part of the Transactions. This fully resolves the Cigna Objection.

47. *As to AmeriHealth Caritas Health Plan*. The Maybrook and Consulate Debtors' contracts with AmeriHealth Caritas Health Plan are not Assumed Contracts.

48. Pursuant to, and to the extent necessary under, Fed. R. Bankr. P. 6004(h) and 6006(d), this Court hereby expressly finds and concludes that there is no just cause for delay in the implementation of this Sale Order. This Sale Order therefore shall not be stayed for fourteen days after its entry.

49. Notwithstanding any provision of the Bankruptcy Code or Federal Rules of Bankruptcy Procedure to the contrary, this Sale Order shall be effective and enforceable immediately upon entry, and any stays thereof, including without limitation pursuant to Fed. R. Bankr. P. 6004(h) and 6006(d), are hereby abrogated.

Prepared by: */s/ Daniel R. Schimizzi*
Daniel R. Schimizzi, Local Counsel to the Debtors

BY THE COURT:

Date: September 30, 2024
Pittsburgh, PA

Carlota M. Böhm, Judge
United States Bankruptcy Court

FILED
9/30/24 3:38 pm
CLERK
U.S. BANKRUPTCY
COURT - WDPA

**Exhibit 1**

**Operations Transfer Agreement**

EXECUTION VERSION

# OPERATIONS TRANSFER AGREEMENT

by and among

**Maybrook-C Whitecliff Opco, LLC, Maybrook-C Overlook Opco, LLC, Maybrook-C Briarcliff Opco, LLC, Maybrook-C Silver Oaks Opco, LLC, Maybrook-C Kade Opco, LLC, Maybrook-C Evergreen Opco, LLC, Maybrook-C Latrobe Opco, LLC, North Strabane Rehabilitation and Wellness Center, LLC, and Cheswick Rehabilitation and Wellness Center, LLC**

and

**Greenville Rehabilitation & Nursing LLC, New Wilmington Rehabilitation & Nursing LLC, Irwin Rehabilitation & Nursing LLC, New Castle Rehabilitation & Nursing LLC, Washington Rehabilitation & Nursing LLC, Harmony Rehabilitation & Nursing LLC, Latrobe Rehabilitation & Nursing LLC, Cheswick Rehabilitation & Nursing, LLC and North Strabane Rehabilitation & Nursing, LLC**

and

**CHMS Group, LLC**

Dated as of: May 17, 2024

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# OPERATIONS TRANSFER AGREEMENT

This **OPERATIONS TRANSFER AGREEMENT** together with all exhibits, schedules, and documents required herein (the "Agreement"), dated May 17, 2024 (the "Effective Date") is by and between Greenville Rehabilitation & Nursing LLC, New Wilmington Rehabilitation & Nursing LLC, Irwin Rehabilitation & Nursing LLC, New Castle Rehabilitation & Nursing LLC, Washington Rehabilitation & Nursing LLC, Harmony Rehabilitation & Nursing LLC, Latrobe Rehabilitation & Nursing LLC, Cheswick Rehabilitation & Nursing, LLC and North Strabane Rehabilitation & Nursing, LLC, each a Pennsylvania limited liability company (each, a "New Operator" and, collectively, the "New Operators"), and Maybrook-C Whitecliff Opco, LLC, Maybrook-C Overlook Opco, LLC, Maybrook-C Briarcliff Opco, LLC, Maybrook-C Silver Oaks Opco, LLC, Maybrook-C Kade Opco, LLC, Maybrook-C Evergreen Opco, LLC, Maybrook-C Latrobe Opco, LLC, North Strabane Rehabilitation and Wellness Center, LLC, and Cheswick Rehabilitation and Wellness Center, LLC, each a Delaware limited liability company (each, an "Operator" and collectively, the "Operators") and CHMS Group, LLC, a New York limited liability company ("Manager").

**WITNESSETH:**

**WHEREAS**, Maybrook-C Whitecliff Propco, LLC, Maybrook-C Overlook Propco, LLC, Maybrook-C Briarcliff Propco, LLC, Maybrook-C Silver Oaks Propco, LLC, Maybrook-C Kade Propco, LLC, Maybrook-C Evergreen Propco, LLC, Maybrook-C Latrobe Propco, LLC, 3876 Saxonburg Boulevard Propco, LLC, and 100 Tandem Village Road Propco, LLC (each a "Seller" and, collectively, the "Sellers") and Greenville Property Management LLC, New Wilmington Property Management, LLC, Irwin Property Management, LLC, New Castle Property Management, LLC, Washington Property Management, LLC, Harmony Property Management, LLC, Latrobe Property Management, LLC, Cheswick Property Management, LLC, and North Strabane Property Management, LLC (each, a "Buyer", and, collectively, the "Buyers") have entered into that certain Contract of Sale (the "PSA") dated of even date herewith, pursuant to which Buyer will purchase from Seller the real property set forth opposite the name of such Seller on Exhibit A attached hereto (each a "Facility" and, collectively, the "Facilities") located upon the applicable land set forth on Exhibit A attached hereto;

**WHEREAS**, each Operator currently has the sole rights to act as operator of the Facility set forth opposite the name of such Operator on Exhibit A attached hereto pursuant to an existing lease agreement between such Operator and the applicable Seller that owns such Facility (each, an "Existing Operating Lease" and, collectively, the "Existing Operating Leases"), and each Operator holds the licenses and provider agreements for the operation of the Facility that it leases;

**WHEREAS**, pursuant to certain agreements, both written and oral, between Manager and the Operators, Manager provides certain management services with respect to the Facilities;

**WHEREAS**, on or about May 17, 2024, each Seller and each Operator (in their capacity as chapter 11 debtors, each, a "Debtor" and, collectively, the "Debtors"), will file voluntary petitions (collectively, the "Chapter 11 Petitions") for relief under Chapter 11 of the Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the

Western District of Pennsylvania (the "Bankruptcy Court") commencing chapter 11 cases (each, a "Bankruptcy Case" and, collectively, the "Bankruptcy Cases");

**WHEREAS,** the Sellers and Operators will continue to own and operate their respective Facilities and businesses as "***debtors-in-possession***" under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code;

**WHEREAS**, subject to approval of the Bankruptcy Court and in accordance with the structure shown on Exhibit A hereto, Operators and New Operators are entering into this Agreement in order to provide for an orderly transition of the operations of the Facilities and the sale and transfer of certain assets related thereto, including without limitation, all supplies, equipment, vehicles and other personal property owned by Operators or Manager and located at or used in connection with the operation of the Facilities (the "Personal Property") and certain contracts, licenses, and permits related to or necessary for the operation of the Facilities, in the manner and subject to the terms and conditions set forth in this Agreement and in accordance with Sections 105, 363 and 365 and other applicable provisions of the Bankruptcy Code;

**WHEREAS**, concurrently herewith and also subject to approval of the Bankruptcy Court, Sellers are entering into a contract of sale (the "PSA") with Buyers in order to sell, convey, assign and transfer the Property (as defined in the PSA) to Buyers;

**WHEREAS**, New Operators desire to purchase the Personal Property from the Operators and Manager and the Operators and Manager desire to sell, convey, assign and transfer to New Operators the Personal Property, simultaneously with the closing of the transactions between Buyers and Seller described in the PSA, all in the manner and subject to the terms and conditions set forth in this Agreement, the PSA, and in accordance with Sections 105, 363 and 365 and other applicable provisions of the Bankruptcy Code;

**WHEREAS**, the Personal Property, along with any contracts, licenses, permits, or other assets being transferred to New Operators hereunder, along with the Property being transferred to Buyer under the PSA (collectively, the "Purchased Assets") and any specified liabilities assumed hereunder or thereunder shall be purchased and assumed by the respective New Operators and Buyers pursuant to the Sale Order approving such sale, free and clear of all Claims and Encumbrances (other than Permitted Encumbrances and Assumed Liabilities) as said terms are defined herein or the PSA, pursuant to Sections 105, 363 and 365 of the Bankruptcy Code, and Rules 6004 and 6006 of the Federal Rules of Bankruptcy Procedure, which order will include the authorization for the assumption by the respective Operators and assignment to the New Operators of the Assumed Contracts (as defined below) and the liabilities thereunder in accordance with Section 365 of the Bankruptcy Code, all in the manner and subject to the terms and conditions set forth in this Agreement and the Sale Order and in accordance with other applicable provisions of the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure and the local rules for the Bankruptcy Court (together, the "Bankruptcy Rules");

**WHEREAS**, the managers of each of the Sellers and Operators have determined that it is advisable and in the best interests of each entity to enter into this Agreement and the PSA, respectively, and to consummate the transactions provided for herein and in the PSA, subject to entry of the Sale Order, and have approved the same;

**WHEREAS**, New Operators will be entering into leases of the Facilities and other related assets from Buyers, pursuant to lease agreements effective as of the Closing Date; and

**NOW, THEREFORE**, in consideration of the mutual covenants and promises contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Operators, Manager, and New Operators agree as follows:

1. **BANKRUPTCY PROVISIONS**. The parties hereto agree to the terms and conditions regarding the Debtors' filing of the Sale Motion (as defined herein) with the Bankruptcy Court to, among other things, seek (a) entry of the Bidding Procedures Order (as defined herein) (i) approving this Agreement and the PSA as part of the stalking horse purchase agreement, (ii) approving Buyers and New Operators as the stalking horse bidder pursuant to this Agreement and the PSA, and (iii) approving the Bidding Procedures (as defined herein), including the bid protections, that shall govern the Debtors' solicitation of competing bids for the Purchased Assets, and, (b) following an Auction (as defined herein) to be held after the Bidding Solicitation Period (as defined herein) expires should there be other Qualifying Bidders (as defined herein), the Debtors' pursuit of the Sale Order approving the Successful Bidder's (as defined herein) purchase agreement and operations transfer agreement, all in accordance with the provisions set forth on Exhibit B attached hereto (which Exhibit B also includes certain additional related defined terms used in this Agreement). To the extent of any inconsistencies in the Debtors' Sale Motion and the provisions set forth on Exhibit B attached hereto, the provisions in Exhibit B shall control, except as otherwise ordered by the Bankruptcy Court.

2. **CLOSING; TERMINATION**.

a. Subject to satisfaction of the closing pre-conditions set forth herein, the closing of the transactions contemplated herein (the "Closing") shall take place within fourteen (14) days after the Sale Order becomes a Final Order (as defined herein) (the "Scheduled Closing Date"); provided, however, that the Scheduled Closing Date occurs prior to the Outside Date (as defined in the PSA), provided further, however, that the parties may agree to extend the Outside Date and the Scheduled Closing Date by written agreement signed by all parties. The date the Closing actually occurs is referred to herein as the "Closing Date".

b. Subject to Section 4(c) below, New Operators shall use their best efforts to obtain, before the Scheduled Closing Date, all governmental or quasi-governmental approvals that are necessary or appropriate in order for New Operators to operate the respective Facility identified in Exhibit A under Pennsylvania law as a skilled nursing facility, continuing care retirement community, and/or personal care home, as applicable (collectively, the "Licenses"), issued by the Pennsylvania Insurance Department, the Pennsylvania Department of Health, and the Pennsylvania Department of Human Services or other applicable Governmental Authority (collectively and individually, the "Department"). Without limiting the foregoing, New Operators shall submit all filings required from New Operators by the Department in connection with the Licenses as soon as is reasonably practicable following the Effective Date. As provided herein, at the Closing, Operators will assign the Medicare provider agreements, insurance contracts and other payor program agreements, expressly excluding any Medicaid Provider Agreements (as defined herein) (collectively, the "Provider Agreements"), and all Permits (as defined herein) with respect to each Facility to the relevant New Operator to the extent legally assignable; *provided,*

*however*, notwithstanding anything to the contrary herein, no terms of the PSA, this OTA, the Sale Order, or any other Transaction Documents will require Buyers or New Operators to execute any application, agreement, or other document in favor of the Department or any other Governmental Authority that expressly or impliedly provides that Buyers or New Operators shall assume or have assumed any Claims, Encumbrances, or other liabilities of the Sellers or Operators except for Assumed Liabilities and Permitted Encumbrances.

c. Notwithstanding anything to the contrary contained herein, this Agreement shall terminate automatically if the PSA is terminated in accordance with Section 9.1 of the PSA, and the provisions of Section 9.2 of the PSA shall govern the termination of this Agreement and the rights and remedies of Sellers, Buyers, Operators, and New Operators arising from the termination of the PSA or this Agreement.

**3. COOPERATION; INTERIM OPERATIONS OF THE FACILITY.**

a. Operators and Manager agree to cooperate with New Operators, and New Operators agree to cooperate with Operators and Manager to effect an orderly transfer of the operation of each Facility. Upon reasonable prior notice to Operators and Manager, New Operators, Buyers, and their agents, employees and contractors shall have the right to enter the Facilities during reasonable business hours to conduct any necessary diligence, subject to Section 2.3 of the PSA. New Operators shall have the right to meet with and interview the Manager, Administrator, Director of Nursing and other employees of each Facility.

b. From the Effective Date until the Closing Date, Operators and Manager shall operate the Facilities in substantially the same manner as they have heretofore operated, use commercially reasonable efforts to preserve intact the business operations and relationships of each Facility with third parties and use commercially reasonable efforts to keep available the services of each Facility's employees, including but not limited to the Administrator, the Director of Nursing and the employee(s) responsible for public relations and marketing; provided, that the obligations of the Operators pursuant to this Section 3 shall be subject to any orders entered, or approvals or authorizations granted or required, by or under the Bankruptcy Court or the Bankruptcy Code (including in connection with the Bankruptcy Case), and the Debtors' obligations as debtors-in-possession to comply with any order of the Bankruptcy Court (including the Sale Order). Subject to the limitations in the preceding sentence, until the earlier of (i) the Closing Date, or (ii) the termination of this Agreement, Operators and Manager shall:

i. operate each Facility in the normal course of business and in compliance with all laws, ordinances, orders, rules, regulations and requirements of any Governmental Authority; *provided, however*, Operators shall not be required to make any payment to any Governmental Authority except as required under the Bankruptcy Code, any Order of the Bankruptcy Court, or as otherwise explicitly set forth herein;

ii. maintain each Facility's licensure status, Provider Agreements, and Medicaid Provider Agreements in material compliance with all applicable laws, rules and regulations;

iii. not sell, transfer or otherwise dispose of any of the Supplies (as hereinafter defined) or other Personal Property except in the ordinary course of business consistent with the prior practices of Operators and Manager, in which event Operators and Manager shall replace the same with similar property of equal or greater quality, value and usefulness;

iv. not enter into any contract, other than admission agreements or residency agreements, which, upon Closing, shall be assigned to the relevant New Operator for the Facility, nor modify, cancel, accept the surrender of or renew (except when any such acceptance of surrender or renewal is non-discretionary) any Assumed Contract (as hereinafter defined) except in the ordinary course of business consistent with the prior practices of the Operators and Manager for Contracts that are terminable upon 30 days' notice, without the New Operators' prior written consent;

v. not decrease the private pay rates of the residents at any Facility, except with the prior written consent of New Operators;

vi. maintain records in accordance with all applicable federal and state laws and in such manner so that all records will be prepared in a consistent manner and will be current, complete, accurate and true;

vii. not increase or promise to increase any wages or benefits of, or grant or promise to grant any bonuses to, any of the employees of any Facility without the prior written consent of New Operators except those reasonable bonuses and wage increases in the ordinary course of business consistent with the Operator's past practice;

viii. not take any action which will or would cause any of the representations or warranties in this Agreement to become untrue or be violated in any material respect;

ix. use reasonable commercial efforts to preserve the present residency and occupancy levels of each Facility and the goodwill with suppliers, residents and others having business relations with Manager, any Operator, or any Facility;

x. perform all of the Manager's and Operator's obligations in respect of the Facility they operate whether pursuant to any contracts, or other requirements; *provided, however*, Operators shall not be required to make any payments to creditors except as required under the Bankruptcy Code, any Order of the Bankruptcy Court, or as otherwise explicitly set forth herein;

xi. cooperate with the New Operators as reasonably necessary for the New Operators' receipt of licensure; and

xii. promptly inform New Operators in writing of any material event adversely affecting the ownership, use, occupancy, operation, management or maintenance of the Facilities, whether or not there is insurance to cover such event.

c. Operators shall use good faith efforts to enter into CCRC Resident Agreements (which include payment of an entrance fee) with at least four (4) new CCRC residents, two of

which are attributable to and under a CCRC Resident Agreement with the Greenville CCRC and two of which are attributable to and under a CCRC Resident Agreement with the New Castle CCRC. "Good faith efforts" shall include assigning a marketing person to work on such efforts at least one (1) day per week until the earlier of Closing or such time as this goal has been achieved, and upon request, Operators shall provide New Operators with reasonable evidence of Operators' compliance with this obligation. Notwithstanding the above, Operators' obligations under this Section 3(c) shall be deemed to have been satisfied if there are at least four (4) CCRC vacancies (2 each attributable to the New Castle and Greenville CCRCs) at Closing.

The obligations of the Operators pursuant to this Section 3 shall be subject to any orders entered, or approvals or authorizations granted or required, by or under the Bankruptcy Court or the Bankruptcy Code (including in connection with the Bankruptcy Case), and the Operators' obligations as debtors-in-possession to comply with any order of the Bankruptcy Court (including the Sale Order).

**4. CONDITIONS PRECEDENT.**

a. New Operators' obligations to consummate the transactions contemplated in this Agreement shall be subject to the following conditions precedent on and as of the Closing Date (provided the Closing Date occurs prior to the Outside Date, as defined in the PSA) to the reasonable satisfaction of New Operators or the waiver thereof by New Operators, which waiver shall be binding upon New Operators only to the extent made in writing and dated as of the Closing Date:

i. The Bankruptcy Court shall have entered the Sale Order approving the sale of the Purchased Assets to Buyers and New Operators free and clear of all Claims and Encumbrances (other than Permitted Encumbrances and Assumed Liabilities), and such Sale Order shall be a Final Order;

ii. All the Buyers' conditions to the closing of the PSA shall have been satisfied or waived and the closing of the PSA shall have occurred or shall be occurring simultaneously with the closing of the OTA;

iii. Each of the representations and warranties of Operators and Manager contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date, as though made on and as of the Closing Date;

iv. Operators and Manager shall have performed or complied, in all material respects, with all agreements and covenants required by this Agreement to be performed or complied with by Operators and Manager on or prior to the Closing Date, including without limitation delivering to New Operators all deliverables required in this Section 4(a) and paying or causing to be paid any fines or penalties in connection with any Survey or Statement as provided in Section 7(f);

v. Operators and Manager shall deliver to New Operators on or before the Closing Date the following, each of which shall be in form and substance satisfactory to New Operators:

A. Duly executed assignments by Operators (subject to Bankruptcy Court Approval) and Manager, in substantially the form annexed hereto as Exhibit C (the "General Assignment"), of all of Operators' and Manager's respective rights, titles and interests in, to and under:

i. the Patient Trust Funds and Property (as defined herein);

ii. the Assumed Contracts (as defined herein) to the extent legally assignable;

iii. all resident contracts or other agreements with current residents of the Facilities as of the Closing Date (the "Resident Agreements"), to the extent legally assignable;

iv. all licenses, permits, accreditations, and Medicare contracts, and other regulatory approvals, and all rights of Operators under any Provider Agreements or any third party payor programs, if any, issued by any Governmental Authority (expressly excluding any Medicaid provider/payor program agreements) or third party payor relating to the use, maintenance or operation of the Facilities running to, or in favor of, Operators, to the extent requested by New Operators and legally assignable (including all modifications thereto or renewals thereof, the "Permits");

v. all telephone numbers and domain names used in connection with the Facilities;

vi. all intellectual property owned by Operators, including without limitation, trademarks and trade names; and

vii. all other Purchased Assets not specifically set forth above.

B. Duly executed Bills of Sale, in substantially the form annexed hereto as Exhibit D;

C. certificates of Manager, executed by a duly authorized representative of Manager: (1) to the effect that the representations and warranties of Manager set forth in this Agreement are true and complete on and as of the Closing Date and (2) certifying the resolutions authorizing the transactions contemplated hereby and appearing on said certificate shall be the true and correct signatures of all authorized persons who have executed this Agreement;

D. certificates of Operators, executed by a duly authorized representative of Operators to the effect that the representations and warranties of Operators set forth in this Agreement are true and complete on and as of the Closing Date and appearing on said

certificate shall be the true and correct signatures of all authorized persons who have executed this Agreement;

E. copies of all Permits;

F. All Bills of Sale, titles, and related documents necessary to transfer title to New Operators of the following vehicles owned by the Operators (the "Vehicles"):

| Year | Make | Model | Vin # |
|---|---|---|---|
| 2020 | Ford | Transit 350 | 1FDAX2C88LKB11669 |
| 2013 | Ford | E250 | 1FTNS2EW9DDA30184 |
| 2016 | Ford | F250 | 1FTBF2B67GEA23017 |
| 2013 | Ford | E250 | 1FTNS2EW8DDA41614 |
| 2014 | Dodge | Grand Caravan | 2C4RDGBG9ER340758 |
| 1997 | Ford | F250 | 1FTHF26H3VEB11677 |
| 2014 | Ford | E250 | 1FTNS2EW9EDA90287 |
| 2013 | Ford | E250 | 1FTNS2EWXDDA38990 |
| 2021 | Ram | Promaster 2500 | 3C6LRVPG3ME508017 |
| 2017 | Ford | Econoline | 1FDEE3FS2HDC33654 |
| 2014 | Ford | E350 Super Duty | 1FDEE3FL5EDA34280 |

G. The Indemnification Claims Escrow Agreement (as defined herein) duly executed by Buyers, Sellers, Operators, New Operators, and the Escrow Agent (as defined herein); and

H. All other documents reasonably requested by New Operators to effectuate the Transactions contemplated herein.

vi. At or promptly following the Closing Date, Manager and Operators shall transfer to New Operators the Patient Trust Funds and Property in compliance with all governmental statutes, rules and regulations with respect to the transfer of such Patient Trust Funds and Property and in accordance with the provisions of Section 6 below;

vii. On the Closing Date, no Governmental Authority shall have enacted, issued, promulgated, or entered any statute, rule, regulation, executive order, judgment, decree, injunction, or other Order (whether temporary, preliminary, or permanent) which has the effect of making the Transactions contemplated by this Agreement illegal, or otherwise restrains consummation of the Transactions contemplated hereby.

viii. Since the date of execution of this Agreement, there shall have occurred no event, circumstance or other change in the Purchased Assets or the operations of the Facilities taken as a whole that, in the aggregate, has had or reasonably could be expected to have, a material adverse effect on the Purchased Assets or the operations of the Facilities taken as a whole. Without limiting the foregoing, as of the Closing Date, (1) there shall have occurred no event, circumstance or other change in the regulatory status and/or condition of any of the Facilities' licenses, permits and/or certifications, the Medicare and

Medicaid rates of the Facilities, and/or the business operations, or financial conditions of the Purchased Assets that, alone or in the aggregate, is reasonably likely to result in a loss, suspension or revocation of any of the Facilities' licenses, material violations cited by any Governmental Authority with jurisdiction over the operations of the Facilities, decertification from the Medicaid or Medicare programs, or reduction in the number of licensed beds at the Facilities, (2) CMS shall not have issued a denial of payment, which remains outstanding, for new admissions or a denial of new admissions with respect to any Facility that is outstanding as of the Closing Date, (3) CMS shall not have made a finding of "immediate jeopardy" with respect to any Facility which remains in effect as of the Closing Date, and (4) there shall not then be imposed against any Facility any life safety violation which remains outstanding as of the Closing;

ix. The aggregate resident census at all the Facilities shall not have decreased by more than seven and one-half percent (7.5%) since the Effective Date. Each calculation shall be based on the seven (7) day average census before the relevant date (i.e., the Effective Date and the Closing Date;

x. New Operators shall have obtained all consents and all Permits that are not otherwise assigned under the General Assignment and Assumption that are necessary for each New Operator's legal operation of the relevant Facility as of the Closing Date in substantially the same manner as operated by the relevant Operator (other than the Licenses, which are subject to clause (xii) below, and Permits and certification that are expected after the Closing);

xi. New Operators shall have secured Medicaid provider numbers and Medicaid provider reimbursement agreements in their own names from the Department, or have obtained reasonable assurances that such provider numbers and agreement will be issued in due course following the Closing, without the necessity of executing any application, agreement, or other document in favor of the Department or any other Governmental Authority that expressly or impliedly provides that Buyers or New Operators shall assume or have assumed any Claims, Encumbrances, or other liabilities of the Sellers or Operators except for Assumed Liabilities or Permitted Encumbrances;

xii. Subject to Section 4(c) below, New Operators shall have received notice from the Pennsylvania Department of Health ("DOH") advising that, upon the consummation of the transactions contemplated under this Agreement, the DOH is prepared to issue the Licenses effective upon the Closing pending final receipt of evidence of the effectiveness of the Closing, and shall have received reasonable assurances that CHOW approval shall be issued post-Closing with a retroactive effective date of the Closing Date ("License Confirmation");

xiii. Operators shall have paid or cause to be paid (a) any liability, penalty or obligation that arises prior to the Closing Date under the Provider Agreements relating to the operation of the Facilities with respect to periods prior to the Closing Date and which are known of by any Operator following a good faith investigation prior to Closing ("Known Pre-Closing CMS Liabilities"), and (b) all fines and penalties, including without limitation any civil monetary penalties, arising from any survey, report, statement of

deficiencies, plan of correction, or audit issued by any Governmental Authority prior to the Closing Date (the "Pre-Closing Monetary Penalties"). For the avoidance of doubt, the Known Pre-Closing CMS Liabilities and Pre-Closing Monetary Penalties (x) expressly exclude any nursing home assessment fees owing by Sellers or Operators to the Department, (y) are not Assumed Liabilities or Permitted Encumbrances against the New Operators, Buyers, or the Purchased Assets, and (z) shall not be paid by Sellers or Operators from the Indemnification Escrow (but shall instead be paid at Closing from the proceeds of the Transactions or other funds of Sellers or Operators); and

xiv. Operators shall have paid or cause to be paid any liability, penalty or obligation that arises prior to the Closing Date under the Medicaid Provider Agreements (as defined herein) relating to the operation of the Facilities with respect to periods prior to the Closing Date and which are known of by any Operator following a good faith investigation prior to Closing (the "Known Pre-Closing Medicaid Liabilities") in the event the Bankruptcy Court finds or rules that the Buyers and New Operators may not acquire the Purchased Assets free and clear of such liabilities under Section 363(f) of the Bankruptcy Code or other applicable law.

b. Operators' and Manager's obligations to consummate the transactions contemplated in this Agreement shall be subject to the following conditions precedent on and as of the Closing Date (provided the Closing Date occurs prior to the Outside Date, as defined in the PSA) to the reasonable satisfaction of Operators and Manager or the waiver thereof by Operators and Manager, which waiver shall be binding upon Operators and Manager only to the extent made in writing and dated as of the Closing Date:

i. The Bankruptcy Court shall have entered the Sale Order approving the sale of the Purchased Assets to Buyers and New Operators free and clear of all Claims and Encumbrances (other than Permitted Encumbrances and Assumed Liabilities), and such Sale Order shall be a Final Order;

ii. All the Sellers' conditions to the closing of the PSA shall have been satisfied or waived and the closing of the PSA shall have occurred or shall be occurring simultaneously with the closing of the OTA;

iii. Each of the representations and warranties of New Operators contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date, as though made on and as of the Closing Date;

iv. New Operators shall have performed or complied, in all material respects, with all agreements and covenants required by this Agreement to be performed or complied with by New Operators on or prior to the Closing Date, including without limitation delivering to New Operators all deliverables required in this Section 4(b);

v. New Operators shall deliver to Operators on or before the Closing Date the following, each of which shall be in form and substance reasonably satisfactory to Operators: (1) a certificate of each New Operator, executed by a duly authorized manager of such New Operator, dated the Closing Date, to the effect that the representations and

warranties of the New Operator set forth in this Agreement are true and complete on and as of the Closing Date and (2) a certificate from each New Operator, executed by a duly authorized manager of such New Operator, certifying the resolutions authorizing the transactions contemplated hereby and appearing on said certificate shall be the true and correct signatures of all authorized persons who have executed this Agreement; and

vi. Subject to Section 4(c) below, New Operators shall have received the License Confirmation.

c. The parties acknowledge that obtaining the continuing care retirement community ("CCRC") licenses from the Pennsylvania Insurance Department ("PID") with respect to any Facility currently licensed as a CCRC, as well as obtaining the personal care home ("PCH") license from the Pennsylvania Department of Human Services ("DHS"), may take an extended period of time. Accordingly, and notwithstanding anything to the contrary contained herein, a CCRC license and a PCH license issued in the relevant New Operators' names or approval thereof shall not be a condition to Closing. If a CCRC license or a PCH license has not been issued in the relevant New Operators' names by the Closing, the parties shall nevertheless proceed to the Closing and, notwithstanding anything to the contrary contained herein: (a) the relevant Operators and Manager shall convey to the relevant New Operator in accordance with the terms hereof all of the Purchased Assets other than such assets that the relevant Operators, as the licensed operators for the CCRC or PCH, would be required by law to retain while so licensed and while operating the CCRC or PCH (the "CCRC Retained Assets" or "PCH Retained Assets", as applicable), and (b) the relevant Operators, Manager, and Buyers shall enter into an Interim Management Agreement and Lease for the CCRC and/or the PCH as applicable. As used herein, "Interim Management Agreement and Lease" means an agreement reasonably acceptable to the parties pursuant to which the relevant Buyers and New Operators shall lease to the Operators the Purchased Assets with respect to the CCRC (other than the CCRC Retained Assets) and/or the PCH (other than the PCH Retained Assets), and such Operators shall remain the licensee of the CCRC and/or the PCH and engage the relevant New Operators as interim managers to operate the CCRC and/or the PCH utilizing the related Purchased Assets and the CCRC Retained Assets or PCH Retained Assets until such time as New Operators receive the CCRC license and/or the PCH license.

## 5. CONVEYANCE OF PERSONAL PROPERTY.

a. On the Closing Date, Operators and Manager shall deliver to New Operators bills of sale (each, a "Bill of Sale") for the Supplies, Vehicles and other Personal Property, substantially in the form annexed hereto as Exhibit D, to convey to the New Operators the Supplies, Vehicles and other Personal Property free and clear of all Claims and Encumbrances (other than Permitted Encumbrances and Assumed Liabilities).

b. Without limitation to any other provision of this Agreement, and in addition to any other description of the Personal Property, the Personal Property conveyed to New Operators shall include:

i. all Avoidance Actions against (a) any counterparty to any Assumed Contracts, (b) any current or former resident or patient of any Facility, or (c) any Retained Employees;

ii. all claims, lawsuits and rights of action, including but not limited to commercial tort claims as defined by section 9-102 of the Uniform Commercial Code, related to Assumed Contracts assigned to any Buyers or New Operators;

iii. all set-off rights to claims filed or asserted in the Bankruptcy Case to the extent necessary to defend against any Assumed Liabilities or Permitted Encumbrances;

iv. at the election of New Operators prior to Closing, any rights with respect to health care insurance policies for the benefit of Retained Employees that are designated as Assumed Contracts; and

v. all drawings, operating manuals, specifications, and assignable warranties, indemnities, bonds and guaranties issued in connection with the Personal Property, and all other intangible rights owned or held by Operators or Manager relating thereto.

c. Operators and Manager shall have no obligation to deliver the Supplies or other Personal Property to any location other than the Facility at which each item of Supplies and Personal Property is currently located, provided that Operators and Manager shall ensure that all Vehicles are delivered to New Operators, along with all keys and titles relating to the same, at the respective Facilities for which such Vehicles are used, and Operators and Manager shall cooperate with New Operators in having title to the Vehicles transferred to New Operators.

d. Notwithstanding anything to the contrary in this Agreement or the PSA, in no event shall the Operators, Manager, or Sellers be deemed to sell, transfer, assign or convey, and the Operators, Manager, and Sellers shall retain all of their respective rights, titles and interests to, in and under the following assets, properties, interests, and rights (collectively, the "Excluded Assets"):

i. all Rejected Contracts, as defined in Exhibit B;

ii. all Avoidance Actions other than any Avoidance Actions against (a) any counterparty to any Assumed Contracts, (b) any current or former resident or patient of the Facility, or (c) any Retained Employees;

iii. all cash and cash equivalents;

iv. all prepaid expenses, credits, advance payments, claims, security, refunds, rights of recovery, rights of set-off, rights of recoupment, deposits, charges, sums, and fees (including any such item relating to the payment of Taxes);

v. all claims, lawsuits and rights of action, including but not limited to commercial tort claims as defined by section 9-102 of the Uniform Commercial Code, except for any related to Assumed Contracts assigned to any Buyers or New Operators;

vi. all set-off rights to claims filed or asserted in the Bankruptcy Case; *provided, however*, New Operators shall be deemed to receive an assignment of any such set-off or recoupment rights to the extent necessary to defend against any Assumed Liabilities or Permitted Encumbrances;

vii. all insurance policies of Manager, Sellers, or Operators (other than any rights with respect to health care insurance policies for the benefit of employees if designated for assignment by New Operators), any prepaid insurance premiums and any rights or claims or proceeds arising from such policies;

viii. all accounts receivable of Manager, Operators, or Sellers;

ix. all limited liability organizational records, minute books, charter documents, record books, and stock transfer books pertaining to Manager or any Sellers or Operators, (ii) original Tax, accounting and financial records which pertain exclusively to the Excluded Assets, and (iii) such other files, books and records which pertain exclusively to the Excluded Assets or to the formation, existence, or capitalization of Manager or any Seller or Operator;

x. any payment received from any Governmental Authority related to any pandemic relief related to the periods before the Closing Date, payments made pursuant to the Coronavirus Aid, Relief and Economic Security Act, the Coronavirus Response and Consolidated Appropriations Act and the American Rescue Plan and any similar state or local legislation or program;

xi. the rights which accrue or will accrue to Manager, Sellers, or Operators under this Agreement and the Transaction Documents; and

xii. Employee Retention Tax Credit on qualified wages provided by the Coronavirus Aid, Relief, and Economic Security Act (CARES ACT), the Consolidated Appropriations Act, 2021 (CAA), and the American Rescue Plan Act (ARPA).

**6. TRANSFER OF PATIENT TRUST FUNDS.**

a. On the Closing Date or promptly thereafter, Operators and Manager shall provide to New Operators true, correct and complete accountings (properly reconciled) certified as being true, correct, and complete by Operators and Manager of any patient trust funds and an inventory of all residents' property held by Operators or Manager on the Closing Date for patients at the Facilities ("Patient Trust Funds and Property").

b. Operators and Manager hereby agree to transfer, or to cause to be transferred, to New Operators the Patient Trust Funds and Property on the Closing Date. Operators and Manager shall comply with all governmental statutes, rules and regulations with respect to the transfer of such Patient Trust Funds and Property. New Operators hereby agree that they will accept the Patient Trust Funds and Property in trust for the residents, in accordance with applicable statutory and regulatory requirements; provided, however, such transfers shall not relieve Operators or Manager of their custodial and fiduciary responsibilities for such funds and property to the beneficiaries thereof for the period prior to and on the Closing Date.

c. Operators and Manager will indemnify, defend and hold New Operators harmless from all liabilities, claims, demands and causes of action of any nature whatsoever, including reasonable attorneys' fees, in the event the amount of such funds, if any, transferred to New Operators did not represent the full amount of such funds delivered to Operators or Manager as custodian as of the Closing Date, or with respect to any Patient Trust Funds and Property delivered, or claimed to have been delivered, to an Operator or the Manager, but which were not delivered by Operators or Manager to New Operators, or for claims which arise from actions or omissions of Operators and/or Manager with respect to the Patient Trust Funds and Property prior to and on the Closing Date. This Section 6(c) shall survive Closing and any recovery by New Operators under this Section 6(c) shall be limited to the Indemnification Escrow as set forth in Section 16 herein.

**7. REGULATORY APPROVALS; COST REPORTS; OVERPAYMENTS, CIVIL MONETARY PENALTIES.**

a. Effective on the Closing Date, Operators and Manager shall sell, assign and convey to New Operators the Provider Agreements, to the extent legally assignable, in use at each Facility. Notwithstanding the foregoing, on the Closing Date, Operators and Manager shall have paid or cause to be paid the Known Pre-Closing CMS Liabilities and Pre-Closing Monetary Penalties and shall retain any and all rights and liabilities relating to the existing Provider Agreements relating to any and all periods preceding the Closing Date, and the Sale Order shall provide that the Purchased Assets are being sold free and clear of all such liabilities. Section 16 shall govern the New Operators' and Buyers' rights with respect to any Recoupment (as defined herein) that may be asserted following the Closing Date. Operators, Manager, and New Operators shall execute any and all documents necessary and will otherwise cooperate in connection with the assignment of the Provider Agreements. During the pendency of New Operators' CMS Form 855A, New Operators may bill Medicare under the relevant Operators' name and National Provider Identifier numbers ("NPI"), until each New Operator is issued a tie-in notice by CMS or the applicable fiscal intermediary acting on behalf of CMS. Notwithstanding the foregoing, New Operators shall be responsible for all rights and liabilities relating to the relevant existing NPI for the Facility operated by the relevant New Operator to the extent relating to any and all periods on or after the Closing Date. This Section 7 is intended to satisfy the requirements of Chapter Section 15.7.7.1.5 of the Medicare Program Integrity Manual.

b. New Operators shall also secure Medicaid provider numbers and Medicaid provider reimbursement agreements in their own names from the Department. Operators and Manager agree to cooperate with New Operators in the issuance of a new Medicaid provider agreement to each New Operator, including providing to New Operators or any Governmental Authority any information requested to effect the issuance to New Operators of new Medicaid provider numbers and Medicaid provider agreements. To the extent permitted by applicable law, New Operators may bill Medicaid under the relevant Operator's name for the relevant Facility and the relevant Operator's existing Medicaid provider number until each New Operator obtains a new Medicaid provider number and provider agreement in its own name. New Operators shall be responsible for all rights and liabilities relating to any existing Medicaid provider number relating to any and all periods on or after the Closing Date to the extent a New Operator is billing thereunder. Operators retain any and all rights and liabilities relating to the existing Medicaid provider numbers and Medicaid provider reimbursement agreements relating to the Facilities

(collectively, the "Medicaid Provider Agreements") relating to any and all periods preceding the Closing Date. Section 16 herein shall govern the New Operators' and Buyers' rights with respect to any Recoupment (as defined herein) that may be asserted following the Closing Date. Notwithstanding anything to the contrary herein, no terms of the PSA, this OTA, the Sale Order, or any other Transaction Documents will require Buyers or New Operators to execute any application, agreement, or other document in favor of the Department or any other Governmental Authority that expressly or impliedly provides that Buyers or New Operators shall assume or have assumed any Claims, Encumbrances, or other liabilities of the Sellers or Operators except for Assumed Liabilities and Permitted Encumbrances.

c. Effective on the Closing Date, subject to applicable law, Operators and Manager shall, upon the request of New Operators and to the extent assignable, sell, assign and convey to New Operators all other third party payor agreements affecting each Facility. Notwithstanding the foregoing, the Operators retain any and all rights and liabilities relating to such third party payor agreements relating to any and all periods preceding the Closing Date, and the Sale Order shall provide that the Purchased Assets are being sold free and clear of all such liabilities. Operators, Manager, and New Operators shall execute any and all documents necessary and will otherwise cooperate in connection with the assignment of such third party payor agreement. New Operators may bill such third party payors under Operator's name until it enters into a new agreement with such payors. New Operators shall be responsible for all rights and liabilities relating to any third party payor agreement assigned to it relating to any and all periods on or after the Closing Date. Section 16 herein shall govern the New Operators' and Buyers' rights with respect to any Recoupment (as defined in herein) that may be asserted following the Closing Date.

d. Operators or Manager shall prepare and file with the appropriate Medicare and Medicaid agencies their final cost reports in respect to operation of the Facilities as soon as practicable after the Closing Date, but in any event prior to the expiration of the period of time as may be required by law for the filing of each such final cost report under the applicable third party payor program, it being specifically understood and agreed that the intent and purpose of this provision is to ensure that the reimbursements paid to New Operators for the period beginning on the Closing Date is not delayed, reduced or offset in any manner as a result of Manager's or any Operator's failure to timely file such final cost reports.

e. Operators shall be and remain obligated for all amounts of any license fees/taxes or other amounts payable to any Governmental Authority with jurisdiction over the Facilities accrued through the Closing Date, including, but not limited, any state nursing home assessments fees owed to the Department, other than such taxes, assessments, or fees that are being contested in good faith or to be addressed in the Bankruptcy Cases. Operators and Manager shall provide to New Operators, on or before the Closing Date, evidence reasonably satisfactory to New Operators of the status of payment of all such fees, taxes, and nursing home assessment fees, and the Sale Order shall provide that the Purchased Assets are being sold free and clear of the same (except for Permitted Encumbrances and Assumed Liabilities).

f. Operators shall be liable and responsible for the correction of all violations cited by the Department or any Governmental Authority in any survey ("Survey") prior to or on or after the Closing Date as detailed in the Statement of Deficiencies issued by any governmental agency ("Statement"), if any, accompanying said Survey, and all proposed or imposed remedies related

thereto. Operators shall be responsible for the payment of all fines and penalties imposed by any Governmental Authority arising in connection with any Survey or Statement occurring prior to the Closing Date or occurring thereafter to the extent related to the operations of any Facility prior to the Closing Date, and should Operators not satisfy such fines or penalties and New Operators must pay any such fines or penalties, then New Operators may recover the amount of any such payments from the Indemnification Escrow as provided in Section 16 herein. Manager and Operators shall assist, as appropriate, New Operators in establishing any plans of correction or other responses to be submitted by New Operators after the Closing Date for Surveys and Statements that relate to events or circumstances occurring prior to the Closing Date within the time allowed for such submissions. Except for fines and penalties that are the responsibility of Operators as set forth in this paragraph, New Operators shall be responsible for and bear all costs and expenses as a result of implementing such plans of correction or other submissions.

g. Operators and Manager shall deliver to New Operator copies of any Medicare and Medicaid cost reports for the Facility that have not been filed as of the Effective Date, for the New Operators' review, at least ten (10) days prior to filing of such reports, and provide New Operators with reasonable access to the underlying documentation for such reports.

h. Pennsylvania Nursing Facility Provider Assessment

i. New Operators shall not be responsible for any nursing home assessment fees (including interest and penalties, if applicable) due for a Facility to DHS for any period of time prior to the Closing Date ("Pre-Closing Date Assessment"), and the Sale Order shall expressly provide that the Purchased Assets are being sold free and clear of all Pre-Closing Date Assessments. Without limiting the foregoing, and for the avoidance of doubt, under no circumstance shall the Pre-Closing Date Assessments be a Permitted Encumbrance or Assumed Liability.

ii. New Operators shall only be responsible for nursing home assessments (including interest and penalties, if applicable) due for a Facility to DHS for any period of time on and after the Closing Date ("Post-Closing Date Assessment").

iii. Except as provided herein, each party shall be entitled to receive the "State Directed Payment" associated with claim submissions for services rendered by the applicable party and billed to the applicable CHC Managed Care Organization. For purposes of this Section 7, "State Directed Payment" (previously known as an "A4 Payment" or "Assessment Payment") means a payment made by the Medical Assistance Community HealthChoice plan to a nursing facility that is in addition to its per diem rate from the plan.

i. For the avoidance of doubt, this Section 7 shall survive Closing and nothing within this Section 7 shall be interpreted as requiring New Operators or Buyers to satisfy any Encumbrances or Claims against the Sellers or Operators, including, without limitation, any Pre-Closing Date Assessments with respect to the Facilities.

**8. CONTRACTS; RESIDENT AGREEMENTS.**

a. The assumption and assignment of the Assumed Contracts to the New Operators shall be governed by the terms of Exhibit B and the Bidding Procedures Order.

b. At Closing, (i) the Operators and Manager shall, pursuant to the Sale Order and to the extent assignable under Section 365 of the Bankruptcy Code, assume and assign to New Operators each of the Assumed Contracts (including, without limitation, the Provider Agreements and all existing Resident Agreements and any guarantees thereof with respect to the relevant Facility to be operated by the New Operator (excluding only the right to any payments for services provided by Operator in periods prior to the Closing Date)), and (ii) the New Operators shall pay promptly all Cure Costs (if any) in connection with such assumption and assignment (as agreed to among the various counterparties, New Operators and the Operators, or as determined by the Bankruptcy Court), and New Operators shall assume and perform and discharge the Assumed Liabilities (if any) under the Assumed Contracts pursuant to the General Assignment and the Sale Order, *provided, however, and for the avoidance of doubt,* (x) New Operators shall not assume or be liable for any liabilities or obligations under the Assumed Contracts arising on or before the Closing Date (other than Assumed Liabilities and Permitted Encumbrances), (y) nothing in this Section 8 or otherwise in this Agreement shall impose a liability on New Operators to satisfy any Known Pre-Closing CMS Liabilities or Pre-Closing Monetary Penalties (which shall be satisfied by Operators at or prior to Closing) or any other liabilities that are not Assumed Liabilities, and (z) to the extent New Operators must pay any refunds or return entrance fees or similar obligations under any CCRC related resident agreements, then New Operators may recover such amounts from the Indemnification Escrow as set forth in Section 16 herein.

c. For the avoidance of doubt, this Section 8 shall survive Closing.

**9. NO ASSUMPTION OF LIABILITIES.**

a. Other than (1) the Cure Costs to be paid by Buyers or New Operators as expressly provided herein, (2) any obligations arising after the Closing under any Assumed Contracts, (3) any unknown obligations that become known after the Closing under the Medicaid Provider Agreements unless the Bankruptcy Court enters a Final Order providing that Buyers and New Operators may acquire the Purchased Assets free and clear of such obligations under Section 363(f) of the Bankruptcy Code or other applicable law, (4) all of the Operators' obligations to employees included in the PTO Credit (as defined below), and (5) any other obligations specifically assumed by New Operators or Buyers in this Agreement or the PSA (collectively, the "Assumed Liabilities"),[1] New Operators and Buyers shall not assume and shall not be liable for any Claims or Encumbrances of or against the Operators, Sellers, Manager, or any of the Purchased Assets, including, but not limited to (collectively, the "Excluded Liabilities"): any (i) Claims or Encumbrances that accrue or arise prior to the Closing Date; (ii) liabilities or

[1] For the avoidance of doubt, nothing within this Agreement or the PSA shall be interpreted as providing that any New Operator or Buyer has assumed any liability that is not (a) directly related to the operations or assets of the relevant Facility that New Operator shall operate or Buyer shall own following Closing, or (b) expressly assumed pursuant to any assignment, bill of sale, deed, or other similar document at Closing.

obligations of the Sellers, Operators, or Manager to their creditors, shareholders, partners, members or owners, (iii) liabilities or obligations of the Sellers, Operators, or Manager with respect to any Contracts (other than with respect to the Assumed Contracts on and after the Closing Date), acts, events or transactions occurring prior to, on or after the Closing Date, (iv) liabilities or obligations of the Sellers, Operators, or Manager for any federal, state, county or local taxes applicable to or assessed against the Sellers, Operators or Manager or the assets or business of the Sellers, Operators, or Manager or the Purchased Assets, (v) any contingent liabilities or obligations of the Sellers, Operators or Manager, whether known or unknown by the Sellers, Operators, Manager, or New Operators, (vi) liabilities or obligations of the Sellers, Operators, or Manager relating to any of their respective employees, other than Retained Employees with respect to the period from and after the Closing Date, (vii) any entrance fee refund or reimbursement obligations other than any such obligations arising after the Closing under any Assumed Contract, including but not limited to life care contracts or contracts associated with the residents through the CCRC, or (viii) any other liabilities resulting from any act or failure to act by any Seller, Operator, or Manager before the Closing Date. For the avoidance of doubt, this paragraph shall not limit the terms of the Sale Order or the intent of the parties to have the sale and assignment to the Buyers and New Operators be free and clear of all liabilities of the Sellers, Operators, and Manager (other than Assumed Liabilities) to the fullest extent permitted by applicable law, including the Bankruptcy Code.

b. Operators shall not assume and shall not be liable for, any debts, liabilities or obligations of the New Operators including, but not limited to, any (i) expenses that accrue or arise on or after the Closing Date, (ii) liabilities or obligations of the New Operators to their creditors, shareholders, partners, members or owners, (iii) liabilities or obligations of the New Operators with respect to any Assumed Contracts accruing on and after the Closing Date, and any acts, events or transactions occurring on or after the Closing Date, (iv) liabilities or obligations of the New Operators for any federal, state, county or local taxes applicable to or assessed against the New Operators or the assets or businesses of the New Operators, (v) any contingent liabilities or obligations of the New Operators, whether known or unknown by the New Operators or Operators, or (vi) any other liabilities resulting from any act or failure to act by any New Operators on or after the Closing Date; *provided, for the avoidance of doubt*, nothing in this Section 9(b) shall be deemed to limit New Operators' or Buyers' rights to recover any amounts from the Indemnification Escrow as provided herein or in the PSA.

c. Except as specifically provided in this Agreement, (i) New Operators shall have no duty whatsoever to take any action or receive or make any payment or credit arising from or related to any services provided or costs arising from or related to any services provided or costs incurred in connection with the management and operation of the Facilities prior to the Closing Date, including, but not limited to, any matters relating to Contracts, cost reports, collections, audits, hearings, Surveys, Statements, or legal action arising therefrom, and (ii) Operators and Manager shall have no duty whatsoever to take any action or receive or make any payment or credit arising from or related to any services provided or costs arising from or related to any services provided or costs incurred in connection with the management and operation of the Facilities on or after the Closing Date, including, but not limited to, any matters relating to cost reports, collections, audits, hearings, or legal action arising therefrom.

d. Without limiting the foregoing, the parties intend that, to the fullest extent permitted by law (including under Section 363 of the Bankruptcy Code), upon the Closing, New Operators and Buyers shall not be deemed to: (i) be the successors of the Operators, Manager, or Sellers, (ii) have, de facto, or otherwise, merged with or into the Operators, Manager, or Sellers, (iii) be mere continuations or substantial continuations of the Operators, Manager, or Sellers or the business, enterprise(s), or operations of the Operators, Manager, or Sellers or (iv) be liable for any acts or omissions of the Operators, Manager, or Sellers in the conduct of their business or arising under or related to the Facilities or any other Purchased Assets other than the Assumed Liabilities. Without limiting the foregoing, the parties intend that New Operators and Buyers shall not be liable for any Claims or Encumbrance (other than Assumed Liabilities and Permitted Encumbrances) against Manager, Operators, Sellers, or any of the Manager's, Operators', or Sellers' predecessors or affiliates, and New Operators and Buyers shall have no successor or vicarious liability of any kind or character, whether known or unknown, as of the Closing Date, including, without limitation, any liabilities for nursing assessments owed by Manager, Operators, or Sellers to the Department, any liabilities owed by Manager, Operators, or Sellers to the Department of Labor, and any taxes of any kind whether now existing or hereafter arising, or whether fixed or contingent, with respect to the Facilities or other Purchased Assets, or any liabilities of Manager, Operators, or Sellers arising prior to the Closing Date. The parties agree that provisions substantially in the form of this Section 9, as well as any other provisions requested by New Operators or Buyers to ensure "free and clear" transfer of the Purchased Assets (other than Permitted Encumbrances and Assumed Liabilities), shall be reflected in the Sale Order.

e. Notwithstanding anything to the contrary herein or in the PSA, in the event that (i) New Operators or Buyers must engage legal counsel or incur any other costs or expenses to enforce the terms of the Sale Order against any third party asserting any type of Claim or Encumbrance against New Operators, Buyers, or the Purchased Assets that is not an Assumed Liability or Permitted Encumbrance, or (ii) a Governmental Authority determines pursuant to a Final Order that New Operators, Buyers, or the Purchased Assets are liable for any type of Claim or Encumbrance against New Operators, Buyers or the Purchased Assets that is not an Assumed Liability or Permitted Encumbrance, then then New Operators and Buyers may recover the amount of any losses, liabilities, or damages resulting from the same, including, without limitation, costs and fees for legal counsel and related expenses, from the Indemnification Escrow as provided in Section 16.

f. For the avoidance of doubt, this Section 9 shall survive Closing.

**10. ACCOUNTS RECEIVABLE; ACCOUNTS PAYABLE.**

a. Operators shall retain all right, title and interest in and to all unpaid accounts' receivable with respect to the operations of the Facilities that relate to all periods prior to the Closing Date (collectively, the "Current Operators Accounts Receivable"). The Current Operators Accounts Receivable shall be set forth in an estimated schedule provided by Operators to New Operators on the Closing Date and then updated sixty (60) days after the Closing Date. Operators, or their affiliates or assigns will have sole responsibility for pursuing collection of all Medicare, Medicaid and other reimbursement claims for services at the Facilities for periods before the Closing Date. Operators shall engage sufficient personnel to bill and collect Operators' accounts receivable using Operators' legacy billing system, which Operators shall maintain as

required to bill and collect their accounts receivable hereunder. New Operators shall allow Operators reasonable access to the Facilities to accomplish these tasks.

b. Payments received by Operators or New Operators after the Closing Date with respect to the Facilities from or on account of third party payors, such as the Medicare program, the Medicaid program, the Veteran's Administration, or managed care companies or health maintenance organizations, or residents and applicable guarantors shall be handled as follows:

i. if the accompanying remittance advice indicates, or if the parties otherwise agree, that the payments relate solely to services provided prior to the Closing Date, (A) in the event that such payments are received by New Operators, New Operators shall promptly remit such payments to Operators not later than ten (10) days after such payment is received by New Operators, and until so forwarded, New Operators shall hold such payments in trust for the benefit of Operators, and (B) in the event that such payments are received by Operators, Operators shall retain such payments;

ii. if the accompanying remittance advice indicates, or if the parties otherwise agree, that the payments relate solely to services provided from and after the Closing Date, (A) in the event that such payments are received by New Operators, New Operators shall retain the payments, and (B) in the event that such payments are received by Operators or Manager, Operators or Manager shall promptly remit such payments to New Operators not later than ten (10) days after such payment is received by Operators or Manager, and until so forwarded, Operators or Manager shall hold such payments in trust for the benefit of New Operators;

iii. if the accompanying remittance advice indicates, or if the parties otherwise agree, that the payments relate to services provided both prior to and after the Closing Date, (A) in the event that such payments are received by New Operators, New Operators shall promptly following receipt of such payment (but in any event, not later than ten (10) days after such payment is received by New Operators) forward to Operators the amount of such payment relating to services provided prior to the Closing Date, and until so forwarded, New Operators shall hold such payments in trust for the benefit of Operators, and (B) in the event that such payments are received by Operators or Manager, Operators or Manager shall promptly following receipt of such payment (but in any event, not later than ten (10) days after such payment is received by Operators or Manager) forward to New Operators the amount of such payment relating to services provided from and after the Closing Date and until so forwarded, Operators or Manager shall hold such payments in trust for the benefit of New Operators and such transfer shall include documented reasoning for the amount of the payment based upon the services rendered before or after the Closing Date; and

iv. if the accompanying remittance advice does not indicate the period to which a payment relates or if there is no accompanying remittance advice and if the parties cannot determine the period to which a payment relates after reasonable inquiry and diligence and the parties do not otherwise agree as to how to apply such payment, then, any such payments received during the sixty (60) days after the Closing Date (provided that such period shall be extended to ninety (90) days with respect to private pay patients) shall be

first applied against any Current Operators Accounts Receivable due from such payor, with the excess, if any to be applied against accounts receivable related to periods from and after the Closing Date and retained by New Operators or remitted to New Operators; and any such payments received following the first sixty (60) days after the Closing Date (provided that such period shall be extended to ninety (90) days with respect to private pay patients) shall be first applied against accounts receivable related to periods on and following the Closing Date and retained by New Operators or remitted to New Operators, with excess if any to be applied against any Current Operators Accounts Receivable for such payor, if any. Notwithstanding the foregoing, New Operators hereby acknowledge and agree that pre-Closing Date accounts receivable balances are the property of Operators and Operators reserve the right to continue to directly pursue the collection of such pre-Closing Date accounts receivable balances.

c. New Operators and Operators (or Manager on behalf of Operators) shall send copies of all Medicare and Medicaid remittance advices to the other party for purposes of recording and pursuing accounts receivable for the period of twelve (12) months following the Closing Date and thereafter as reasonably requested by any party. Any such remittances pursuant to Section 10(b) shall occur within ten (10) days from the date the party required to make such remittance receives payment thereof.

d. To the extent any party receives any payments for accounts receivable of any other party, the parties acknowledge that the party receiving the payment belonging to the other party shall hold the payment in trust, that no party shall have any right to offset with respect to such accounts receivable, and that the party erroneously receiving the payment shall have no right, title or interest whatsoever in the payment and shall remit the same to the other within ten (10) business days of receipt.

e. Nothing herein shall be deemed to limit in any way any party's rights and remedies to recover accounts receivable due and owing to it in respect of services rendered at the Facilities or under the terms of this Agreement.

f. If the parties mutually determine that any payment hereunder was misapplied by the parties, the party that erroneously received said payment shall remit the same to the other within ten (10) business days after said determination is made.

g. Until the earlier to occur of (i) the date that Operators receive payment of all Current Operators Accounts Receivable, or (ii) twelve (12) months after the Transfer Date, New Operators shall provide Operators with a monthly accounting setting forth all amounts received by New Operators during the preceding month with respect to the Current Operators Accounts Receivable. New Operators shall deliver such accounting to the following addresses: Louis E. Robichaux, IV, louis.robichaux@ankura.com, Matt Tyler, matthew.tyler@cibc.com; and Liz Boydston, lboydston@gutnicki.com.

h. All accounts payable for services provided or goods furnished for or at the Facilities prior to the Closing Date, notwithstanding whether such accounts payable were incurred in the name of Operators or Manager, shall remain the sole responsibility and obligation of Operators. All accounts payable for services provided or goods furnished for or at the Facilities

on or after the Closing Date, notwithstanding whether such accounts payable were incurred in the name of New Operators (except with respect to Rejected Contracts or Excluded Liabilities), shall be the sole responsibility and obligation of New Operators. To the extent accounts payable have accrued for a period that includes time both before and after the Closing Date, the parties hereto shall equitably apportion the responsibility for payment of the same. The parties hereto hereby agree to cooperate with each other and to notify the merchants, suppliers or other third parties with respect to which Operators or New Operators bear responsibility for accounts payable of the Facilities based on the foregoing clauses of this Section 10(h).

i. For the avoidance of doubt, this Section 10 shall survive Closing and should any Operators or Manager fail to timely remit any payment due to New Operators pursuant to this Section 10, then New Operators may recover such amount from the Indemnification Escrow as provided for in Section 16.

**11. EMPLOYEES.**

a. Operators and Manager shall terminate the employment of all employees providing services at the Facilities, a listing of which is attached hereto as Schedule 11(a) (such listing, to include the current base salaries of all such employees) (the "Current Employees"), effective as of the Closing Date. Operators and Manager shall be responsible for any "Continuation Coverage" (as that term is defined by COBRA Section 4980B of the tax code and Section 601, *et seq*. of ERISA) for any employees of Operators or Manager terminated at any time prior to or on the Closing Date who does not become a Retained Employee (as defined below). New Operators shall not be bound by or assume any employment contracts to which Operators or Manager may be a party. Except in the ordinary course of business consistent with past practice, Operators and Manager shall not make any material changes in the compensation or benefits of the employees at the Facilities prior to the Closing Date.

b. New Operators shall determine, in their sole discretion, which of the Current Employees, but not less than the amount needed to comply with the WARN Act, shall be offered employment with New Operators pursuant to employment terms acceptable to New Operator (those Current Employees who accept and report for work for New Operator after the Closing, the "Retained Employees"). New Operators shall comply with the WARN Act. Nothing in this paragraph, however, shall create any right in favor of any person not a party hereto, including without limitation, the Current Employees, or constitute an employment agreement or condition of employment for any employee of Operator or Manager or any affiliate of Operator or Manager who is a Current or Retained Employee. The Retained Employees would be hired as at-will employees with no guarantee of future employment.

c. Buyers shall be paid at Closing or receive a credit (the "PTO Credit") against the Purchase Price (as defined in the PSA) in an amount equal to 90% of any and all vested and earned and unused paid time off, personal leave or vacation time, holiday pay, sick leave, together with any payroll taxes (collectively, the "Accrued Employee Vacation and Leave"), which shall be set forth on Schedule 11(c) attached hereto prior to Closing, subject to the following post-Closing adjustment. New Operator shall not be liable on account of any and all other liabilities and obligations with regard to any of the Current Employees (other than Retained Employees accruing on and after the Closing Date). In the event that New Operators discover after the Closing Date

that the Operators' actual Accrued Employee Vacation and Leave exceeded the PTO Credit at Closing, then New Operators may recover an amount equal to any such deficiencies from the Indemnification Escrow as provided in Section 16.

d. New Operators and Operators agree and acknowledge that the employees at the Facility provide valuable services that are crucial for the success of the Facilities, and New Operators' decision to serve as licensed operator of the Facilities is based upon the skills and qualifications of such employees. As such, during the period commencing the date hereof until the Closing, Operators and Manager shall not transfer any employee of the Facilities to any other healthcare facility or business operated by any Operator Party (defined below). Further, no person or entity that either directly or indirectly controls, or was under common control with or is or was otherwise affiliated with Operators or Manager (any of the foregoing, an "Operator Party") shall, during the twenty four (24) months following Closing, hire or solicit for employment any management level Retained Employee. The parties also agree that advertisements available to the general public, such as through website job postings and newspaper, Internet and trade journals shall not constitute solicitation for purposes of this Section 11(d).

e. For the avoidance of doubt, this Section 11 shall survive Closing.

**12. EMPLOYMENT RECORDS**. To the extent permitted by applicable law and authorized by the applicable employee, Operators and Manager shall deliver to New Operators, prior to the Closing Date, either the originals or full and complete copies of all employee records for all Retained Employees in their possession (including, without limitation, all employee employment applications, W-4's, I-9's and any disciplinary reports) (collectively, the "Employee Records"). Operators and Manager represent and warrant to New Operators that the Employee Records delivered to New Operators represent all employee records in the Operators' possession or control as of the Closing Date with regard to the Retained Employees.

**13. ACCESS TO RECORDS**.

a. On the Closing Date, Operators and Manager shall deliver to New Operators all of the records of the Facilities, including patient medical and financial records, provided, however, that nothing herein shall be construed as precluding Operators or Manager from removing from the Facilities on the Closing Date their respective corporate financial records which relate to operations at the Facilities or to their overall corporate operations.

b. Subsequent to the Closing Date, New Operators shall allow Operators and their agents and representatives to have reasonable access to (upon reasonable prior notice and during normal business hours), and to make copies of, the books and records and supporting material of the Facilities relating to the period prior to and including the Closing Date, at their own expense, to the extent reasonably necessary to enable Operators to investigate and defend malpractice, employee or other claims, to file or defend cost reports and tax returns or any other government agency actions or notices.

c. Operators shall, if allowed by applicable law and subject to the terms of such applicable law, be entitled to copy any records delivered to New Operators, for purposes of litigation involving a resident or employee to whom such record relates, as certified to New

Operator in writing prior to removal by an officer of or counsel for Operators in connection with such threatened or actual litigation.

d. New Operators agree to maintain such books, records and other material comprising records of the Facilities' operations prior to the Closing Date that have been received by New Operators from Operators or otherwise, including resident and patient records and records of resident and patient funds, to the extent required by law.

**14. USE OF TELEPHONE NUMBER**. New Operators may use the present telephone numbers of the Facilities. Any transfer of the telephone numbers used by the Facilities shall be at Operators' expense.

**15. POLICY AND PROCEDURE MANUALS**. Operators and Manager agree to leave their policy and procedure manuals at the Facilities and to transfer all of their right, title and interest in and to such policy and procedure manuals to New Operators.

**16. INDEMNIFICATION**.

a. At Closing, the sum of $3,000,000.00 from the Purchase Price shall remain with the Escrow Agent (as defined in the PSA) for a period of up to twenty-four (24) months after the Closing (the "Indemnification Escrow") for purposes of reimbursing the Buyers and New Operators for any Recoupment (as defined herein) or any Indemnification Claims (as defined herein), which Indemnification Escrow shall be governed by the terms and conditions set forth in an Indemnity Claims Escrow Agreement to be executed on or before Closing by and among Buyers, Sellers, Operators, New Operators, and the Escrow Agent in substantially the same form as attached hereto as Exhibit E (the "Indemnity Claims Escrow Agreement").

b. Operators acknowledge and agree that (a) the Operators receive payments for services to residents from third parties pursuant to their respective Provider Agreements, NPIs, Medicaid Provider Agreements and other third party payor agreements, which third party payors have contract provisions and/or statutory rights that permit them to recoup, clawback or recapture payments previously made to the Operators if it is later determined that the third party payors have overpaid the Operators, and (b) the Operators are required to file final cost reports with all applicable state and federal agencies in accordance with applicable law, and there are penalties associated with the failure to do so. For purposes of this Agreement, the PSA and the Indemnification Claims Escrow Agreement, "Recoupment" shall mean such determination by Medicare, Medicaid, any fiscal intermediary, or any federal or state Governmental Authority that any amounts paid to Sellers or Operators by Medicare, Medicaid, any fiscal intermediary, or any Governmental Authority for any services provided at a Facility prior to the Closing (including, but not limited to, any amounts paid to Sellers or Operators under the Provider Agreements or Medicaid Provider Agreements) resulted in an overpayment, or other determination by Medicare, Medicaid, any fiscal intermediary, or any Governmental Authority that funds previously paid by Medicare, Medicaid, any fiscal intermediary, or any Governmental Authority to the Sellers or Operators must be repaid, which determination results in (i) an offset against amounts owed to Buyers or New Operators, or (ii) any penalty, sanction or repayment obligations being assessed against Buyers or New Operators.

c. For purposes of this Agreement, the PSA, and the Indemnification Claims Escrow Agreement, the term "Indemnification Claims" shall mean any claim, demand, cause of action, or loss which is expressly indemnified against by Sellers or Operators or otherwise recoverable from the Indemnification Escrow under this Agreement or the PSA, but excluding claims for Recoupment.

d. Any dispute as to whether a Recoupment or Indemnification Claim is recoverable from the Indemnification Escrow shall be resolved pursuant to the terms set forth in the Indemnification Claims Escrow Agreement and, if no resolution is reached, such dispute shall be resolved in the Bankruptcy Court.

e. This Section 16 and the Indemnification Claims Escrow Agreement shall be effective from and after the Closing but not following the termination of this Agreement. Each party hereby waives any provision of law to the extent that it would limit or restrict the agreement contained in this Section 16 or the Indemnification Claims Escrow Agreement.

f. Sellers', Operators', and Manager's maximum liability under this Section 16 and Section 3.5 of the PSA shall not exceed the Indemnification Escrow and the Buyers' and New Operators' sole recourse as against Sellers and Operators shall be to the Indemnification Escrow pursuant to the terms herein and the Indemnification Claims Escrow Agreement.

**17. REPRESENTATIONS AND WARRANTIES OF NEW OPERATORS**. As an inducement to Operators to enter into this Agreement, New Operators covenant and make the following representations and warranties set forth below, which are true and correct as of the date hereof and which shall be true and correct on the Closing Date:

a. Organization and Authority. New Operators are a limited liability companies, duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania. As of the Closing Date, New Operators will have all necessary power and authority to enter into this Agreement and to execute all documents and instruments referred to herein or contemplated hereby and all necessary action has been taken to authorize the individual executing this Agreement to do so. This Agreement has been duly and validly executed and delivered by New Operators and, upon approval by the Bankruptcy Court, is enforceable against New Operators in accordance with its terms.

b. No Violations. Neither the execution and delivery of this Agreement, nor any agreement referred to or contemplated hereby, by New Operators will:

i. violate any provision of their respective Certificates of Formation or Operating Agreements; or

ii. be in conflict with or constitute a default or create a right of termination or cancellation under any agreement or commitment to which any New Operator is a party.

c. No Consent Required. Other than the Sale Order, no consent, order, approval or authorization of, or declaration, filing or registration with, any governmental or regulatory authority is required in connection with the execution or delivery by New Operators of this Agreement, or the performance by New Operators of this Agreement, except (i) such consents,

certifications or licenses from the Department, CMS or any other Governmental Authority with jurisdiction over the Facilities as necessary to permit New Operators to operate the Facilities from and after the Closing Date, and (ii) if applicable, such other consents or licenses required to operate a skilled care nursing home, continuing care retirement community and/or personal care home, as applicable, in Pennsylvania.

d. Approvals. To the knowledge of New Operators, no fact, issue, concern or other matter, either past or present, exists that would materially adversely affect New Operators' ability to obtain the License Certification.

e. Accuracy of Representations and Warranties of New Operators. No representation or warranty by or on behalf of New Operators contained in this Agreement and no statement by or on behalf of New Operators in any certificate, list, exhibit, schedule or other instrument furnished or to be furnished to Operators by or on behalf of New Operators pursuant hereto contain any untrue statement of material fact, or omit or will omit to state any facts which are necessary in order to make the statements contained therein, in light of the circumstances under which they are made, not misleading.

**18. REPRESENTATIONS AND WARRANTIES OF OPERATORS AND MANAGER.** As an inducement to New Operators to enter into this Agreement, Operators and Manager covenant and make the following representations and warranties:

a. Organization and Authority. Operators and Manager are limited liability companies, duly organized, validly existing under the laws of their respective jurisdiction of organization. Operators and Manager are qualified to do business in the Commonwealth of Pennsylvania. Upon approval by the Bankruptcy Court, Operators and Manager have all necessary power and authority to enter into this Agreement and to execute all documents and instruments referred to herein or contemplated hereby and all necessary action has been taken to authorize the individual executing this Agreement to do so. This Agreement has been duly and validly executed and delivered by Operators and Manager and, upon approval of the Bankruptcy Court, is enforceable against Operators and Manager in accordance with its terms.

b. No Violations. To Operators' and Manager's knowledge, neither the execution and delivery of this Agreement, nor any agreement referred to or contemplated hereby, by Operators or Manager will:

i. violate any provision of their respective Certificates of Formation or Operating Agreements;

ii. be in conflict with or constitute a default or create a right of termination or cancellation under any agreement or commitment to which any Operators or Manager are a party or which pertain to the Facilities; or

iii. result in the creation or imposition of any security interest, lien, or other encumbrance upon any of the assets of Operators or Sellers.

c. No Consent Required. Other than the Sale Order, no consent, order, approval or authorization of, or declaration, filing or registration with, any governmental or regulatory

authority is required in connection with the execution or delivery by Operators or Manager of this Agreement, or the performance by Operators or Manager of this Agreement, except (i) such consents, certifications or licenses from the Department, CMS or any other governmental agency with jurisdiction over the Facilities as necessary to permit New Operators to operate the Facilities from and after the Closing Date; and (ii) if applicable, such other consents or licenses required to operate a skilled care nursing home, continuing care retirement community and/or personal care home, as applicable, in Pennsylvania.

d. Litigation. Except as set forth on Schedule 18(d), there are no pending, nor, to Operators' or Manager's knowledge, threatened claims, lawsuits, governmental actions or other proceedings, including without limitation, any desk audit or full audit described below, involving the Operators, the Manager, the Facilities or the operation thereof before any court, agency or other judicial, administrative or other governmental body or arbitrator.

e. Overpayments. Except as set forth on Schedule 18(e), there are no pending, nor, to Operators' or Manager's knowledge, threatened claims, demands or other notices of or action alleging the overpayment of Medicaid, Medicare or other governmental or quasi-governmental reimbursements or demanding the return of such alleged overpayments by any third party payor, nor are Operators or Manager aware of any grounds for such a claim or demand.

f. Audits. Operators and Manager agree to fully cooperate with New Operators in connection with any desk audit or full audit by CMS, the Department or other applicable Governmental Authority in connection with the desk audit or full audit of any Medicaid or Medicare cost reports filed by Operators or Manager, including but not limited to providing New Operators with any and all necessary documentation, supporting schedules and personnel in their possession in order to properly support the dollar figures and classifications/characterizations contained in Operators' cost reports so that New Operators' Medicaid or Medicare reimbursements are maximized.

g. Status of Licensure and Certification. Each of the Operators currently hold long-term care nursing facility licenses, continuing care retirement community licenses and/or personal care home licenses, as applicable, issued by DOH, PID or DHS, as applicable, for the number of beds set forth on Exhibit A hereto. All said licenses are and shall through the Closing Date be unrestricted, unconditional, in good standing and in full force and effect and subject to no waivers or limitations. There are at each Facility a number of beds equal to the maximum bed capacity as permitted under such Facility's licenses. There are no pending actions or claims or to Operators' or Manager's knowledge, any threatened actions or Claims, which, if adversely determined, could materially and adversely affect such licenses. Operators and Manager have not received any written notice from the Department, CMS or any other Governmental Authority requiring the correction of any condition with respect to such license or any Medicare or Medicaid certification which has not been the subject of a plan of correction for which compliance has been affected or will be corrected in the ordinary course of the state's survey process and Operators and Manager have no reason to believe that the good standing of any such license or certification is in jeopardy. Operators and Manager represent that the Facilities which are taxed at the CCRC rate under the Nursing Home Provider Assessment program satisfy and are in compliance with the conditions required to qualify for taxation under the CCRC rate. Operators and Manager have not received any written notice from the Department, or any other Governmental Authority or quasi-

governmental organization of any life safety code or similar violations, nor do Operators or Manager have any reason to believe that any condition exists at the Property or Facilities that would violate any life safety codes or any similar regulations. The Facilities and Property are, and shall on the Closing Date be, certified for participation in the Medicaid and Medicare reimbursement programs and such certification is in full force and effect and in good standing and subject to no restrictions or limitations. There are no pending actions or claims or, to the best of Operators' and Manager's knowledge, any threatened actions or claims, which, if adversely determined, could materially and adversely affect such certifications. Operators and Manager shall promptly comply with any violation notices concerning the Facilities received after the date hereof and before the Closing Date to the extent that any such notice requires compliance activities. In addition to, and not in any manner limiting the generality of, except as set forth in Schedule 18(g), Operators and Manager have not received any of the following with respect to the Facilities which remain unresolved:

i. A notice of violations with a scope and severity level of "F" or higher;

ii. A notice of termination of any of the licenses issued by the Department to operate any of the Facilities as a skilled nursing facility, continuing care retirement community and/or personal care home, as applicable;

iii. A notice of termination of any certification issued by the Department or CMS of any of the Facilities to participate in the Medicare and/or Medicaid reimbursement programs;

iv. A notice that any Facility is not in substantial compliance with the requirements for participation in the Medicare and/or Medicaid reimbursement programs;

v. A notice of a material Life Safety Code deficiency cited by CMS, the Department, or state or local building, fire safety or health authorities that have not been corrected as of the date hereof; and

vi. A notice of imposition of civil monetary penalties or other intermediate sanctions in accordance with 42 CFR § 488.430 *et seq*.

h. Cost Reports; Audits. Operators or Manager have filed, or will file, within the appropriate reporting period and with the appropriate authority, all cost reports required to be filed pursuant to Titles XVIII and XIX of the Social Security Act prior to the date hereof with respect to the Facilities. All such reports have been or will be prepared in all material respects in accordance with all applicable laws, rules and regulations. Operators have been audited by the Medicaid program for all fiscal periods described in Schedule 18(h) and the status of the pending Medicare and Medicaid audits are described in said Schedule 18(h).

i. Compliance with applicable laws. Except as set forth in Schedule 18(g):

i. To their knowledge, Operators and Manager are in compliance (without waivers) and as of the Closing Date will be in compliance (without waivers), in all material respects, with all applicable municipal, county, state and federal laws, regulations, ordinances, standards and orders, including without limitation, all health, building, fire and

zoning ordinances and life safety codes and the Americans with Disabilities Act, as the same may be amended; provided, that Operators and Manager make no representation as to the physical condition of the Real Property (as defined in the PSA).

ii. To Operators' and Manager's knowledge, the Facilities and Property have been and are presently used and operated in compliance in all material respects with, and in no material way violate any applicable statute, law, regulation, rule, licensing requirement, ordinance, order or permit of any kind whatsoever affecting the Facilities and Property or any part thereof, including without limitation, any laws governing skilled nursing facilities, continuing care retirement community and/or personal care home, Environmental Laws, and any rules or regulations promulgated thereunder, as well as any thereof relating to wages, hours, hiring, promotions, retirement, working conditions, nondiscrimination, health, safety, pensions and employee benefits; provided, that Operators makes no representation as to the physical condition of the Real Property except as it relates to compliance with applicable laws.

iii. To Operators' and Manager's knowledge, all billing practices of Operators and Manager to all third party payors, including the Medicare and Medicaid programs and private insurance companies, have been in compliance in all material respects with all applicable laws, regulations and policies of such third party payors and the Medicaid and Medicare programs.

j. Life Care Contracts. To Operators' and Manager's knowledge, other than as set forth on Schedule 18(j), the Facilities and Operators are not parties to any life care contract with respect to any resident of the Facilities.

k. Personal Property and Residents. Unless specifically permitted pursuant to the terms of this Agreement, Operators and Manager shall not remove any items of personal property from the Facilities (unless replaced with property of equal or similar value) nor shall they transfer residents from the Facilities to a skilled care nursing home facility, continuing care retirement community, personal care home, or similar facility owned or operated by an entity which is owned in whole or in part, directly or indirectly, by the principals of Manager, Sellers, and/or Operators. To Operators' and Manager's knowledge, the information set forth in the admission agreements and patient rolls pertaining to residents of the Facilities are true and correct in all material respects as of the respective dates of such admission agreements and patient rolls, and there are no patient care agreements with respect to any resident of the Facilities which differ materially from the standard forms used at the Facilities.

l. Personal Needs Allowance. To their knowledge, Operators and Manager are currently in material compliance with all state and federal regulations relating to maintaining and accounting for the personal needs allowance ("PNA") for residents who request the establishment of a PNA account. Except as set forth in Schedule 18(l), Operators and Manager have no knowledge of and have not received any notice from any Governmental Authority citing or alleging any violation by Operators or the Facilities of any state or federal PNA regulations.

m. Furniture. Sellers, Operators, or Manager own all beds and furnishings at the Facilities that will be sold to New Operators or Buyers pursuant to this OTA and the PSA, except for those items set forth on Schedule 18(m).

n. Supplies. The Supplies have been purchased by Operators or Manager and are owned by Operators or Manager and shall be transferred pursuant to the Sale Order to New Operators free and clear of Claims and Encumbrances of all other parties. Such supplies and linens are sufficient in quantity for the proper conduct and operation of the Facilities as skilled care nursing home facilities, continuing care retirement communities and/or personal care homes, as applicable, for at least that number of residents residing at the Facilities as of the Closing Date in substantial compliance with all applicable laws, including, without limitation, the minimum standards of the Department or any other governmental agency and in an amount sufficient to last not less than five (5) days.

o. Operators' Accrued Employee Vacation and Leave. Schedule 11(c) is a complete and accurate list of Operators' Accrued Employee Vacation and Leave, and except as provided in Schedule 11(c), as of the Closing Date, Operators and Manager have no outstanding obligations with respect to vacation and holiday pay to any of the Retained Employees.

p. Labor Unions. Except as set forth in Schedule 18(p), Operators and Manager are not parties to any collective bargaining agreement with any labor union or similar organization, nor do Operators or Manager know of any such organization which represents or claims to represent any of Operators' or Manager's employees or intends to organize any of Operators' or Manager's employees.

q. Multi-Employer Plans. Except as provided in Schedule 18(q), Operators and Manager do not, and are not required to, contribute (and have not ever contributed or been required to contribute) to any multi-employer plan, as defined in Section 3(37) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") with respect to the Current Employees.

r. Employee Benefit Plans. Except as provided in Schedule 18(r):

i. Operators and Manager do not maintain or contribute to any non-qualified deferred compensation or retirement plans, contracts or arrangements;

ii. Operators and Manager do not maintain or contribute to any qualified defined contribution plans (as defined in Section 3(34) of ERISA, or Section 414(i) of the Internal Revenue Code of 1986, as amended (the "Code"));

iii. Operators and Manager do not maintain or contribute to any qualified defined benefit plans (as defined in Section 3(35) of ERISA or Section 414(j) of the Code);

iv. Operators and Manager do not maintain or contribute to any employee welfare benefit plans (as defined in Section 3(1) of ERISA); and

v. Operators and Manager have not entered into, nor have Operators or Manager established or maintained, any change-in-control or severance agreements or plans.

s. Environmental Condition. To Operators' and Manager's knowledge, Operators and Manager have not generated, stored or disposed of any Hazardous Substances on the Facilities or the Property, except in such quantities that is customary in the operation of a skilled care facility, continuing care retirement community and/or personal care home, as applicable, and in all events in compliance in all material respects with all Environmental Laws.

t. Status of Residents. To Operators' and Manager's knowledge, all of the residents at the Facilities have full legal status as citizens of the United States of America.

u. Taxes. Except as set forth in Schedule 18(u), to Operator's and Manager's knowledge, Operators have timely filed all tax returns and reports required by law to have been filed by them and have paid all taxes and governmental charges due and payable with respect to such returns, other than such taxes being contested in good faith or such taxes that will be addressed in the Bankruptcy Cases.

v. Insurability. To their knowledge, Operators and Manager have not received any written notice or request from any insurance company or underwriters setting forth any defects in the Property or Facilities which might affect the insurability thereof, requesting the performance of any work or alteration of the Property or Facilities or setting forth any defect or inadequacy in Operators' or Manager's operation of the Property or Facilities which would materially and adversely affect the ability of New Operators to insure the Property or Facilities following Closing.

w. Financial Statements. Operators or Manager will provide profit and loss statements for the annual periods ending December 31, 2022 and December 31, 2023 (such unaudited financial statements being herein called "Operator Financial Statements"). To the knowledge of Operators and Manager, the Operator Financial Statements are materially true, complete and accurate, have been based upon the information contained in the books and records of Operators or Manager and present fairly the assets, liabilities and financial condition of Operators as at the respective dates thereof and the results of its operations for the periods ended at the respective dates thereof.

x. Vehicles. Operators own and have good and marketable title to the Vehicles which will be sold and conveyed to New Operators as part of the Purchased Assets, and the Vehicles are not subject to any lien, security interest, lease, or other Encumbrance.

All references in this Agreement to "Operators' knowledge", "the knowledge of Operators", "Manager's knowledge", "the knowledge of Manager", or words of similar import shall refer only to the actual knowledge of Michael Neufeld ("Designated Representative"), without independent investigation or inquiry. Operators and Manager represent and warrant that the Designated Representative is the director of finance of Manager, and that the Designated Representative is regularly involved in the asset management of the Facilities and the day to day

affairs of the Operators. There shall be no personal liability on the part of the Designated Representative arising out of any representations or warranties made herein.

The representations and warranties contained in this Section 18 shall be true and complete on the Effective Date and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date. Additionally, the representations and warranties contained in this Section 18 shall not be deemed to have merged with the Deeds or other Transaction Documents, and will survive Closing for a period commencing on the Closing Date and ending on the date that is nine (9) months following the Closing Date (the "Survival Period"). In the event that New Operators discover during the Survival Period that Operators or Manager were in breach of any material representation or warranty contained in this Section 18 as of the Closing Date (except for any breach disclosed a Bring Down Certificate (as defined in the PSA)), New Operators shall be entitled to reimbursement from the Indemnification Escrow in accordance with Section 16 for any and all losses, liabilities, damages, costs and expenses (including reasonable attorneys' fees and disbursements) incurred by New Operators arising out of, resulting from, relating to, or in any manner connected with such breach.

**19. NO JOINT VENTURE**. Nothing contained herein shall be construed as forming a joint venture or partnership between the parties hereto with respect to the subject matter hereof. The parties hereto do not intend that any third party shall have any rights under this Agreement.

**20. EXHIBITS AND SCHEDULES**. If any exhibits or schedules are not attached hereto, the parties hereto agree to attach such exhibits and schedules as soon as reasonably practicable but in any event prior to ten (10) days before the Bid Deadline. The parties hereto agree that the party charged with providing an exhibit or schedule to this Agreement shall, to the extent necessary after delivery thereof, amend or supplement all exhibits and schedules in order for the same to be current, true and correct as of the Closing Date. The inclusion of all supplements to the exhibits and schedules pursuant to this Section shall be subject to New Operators approving, in their reasonable judgment, all such exhibits and schedules within seven (7) days of submission thereof to New Operators.

**21. EVENTS OF DEFAULT; REMEDIES**. Except as to those specific notices and cure periods, if any, particularly set forth elsewhere herein, the breach by any party ("Defaulting Party") hereto of any term, provision, condition, promise, covenant, agreement, representation, warranty, guaranty, indemnity, duty or obligation if not cured within the earlier of (a) fifteen (15) days of said Defaulting Party's receipt or refusal of written notice of the same from the other party ("Non-Defaulting Party"); provided that if a non-monetary breach is not reasonably capable of being cured within said fifteen (15) day period but the Defaulting Party notifies the Non-Defaulting Party in writing of its efforts to cure and thereafter diligently pursues the same, the cure period shall be extended to thirty (30) days from initial receipt of the written default notice, or (b) the Outside Date, shall automatically and without further notice hereunder be an immediate event of default ("Event of Default") entitling the Non-Defaulting Party to exercise any and all remedies available to it hereunder, in the PSA (including but not limited to Article 9 of the PSA) or in law or equity. Notwithstanding anything to the contrary set forth in this Agreement, in no event shall Sellers, Operators, or Manager be permitted to bring an action for specific performance against Buyers or New Operators in connection with this Agreement. Operators and Manager acknowledge and agree that Article 9 of the PSA limits the liability of the Buyers and New Operators to the Deposit

pursuant to the terms set forth therein, and Sellers, Operators, and Manager shall not be entitled to any other monetary damages from Buyers or New Operators on account of any Buyer's or New Operator's breach of the PSA or OTA. Nothing in this Section modifies or impairs the rights of Sellers, Buyers, Operators, or New Operators to terminate this Agreement or the PSA and their rights and remedies upon termination as provided for in Article 9 of the PSA.

**22. CHOICE OF LAW. THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH FEDERAL BANKRUPTCY LAW, TO THE EXTENT APPLICABLE, AND WHERE STATE LAW IS IMPLICATED, THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA SHALL GOVERN, WITHOUT GIVING EFFECT TO THE CHOICE OF LAW PRINCIPLES THEREOF (EXCEPT FOR ANY LAWS OF THAT STATE WHICH WOULD RENDER SUCH CHOICE OF LAWS INEFFECTIVE), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.**

**23. JURISDICTION, WAIVER OF JURY TRIAL.THE BANKRUPTCY COURT WILL HAVE JURISDICTION OVER ANY AND ALL DISPUTES BETWEEN OR AMONG THE PARTIES, WHETHER AT LAW OR IN EQUITY, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY AGREEMENT CONTEMPLATED HEREBY; PROVIDED, HOWEVER, THAT IF THE BANKRUPTCY COURT IS UNWILLING OR UNABLE TO HEAR ANY SUCH DISPUTE, THE COURTS OF THE COMMONWEALTH OF PENNSYLVANIA AND THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN PENNSYLVANIA WILL HAVE SOLE JURISDICTION OVER ANY AND ALL DISPUTES BETWEEN OR AMONG THE PARTIES, WHETHER AT LAW OR IN EQUITY, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY AGREEMENT CONTEMPLATED HEREBY.**

**EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

**24. ATTORNEYS' FEES IN THE EVENT OF DISPUTE**. In the event any dispute between the parties hereto that results in arbitration or litigation (including any enforcement action of an arbitration award or any action to compel arbitration or change venue), the prevailing party shall be reimbursed for all reasonable costs, including, but not limited to, reasonable attorneys' fees.

**25. DEFINITIONS**. For purposes of this Agreement, the following terms shall have the following meanings (all terms used in this Agreement which are not defined in this paragraph shall have the meanings set forth elsewhere in this Agreement, and any capitalized terms used but not defined in this Agreement shall have the meanings ascribed to them in the PSA):

a. "CMS" shall mean the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services.

b. "Contracts" shall mean all executory contracts, agreements, leases, commitments and arrangements (whether written or oral), including all service contracts, maintenance contracts

and consulting agreements, and all of Operators' duties, obligations, covenants, promises, rights and privileges therein or thereunder to which the Operators or their predecessors or agents is a party and which relate to the Facilities and the operations thereof.

c. "Environmental Laws" shall have the meaning provided in the PSA.

d. "Hazardous Substances" shall have the meaning provided in the PSA.

e. "OIG" shall mean the United States Department of Health and Human Services, Office of Inspector General.

f. "Supplies" shall mean the food, central supplies, linens and housekeeping supplies and other consumable and non-consumable inventory present at the Facilities as of the Closing Date and any other property of Operators or Manager used in connection with the operation of the Facilities.

**26. COVID-19 PAYMENTS.**

a. New Operators acknowledge that Operators or their affiliates have received, and may continue to receive after the Closing Date: (1) funds made available to Operators pursuant to the Coronavirus Aid, Relief and Economic Security Act ("CARES Act Payments"), (2) advanced payments from CMS pursuant to the CMS Accelerated and Advance Payment Program related to COVID-19 ("Medicare Advance Payments"), and/or (3) certain other stimulus funds related to COVID-19 which are not CARES Act Payments or Medicare Advance Payments ("Other COVID-19 Funds"). Operators or their affiliates shall be entitled to retain any CARES Act Payments received prior to the Closing Date. To the extent that additional CARES Act Payments are received by Operators after the Closing Date, and such payments are required to be used for costs and expenses related to the Facilities for the period on or following the Closing Date, Operators shall return all such CARES Act Payments to CMS pursuant to the guidance and procedures set forth by CMS for return of such CARES Act Payments. Following the return of such CARES Act Payments, Operators and Manager shall reasonably cooperate with New Operators in their applications to CMS for reissuance of such CARES Act Payments to New Operators. For the avoidance of doubt, in no event shall Operators, Manager, or their Affiliates be obligated to transfer any CARES Act Payments to New Operators or their Affiliates. Neither Operators, Manager, nor their Affiliates shall have any obligation to transfer to New Operators or their Affiliates any Medicare Advance Payments received by Operators or Manager, whether received on or after the Closing Date, and will return any such Medicare Advance Payments to CMS to the extent, and within the applicable timeframe, required by any applicable legal requirements. With respect to any Other COVID-19 Funds received by Operators or Manager, Operators or Manager shall reasonably cooperate with New Operators in good faith to address such Other COVID-19 Funds in accordance with applicable legal requirements. To the extent that any CARES Act Payments, Medicare Advance Payments or Other COVID-19 Funds, which relate to the period prior to the Closing Date or are received under Operators' provider numbers or tax identification numbers, are received by New Operators after the Closing Date, to the extent permitted by applicable legal requirements, New Operators shall remit any such funds received by New Operators to Operators in the same manner as Operators' accounts receivable under Section 10 hereof. To the extent that New Operators are prohibited from remitting such funds to

Operators pursuant to applicable legal requirements, New Operators shall reasonably cooperate with Operators in good faith to address such funds in accordance with applicable legal requirements, including, without limitation, returning such funds to the applicable governmental authority if required by applicable legal requirements and reasonably cooperating with Operators in applying for or otherwise requesting the applicable governmental authority to reissue such funds to Operators. Nothing in this Agreement shall be construed to prohibit New Operators from applying for and receiving any CARES Act Payments, Medicare Advance Payments or Other COVID-19 Funds with respect to their operation of the Facility from and after the Closing Date.

b. In the event that Operators have received any advance on their Medicare, Medicaid, or other third-party payor receivables ("Advances") at any time prior to the Closing Date that have not been repaid prior to Closing and shall be required to be repaid after the Closing Date (i.e. excluding CARES Act Payments), Operators shall pay to New Operators at Closing a credit (or Buyers shall receive a credit under the PSA) equal to 100% of all such Advances for dates of service beginning on and after the Closing Date (the "Advance Credit").

c. Notwithstanding anything in this Agreement to the contrary, in the event that Operators or Manager receive any grant payments, stimulus payments, retroactive rate adjustments, and any and all other payments and support paid with respect to the Facilities in relation to COVID-19 relief efforts following the date of this Agreement but prior to Closing ("COVID Payments"), such amounts will be utilized by Operators or Manager only in accordance with the laws governing such COVID Payments. In the event that all such COVID Payments have not been expended by Operators or Manager on COVID-19-related expenses prior to the Closing Date, then prior to returning any such COVID Payments to the applicable Governmental Authority, if required by applicable law, Operators and Manager shall cooperate in good faith with New Operators to take whatever steps are reasonably necessary to ensure that the Facilities receive the benefits of such COVID Payments on and after the Closing Date in a manner consistent with applicable law (which may include transferring the COVID Payments to New Operators if allowed under applicable law, acquiring additional personal protective equipment to be used by New Operators after the Closing allowed under applicable law, acquiring additional personal protective equipment to be used by New Operators on and after the Closing, or otherwise working with New Operators to ensure that it is able to receive the benefit of the COVID Payments in a manner consistent with applicable law and to benefit the interest of the Facilities and their residents). Without intending to limit the foregoing, Operators and Manager shall ensure that each Facility will have on hand a reasonable stock of personal protective equipment for such Facility, in any event not less than five (5) days' worth based on such Facility's then current usage rate, all of which shall transfer to New Operators at Closing.).

d. The parties shall comply with all applicable laws related to the COVID Payments, PPP loans, and Advances described herein. The parties will reasonably cooperate with any information requests related to COVID Payments, PPP loans, and Advances in order to comply with regulatory and reporting requirements.

e. The obligations on this Section 26 shall survive the Closing.

**27. GENERAL PROVISIONS.**

a. Each party hereto agrees to use commercially reasonable efforts to cause the conditions to its obligations and to the other party's obligations herein set forth to be satisfied at or prior to the Closing Date. Each of the parties hereto agrees to execute and deliver any further agreements, documents or instruments necessary to effectuate this Agreement and the transactions referred to herein or contemplated hereby or reasonably requested by the other party to perfect or evidence their rights hereunder, subject to approval by the Bankruptcy Court. Each party shall promptly notify the other party of any information delivered to or obtained by such party which would prevent the consummation of the Transactions contemplated hereby, or which would indicate a breach of the representations or warranties of any other party hereto.

b. All notices to be given by either party to this Agreement to the other party hereto shall be in writing, and shall be: (i) given in person; (ii) deposited in the United States mail, certified or registered, postage prepaid, return receipt requested; (iii) sent by national overnight courier service, priority next business day service; or (iv) sent by facsimile or e-mail as follows:

| | |
|---|---|
| Notices to New Operator: | Attn: Daniel Morris<br>Email: Dan@Kadimahealth.com |
| With a copy to: | Koss & Schonfeld, LLP<br>160 Broadway, 8th Floor<br>New York, NY 10038<br>Attn: Allen Koss Esq.<br>Email: avk@kandsllp.com<br>Phone: (212) 796-8915<br>Fax: (212) 401-4757<br><br>T. Parker Griffin<br>Bradley<br>1819 Fifth Ave. N.<br>Birmingham, AL 35203<br>pgriffin@bradley.com |
| Notices to Operator: | Attn: Louis E. Robichaux, IV<br>Email: louis.robichaux@ankura.com |
| With a copy to: | Glenn B. Rose<br>Bass, Berry & Sims, PLC<br>150 Third Ave. S, Suite 2800<br>Nashville, TN 37201 |
| and a copy to: | Michael J. Roeschenthaler<br>Whiteford<br>11 Stanwix Street, Suite 1400<br>Pittsburgh, PA 15222 |

Notices to Manager: 1800 Rockaway, Suite 200
Hewlett, NY 11557
Attn: Michael Neufeld

With a copy to: _____

Any such notice personally delivered shall be deemed delivered when actually received; any such notice deposited in the United States mail, registered or certified, return receipt requested, with all postage prepaid, shall be deemed to have been given on the earlier of the date received or the date when delivery is first refused; any notice deposited with an overnight courier service for delivery shall be deemed delivered on the next business day following such deposit; and any such notice delivered via facsimile or e-mail shall be deemed delivered upon the notifying party's receipt of facsimile or email confirmation. Any party to whom notices are to be sent pursuant to this Agreement may from time to time change its address for further communications thereunder by giving notice in the manner prescribed herein to all other parties hereto.

c. Except with respect to the Expense Reimbursement and as otherwise specifically provided in this Agreement, Exhibit B, and the PSA, each party hereto shall bear its own legal, accounting and other expenses incurred in connection with the preparation and negotiation of this Agreement and the consummation of the transaction contemplated hereby, whether or not the transaction is consummated.

d. This Agreement, together with all exhibits and schedules attached hereto and any other agreements referred to herein (including the PSA), constitutes the entire understanding between the parties with respect to the subject matter hereof, superseding all negotiations, prior discussions and preliminary agreements.

e. This Agreement may not be modified or amended except in writing signed by the parties hereto and approved by the Bankruptcy Court; *provided, however,* Buyers and New Operators may designate an affiliate or affiliates, including newly formed affiliates, to take title to any property or contracts at Closing.

f. No waiver of any term, provision or condition of this Agreement, in any one or more instances, shall be deemed to be or be construed as a further or continuing waiver of any such term, provision or condition of this Agreement. No failure to act shall be construed as a waiver of any term, provision, condition or rights granted hereunder.

g. This Agreement shall bind and inure to the benefit of the respective successors and permitted assigns of the parties hereto.

h. Captions of paragraphs are for convenience only and are not part of this Agreement and do not affect, change or modify the paragraphs they precede.

i. All understandings and agreements heretofore and between the parties are merged in this Agreement and all exhibits and schedules attached hereto and any other agreements referred to herein, which alone fully and completely expresses their agreement.

j. This Agreement may be executed in counterparts, each of which shall for all purposes be deemed an original, and all of such counterparts shall together constitute one and the same agreement.

k. The recitals set forth at the beginning of this Agreement constitute an integral part of this Agreement and are hereby incorporated by reference herein and made a part hereof as if fully set forth herein.

l. All of the provisions of this Agreement shall be deemed and construed to be "conditions" and "covenants" as though the words specifically expressing or importing covenants and conditions were used in each separate provision hereof.

m. All nouns and pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons, firm or firms, corporation or corporations, entity or entities or any other thing or things may require, or "any" shall mean "any and all"; "or" shall mean "and/or" and "including" shall mean "including without limitation".

n. If any term or provision of this Agreement shall to any extent be held invalid or unenforceable, the remaining terms and provisions of this Agreement shall not be affected thereby, but each term and provision shall be valid and be enforced to the fullest extent permitted by law, and

o. The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any of the parties hereto.

*[Signatures on following page]*

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be signed as of the day and year first above written.

**OPERATORS:**

Maybrook-C Whitecliff Opco, LLC
Maybrook-C Overlook Opco, LLC
Maybrook-C Briarcliff Opco, LLC
Maybrook-C Silver Oaks Opco, LLC
Maybrook-C Kade Opco, LLC
Maybrook-C Evergreen Opco, LLC
Maybrook-C Latrobe Opco, LLC,
North Strabane Rehabilitation and Wellness Center, LLC
Cheswick Rehabilitation and Wellness Center, LLC
each a Delaware limited liability company

By:_____
Name: Louis E. Robichaux, IV
Title: Chief Restructuring Officer

**NEW OPERATORS:**

Greenville Rehabilitation & Nursing LLC
New Wilmington Rehabilitation & Nursing LLC
Irwin Rehabilitation & Nursing LLC
New Castle Rehabilitation & Nursing LLC
Washington Rehabilitation & Nursing LLC
Harmony Rehabilitation & Nursing LLC
Latrobe Rehabilitation & Nursing LLC
Cheswick Rehabilitation & Nursing, LLC
North Strabane Rehabilitation & Nursing, LLC
each a Pennsylvania limited liability company

By:_____
Name:
Title:

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be signed as of the day and year first above written.

**OPERATORS:**

Maybrook-C Whitecliff Opco, LLC
Maybrook-C Overlook Opco, LLC
Maybrook-C Briarcliff Opco, LLC
Maybrook-C Silver Oaks Opco, LLC
Maybrook-C Kade Opco, LLC
Maybrook-C Evergreen Opco, LLC
Maybrook-C Latrobe Opco, LLC,
North Strabane Rehabilitation and Wellness Center, LLC
Cheswick Rehabilitation and Wellness Center, LLC
each a Delaware limited liability company

By:_____
Name: Louis E. Robichaux, IV
Title: Chief Restructuring Officer

**NEW OPERATORS:**

Greenville Rehabilitation & Nursing LLC
New Wilmington Rehabilitation & Nursing LLC
Irwin Rehabilitation & Nursing LLC
New Castle Rehabilitation & Nursing LLC
Washington Rehabilitation & Nursing LLC
Harmony Rehabilitation & Nursing LLC
Latrobe Rehabilitation & Nursing LLC
Cheswick Rehabilitation & Nursing, LLC
North Strabane Rehabilitation & Nursing, LLC
each a Pennsylvania limited liability company

By:_____
Name: DANIEL HARRIS
Title: PRINCIPAL

**MANAGER:**

CHMS Group, LLC, a New York limited liability company

By: _____
Name: Ephram Lahasky
Title: Authorized Signatory

**Exhibit A**

| Facility Name | Type of Facility | Common Address | Legal Description* | Seller | Operator | Buyer | New Operator |
|---|---|---|---|---|---|---|---|
| The Grove at Greenville (the "Greenville Facility") | Duly licensed 154 bed skilled nursing facility | 110 Fredonia Road, Greenville, PA 16125 | See Exhibit A-1 | Maybrook-C Whitecliff Propco, LLC | Maybrook-C Whitecliff Opco, LLC | Greenville Property Management LLC | Greenville Rehabilitation & Nursing LLC |
| The Grove at New Wilmington (the "Wilmington Facility") | Duly licensed 115 bed skilled nursing facility | 520 New Castle Street, New Wilmington, PA 16142 | See Exhibit A-2 | Maybrook-C Overlook Propco, LLC | Maybrook-C Overlook Opco, LLC | New Wilmington Property Management, LLC | New Wilmington Rehabilitation & Nursing LLC |
| The Grove at North Huntingdon (the "Huntingdon Facility") | Duly licensed 120 bed skilled nursing facility | 249 Maus Drive, North Huntingdon, PA 15642 | See Exhibit A-3 | Maybrook-C Briarcliff Propco, LLC | Maybrook-C Briarcliff Opco, LLC | Irwin Property Management, LLC | Irwin Rehabilitation & Nursing LLC |
| The Grove at New Castle (the "New Castle Facility") | Duly licensed 62 bed skilled nursing facility | 715 Harbor Street, New Castle, PA 16101 | See Exhibit A-4 | Maybrook-C Silver Oaks Propco, LLC | Maybrook-C Silver Oaks Opco, LLC | New Castle Property Management, LLC | New Castle Rehabilitation & Nursing LLC |
| The Grove at Washington (the "Washington Facility") | Duly licensed 74 bed skilled nursing facility | 1198 W. Wylie Avenue, Washington, PA 15301 | See Exhibit A-5 | Maybrook-C Kade Propco, LLC | Maybrook-C Kade Opco, LLC | Washington Property Management, LLC | Washington Rehabilitation & Nursing LLC |

| Facility Name | Type of Facility | Common Address | Legal Description | Seller | Operator | Buyer | New Operator |
|---|---|---|---|---|---|---|---|
| The Grove at Harmony (the "Harmony Facility") | Duly licensed 115 bed skilled nursing facility | 191 Evergreen Mill Road, Harmony, PA 16037 | See Exhibit A- 6 | Maybrook-C Evergreen Propco, LLC | Maybrook-C Evergreen Opco, LLC | Harmony Property Management, LLC | Harmony Rehabilitation & Nursing LLC |
| The Grove at Latrobe (the "Latrobe Facility") | Duly licensed 107 bed skilled nursing facility | 576 Rogers Drive, Latrobe, PA 15650 | See Exhibit A-7 | Maybrook-C Latrobe Propco, LLC | Maybrook-C Latrobe Opco, LLC | Latrobe Property Management, LLC | Latrobe Rehabilitation & Nursing LLC |
| Cheswick Rehab & Wellness (the "Cheswick Facility") | Duly licensed 121 bed skilled nursing facility | 3876 Saxonburg Blvd., Cheswick, PA 15024 | See Exhibit A-8 | 3876 Saxonburg Boulevard Propco, LLC | Cheswick Rehabilitation and Wellness Center, LLC | Cheswick Property Management, LLC | Cheswick Rehabilitation & Nursing, LLC |
| North Strabane Rehab & Wellness (the "Canonsburg Facility" | Duly licensed 62 bed skilled nursing facility | 100 Tandem Village Road, Canonsburg, PA 15317 | See Exhibit A-9 | 100 Tandem Village Road Propco, LLC | North Strabane Rehabilitation and Wellness Center, LLC | North Strabane Property Management, LLC | North Strabane Rehabilitation & Nursing, LLC |

* See PSA for full Legal Descriptions.

**EXHIBIT B**
**TERMS OF THE SALE MOTION AND SALE ORDER; BIDDING PROCEDURES**

1.1 Sale Motion. By no later than May 24, 2024, the Debtors shall file with the Bankruptcy Court the Sale Motion, which shall include, among other things, a proposed form of the Bidding Procedures Order. The Debtors shall promptly serve true and correct copies of the Sale Motion and all related pleadings, or notice thereof in form satisfactory to Buyers, to all creditors of the Debtors and other parties in interest in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Rules for the United States Bankruptcy Court for the Western District of Pennsylvania and any other applicable order of the Bankruptcy Court. The Debtors shall also promptly serve the Sale Motion to any other party designated in writing by Buyers in their sole discretion. The Debtors and their bankruptcy estates shall be responsible for all costs of service of the Sale Motion and any other motions or notices related to the Sale Motion, Bidding Procedures, or Transactions.

1.2 Bidding Procedures and Auction. Buyers and New Operators acknowledge that Debtors are seeking to find another party that would be willing to pay more for the Purchased Assets. In connection with this effort, the parties acknowledge that the Debtors will request the Bankruptcy Court, in the Sale Motion, to approve certain procedures related to this effort, including the procedures for soliciting competing bids for the Purchased Assets and selling the Purchased Assets at a sale auction (the "Auction") should there be other Qualifying Bidders, and certain bidding protections to Buyers as consideration for serving as the stalking horse. In that regard, the Debtors shall take such actions as are reasonably necessary to obtain (on an expedited basis following the filing of the Sale Motion and by no later than June 7, 2024) the Bidding Procedures Order from the Bankruptcy Court approving, among other things, payment of the Expense Reimbursement and Termination Fee and procedures for the marketing, competitive bidding, auction, and sale of the Purchased Assets that include, without limitation, the following (collectively, and as more fully set forth in the Bidding Procedures Order, the "Bidding Procedures"):

a. Minimum Initial Topping Bid: $54,875,000.00;

b. Minimum Bid Increments Thereafter: $250,000.00;

c. Other bidders to provide to Debtors, among other things, a blackline comparison of the PSA and OTA, a $1,350,000.00 purchase price deposit, and satisfactory proof of financing prior to the expiration of the Bid Deadline in order to qualify as a bidder for the Auction (such other bidders meeting such qualifying criteria shall be referred to herein as "Qualifying Bidders"). For the avoidance of doubt, and provided that the PSA and other Transaction Documents have not been terminated prior to the Bid Deadline, Buyers' purchase offer pursuant to the PSA and OTA and the other Transaction Documents shall constitute a qualifying bid.

d. Qualifying Bidders will have a due diligence period that expires at the conclusion of the Bidding Solicitation Period;

e. If there are other Qualifying Bidders, an Auction to be held by no later than July 17, 2024 (unless such different date is established by the Bankruptcy Court in the Bidding Procedures Order), at which the Debtors will select the winning bidder (the "Successful Bidder");

f. Buyers shall be entitled to credit bid the amount of the Termination Fee and Expense Reimbursement towards any subsequent bid at the Auction;

g. If there are no other Qualifying Bidders as of the Bid Deadline, then Buyers shall be deemed the Successful Bidder. Buyers may be required to serve as the Backup Bidder upon the Debtors' selection of another party or parties as the Successful Bidder(s); and

h. No extension of the Bidding Solicitation Period, the Bid Deadline, or date of the Auction unless ordered by the Bankruptcy Court or approved by Buyers in writing. Without limiting the foregoing, Debtors shall not file any motion or otherwise seek to change, modify or amend the Transaction Documents, the Bidding Procedures Order, or the Sale Order without prior written approval of the Buyers.

1.3 Sale Order Hearing and Sale Order. Within three (3) days following the Auction, if there are other Qualifying Bidders, Debtors shall file with the Bankruptcy Court the results of the bidding solicitation process and the Auction, along with the purchase agreement of the Successful Bidder and all documents to be filed on behalf of the Debtors with the Bankruptcy Court for approval of the sale to the Successful Bidder and entry of the Sale Order. If there are no additional Qualifying Bidders as of the Bid Deadline, Debtors shall file a notice with the Bankruptcy Court within three (3) days of the Bid Deadline that the Buyers were the Successful Bidder and seeking the Bankruptcy Court's entry of the Sale Order approving the PSA, OTA, and other Transaction Documents. Debtors shall take such actions as are reasonably necessary to obtain the Bankruptcy Court's entry of the Sale Order by no later than August 7, 2024. Buyers and New Operators agree that they will promptly take such actions as are reasonably requested by the Debtors to assist in obtaining Bankruptcy Court approval of the Sale Order, including furnishing affidavits or other documents or information for filing with the Bankruptcy Court for purposes, among others, of (a) demonstrating that Buyers and New Operators are a "good faith" purchaser under Section 363(m) of the Bankruptcy Code, and (b) establishing adequate assurance of future performance within the meaning of Section 365 of the Bankruptcy Code.

1.4 Contracts.

(a) Sellers and Operators shall provide to Buyers and New Operators a list of Contracts relating to the operations and leasing of the Facilities (the "Available Contracts List"). Sellers and Operators will use best efforts to ensure that the Available Contracts List contains all Contracts which the Buyer may seek to assume. At any time prior to the Sale Hearing, the Buyers and New Operators, in their sole and absolute discretion, and subject to the their right to subsequently amend their designations until the Closing, may deliver one or more written notices

to the Sellers and Operators (each such notice, a "Designation Notice"), pursuant to which Buyers and New Operators shall designate in writing any Available Contracts that Buyers or New Operators wish to assume at Closing. Any Available Contracts so designated shall be deemed the Assumed Contracts.

(b) Any Contracts that Buyers or New Operators do not indicate they desire to assume and continue shall be deemed rejected by Buyers and New Operators (the "Rejected Contracts"), and Sellers and Operators may reject and terminate such Rejected Contracts pursuant to the Bankruptcy Code. Any Contract not expressly designated by Buyers or New Operators as an Assumed Contract pursuant to a Designation Notice, including any Contract discovered after the Closing, shall be deemed a Rejected Contract.

(c) The Sale Motion and Bidding Procedures Order shall include the procedures for the assumption and assignment of the Assumed Contracts to the Buyers and New Operators on the terms set forth herein. By no later than June 21, 2024, the Debtors shall serve an initial notice on all counterparties to each Contract on the Available Contracts List specifically stating that the Debtors are or may be seeking the assumption and assignment of such Contracts, the Debtors' calculation of the associated Cure Costs, and the deadline for objecting to the Cure Costs or any other aspect of the proposed assumption and assignment of their Contracts to Buyers, New Operators, or any other Successful Bidder (the "Initial Assumption and Assignment Notice"). The Debtors will not serve any such notice to a current resident or patient of any Facility without the Buyers' prior approval of the form of such notice.

(d) Pursuant to the Bidding Procedures Order, the counterparties to the Contracts shall have an opportunity to file any objections to the assumption and/or assignment of any Contracts on the Available Contracts List. Upon any such objection, such Contract shall become a "Disputed Contract" and, unless the Disputed Contract is a Rejected Contract, the Debtors, with Buyers' and New Operators' consent to be provided or withheld in their sole discretion, shall either settle the objection of such counterparty or shall litigate such objection under such procedures as the Bankruptcy Court shall approve as part of the Bidding Procedures Order. The Debtors shall not settle a disputed Cure Cost for any amount with regard to any Contract that has been designated as an Assumed Contract pursuant to a Designation Notice without the express written consent of the Buyers or New Operators, as applicable. Upon a Final Order or settlement determining any Cure Costs regarding any Disputed Contract after the Closing or at any time prior to such Final Order or settlement, Buyers and New Operators shall have the option to (x) pay the Cure Cost with respect to such Disputed Contract and assume the Disputed Contract as an Assumed Contract or (y) designate the Disputed Contract as an Rejected Contract and not be responsible for the Cure Cost.

(e) At Closing, Buyers or New Operators, as applicable, shall pay all Cure Costs in connection with the assumption and assignment of the Assumed Contracts.

1.5 Good Faith Efforts. The Debtors agree to diligently prosecute the entry of the Bidding Procedures Order and the Sale Order. In the event the entry of the Bidding Procedures Order or the Sale Order shall be appealed, the Debtors shall use their best efforts to defend such appeal. The Debtors shall comply with all notice requirements (i) of the Bankruptcy Code and the

Federal Rules of Bankruptcy Procedure, or (ii) imposed by the Bidding Procedures Order or the Sale Order, in each case, in connection with any pleading, notice or motion to be filed in connection herewith.

1.6 Sale Free and Clear. The Debtors acknowledge and agree, and the Sale Order shall provide, that on the Closing Date and concurrently with the Closing, the Purchased Assets shall be transferred to Buyers and New Operators free and clear of all then existing or thereafter arising Claims and Encumbrances to the fullest extent permitted by Section 363(f) of the Bankruptcy Code (other than Permitted Encumbrances and Assumed Liabilities), including without, limitation, any amounts owed by any of the Debtors to (i) DHS or DOH for nursing facility assessments, or (ii) to DOL for violations of wage and hour laws or other applicable laws and regulations. The Debtors acknowledge and agree that this requirement is a precondition to Buyers' and New Operators' obligation to close the Transactions.

1.7 Definitions. For purposes of this Exhibit B and the Transaction Documents, the following terms shall have the meaning ascribed to them below:

"Alternative Transaction" means (a) the approval by the Bankruptcy Court of a sale or sales of all or any portion of the Purchased Assets to a Successful Bidder other than Buyers, or (b) the filing of a plan of reorganization that does not contemplate the sale of the Purchased Assets to Buyers in accordance with the terms hereof.

"Assumed Contracts" means any Contracts of Sellers or Operators which Buyers or New Operators designate in writing to be assumed and assigned to Buyers or New Operators, as applicable, as pursuant to section 365 of the Bankruptcy Code and the terms of the PSA, OTA, and Sale Order, including, without limitation, the Resident Agreements and Provider Agreements (each as defined in the OTA).

"Avoidance Actions" means causes of action arising under Bankruptcy Code sections 502, 510, 541, 544, 545, 547, 548, 549, 550, 551, or 553, or under related state or federal statutes and common law, including, without limitation, fraudulent transfer laws, whether or not litigation is commenced to prosecute such causes of action.

"Bid Deadline" means 5:00 p.m. E.S.T. July12, 2024, or such other date as is set by Order of the Bankruptcy Court.

"Bidding Procedures Order" means an Order of the Bankruptcy Court, the proposed form of which shall be included with the Sale Motion following approval by Sellers and Buyers, that contains at least the following: (i) the approval of the PSA and OTA as the stalking horse contract and the Buyers and New Operators as the stalking horse bidders, (ii) the approval of the Bidding Procedures governing the sale and solicitation process and the Auction, the deadlines and dates relating thereto, and the bid protections included therein (including, without limitation, the Termination Fee and the Expense Reimbursement), and (iii) setting a date for the Sale Hearing as soon as possible following the Auction, if there are other Qualifying Bidders, or following the end of the Bidding Solicitation Period, if there are no other Qualifying bidders, to confirm the Auction results, if applicable, and enter the Sale Order.

"Bidding Solicitation Period" means the time period running from the date of the filing of the Sale Motion until the Bid Deadline, or such other time period as is set by Order of the Bankruptcy Court.

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

"Contracts" shall mean all executory contracts, agreements, leases, commitments and arrangements (whether written or oral), including all service contracts, maintenance contracts and consulting agreements, and all of any Seller's or Operator's duties, obligations, covenants, promises, rights and privileges therein or thereunder to which any Seller or Operator or its respective predecessors or agents is a party and which relate to the Facilities (or any one of the Facilities) and the operations thereof.

"Cure Costs" shall mean all costs required to be paid pursuant to Section 365 of the Bankruptcy Code in connection with the assumption and assignment of the Assumed Contracts including the cost of obtaining consents in respect of the Assumed Contracts.

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

"Expense Reimbursement" means all reasonable fees and expenses incurred by Buyers, including, without limitation, professional fees and out-of-pocket fees, costs and expenses of Buyers incurred in connection with the due diligence, preparation, negotiation, execution, delivery and performance of the Transaction Documents; provided the total Expense Reimbursement shall be capped at $300,000.00. The obligations of the Debtors to pay the Expense Reimbursement (i) shall be entitled to super-priority administrative expense claim status under Sections 503 and 507 of the Bankruptcy Code (provided, however, except in the event of the closing of an Alternative Transaction, such claims shall not come ahead of the Carve Out as defined in the CIBC DIP Loan facility), (ii) shall not be subordinate to any other administrative expense claim against the Debtors, and (iii) shall survive the termination of any Transaction Documents.

"Final Order" means an Order that is unstayed and in effect and as to which (i) the time to appeal, petition for certiorari or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari or other proceedings for reargument or rehearing shall then

be pending, or (ii) if an appeal, writ of certiorari, reargument or rehearing thereof has been filed or sought, such Order shall have been affirmed by the highest court to which such Order was appealed, or certiorari shall have been denied or reargument or rehearing shall have been denied or resulted in no modification of such Order, and the time to take any further appeal, petition for certiorari or move for reargument or rehearing shall have expired.

"Governmental Authority" means any U.S. federal, state or local or any supra-national, territorial or non-U.S. government, political subdivision, governmental, regulatory or administrative authority, instrumentality, agency, body or commission, self-regulatory organization or any court, tribunal, or judicial or arbitral (public or private) body.

"Liabilities" means any liability, debt, guarantee, claim, demand, expense, commitment, damages, assurances or obligation (whether direct or indirect, fixed, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due) of every kind and description, including all costs and expenses related thereto.

"Order" means any order, writ, judgment, injunction, temporary restraining order, decree, stipulation, determination, settlement or award entered by or with any Governmental Authority.

"OTA" means the Operations Transfer Agreement entered into by Operators, Manager, and New Operators dated May 17, 2024, as may be amended by the parties pursuant to the terms therein, and pursuant to which the Operators will transfer the operations of and certain assets related to the Facilities to the New Operators.

"PSA" means the Contract of Sale entered into by Sellers and Buyers dated May 17, 2024, as may be amended by the parties pursuant to the terms therein, pursuant to which Buyers will purchase from Sellers certain real and personal property on the terms more specifically set forth therein.

"Sale Motion" means the motion or motions of the Debtors, in form and substance approved by Sellers, Operators, Buyers, and New Operators seeking (i) approval and entry of the Bidding Procedures Order on an expedited basis, (ii) the scheduling of the Auction (if there are other qualifying bidders) and the Sale Hearing, (iii) the entry of the Sale Order following the Auction, if there are other qualifying bidders, or following the end of the Bidding Solicitation Period, if there are no other qualifying bidders, and (iv) any other relief necessary to consummate the Transactions.

"Sale Order" means an Order of the Bankruptcy Court, the proposed form of which shall be submitted to the Bankruptcy Court following approval by Sellers, Operators, Buyers, and New Operators, and that that contains at least the following: (i) authorization and approval of (a) the PSA, the OTA and the other Transaction Documents, and the consummation of the Transactions on the terms and conditions set forth therein, and (b) the assumption and assignment of the Assumed Contracts to the Buyers or New Operators, as applicable, and (ii) findings of fact, conclusions of law and ordering provisions that (a) the consummation of the Transactions contemplated by the Transaction Documents, on the terms and conditions set forth therein are

legal, valid, and properly authorized under all applicable provisions of the Bankruptcy Code, including, without limitation, sections 105(a), 363(b), 363(f), 363(m), 363(n), 365(b) and 365(f), and all of the applicable requirements of such sections have been complied with in respect of the Transactions, (b) pursuant to section 105(a) and 363(f) of the Bankruptcy Code, the sale of the Purchased Assets to Buyers, New Operators, or their designee(s) shall be free and clear of any Claims or Encumbrances other than the Permitted Encumbrances and Assumed Liabilities (as defined in the OTA), (c) Buyers, New Operators, and any designee(s) of Buyers or New Operators are purchasers of the Purchased Assets in "good faith" pursuant to section 363(m) of the Bankruptcy Code, (d) the Debtors, the Buyers, affiliate of Buyers, any designee of Buyers, the New Operators, any affiliates of New Operators, and any designee of New Operators, did not engage in any conduct which would allow any Transaction Documents or Transactions to be set aside pursuant to section 363(m) of the Bankruptcy Code, (e) none of the Debtors, the Buyers, any affiliate of Buyers, nor any designee of Buyers, or the New Operators, any affiliates of New Operators, nor any designee of New Operators, engaged in any conduct that would cause or permit the Transaction Documents or Transactions to be avoided or costs and damages to be imposed against Buyers, their affiliates, or designees under section 363(n) of the Bankruptcy Code; (f) none of the Buyers, any affiliate of Buyers, nor any designee of Buyers, or the New Operators, any affiliates of New Operators, nor any designee of New Operators are a successor to Sellers, Operators, or the bankruptcy estate(s) of Debtors by reason of any theory of law or equity, and none of the Buyers, any affiliate of Buyers, nor any designee of Buyers, or the New Operators, any affiliates of New Operators, nor any designee of New Operators shall assume or in any way be responsible for any liability of Sellers or the bankruptcy estate(s) of the Debtors, except as otherwise expressly provided in the Transaction Documents, (g) the form of notice of the Sale Motion and any hearing thereon was proper, adequate, and reasonable under the circumstances and no further notice to any party, including any creditors of the Sellers, Operators, or Debtors, is necessary for purposes of authorizing the free and clear sale of the Purchased Assets to Buyers and New Operators pursuant to the Bankruptcy Code or other applicable law, (h) the form of notice to counterparties of any Assumed Contracts was proper, adequate, and reasonable under the circumstances and no further notice to any such contract counterparty is necessary, (i) each of the counterparties to the Assumed Contracts was given adequate notice of the Sellers' and Operators' proposed assumption thereof and the terms of such assumption, and (j) the final amount of Cure Costs under the Bankruptcy Code and applicable law for each of the Assumed Contracts other than with respect to any Disputed Contract that may be resolved pursuant to the procedures set forth in the Transaction Documents or Bidding Procedures Order.

"Sale Order Hearing" means the hearing following the Auction, if there are other qualifying bidders, or following the end of the Bidding Solicitation Period, if there are no other qualifying bidders, seeking approval of the Successful Bidder and entry of the Sale Order.

"Termination Fee" means the amount of $1,325,000.00 to be paid to Buyers upon the closing of an Alternative Transaction as a bid protection and in consideration of Buyers' and New Operators' willingness to enter into the PSA and OTA and serve as the stalking horse for the Debtors pursuant to the terms and conditions herein and the significant efforts expended by Buyers in connection with the possible acquisition of the Purchased Assets that will be marketed to other competing bidders despite the Agreement. The obligations of the Debtors to pay the Termination Fee (i) shall be entitled to super-priority administrative expense claim status under Sections 503

and 507 of the Bankruptcy Code, (ii) shall not be subordinate to any other administrative expense claim against the Debtors, and (iii) shall survive the termination of any Transaction Documents.

"Transactions" means the transactions contemplated by the PSA, OTA, and the other Transaction Documents.

"Transaction Documents" means the PSA, the OTA, the Bill of Sale, the Deeds, and any other agreements, instruments or documents required to be delivered at the Closing or pursuant to the PSA or OTA, in each case, including all exhibits and schedules thereto and all amendments thereto made in accordance with the respective terms thereof.

**Exhibit C**

**FORM OF GENERAL ASSIGNMENT AND ASSUMPTION**

**THIS ASSIGNMENT AND ASSUMPTION**, is made as of the ___ day of _____, 2024, by [_____] ("Assignors"), to [___], a [_____] ("Assignee").

W I T N E S S E T H:

**WHEREAS**, by Operations Transfer Agreement (the "OTA"), dated as of _____, 2024, by and among Assignor and Assignee, Assignor agreed to sell to Assignee certain personal property and such other assets, as more fully described in the OTA (the "Purchased Assets") (capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the OTA); and

**WHEREAS**, the OTA provides, inter alia, that Assignor shall assign to Assignee, the Permits, the Patient Trust Funds and Property, the Assumed Contracts, and such other items applicable to the Purchased Assets, as more fully provided in the OTA; and

**WHEREAS**, the OTA provides, inter alia, that Assignee shall assume and agree to pay, perform and discharge when due any and all liabilities and obligations under the Permits, Patient Trust Funds and Property, and the Assumed Contracts arising on or after the Closing Date;

**NOW, THEREFORE**, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. **Transfer of Permits**. Assignor hereby assigns, sets over and transfers to Assignee all of Assignor's right, title and interest in, to and under the Permits.

2. **Transfer of Patient Trust Funds and Property**. Assignor hereby assigns, sets over and transfers to Assignee, all of Assignor's right, title and interest in, to and under the Patient Trust Funds and Property.

3. **Contracts and Resident Agreements**. Assignor hereby assigns, sets over and transfers to Assignee, all of Assignor's right, title and interest in, to the Assumed Contracts, including all Resident Agreements.

4. **Assumption**. Assignee hereby accepts the foregoing assignments set forth in Sections 1, 2 and 3 hereof; provided, that said assignment and assumption shall in all respects be subject to the terms of the OTA, PSA, and Sale Order with regard to the rights and obligations of each of the parties hereto with respect to the items assigned hereunder, and in the event that any term of this Assignment shall contradict the OTA, the OTA shall control.

*[SIGNATURES ON FOLLOWING PAGE]*

**IN WITNESS WHEREOF**, Assignor has duly executed this Assignment as of the day and year first above written.

ASSIGNOR

[•]

By:_____

Name:_____

Its:_____

ASSIGNEE

[•]

By:_____

Name:_____

Its:_____

**EXHIBIT D**

**FORM OF BILL OF SALE**

[_____], a _____ ("Operator"), in consideration of Ten and No/100 Dollars ($10.00), receipt of which is hereby acknowledged, does hereby sell, assign, transfer and set over to [_____], a _____ ("New Operator"), all of its right, title and interest in and to the following described personal property, to-wit:

All of the "Supplies", "Vehicles" and other "Personal Property", as defined in that certain Operations Transfer Agreement ("OTA"), dated as of _____, 2024, by and among Operator and New Operator.

New Operator hereby accepts the foregoing assignment and transfer set forth herein; provided, that said assignment shall in all respects be subject to the terms of the OTA, PSA, and Sale Order (as those terms are defined in the OTA) with regard to the rights and obligations of each of the parties hereto with respect to the items assigned and transferred hereunder, and in the event that any term of this Bill of Sale shall contradict the OTA, the OTA shall control.

*[SIGNATURES ON FOLLOWING PAGE]*

**IN WITNESS WHEREOF**, Operator has caused this Bill of Sale to be signed and sealed in its name by its _____ thereunto duly authorized this ___ day of _____, 2024.

OPERATOR:

[•]

By:_____

Name:_____

Its:_____

Accepted by:

NEW OPERATOR:

[•]

By:_____

Name:_____

Its:_____

**EXHIBIT E**

**INDEMNITY CLAIMS ESCROW AGREEMENT**

This Indemnity Claims Escrow Agreement (this "**Agreement**") is made and entered into this ___ day of ____, 2024, by and among: Maybrook-C Whitecliff Propco, LLC, Maybrook-C Overlook Propco, LLC, Maybrook-C Briarcliff Propco, LLC, Maybrook-C Silver Oaks Propco, LLC, Maybrook-C Kade Propco, LLC, Maybrook-C Evergreen Propco, LLC, Maybrook-C Latrobe Propco, LLC, 3876 Saxonburg Boulevard Propco, LLC, and 100 Tandem Village Road Propco, LLC (each a "**Seller**" and, collectively, the "**Sellers**"); Greenville Property Management LLC, New Wilmington Property Management, LLC, Irwin Property Management, LLC, New Castle Property Management, LLC, Washington Property Management, LLC, Harmony Property Management, LLC, Latrobe Property Management, LLC, Cheswick Property Management, LLC, and North Strabane Property Management, LLC (each, a "**Buyer**", and, collectively, the "**Buyers**"); Maybrook-C Whitecliff Opco, LLC, Maybrook-C Overlook Opco, LLC, Maybrook-C Briarcliff Opco, LLC, Maybrook-C Silver Oaks Opco, LLC, Maybrook-C Kade Opco, LLC, Maybrook-C Evergreen Opco, LLC, Maybrook-C Latrobe Opco, LLC, North Strabane Rehabilitation and Wellness Center, LLC, and Cheswick Rehabilitation and Wellness Center, LLC, each a Delaware limited liability company (each, an "**Operator**" and collectively, the "**Operators**"); Greenville Rehabilitation & Nursing LLC, New Wilmington Rehabilitation & Nursing LLC, Irwin Rehabilitation & Nursing LLC, New Castle Rehabilitation & Nursing LLC, Washington Rehabilitation & Nursing LLC, Harmony Rehabilitation & Nursing LLC, Latrobe Rehabilitation & Nursing LLC, Cheswick Rehabilitation & Nursing, LLC and North Strabane Rehabilitation & Nursing, LLC, each a Pennsylvania limited liability company (each, a "**New Operator**" and, collectively, the "**New Operators**"); **CIBC Bank USA**, an Illinois banking corporation ("**CIBC**"); and **OMNI Agent Solutions, Inc.**, a Delaware corporation, acting as the escrow agent as provided herein ("**Escrow Agent**").

**RECITALS**

**A.** On _____, 2024 (the "**Petition Date**"), each Seller and Operator filed a voluntary petition for relief under Title 11 of the United States Code, 11 U.S.C. § 101, *et seq.* in the Western District of Pennsylvania (the "**Bankruptcy Court**"). The bankruptcy cases of the Sellers, Operators, and certain of their affiliates (collectively, the "**Bankruptcy Cases**") are being jointly administered under Case No. 24-_____ (___).

**B.** On ___, 2024, the Bankruptcy Court entered Docket No. ___, its *[insert name of Sale Order]* (the "**Sale Order**"), approving the Transactions contemplated by the Contract of Sale (the "**PSA**") and Operations Transfer Agreement (the "**OTA**") as more particularly set forth therein and in the Sale Order. Unless otherwise defined herein, all capitalized terms shall have the meanings provided in the Sale Order, PSA, or OTA, as applicable.

**C.** Pursuant to the Sale Order, PSA, and OTA, Buyers and New Operators are acquiring the Purchased Assets from the Sellers and Operators, which consists of substantially all of the real and personal property assets of Sellers and Operators that comprise nine senior living communities more particularly described in the PSA and OTA (each a "**Facility**" and, collectively, the "**Facilities**").

**D.** CIBC asserts a first priority lien against the Facilities and all other Purchased Assets and, pursuant to the Sale Order, such lien shall attach to the proceeds of the Transactions at Closing,

including any residual Escrow Funds (as defined herein) that are not distributed to Buyers or New Operators as provided herein.

**E.** Sellers, Buyers, Operators, New Operators, CIBC, and Escrow Agent are entering into this Agreement to establish the Indemnification Escrow, and to govern the parties' respective rights to the Escrow Funds held therein, as required by the PSA and OTA.

**AGREEMENT:**

**NOW, THEREFORE**, for and in consideration of the mutual promises and covenants herein contained, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

**1. Deposit of Escrow Funds**. At Closing of the Transactions, Operators and Sellers shall deposit by wire transfer of immediately available funds the total amount of **THREE MILLION DOLLARS ($3,000,000)** (the "**Escrow Funds**") with Escrow Agent. Immediately upon its receipt of the Escrow Funds, Escrow Agent shall deposit the Escrow Funds into a separate interest-bearing deposit account at a bank of its choosing (the "**Bank**"). All interest earned thereon shall be deemed earned by (and taxable to) an Operator, to be designated by the Operators, who shall provide Escrow Agent with a W9 and any other form required by Escrow Agent related to the account. The Escrow Funds shall be held in escrow by Escrow Agent in accordance with the terms of this Agreement and Section 16 of the OTA. Any claims against the Escrow Funds asserted hereunder shall be made subject to and in accordance with the terms and conditions of this Agreement, the PSA, and the OTA.

**2. Release of Escrow Funds**.

**(a)** Prior to the expiration of the Claim Period (as defined herein), each New Operator and Buyer shall have the right to deliver one or more written notices (each an "**Escrow Claim Notice**") to Escrow Agent setting forth the following matters: **(i)** that New Operator or Buyer has an Escrow Claim (as defined below) against the Escrow Funds in accordance with the terms of the PSA or OTA; **(ii)** a description, in reasonable detail, of the nature of the Escrow Claim, including applicable Support Documentation; **(iii)** New Operator's or Buyer's good faith reasonable estimate of the portion of the Escrow Funds which it believes it is entitled to withdraw from the Escrow Funds in connection with such Escrow Claim (each an "**Estimate**"); and **(iv)** to whom the payment of the requested Escrow Funds should be made and the wiring instructions of such party. Escrow Agent shall have no obligation whatsoever to review, analyze or interpret any Support Documentation accompanying any Escrow Claim Notice. Subject to the terms and conditions of this Agreement, in no event shall any Escrow Claim be limited to the amount of such Estimate, and the parties acknowledge that New Operators and Buyers are permitted to provide multiple Escrow Claim Notices with respect to the same Escrow Claim (in the form of updates of such Escrow Claim) or different Escrow Claims during the Claim Period. Upon Escrow Agent's receipt of an Escrow Claim Notice, Escrow Agent shall promptly (and in no event later than two (2) business days following receipt) deliver a full and complete copy of such Escrow Claim Notice to Sellers, Operators, and CIBC (collectively and individually, the "**Response Parties**").[1] As used in this Agreement, **(x)** an "**Escrow Claim**" shall mean any claim by a Buyer or New Operator that it is entitled to payment or reimbursement arising from a Recoupment (as defined in the OTA) or Indemnification Claims (as defined in the OTA); and **(y)** "**Support Documentation**" shall mean

[1] To the extent that Operators, Sellers, or their respective bankruptcy estates no longer exist, CIBC shall be the only Response Party.

such reasonable documents and other writings then in the possession or control of the Buyer or New Operator relating to the applicable Escrow Claim. The Escrow Funds shall not be divided or allocated between Escrow Claims under the PSA or the OTA, and the entire balance of the Escrow Funds at any time shall be available to be disbursed for any Escrow Claim pursuant to the provisions of this Agreement, the PSA, and the OTA. If any of the Response Parties become aware or have knowledge of any demand or claim that may be an Escrow Claim, such Response Party shall provide notice of such potential Escrow Claim to the Buyers and Operators within ten (10) Business Days and the parties will reserve all rights with respect to any such potential Escrow Claim unless otherwise resolved pursuant to the procedures set forth herein.

**(b)** The Response Parties shall have ten (10) Business Days after the date on which Escrow Agent shall have delivered a copy of an Escrow Claim Notice the ("**Claim Response Deadline**") to provide a written notice (a "**Claim Response Notice**") to Escrow Agent and the applicable Buyer or New Operator claimant that the payment requested in the applicable Escrow Claim Notice is in dispute. Response Parties shall not dispute the payment of all or any portion of any Claim from the Escrow Funds except in good faith.

**(i) No Claim Response Notice**. If none of the Response Parties provide a Claim Response Notice by the Claim Response Deadline, then such lack of response shall constitute an irrevocable joint order of all parties to the Escrow Agent to **(x)** pay over to the applicable New Operator or Buyer from the Escrow Funds the portion thereof equal to the Estimate set forth in the applicable Escrow Claim Notice (it being understood that if the applicable Escrow Claim Notice is an update of a previous Escrow Claim Notice, Escrow Agent shall not pay over any portion of the Estimate that has been previously paid over under a previously submitted Escrow Claim Notice); and **(y)** retain the remaining balance of the Escrow Funds in escrow subject to the provisions of this Agreement. Escrow Agent shall make each payment required under this Section 2(b)(i) with respect to the applicable Escrow Claim not later than 2:00 p.m. Eastern time on the first (1st) Business Day following the expiration of the Claim Response Deadline, all without need of any further demand, consent, authorization or agreement by any of the parties hereto.

**(ii) Claim Response Notice and Payment of Undisputed Portion**. If any Response Party provides a Claim Response Notice on or before the Claim Response Deadline, and the Escrow Agent has waited until the conclusion of the Claim Response Deadline to collect any other Claim Response Notices with respect to the applicable Escrow Claim Notice, then such Claim Response Notice(s) shall constitute an irrevocable joint order of all parties to Escrow Agent to **(x)** pay over to the applicable New Operator or Buyer from the Escrow Funds the UNDISPUTED portion of the Estimate, if any, set forth in the applicable Escrow Claim Notice (it being understood that if the applicable Escrow Claim Notice is an update of a previous Escrow Claim Notice, Escrow Agent shall not pay over any portion of the Estimate that has been previously paid over under a previously submitted Escrow Claim Notice); **(y)** to retain in escrow the DISPUTED portion of the Estimate (each a "**Disputed Claim Portion**"); and **(z)** to retain the remaining balance of the Escrow Funds in escrow subject to the provisions of this Agreement. Escrow Agent shall make each payment required under this Section 2(b)(ii)(x) with respect to the applicable Escrow Claim not later than 2:00 p.m. Eastern time on the first (1st) Business Day following the expiration of the Claim Response Deadline, all without need of any further demand, consent, authorization or agreement by any of the parties hereto.

**(iii) Claim Response Notice and Resolution of Disputed Claim Portion**. Any Disputed Claim Portion of any Estimate shall be retained in escrow by Escrow Agent until the earlier of either **(x)** the date of settlement of the Disputed Claim Portion of the Estimate by

mutual written agreement of the applicable New Operator or Buyer and the Response Party(ies) that submitted a Claim Response Notice, in which event Escrow Agent will deliver the applicable Escrow Funds in accordance with such mutual written instructions, or **(y)** a final, non-appealable order of the Bankruptcy Court with respect to such dispute, in which event Escrow Agent will deliver the Disputed Claim Portion of such Escrow Funds in accordance with the terms of said judgment. In connection with any attempted settlement of any Disputed Claim Portion pursuant to the foregoing clause (x), the relevant parties to such dispute shall negotiate in good faith and use best efforts to settle the dispute within ten (10) days, and in furtherance thereof, shall provide such additional or updated documentation related to the applicable Escrow Claim as reasonably requested by the other party(ies).

**(c)** Upon the date which is twelve (12) months after the Closing Date, the Escrow Funds shall be reduced by the amount by which such funds exceed the sum of (i) $1,500,000.00, (ii) the amount of any Escrow Claim for which the Claim Response Deadline has not passed, and (iii) the amount of any Disputed Claim Portion that has not yet been resolved pursuant to Section 2(b)(iii), which amount shall be released to the Sellers' bankruptcy estates or if Sellers cease to exist or if Sellers' bankruptcy estates cease to exist, the funds shall be released to CIBC. Upon the date which is twenty-four (24) months after the Closing Date (the "**Claim Period**"), the then-remaining balance of the Escrow Funds, less the sum of (x) the amount of any Escrow Claim for which the Claim Response Deadline has not passed, and (y) the amount of any Disputed Claim Portion that has not yet been resolved pursuant to Section 2(b)(iii), which amount shall be released to the Sellers' bankruptcy estates or if Sellers cease to exist or if Sellers' bankruptcy estates cease to exist, the funds shall be released to CIBC. For purposes of this Section 2(c), if the Disputed Claim Portion is unclear on its face, then the parties shall agree to withhold 125% of a reasonably agreed to monetary amount that would settle the Disputed Claim Portion. Prior to making any distribution under this Section 2(c), the Escrow Agent shall give all parties notice of the proposed distribution and the parties will have ten (10) business days to advise the Escrow Agent and other parties of any dispute with respect to a proposed distribution. Any such dispute regarding a proposed distribution shall be resolved pursuant to the procedures set forth in Sections 2(b)(ii) and (iii).

**3. Payments by Escrow Agent; No Replenishment.** Each payment made by Escrow Agent hereunder shall be made via wire transfer based upon wire transfer instructions provided to Escrow Agent by the recipient of the applicable portion of the Escrowed Funds. Notwithstanding anything to the contrary herein, none of the Operators, Sellers, or any of their respective affiliates shall have any obligation to replenish the Escrow Funds if such funds are exhausted by Escrow Claims paid by Escrow Agent pursuant to the terms of this Agreement.

**4. Rights and Responsibilities of Escrow Agent.**

**(a)** The initial fees, costs and expenses of Escrow Agent in connection with administering the Escrow Funds under this Agreement are seventeen thousand five hundred dollars ($17,500), are calculated based on an estimate of twenty-four (24) draw requests over twenty-four months, and shall be borne equally by Operators and New Operators and shall be payable by Operators and New Operators on the Closing Date. Escrow Agent shall be entitled to rely upon, and, except in the case of its gross negligence, bad faith, or willful misconduct, shall be fully protected from all liability, loss, cost, damage or expense in acting or omitting to act pursuant to, any instruction, order, judgment, certification, affidavit, demand, notice, opinion, instrument or other writing delivered to it hereunder without being required to determine the authenticity of such document, the correctness of any fact stated therein, the propriety of the service thereof or the capacity, or the identity or authority of any party purporting to sign or deliver such document. Any additional fees

fees, costs and expenses of Escrow Agent incurred or any fees assessed by the Bank shall be deducted from the Escrow Funds.

**(b)** The duties of Escrow Agent are only as herein specifically provided, and are purely ministerial in nature. Escrow Agent shall neither be responsible for or under, nor chargeable with knowledge of, the terms and conditions of any other agreement, instrument or document in connection herewith, including, without limitation, any terms or conditions set forth in any PSA or OTA, and shall be required to act in respect of the Escrow Funds only as expressly provided in this Agreement. For the avoidance of doubt, the Escrow Funds shall not be invested by the Escrow Agent and shall be maintained solely in an interest-bearing deposit account.

**(c)** Escrow Agent is acting as an escrowee only with respect to the Escrow Funds. If any dispute arises as to whether Escrow Agent is obligated to deliver the Escrow Funds or as to whom the Escrow Funds are to be delivered or the amount thereof, Escrow Agent shall not be required to make any delivery, but in such event Escrow Agent may **(i)** hold the Escrow Funds until receipt by Escrow Agent of instructions in writing, signed by all parties which have, or claim to have, an interest in the Escrow Funds, directing the disposition of the Escrow Funds, **(ii)** hold the Escrow Funds until receipt of a certified copy of a final judgment of a court of competent jurisdiction providing for the disposition of the Escrow Funds, or **(iii)** institute an interpleader action in, and deposit the Escrow Funds in the registry of, a court of competent jurisdiction; provided, however, that notwithstanding the foregoing, Escrow Agent may, but shall not be required to, institute legal proceedings of any kind. In the event that the Escrow Agent files an action of interpleader naming the parties hereto in, and places the Escrow Funds in the registry of, a court of competent jurisdiction, the Escrow Agent shall be released and relieved from any and all further obligation and liability hereunder or in connection herewith. Operators, Sellers, Buyers, and New Operators, jointly and severally, shall indemnify, defend and hold harmless Escrow Agent from and against any loss, cost, liability or other expense in connection with its service as Escrow Agent hereunder, except to the extent arising from the gross negligence, bad faith, or intentional misconduct of Escrow Agent.

**(d)** Operators, Sellers, Buyers, and New Operators reserve the right, at any time and from time to time, to substitute a new escrow agent in place of Escrow Agent pursuant to a writing executed by all parties which shall contain instructions to Escrow Agent regarding disbursement or transfer of the Escrow Funds, or the then-remaining portion thereof, to the new escrow agent.

**5.** **Notices.** Any notice, consent or other communication permitted or required by this Agreement shall be in writing, and shall be given to each party, at the address set forth below, in the following manner: **(a)** personal delivery, **(b)** reputable overnight delivery service with proof of delivery, or **(c)** email delivery (provided that if delivery is made by email, such notice, consent or other communication shall also be concurrently transmitted by one of the methods described in the foregoing clauses (a) and (b). Each such notice shall be deemed to have been given upon receipt or refusal to accept delivery. Unless and until changed as provided below, the addresses for notices given pursuant to this Agreement shall be as follows:

If to Buyers or New Operators:
Attn: Daniel Morris
Email: Dan@Kadimahealth.com

With a copy to:
Koss & Schonfeld, LLP
160 Broadway, 8th Floor
New York, NY 10038
Attn: Allen Koss Esq.
Email: avk@kandsllp.com

and a copy to:
Bradley Arant Boult Cummings LLP
1819 Fifth Ave. N.
Birmingham, AL 35203
Attn: T. Parker Griffin
Email: pgriffin@bradley.com

If to Sellers or Operators:
Louis E. Robichaux, IV
Email: Louis.Robichaux@ankura.com

with a copy to:
Glenn B. Rose
Bass, Berry & Sims, PLC
150 Third Ave. South, Suite 2800
Nashville, TN 37205
grose@bassberry.com

and a copy to:
Daniel Schimizzi
Whiteford Law
11 Stanwix Street, Suite 1400
Pittsburgh, PA 15222
dschimizzi@whitefordlaw.com

If to CIBC:
Matt Tyler
CIBC Bank USA
120 S. LaSalle Street
Chicago, IL 60603
matthew.tyler@cibc.com

with a copy to:
Liz Boydston, Stacy Flanigan, Max Schlan
Gutnicki LLP
4711 Golf Road, Suite 200
Skokie, IL 60076
lboydston@gutnicki.com, mschlan@gutnicki.com;
sflanigan@gutnicki.com

If to Escrow Agent:
Brian Osborne & Sejal Kelly
Omni Agent Solutions, Inc.
5955 De Soto Avenue, Suite 100
Woodland Hills, CA 91367
Email: Treasury@omniagnt.com;
skelly@omniagnt.com; bosborne@omniagnt.com

To the extent that Operators, Sellers, or their respective bankruptcy estates no longer exist, any and all notices or funds required to be sent to Operators or Sellers shall be sent to CIBC Bank USA c/o Matthew Tyler, matthew.tyler@cibc.com with copy to Gutnicki LLP, lboydston@gutnicki.com and mschlan@gutnicki.com.

Each party shall have the right to designate a different individual, address email address for notices under this Agreement by giving a notice in writing to the other party in the manner provided above at least five (5) Business Days prior to the effective date of the change.

6. **Effectiveness of Agreement**. The parties acknowledge that the terms and conditions of this Agreement are expressly conditioned upon the occurrence of the Closing Date under the PSA and OTA.

7. **Miscellaneous**.

**(a)** The parties further agree and acknowledge that the terms of this Agreement are contractual, and are not merely a recital.

**(b)** Any Buyer or New Operator may, without the prior written consent of Seller or Operators, assign their rights under this Agreement to the purchaser of any Facility and its related assets. Subject to the foregoing, this Agreement shall be binding upon, and inure to the benefit of, each party and their heirs, successors, affiliates, subsidiaries, parents, officers, shareholders, directors, managers, members, partners, assigns, agents, servants, employees and attorneys.

**(c)** This Agreement, and the written agreements referenced herein, contain the full and complete agreement of the parties hereto, and all prior negotiations and agreements pertaining to the subject matter hereof are merged into this Agreement. Each party hereto expressly disclaims reliance upon any facts, promises, undertakings or representations made by any other party, or its/his agents or attorneys, prior to the execution of this Agreement. The parties further acknowledge that they may hereafter discover facts different from or in addition to those which they now know or believe to be true with respect to the claims released herein, and each agrees that in such event, this Agreement shall nevertheless be and remain effective in all respects, notwithstanding such different or additional facts, or the discovery thereof.

**(d)** The terms and conditions of this Agreement, constitute a contemporaneous, single, integrated transaction and are not several, such that a determination that one or more of such provisions is not enforceable shall render this Agreement null and void, thereby returning the parties to the status quo in effect immediately prior to this Agreement.

**(e)** This Agreement may not be modified, amended or waived except in a writing signed by all parties hereto. The waiver by one party of any breach of this Agreement by any other party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

**(f)** The parties to this Agreement have had the benefit of counsel of their choice and have been afforded an opportunity to review this Agreement with their chosen counsel. To that end, the parties hereto have been represented by attorneys in negotiating and drafting this Agreement and the parties hereto have influenced the language of this Agreement. Therefore, this Agreement shall not be construed against any party to this Agreement by reason of drafting or authorship.

**(g)** This Agreement, and the rights and obligations of the parties hereto, shall be governed, construed, interpreted and enforced in accordance with the domestic substantive laws of the Commonwealth of Pennsylvania without giving effect to any choice or conflicts of law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction. The parties irrevocably elect, as the sole judicial forum for the adjudication of any matters arising under or in connection with this Agreement, and consent to the exclusive jurisdiction of, the Bankruptcy Court. The parties hereby consent to the jurisdiction of such court and waive their right to challenge any proceeding involving or relating to this Agreement on the basis of lack of jurisdiction over the person or forum non conveniens.

**(h)** Each party hereto shall bear its own costs, out-of-pocket expenses, and attorneys' fees incurred in the negotiations and execution of this Agreement. In the event of any litigation to enforce or interpret this Agreement, including litigation with respect to any Disputed Claim Portion, the substantially prevailing party in such litigation shall be awarded its legal fees and expenses incurred in such action from the substantially non-prevailing party. If any Buyer or New Operator is the substantially prevailing party in any such litigation, it shall be entitled to recover its legal fees and expenses from the Escrow Funds.

**(i)** Each party represents and warrants that the person signing on behalf of such party is fully authorized and legally competent to execute this Agreement as the legal, valid and binding act and deed of such party, and is a duly authorized representative of such party.

**(j)** Captions of sections or paragraphs are for convenience only and are not part of this Agreement and do not affect, change or modify the sections or paragraphs they precede.

**(k)** All nouns and pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons, firm or firms, corporation or corporations, entity or entities or any other thing or things may require, or "any" shall mean "any and all"; "or" shall mean "and/or" and "including" shall mean "including without limitation".

**(l)** No waiver of any term, provision or condition of this Agreement, in any one or more instances, shall be deemed to be or be construed as a further or continuing waiver of any such term, provision or condition of this Agreement. Except as expressly set forth herein, no failure to act shall be construed as a waiver of any term, provision, condition or rights granted hereunder

**(m)** This Agreement may be executed in one or more counterparts, any one of which shall be considered an original of this Agreement, but all of which shall be considered one and the same instrument. Electronic, pdf and scanned signatures and signature pages may be attached to an original of this document and shall be deemed to be originals and a part thereof.

**(n)** All parties agree to cooperate fully, execute any and all supplementary documents and take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement.

*[Remainder of page intentionally blank; signature pages follow.]*

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first written above.

**OPERATORS**

By:_____
Name: Louis Robichaux
Title: Chief Restructuring Officer

**SELLERS**

By:_____
Name: Louis Robichaux
Title: Chief Restructuring Officer

**BUYERS**

By: _____
Name: Daniel Morris
Title: President

**NEW OPERATORS**

By: _____
Name: Daniel Morris
Title: President

**CIBC BANK USA:**

By: _____
Name: Matthew Tyler
Title: Managing Director

**ESCROW AGENT:**

By:_____
Name: Brian Osborne
Title: CEO & President

*[End of signatures pages.]*

**Exhibit 2**

**Contract of Sale**

EXECUTION VERSION

# CONTRACT OF SALE

**THIS CONTRACT OF SALE** together with all exhibits, schedules and documents required herein (the "Agreement"), dated May 17, 2024 (the "Effective Date"), is by and between Greenville Property Management LLC, Harmony Property Management, LLC, Irwin Property Management, LLC, Latrobe Property Management, LLC, New Castle Property Management, LLC, New Wilmington Property Management, LLC, Washington Property Management, LLC, Cheswick Property Management, LLC, LLC and North Strabane Property Management, LLC, each a Pennsylvania limited liability company (each, a "Buyer" and, collectively, the "Buyers"), and Maybrook-C Whitecliff Propco, LLC, Maybrook-C Overlook Propco, LLC, Maybrook-C Briarcliff Propco, LLC, Maybrook-C Silver Oaks Propco, LLC, Maybrook-C Kade Propco, LLC, Maybrook-C Evergreen Propco, LLC, Maybrook-C Latrobe Propco, LLC, 3876 Saxonburg Boulevard Propco, LLC, and 100 Tandem Village Road Propco, LLC each a Delaware limited liability company (each, a "Seller" and, collectively, the "Sellers").

## RECITALS:

**WHEREAS**, each Seller owns that certain skilled nursing facility set forth opposite the name of such Seller on Exhibit A attached hereto (each, a "Facility" and, collectively, the "Facilities") located upon the applicable land set forth on Exhibit A attached hereto;

**WHEREAS**, each of the operators listed on Exhibit A attached hereto (each, an "Operator" and, collectively, the "Operators") leases and operates the applicable Facility set forth opposite the name of such Operator on Exhibit A attached hereto pursuant to an existing lease agreement between such Operator and the applicable Seller that owns such Facility (each, an "Existing Operating Lease" and, collectively, the "Existing Operating Leases"), and each Operator holds the licenses and provider agreements for the operation of the Facility that it leases;

**WHEREAS**, on or about May 17, 2024 (the "Petition Date"), each Seller and each Operator (in their capacity as chapter 11 debtors, each, a "Debtor" and, collectively, the "Debtors"), will file voluntary petitions (collectively, the "Chapter 11 Petitions") for relief under Chapter 11 of the Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Western District of Pennsylvania (the "Bankruptcy Court") commencing chapter 11 cases (each, a "Bankruptcy Case" and, collectively, the "Bankruptcy Cases");

**WHEREAS**, the Sellers and Operators will continue to own and operate their respective Facilities and businesses as "***debtors-in-possession***" under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code;

**WHEREAS**, subject to approval of the Bankruptcy Court and in accordance with the structure shown on Exhibit A hereto, Buyers desire to purchase the Property (as defined herein) from the Sellers, and the Sellers desire to sell, convey, assign and transfer to Buyers the Property, simultaneously with the closing of the transactions between Operators and New Operators (as defined herein) described in the OTA (as defined herein), all and in the manner and subject to the terms and conditions set forth in this Agreement and in accordance with Sections 105, 363 and 365 and other applicable provisions of the Bankruptcy Code;

**WHEREAS**, concurrently herewith and also subject to approval of the Bankruptcy Court, Operators and Manager (as defined in the OTA) are entering into an operations transfer agreement (the "OTA") with Greenville Rehabilitation & Nursing LLC, Harmony Rehabilitation & Nursing LLC, Irwin Rehabilitation & Nursing LLC, Latrobe Rehabilitation & Nursing LLC, New Castle Rehabilitation & Nursing LLC, New Wilmington Rehabilitation & Nursing LLC, Washington Rehabilitation & Nursing LLC, Cheswick Rehabilitation & Nursing, LLC and North Strabane Rehabilitation & Nursing, LLC, each a Pennsylvania limited liability company and affiliate of the Buyers (each, a "New Operator" and, collectively, the "New Operators") in order to provide for an orderly transition of the operations of the Facilities, and the transfer of certain assets related thereto;

**WHEREAS**, the Property, along with the assets being transferred to the New Operators under the OTA (collectively, the "Purchased Assets"), and any specified liabilities assumed hereunder and thereunder, shall be purchased and assumed by the respective Buyers and the respective New Operators shown on Exhibit A hereto pursuant to the Sale Order approving such sale, free and clear of all Claims and Encumbrances, other than Permitted Encumbrances (as said terms are defined herein), pursuant to Sections 105, 363 and 365 of the Bankruptcy Code, and Rules 6004 and 6006 of the Federal Rules of Bankruptcy Procedure, which order will include the authorization for the assumption by the respective Operators and assignment to the respective New Operators of the Assumed Contracts (as defined herein) and the liabilities thereunder in accordance with Section 365 of the Bankruptcy Code, all in the manner and subject to the terms and conditions set forth in this Agreement, the OTA and the Sale Order and in accordance with other applicable provisions of the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure and the local rules for the Bankruptcy Court (together, the "Bankruptcy Rules"); and

**WHEREAS**, the managers of each of the Sellers and Operators have determined that it is advisable and in the best interests of each entity to enter into this Agreement and the OTA, respectively, and to consummate the transactions provided for herein and in the OTA, subject to entry of the Sale Order, and have approved the same;

**NOW, THEREFORE**, in consideration of the mutual covenants and promises contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Buyers and Sellers agree as follows:

## ARTICLE 1
## BANKRUPTCY PROVISIONS

**Section 1.1** **Sale Motion and Sale Order**. The parties hereto agree to the terms and conditions regarding the Debtors' filing of the Sale Motion (as defined herein) with the Bankruptcy Court to, among other things, seek (a) entry of the Bidding Procedures Order (as defined herein) (i) approving this Agreement and the OTA as the stalking horse purchase agreement, (ii) approving Buyers and New Operators as the stalking horse bidder, and (iii) approving the Bidding Procedures (as defined herein), including the bid protections, that shall govern the Sellers' solicitation of competing bids for the Purchased Assets, and, (b) following an Auction (as defined herein) to be held after the Bidding Solicitation Period (as defined herein) expires should there be other Qualifying Bidders (as defined herein), the Debtors' pursuit of the Sale Order approving the Successful Bidder's (as defined herein) purchase agreement and operations transfer agreement, all

in accordance with the provisions set forth on Exhibit B attached hereto (which Exhibit B includes additional defined terms used in this Agreement). To the extent of any inconsistencies in the Debtors' Sale Motion and the provisions set forth on Exhibit B attached hereto, the provisions in Exhibit B shall control, except as otherwise ordered by the Bankruptcy Court.

## ARTICLE 2
## SALE AND PURCHASE OF PROPERTY

**Section 2.1 Sale and Purchase of Property**. Upon the terms and subject to the conditions set forth in this Agreement, on the Closing Date (as hereinafter defined), each of the Sellers, to the extent of its interest, agrees to sell, transfer, convey, assign and deliver to the applicable Buyers set forth on Exhibit A hereto, and such Buyers agree to purchase, acquire and accept from such Sellers, free and clear of any Claims and Encumbrances, except the Permitted Encumbrances, all of such Seller's right, title and interest in and to the following assets:

(a) Real Property. All of the land legally described on Exhibit A-1, Exhibit A-2, Exhibit A-3, Exhibit A-4, Exhibit A-5, Exhibit A-6, Exhibit A-7, Exhibit A-8 and the skilled nursing facility being a portion of the land legally described on Exhibit A-9 attached hereto and incorporated herein by this reference (collectively, the "Land"), together with all right, title and interest of such Seller in and to the buildings, fixtures and improvements thereon (collectively, the "Improvements"), and such Seller's rights, title and interest, if any, in any land lying in the bed of the street, road, avenue or highway, opened or proposed, in front of or adjoining such premises to the center line thereof, all tenements, hereditaments, rights, privileges, interests, easements, licenses, appurtenances, estates and other rights and benefits now or hereafter belonging or in any way pertaining to such premises and any strips and gores of land adjoining such premises (collectively, the "Real Property"); and

(b) Personal Property. All furniture, fixtures, furnishings, equipment, appliances, apparatus, inventory, supplies, and other tangible property (collectively, the "Personal Property") that such Seller owns and is located at or used in connection with the Real Property and the Facilities; and

(c) Intangible Property. All assignable or transferable licenses, certificates, and permits including, but not limited to, all authority and operational rights running to, in favor of, or in the name of such Seller establishing the right to operate the licensed nursing facility beds in the such Seller's Facility, certificates of need and certificates of occupancy which benefit the Real Property, trade names and trademarks and other intellectual property, plans, surveys, development rights, drawings, operating manuals, and specifications, and assignable existing warranties, indemnities, bonds, and guaranties issued in connection with the Improvements or Personal Property, and contract rights (to the extent assumed by Buyers), and all other intangible property owned or held by such Seller that relate to the Real Property or the Facilities and all rights related thereto (collectively, the "Intangible Property").

The Real Property, Personal Property, and Intangible Property are collectively hereinafter referred to as the "Property". The Property shall expressly exclude the "Excluded Assets", as defined in the OTA.

**Section 2.2 Evidence of Transfer**. The transfer of the Property, pursuant to this Agreement and following entry of the Sale Order, shall be free and clear of all Claims and Encumbrances, other than the Permitted Encumbrances and Assumed Liabilities (as defined in the OTA), and, with respect to the Real Property, shall be evidenced by deeds (each, a "Deed" and, collectively, the "Deeds") conveying each Facility in fee simple (subject only to the Permitted Encumbrances) in a form which is suitable to Landmark Abstract Agency LLC (the "Title Company") for purposes of issuing the Title Policies (as defined herein). As used in this Agreement, "Permitted Encumbrances" means: (i) all currently existing and future Encumbrances for unpaid real estate taxes and water and sewer charges not due and payable as of the date of the Closing, subject to adjustment as provided below in this Agreement; (ii) all present and future zoning, building, environmental and other laws, ordinances, codes, restrictions and regulations of all Governmental Authorities having jurisdiction with respect to the Property, provided the same are not violated by, or materially interferes with, the current use of the Property or the Facility; (iii) minor variations between tax lot lines and lines of record title; and (iv) possible encroachments or projections of stoop areas, roof cornices, window trims, vent pipes, cellar doors, steps, columns and column bases, flue pipes, signs, piers, lintels, window sills, fire escapes, satellite dishes, protective netting, sidewalk sheds, ledges, fences, coping walls (including retaining walls and yard walls), air conditioners and the like, if any, on, under or above any street or highway or any adjoining property, not to exceed three (3) feet.

**Section 2.3 Inspection Right; As-Is**.

(a) Buyers have completed or substantially completed their diligence regarding the Property prior to the Effective Date. Subject to the provisions of this Section 2.3, Buyers and their respective agents, employees, attorneys, accountants, consultants, advisors, lenders, investors, inspectors, appraisers, engineers and contractors (collectively "Buyers' Representatives") may continue to perform supplemental diligence and shall have the right, upon the advance notice required pursuant to subsection (b) below, to enter upon the Property during normal business hours to conduct such inspections, investigations, tests and studies with respect to the Property as Buyers shall deem necessary, including without limitation, a Phase I or similar environmental study; provided that Buyers shall not conduct any invasive testing, such as a Phase II environmental study, without Sellers' prior written consent, which shall not be unreasonably withheld. Buyers (or its designees, including, without limitation, New Operators) shall have the right, upon notice to the Sellers and Operators, to interview the employees of the Facilities at a mutually agreeable date and time. Sellers shall reasonably cooperate with Buyers and Buyers' Representatives in connection with its supplemental due diligence, including, without limitation, making available to Buyers (to the extent not already provided) such documents or information in Sellers' possession or control requested by Buyers.

(b) In conducting any inspection of the Property or otherwise accessing the Property, Buyers shall at all times comply in all material respects with all laws and regulations of all applicable governmental authorities, and neither Buyers nor any of Buyers' Representatives shall (i) unreasonably interfere with the business of any of the tenants conducted at the Property or unreasonably disturb the use or occupancy of any occupant of the Property or (ii) damage the Property. Buyers shall schedule and coordinate all inspections, including without limitation, any environmental tests, and other access with Sellers and shall give Sellers at least one (1) business day's prior notice thereof (which notice may be given by electronic mail). Sellers shall be entitled

to have a representative present at all times during each such inspection or other access. Buyers agree to pay to Sellers, in the event Buyers shall terminate this Agreement, on demand, the cost of repairing and restoring any damage that Buyers or Buyers' Representatives shall cause to the Property (which for purposes hereof shall specifically exclude the mere discovery of pre-existing conditions). All inspection fees and other costs and expenses of any kind incurred by Buyers or Buyers' Representatives relating to any prior or supplemental inspection(s) and its other access shall be at the sole expense of Buyers; *provided, however*, should Buyers be entitled to recover the Expense Reimbursement (as defined herein), then Sellers and their respective bankruptcy estates shall be liable for such fees and other costs and expenses as provided herein. Sellers shall not impose any costs on Buyers relating to such inspection. Prior to conducting any physical inspection or testing at the Property, other than mere visual examination, Buyers shall obtain, and during the period of such inspection or testing shall maintain, at its expense, commercial general liability insurance, including a contractual liability endorsement, and personal injury liability coverage, with Sellers as an additional insured, from any insurer reasonably acceptable to Sellers, which insurance policies must have limits for bodily injury and death of not less than One Million Dollars ($1,000,000) for any one occurrence. Prior to making any entry upon the Property for purposes other than visual examination, Buyers shall furnish to Sellers a certificate of insurance evidencing the foregoing coverages. The provisions of this Section 2.3(b) shall survive the Closing or any termination of this Agreement.

(c) Except as is expressly set forth in this Agreement, Buyers are expressly purchasing the Property in its existing condition "AS IS, WHERE IS, AND WITH ALL FAULTS" with respect to all facts, circumstances, conditions and defects, and, except as is expressly set forth in this Agreement, Sellers have no obligation to determine or correct any such facts, circumstances, conditions or defects or to compensate Buyers for same. Except as expressly set forth in this Agreement to the contrary, Sellers have specifically bargained for the assumption by Buyers of all responsibility to investigate the Property, laws and regulations, facts and of all risk of adverse conditions and has structured the Purchase Price and other terms of this Agreement in consideration thereof. Buyers have, as of the Effective Date, substantially undertaken all such investigations of the Property, laws and regulations and other facts as Buyers deems necessary or appropriate under the circumstances as to the status of the Property and based upon same, except for the representations, warranties and covenants of Seller set forth in this Agreement, Buyers are and will be relying strictly and solely upon such inspections and examinations and the advice and counsel of its own consultants, agents, legal counsel and officers and Buyers are and will be fully satisfied that the Purchase Price is fair and adequate consideration for the Property.

**Section 2.4** **Liability**. Except for the Assumed Liabilities, Buyers shall not assume and shall not be liable for, any debts, liabilities or obligations of Sellers of any kind or nature, at any time existing or asserted, whether or not accrued, whether fixed, contingent or otherwise, whether known or unknown, arising out of the transactions contemplated herein or any other transaction or event or otherwise (the "Excluded Liabilities"), including, but not limited to: any (i) liabilities or obligations of Sellers to any of their creditors, or (ii) liabilities or obligations of Sellers with respect to any acts, events or transactions occurring prior to, on or after the Closing Date. Unless specifically and unambiguously set forth herein and in the Sale Order to the contrary, Buyers are not the successor to liability of Sellers and are not herein assuming any liability arising from, out of, or relating to, Sellers' ownership or operation of the Property.

Without limiting the foregoing, and except for the Assumed Liabilities, to the fullest extent permitted by law (including under Section 363 of the Bankruptcy Code), upon the Closing, Buyers shall not be deemed to: (i) be the successors of the Sellers, (ii) have, de facto, or otherwise, merged with or into the Sellers, (iii) be a mere continuation or substantial continuation of the Sellers or the business, enterprise(s), or operations of the Sellers or (iv) be liable for any acts or omissions of the Sellers in the conduct of their business or arising under or related to the Property. Without limiting the generality of the foregoing, Buyers shall not be liable for any Claims or Encumbrance (other than Assumed Liabilities and Permitted Encumbrances) against any Seller or any of the Sellers' predecessors or affiliates, and Buyers shall have no successor or vicarious liability of any kind or character whether known or unknown as of the Closing Date, including, without limitation, any liabilities owed by the Sellers to the Pennsylvania Department of Health ("DOH"), the Pennsylvania Department of Human Services ("DHS"), or the United States Department of Labor ("DOL"), any taxes of any kind whether now existing or hereafter arising with respect to the Facilities or the Property, or any other liabilities of the Sellers arising prior to the Closing Date. The parties agree that provisions substantially in the form of this Section 2.4, as well as any other provisions requested by Buyers to ensure "free and clear" sale of the Property (except for Permitted Encumbrances and Assumed Liabilities), shall be reflected in the Sale Order.

Notwithstanding anything to the contrary herein or in the OTA, in the event that (i) New Operators or Buyers must engage legal counsel or incur any other costs or expenses to enforce the terms of the Sale Order against any third party asserting any type of Claim or Encumbrance against New Operators, Buyers, or the Purchased Assets that is not a Permitted Encumbrances or Assumed Liability or (ii) a Governmental Authority determines pursuant to a Final Order that New Operators, Buyers, or the Purchased Assets are liable for any type of Claim or Encumbrance against New Operators, Buyers, or the Purchased Assets that is not a Permitted Encumbrance or Assumed Liability, then then New Operators and Buyers may recover the amount of any losses, liabilities, or damages resulting from the same, including, without limitation, costs and fees for legal counsel and related expenses, from the Indemnification Escrow as provided in Section 16 of the OTA, subject to the terms and conditions of said Section 16 of the OTA.

## ARTICLE 3
## PURCHASE PRICE; CLOSING; RECOUPMENT ESCROW

**Section 3.1 Purchase Price; Allocations.**

(a) The aggregate purchase price for the sale and purchase of the Property (the "Purchase Price") shall be FIFTY-THREE MILLION and 00/100 Dollars ($53,000,000.00), which is comprised of (i) $46,000,000.00 for the Property including the Greenville Facility, the Wilmington Facility, the Huntington Facility, the New Castle Facility, the Washington Facility, the Harmony Facility, and the Latrobe Facility (collectively, the "Maybrook Facilities"), and (ii) $7,000,000.00 for the Property including the Cheswick Facility and the Canonsburg Facility (collectively, the "Consulate Facilities").

(b) The Purchase Price shall be paid by Buyers to Sellers as follows:

(i) An earnest money deposit in the amount of ONE MILLION, THREE-HUNDRED AND FIFTY THOUSAND and 00/100 Dollars ($1,350,000.00) (the

"Deposit") shall be paid by Buyers to Omni Claim Solutions, Inc., as deposit escrow agent (the "Deposit Agent"), by no later than 4:00 p.m. (prevailing Eastern Time), May 20, 2024. The Deposit shall be held by Deposit Agent, as escrowee, in accordance with the terms of this Agreement.

(ii) If the Buyers are the Successful Bidder at the Auction, or there are no other Qualifying Bidders as of the Bid Deadline, each as approved by the Bankruptcy Court in the Sale Order, at Closing, the Deposit shall be applied against the Purchase Price and, subject to any applicable adjustments provided herein and in the OTA to be reflected in the Closing Statement (as defined below), Buyers shall cause the delivery of the balance of the Purchase Price to Sellers by wire transfer of immediately available funds. Without limiting the foregoing, the PTO Credit (as defined in the OTA) and any other closing credits in favor of New Operators under the OTA shall be credited against the Purchase Price at Closing.

(c) Prior to Closing, Sellers and Buyers shall exchange proposed allocations of the Purchase Price (together with any other amounts that are treated as purchase price for federal income tax purposes) among the Real Property and the other assets acquired hereunder according to the relative fair market values of such assets on the Closing Date and in accordance with Section 1060 of the Code. If the parties are able to agree upon the allocation of the Purchase Price, the attached Schedule 3.1(e) of this Agreement shall be completed setting forth the agreed upon allocations and Buyers and Sellers shall report and file all tax returns consistent with such mutually agreed Purchase Price allocation, and shall take no position contrary thereto or inconsistent therewith. Buyers and Sellers shall file or cause to be filed any and all forms (including U.S. Internal Revenue Service Form 8594), statements and schedules with respect to such allocation, including any required amendments to such forms. If Buyers and Sellers are unable mutually to agree upon the manner in which the Purchase Price should be allocated, any disputed aspects of such allocation shall be resolved by a nationally recognized independent accounting firm mutually acceptable to Buyers and Sellers, which accounting firm shall be paid by Buyers.

**Section 3.2 Closing**. Subject to satisfaction of the closing pre-conditions set forth herein, the closing of the transactions contemplated herein (the "Closing") shall take place within fourteen (14) days after the Sale Order becomes a Final Order (as defined herein) (the "Scheduled Closing Date"); provided, however, that the Scheduled Closing Date occurs prior to the Outside Date (as defined herein), provided further, however, that the parties may agree to extend the Outside Date and the Scheduled Closing Date by written agreement signed by all parties. The date the Closing actually occurs is referred to herein as the "Closing Date".

**Section 3.3 Closing Matters and Closing Deliverables**. Upon the terms and subject to the conditions set forth in this Agreement, and provided the Bankruptcy Court has entered the Sale Order, at the Closing:

(a) Buyers and Sellers shall deliver to one another a closing statement agreed to and signed by all Buyers and Sellers (the "Closing Statement"), and Buyers shall deliver to Sellers the Purchase Price, less the Deposit, and plus or minus any costs and prorations for which Sellers and/or Buyers are responsible under the terms hereof and the OTA as the same shall be provided for in the Closing Statement, by wire transfer of immediately available funds in such amount to an account to be designated in writing by Sellers;

(b) The respective Sellers shall duly execute and deliver to the respective Buyers as set forth on Exhibit A hereto a Deed properly executed in a form acceptable to Buyers, Sellers and the Title Company, conveying marketable title to the respective Real Property in fee simple, free and clear of all Claims and Encumbrances (except Permitted Encumbrances), together with such affidavits as the Title Company shall reasonably require in order to omit from its title insurance policy all exceptions for judgments, bankruptcies or other returns against persons or entities whose names are the same as or similar to the names of Sellers and issue to each of the Buyers an ALTA standard coverage Owner's Policy of Title Insurance showing title to the Real Property vested in each of the Buyers subject only to the Permitted Encumbrances (each, a "Title Policy" and, collectively, the "Title Policies");

(c) The respective Sellers shall execute and deliver to the respective Buyers as set forth on Exhibit A hereto a bill of sale and general assignment (the "Bill of Sale") in the form attached hereto as Exhibit 3.3(c), conveying and assigning to each such Buyer the Personal Property and Intangible Property (including any Assumed Contracts) free and clear of all Claims and Encumbrances (other than the Permitted Encumbrances);

(d) Sellers and Buyers shall each deliver to the other a certificate in the form attached hereto as Exhibit 3.3(d) confirming that each party's respective representations and warranties are true and correct as of Closing (a "Bring Down Certificate");

(e) Each of the Sellers shall deliver a FIRPTA certification of non-foreign status, in the form required by the Internal Revenue Code, signed under penalty of perjury. Sellers acknowledge and agree that such certifications will be retained by Buyers and will be made available to the Internal Revenue Service upon request;

(f) Sellers shall deliver evidence to Buyers, in form satisfactory to Buyers, of the termination of all of the Existing Operating Leases, effective as of the date of Closing;

(g) Sellers shall deliver to the Buyers and the Title Company a certified copy of the Sale Order entered by the Bankruptcy Court;

(h) Sellers and Buyers shall deliver any documents or affidavits reasonably requested by Title Company;

(i) Sellers and Buyers shall execute and deliver to the Escrow Agent (as defined herein) the Indemnification Claims Escrow Agreement (as defined in the OTA);

(j) Each party shall provide such documents as reasonably requested by the other party in connection with the transactions contemplated herein; and

(k) Sellers shall deliver possession of the Property to Buyers (or their designees) in accordance with the terms herein and the OTA, and Sellers shall deliver to Buyers (or their designees) all keys, fobs, and access cards to the Property that are in the possession and control of Sellers.

**Section 3.4 Closing Adjustments; Costs and Prorations.**

(a) The costs associated with Closing shall be paid as follows:

(i) Sellers shall be responsible for satisfying any Encumbrance or Claim (other than Permitted Encumbrances) necessary as a condition to Closing under this Agreement or the Sale Order;

(ii) Buyers and Sellers to split equally the Deposit Agent's fee;

(iii) Sellers shall pay for the recording of the Deeds;

(iv) Buyers and Sellers to split equally any deed transfer taxes due in connection with the transfer of the Real Property;

(v) Buyers shall pay for any costs associated with its financing, including the recording of any mortgage(s) granted to Buyers, all of its due diligence costs, and all costs associated with its Title Policies, ALTA surveys and any of its other third party reports;

(vi) Buyers and Sellers shall each pay their own attorneys' fees;

(vii) Buyers shall pay any Cure Costs required to be paid in connection with the Assumed Contracts, if any; and

(viii) All other closing costs shall be in accordance with the local custom of the area in which the Property is located, as reasonably determined by the Title Company.

(b) Adjustments of revenue and expenses shall be made as follows, and the Purchase Price shall be adjusted accordingly along with such adjustments as provided for in the OTA (with such adjustments to be reflected on the Closing Statement):

(i) Real estate taxes, water, sewer and other utility charges and other assessments typically pro-rated between buyers and sellers of commercial real estate in the county of situs of the Real Property will be prorated between Sellers and Buyers as of the date of Closing based on the number of days of the applicable period that each party owns the Real Property. To the extent practicable, all such prorations and payments will be made on the day of Closing, with the balance to be made as soon as practicable following the Closing upon delivery by Buyers or Sellers, as applicable, of reasonable documentation of such payment to the other party. If the applicable tax rate and assessments for the Real Property have not been established for the year in which Closing occurs, the proration of real estate taxes and assessments shall be based upon the rate and assessments for the preceding year. Prior to Closing, the parties shall agree upon all prorations to be made to be reflected in the Closing Statement, and shall submit a statement of the same to the Title Company. In the event any of the prorations, apportionments or computations required hereunder shall require final adjustment following Closing, then the parties agree to allocate such items on a fair and equitable basis at Closing and then the parties shall make the appropriate final adjustments promptly when accurate information becomes available and either party here shall be entitled to an adjustment to correct the same, but in no event shall such final adjustment occur later than ninety (90) days following the Closing. Any corrected adjustment or proration shall be paid in cash to the party entitled thereto within ten (10) days after completion of the reconciliation. This Section 3.4(b)(i) shall survive Closing and any amounts owing to Buyers

pursuant to this Section 3.4(b)(i) may be recovered by Buyers from the Indemnification Escrow subject to the terms and conditions of Section 16 of the OTA if not timely and fully paid by Sellers in accordance herewith.

(ii) Sellers are not conveying to Buyers, but are expressly reserving and retaining, all of Sellers' right, title and interest in any claims for refund or other claims owned in connection with any real estate taxes or assessments which relate to a period or periods prior to the Closing. In the event that any proceeds from such proceedings which belong to Sellers are paid to Buyers after the Closing, an amount equal to the amount of the proceeds which belong to Sellers as aforesaid shall be held in trust for Sellers and paid by Buyers to Sellers within ten (10) business days of Buyers' receipt of such funds. Buyers shall not have any responsibility or liability to file any protest or institute any proceeding for reduction of real estate taxes for periods prior to the Closing. Any expenses of recovery for tax certiorari or other proceedings which benefit both Sellers and Buyers shall be allocated in accordance with their respective percentage shares in the recovery. This Section 3.4(b)(ii) shall survive the Closing and any amounts owing to Buyers pursuant to this Section 3.4(b)(ii) may be recovered by Buyers from the Indemnification Escrow subject to the terms and conditions of Section 16 of the OTA if not timely and fully paid by Sellers in accordance herewith.

**Section 3.5 Indemnification Escrow.** At Closing, the sum of $3,000,000.00 from the Purchase Price shall remain with the Omni Agent Solutions, Inc., as escrow agent ("Escrow Agent"), for a period of up to twenty-four (24) months after the Closing (the "Indemnification Escrow") for purposes of reimbursing the Buyers and New Operators on the terms and conditions set forth in Section 16 of the OTA for any Recoupment (as defined in the OTA) or any Indemnification Claims (as defined in the OTA). For the avoidance of doubt, Section 16 of the OTA is incorporated by reference herein and agreed to by both Buyers and Sellers.

## ARTICLE 4
## REPRESENTATIONS AND WARRANTIES OF SELLER

In order to induce Buyers to enter into this Agreement, each of the Sellers hereby represents and warrants to Buyers as follows as of the Effective Date:

**Section 4.1 Organization and Qualification**. Sellers are each duly formed and validly existing under the laws of its jurisdiction of organization and is qualified to do business in the Commonwealth of Pennsylvania, and, subject to the Bankruptcy Court's entry of the Sale Order, Sellers have all requisite power and authority and have taken all action necessary (including, without limitation, such actions required under the Bankruptcy Rules) to authorize the execution and delivery of this Agreement and the other Transaction Documents, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by the Sellers and, subject to the Bankruptcy Court's entry of the Sale Order, constitutes the valid and binding obligation of the Sellers enforceable against the Sellers in accordance with its terms.

**Section 4.2 Authority**. Sellers have all requisite power and authority to execute and deliver this Agreement, and, subject to the Bankruptcy Court's entry of the Sale Order, to perform their obligations hereunder and to consummate the transactions contemplated hereby. Upon the

Bankruptcy Court's entry of the Sale Order, the execution and delivery of this Agreement by Sellers, the performance of this Agreement by Sellers, and the consummation of the transactions contemplated hereby shall have been duly authorized by Sellers and the Bankruptcy Court and no other proceeding on the part of Sellers shall be necessary to authorize this Agreement or to consummate the transactions contemplated hereby under the Bankruptcy Code, Bankruptcy Rules, or other applicable law.

**Section 4.3** **Reserved**.

**Section 4.4** **Title**. Sellers are the true and lawful owners of, and own all right, title and interest in and to, all of the Property, free and clear of all Claims and Encumbrances, except for (i) Permitted Encumbrances, and (ii) those Claims and Encumbrances that will be discharged at or before Closing or pursuant to the Sale Order. Following the Bankruptcy Court's entry of the Sale Order and upon the Closing of the sale of the Property to Buyers pursuant to this Agreement, the other Transaction Documents, and the Sale Order, all right, title and interest in and to all of the Property, free and clear of all Claims and Encumbrances (except for Permitted Encumbrances), will pass to Buyers on the Closing Date.

**Section 4.5** **Brokers**. Sellers have retained BluePrint Healthcare Advisors and Cummings and Co. (the "Brokers") as their agents in connection with the sale of the Property. No other person or entity is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based on arrangements made by or on behalf of Sellers. Each of the Sellers shall be, jointly and severally, responsible for satisfying all fees and commissions owing to the Brokers at Closing, and if any fees or commissions are claimed or payable as a result of any person's claimed representation of any Seller, the same shall be the Sellers' sole responsibility (which responsibility shall survive Closing).

**Section 4.6** **Environmental Matters**. To the knowledge of Sellers, Sellers have not received any written notice of alleged, actual or potential responsibility for, or any inquiry or investigation regarding, the presence or Release of any Hazardous Substance at the Property, including with respect to any Hazardous Substances that were allegedly manufactured, used, generated, processed, treated, stored, disposed or otherwise handled at, or transported to or from the Property, or regarding compliance with Environmental Laws. Sellers have not received any written notice of any other Claim, demand or action by any individual or entity alleging any actual or threatened injury or damage to any person or entity, property, natural resource or the environment arising from or relating to the presence or Release of any Hazardous Substances at, on, under, in, to or from the Property. To the knowledge of Sellers, Sellers' and Operators' ownership and operation of the Property are and have been in compliance with all Environmental Laws and there has not been a release or threatened release of any Hazardous Substances at, upon, in, under, or from the Property or any part thereof at any time. For purposes of this Agreement, (i) the term "Environmental Laws" shall mean any applicable statutes, ordinances, directives or other written, published laws, any written, published rules or regulations, orders, guidelines or policies, and any licenses, permits, orders, judgments, notices or other requirements issued pursuant thereto, enacted, promulgated or issued by any Governmental Authority, relating to pollution or protection of public health or the environment, or to the identification, reporting, generation, manufacture, processing, distribution, use, handling, treatment, storage, disposal, transporting, presence, or Release of any Hazardous Substances. Without limiting the generality of the foregoing,

Environmental Laws shall include the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Toxic Substances Control Act, as amended, the Hazardous Materials Transportation Act, as amended, the Resource Conservation and Recovery Act, as amended, the Clean Water Act, as amended, the Safe Drinking Water Act, as amended, the Clean Air Act, as amended, the Occupational Safety and Health Act, as amended, and all analogous laws enacted, promulgated or lawfully issued by any Governmental Authority, (ii) the term "Hazardous Substances" shall mean any pollutants, contaminants, substances, chemicals, carcinogens, wastes, dangerous wastes, or any ignitable, corrosive, reactive, toxic or other hazardous substances or materials, whether solids, liquids or gases (including, but not limited to, petroleum and its derivatives, PCBs, asbestos, radioactive materials, waste waters, sludge, slag and any other substance, material or waste), as defined in or regulated by any Environmental Laws or as determined by any Governmental Authority, and (iii) the term "Release" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, migration, dumping or disposing into the environment.

**Section 4.7** **Absence of Litigation**. Except as set forth in Schedule 4.7, there is no Claim, action, suit, administrative matter, arbitration, proceeding or investigation of any kind, at law, equity or admiralty (including actions or proceedings seeking injunctive relief), by or before any Governmental Authority pending or, to the knowledge of Sellers, threatened against any Seller or Operator or otherwise pertaining to the Property or any part thereof.

**Section 4.8** **Condemnation, Zoning, Property Access**. There are no pending condemnation actions or special assessments of any nature with respect to the Property or any part thereof, and, to the knowledge of Sellers, there are no such threatened or contemplated condemnation actions or special assessments. To the knowledge of Sellers, there are no (i) material violations of any covenants or restrictions recorded in the public land records against any of the Facilities, (ii) material violations of any zoning codes or ordinances applicable to any of the Facilities, or (iii) federal, state, county, municipal, or other governmental plans to change the highway or roads adjacent to any of the Facilities or to restrict or change access from any such highway or road to any of the Facilities.

**Section 4.9** **Compliance with Laws**. To the knowledge of Sellers, the Property is in compliance in all material respects with all applicable laws, including, without limitation, (a) quality, safety accreditation standards and requirements of all applicable law and regulatory bodies, and (b) applicable laws regulating the ownership, operation or licensure of a health care facility or business, or assets used in connection therewith, including such applicable laws relating to licenses, approvals, certificates, certificates of need, permits, consents, authorizations and variances required for the management or operation of the Facilities (collectively, the "Health Care Laws"). To the knowledge of Sellers, Sellers and Operators have filed all reports, data and other information required to be filed with governmental authorities, including, without limitation, DOH and DHS. To the knowledge of Sellers, neither Sellers nor Operators have received written notice that the Property is not in compliance with any laws (including the Health Care Laws), rules, regulations, health and sanitation codes, zoning ordinances, environmental assessment and impact requirements or with the terms of all permits applicable to the Property. To the knowledge of Sellers, Sellers have not received written notice of any claim, requirement or demand of any licensing or certifying agency supervising or having authority over the Facilities or otherwise to rework or redesign the Facilities so as to conform to or comply with any existing law (including

the Health Care Laws), code or standard which has not been fully satisfied prior to the date hereof or which will not be satisfied prior to the Closing Date.

**Section 4.10 Insurance**. Sellers currently maintain in effect all insurance (including, without limitation, property and casualty insurance, general liability insurance, and professional liability insurance) required to be maintained by Sellers' senior lender with respect to the Property (collectively, the "Insurance"), and all premiums owing on such Insurance are paid current. Sellers have not received written notice from any insurance company of any defects or inadequacies in the Property that would affect adversely its insurability or increase the cost of insurance.

**Section 4.11 Employees**. Sellers do not employ any of the employees at the Facilities and do not have any employment agreements which will be binding on Buyers after the Closing.

**Section 4.12 Taxes/Assessments**. To Sellers' knowledge, there are no agreements, waivers, or other arrangements providing for an extension of time with respect to the assessment of any tax or deficiency against the Facilities, the Property (or any part thereof), or the Sellers. To Sellers' knowledge, all assessments that are now Encumbrances on the Real Property are shown on the public records or on the tax assessor's records, and no Improvements have been installed by Sellers or any public authority, the cost of which are to be assessed against the Real Property in the future. Seller has not received written notice of any possible future Improvements, the cost of which or any part thereof will or would reasonably be expected to be assessed against the Real Property.

**Section 4.13 Improvements Made**. To Seller's knowledge, no labor has been performed or material furnished for any Facility or the Real Property for which any mechanics' or materialmans' liens, or any other Encumbrance, can be lawfully claimed by any Person.

**Section 4.14 Assets Necessary to Business**. Sellers presently have and at Closing will have all property and assets, real, personal and mixed, tangible and intangible, owned by Sellers and currently used in the ownership of the Property. To the knowledge of Sellers, and except for any assets leased by Sellers or Operators, such assets and the assets of Operators are all of the assets necessary to permit Buyers to carry on the business of the Facilities as presently conducted. Since the date of the Seller Financial Statements (defined below), neither Sellers nor the Operators have sold any of the Purchased Assets, except sales of inventory in the ordinary course of business.

**Section 4.15 Service Contracts**. Except for the Existing Operating Leases and as set forth on Schedule 4.15, Sellers are not a party to any service, maintenance, equipment, supply or operating contracts, management agreements or other agreements, however termed, written or oral, affecting the use, ownership, maintenance or operation of all or any part of the Property, including, without limitation, commercial leases and equipment leases (the "Service Contracts").

**Section 4.16 Financial Statements**. To the knowledge of Sellers, the Seller Financial Statements (as defined herein) are materially true, complete and accurate, have been based upon the information contained in the books and records of Sellers and present fairly, in all material respects, the assets, liabilities and financial condition of Sellers at the respective dates thereof and the results of Sellers' operations for the periods ended at the respective dates thereof, in each case prepared in conformity with GAAP applied on a consistent basis throughout the periods involved

and with prior periods. To the knowledge of Seller, the Seller Financial Statements do not contain any material inaccuracy and do not suffer from any material omissions in accordance with GAAP.

**Section 4.17 COVID FUNDS**. Any amounts borrowed by Sellers pursuant to the Paycheck Protection Program established under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), Pub. L. No. 116-136, 134 Stat. 281 (Mar. 27, 2020) have been repaid or forgiven in their entirety.

**Section 4.18 Searches and Surveys**. Sellers have furnished to Buyers any examinations of title with respect to the Real Property and surveys of the Real Property in Sellers' possession, together with any other customary third party reports obtained by Sellers or its lenders in anticipation of the transactions contemplated by this Agreement, to the extent available.

**Section 4.19 Not a Foreign Person**. Sellers are not a foreign person, foreign corporation, foreign partnership, foreign trust or foreign estate, as those terms are defined in (a) the Internal Revenue Code and the corresponding income tax regulations, and (b) similar provisions of state law. Buyers have no duty to collect withholding taxes for Sellers pursuant to the Foreign Investors Real Property Tax Act of 1980, as amended, or any applicable foreign, state, or local law.

**Section 4.20 Compliance with International Trade Control Laws and OFAC Regulations**. Sellers are not now nor shall they be at any time prior to or at the Closing an individual, corporation, partnership, joint venture, association, joint stock company, trust, trustee, estate, limited liability company, unincorporated organization, real estate investment trust, government or any agency or political subdivision thereof, or any other form of entity (collectively, a "Person") named in any executive orders or lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") as Persons with whom a United States Citizen ("U.S. Person") may not transact business or must limit their interactions to types approved by OFAC ("Specially Designated Nationals and Blocked Persons").

The representations and warranties contained in this Article 4 shall be true and complete on the Effective Date and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date. Additionally, the representations and warranties contained in this Article 4 shall not be deemed to have merged with the Deeds or other Transaction Documents, and will survive Closing for a period commencing on the Closing Date and ending on the date that is nine (9) months following the Closing Date (the "Survival Period"). In the event that Buyers discover during the Survival Period that Sellers were in breach of any material representation or warranty contained in this Article 4 as of the Closing Date (except for any breach disclosed by Sellers in their Bring Down Certificate), Buyers shall be entitled to reimbursement from the Indemnification Escrow in accordance with the terms and conditions of Section 16 of the OTA for any and all losses, liabilities, damages, costs and expenses (including reasonable attorneys' fees and disbursements) incurred by Buyers arising out of, resulting from, relating to, or in any manner connected with such breach.

All references in this Agreement to "Sellers' knowledge", "the knowledge of Sellers" or words of similar import shall refer only to the actual knowledge of Michael Neufeld ("Designated Representative"), without independent investigation or inquiry. Sellers represent and warrant that

the Designated Representative is the director of finance of CHMS Group, LLC, and that the Designated Representative is regularly involved in the asset management of the Property and the day to day affairs of the Sellers. There shall be no personal liability on the part of the Designated Representative arising out of any representations or warranties made herein.

## ARTICLE 5
## REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows as of the Effective Date:

**Section 5.1** **Organization and Authority**. Buyers are limited liability companies duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania with authorization to do business in Pennsylvania. On the Closing Date, and upon approval of the Bankruptcy Court, Buyers will have all requisite power and authority and have taken all action necessary to authorize the execution and delivery of this Agreement, to perform their obligations hereunder and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by Buyers and, and, subject to the Bankruptcy Court's entry of the Sale Order, constitutes the valid and binding obligation of Buyers enforceable against Buyers in accordance with its terms.

**Section 5.2** **No Conflict; Required Consents and Approvals**. The execution and delivery of this Agreement by the Buyers and the performance of this Agreement by Buyers and the consummation of the transactions contemplated hereby, will not conflict with or violate or constitute, with or without notice or the lapse of time or both, a breach of or default under any term or provision of any agreement or other instrument or any applicable laws to which Buyers are bound.

**Section 5.3** **Brokers**. No person or entity is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based on arrangements made by or on behalf of Buyers. If any fees or commissions are claimed or payable as a result of any person's claimed representation of Buyers, the same shall be the Buyers' sole responsibility (which shall survive Closing).

The representations and warranties contained in this Article 5 shall be true and complete on the Effective Date and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date. Additionally, the representations and warranties contained in this Article 5 shall not be deemed to have merged with the Deeds or other Transaction Documents, and will survive Closing for the Survival Period. In the event that Sellers discover during the Survival Period that Buyers were in breach of any material representation or warranty contained in this Article 5 as of the Closing Date (except as disclosed by Buyers in their Bring Down Certificate), Buyers agree to indemnify and hold harmless Sellers from any and all losses, liabilities, damages, claims, costs and expenses (including reasonable attorneys' fees and disbursements) arising out of, resulting from, relating to, or in any manner connected with such breach.

## ARTICLE 6
## COVENANTS AND AGREEMENTS

**Section 6.1** **Seller Covenants**. Sellers agree from the Effective Date hereof until Closing (or until this Agreement is terminated in accordance with the terms hereof), Sellers shall comply with the following:

(a) Further Information. Sellers shall promptly respond to Buyers' reasonable requests for further information, and make available for Buyers all reasonably requested documents and records relating to the Purchased Assets that are in Sellers' possession or control.

(b) Insurance. Sellers shall continue to maintain its current Insurance pertaining to the Property in such amounts as required by Seller's senior lender at all times prior to the Closing or the termination of this Agreement.

(c) No Adverse Action; Preservation of Assets. Sellers will take no action or inaction that would materially impair or damage any of the Purchased Assets, and Sellers shall maintain, or cause to be maintained, the Purchased Assets in substantially the same condition as they exist as of the Effective Date, ordinary wear and tear excepted. Except for liens granted with the approval of the Bankruptcy Court and liens that arise by operation of law, Sellers shall not permit or allow any of the Property to be subject to any new Encumbrances.

(d) Condition of Business. Except as otherwise expressly approved in writing by Buyers or by the Bankruptcy Court, Sellers shall conduct their business with respect to the Property only in the ordinary course thereof consistent with past practice and the covenants of Seller required in this Section 6.1, and the effects of the Bankruptcy Cases and in such a manner that the representations and warranties contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date (except for changes contemplated, permitted or required by this Agreement, or by the Bankruptcy Court) and so that the conditions to be satisfied by Seller at the Closing shall have been satisfied; provided, that Seller shall comply with any orders entered, or approvals or authorizations granted or required, by or under the Bankruptcy Court or the Bankruptcy Code (including in connection with the Bankruptcy Cases), and the Debtors' obligations as debtors-in-possession to comply with any order of the Bankruptcy Court (including the Sale Order).

(e) Sell, Removal and Replacement of Purchased Assets. Sellers shall not sell or remove, or permit Operators to sell or remove, any Purchased Assets except as may be required (i) for necessary repair or replacement, (ii) in the ordinary course of business, or (iii) as otherwise provided by Order of the Bankruptcy Court. All repairs and replacements shall be of reasonably equivalent quality and quantity as existed as of the time of removal of the applicable Property.

(f) Facility Surveys, Deficiencies, Plans of Correction. Sellers shall provide Buyers copies of survey and other governmental authority reports, statements of deficiency, plans of correction and any other written investigation notices or reports received with respect to Sellers, Operators or the Facilities since Sellers' acquisition of the Facilities (collectively, "Government Correspondence"), and will continue to furnish any and all new Government Correspondence to Buyers within five (5) days after Sellers' receipt of same. Seller shall comply, and cause Operators

to comply, in all respects, with the requirements of any currently outstanding plan or plans of correction proposed in response to any inspections or surveys conducted prior to Closing and pay any fines or penalties resulting from such inspections or surveys or, if appealed, Sellers shall retain all liability for all costs and expenses in pursuing such appeals and all liabilities for any penalties not rescinded. In addition, Sellers shall consult with Buyers and obtain written approval from Buyers for any settlements of such appeals to the extent such settlements will have any adverse impact on post-Closing licensure for the Facilities or a material adverse effect on the post-Closing operations of the Facilities, and notify Buyers of the final disposition of such matters.

(g) Litigation and Investigations. Sellers shall give prompt written notice to Buyers of the commencement of any litigation by any Person, investigation by a Governmental Authority or other proceeding by a Governmental Authority against Sellers, Operators or the Facilities, or any threat thereof.

(h) Notice of New Service Contracts. Sellers shall use reasonable efforts to provide Buyers with prompt written notice of any new Service Contracts entered into after the Effective Date.

(i) Financials. Sellers shall provide Buyers profit and loss statements for each of the Facilities for the annual periods ending December 31, 2022 and December 31, 2023, and such other financial information regarding Sellers' income and financial status as reasonably requested by Buyers (collectively, the "Seller Financial Statements").

**Section 6.2 Confidentiality**. Each party acknowledges that they will be providing each other with information that is non-public, confidential or proprietary in nature (the "Proprietary Information"). Each party agrees and will each cause its respective affiliates, counsel, accountants, representatives, agents and employees (collectively "Affiliates") to agree, to keep all such Proprietary Information confidential. For purposes of this Agreement, Proprietary Information shall not include information that: (i) becomes generally available to the public absent any breach of this Agreement; (ii) was available on a non-confidential basis to any party or any of such party's Affiliates from a third party prior to its disclosure pursuant to this Agreement; (iii) becomes available on a non-confidential basis from a third party who is not bound to keep such information confidential; (iv) was already known or independently developed by the receiving party, or (v) is disclosed in any filings that are part of the Bankruptcy Case.

**Section 6.3 Public Announcements**. No party shall issue any public announcement, report, statement or press release or otherwise make any public statement regarding this Agreement or the transactions contemplated hereby without the prior written consent of the other parties, except as otherwise required by law; *provided, however,* Buyers agree that (i) Sellers shall file the motions necessary to pursue entry of the Bidding Procedures Order and the Sale Order, and provide notice thereof, in accordance with the terms set forth in Exhibit B hereto, and (ii) this Section 6.3 shall not apply to any motion, order, pleading or other filing properly made as part of the Bankruptcy Case.

**Section 6.4 Further Assurances**. At any time and from time to time after the Closing, Sellers shall, at the reasonable request of Buyers and consistent with the Sale Order and subject to any necessary approval of the Bankruptcy Court, execute and deliver any further deeds, bills of

sale, endorsements, assignments, and other instruments of conveyance and transfer, and take such other actions as Buyers may reasonably request in order to carry out the intents and purposes of this Agreement.

**Section 6.5 Tandem Village Road Property Separation**. 200 Tandem Village Road Propco, LLC ("North Strabane Propco") and North Strabane Retirement Village, LLC ("North Strabane Opco") are affiliates of Sellers and Operators and collectively are equitable owners and operators of the real property and other assets which comprise the retirement facility known as "Consulate Retirement Village of North Strabane" located at 200 Tandem Village Road Canonsburg, PA 15317 (the "North Strabane Retirement Facility"). Sellers have informed Buyers that the North Strabane Retirement Facility is currently on the same parcel of land as the Canonsburg Facility (which is one of the Facilities included as part of the Purchased Assets and owned by 100 Tandem Village Road Propco, LLC ("Canonsburg Propco"), who is one of the Sellers/Debtors), by virtue of single vesting deed that conveyed both (i) the real property comprising the Canonsburg Facility to Canonsburg Propco, and (ii) the real property comprising the North Strabane Retirement Facility to North Strabane Propco. Buyers expressly agree and acknowledge that the North Strabane Retirement Facility is to be excluded from the Facilities being conveyed to Buyers and New Operators under this Agreement and the OTA, provided, that, prior to Closing, Sellers shall take all reasonable actions to obtain a recorded subdivision plan approved by North Strabane Township, Washington County, Pennsylvania, to be further approved by Buyers and the Bankruptcy Court, in order that title to the North Strabane Retirement Facility real property and the Canonsburg Facility real property can be recorded separately with the North Strabane Propco and the Canonsburg Propco, respectively, in the appropriate real property records (the "North Strabane Retirement Subdivision"). Sellers shall be responsible for all costs and expenses associated with the North Strabane Retirement Subdivision. Until the North Strabane Retirement Subdivision has been effectuated pursuant to the terms herein, Buyers agree, at no cost to Buyers or subject to Sellers' reimbursement to Buyers for any costs and fees associated therewith (including, without limitation, Buyers' reasonable attorneys' fees), to (a) reasonably cooperate with Sellers and North Strabane Propco in their efforts to complete the North Strabane Retirement Subdivision, (ii) abide by the terms applicable to Canonsburg Propco under the unrecorded Agency Agreement entered into by Canonsburg Propco and North Strabane Propco as contemplated in 1102-C.3.11 of the Pennsylvania Realty Transfer Tax Act, and (iii) enter into an access easement agreement with North Strabane Propco granting reasonable access rights to the North Strabane Retirement Facility for North Strabane Propco, its tenants, and their respective employees, residents, guests and invitees (collectively, the "North Strabane Parties"), which easement shall constitute a Permitted Encumbrance, subject, however, to North Strabane Propco and North Strabane Opco agreeing to pay all costs and maintenance fees associated with such easement and to indemnify and hold harmless Buyers from and against any and all loss, liability, claim, damage and expense whatsoever (including attorneys' fees actually incurred) directly or indirectly arising out of, based upon, resulting from or otherwise relating to any claims asserted by any of the North Strabane Parties on account of, arising from, or otherwise relating to their use of such easement. Notwithstanding anything herein to the contrary, Sellers acknowledge and agree that it is Sellers' obligation to effectuate the North Strabane Retirement Subdivision, at Sellers' cost, by Closing. If Sellers are unable to complete such subdivision prior to Closing, then, at Closing, Sellers shall provide Buyers with comprehensive insurance against loss or damage to the Property by fire, casualty and other hazards as now or subsequently may be covered by an "**all-risk**" policy, with coverage for earthquake in amounts and in form satisfactory to Buyers, and such

endorsements as Buyers may require and which are customarily required for similar properties similarly situated in the state. Buyers shall be entitled to reimbursement from the Indemnification Escrow in accordance with the terms and conditions of Section 16 of the OTA for any and all losses, liabilities, damages, costs and expenses (including reasonable attorneys' fees and disbursements) incurred by Buyers arising out of, resulting from, relating to, or in any manner connected with Sellers' breach of this Section 6.5. The parties' obligations under this Section 6.5 shall survive Closing.

**Section 6.6 Release of Liens and Claims.** Promptly upon the parties' execution of the PSA and OTA, Buyers shall release, or cause to be released, all liens *lis pendens* filed by Buyers or their affiliates against any of the real property included in the Purchased Assets. Additionally, automatically upon execution of the PSA and OTA, Sellers, on behalf of themselves and all of their affiliates, hereby release Buyers from any and all claims or liabilities related to or arising from the underlying actions or agreements to which the liens *lis pendens* relate.

## ARTICLE 7
## CASUALTY; CONDEMNATION

**Section 7.1 Fire or Other Casualty**. If, subsequent to the Effective Date and on or before the Closing Date, all or any material portion of the Real Property shall be destroyed or damaged by one or more incidents of fire or other casualty, then Sellers shall promptly give Buyers notice of such occurrence, and Buyers may, within fifteen (15) days after receipt of such notice, elect by written notice to Sellers to either (y) terminate this Agreement, in which event the Deposit shall be returned to Buyers, this Agreement shall be deemed null and void and all further rights and obligations of the parties hereunder shall terminate (other than those matters which, pursuant to the terms of this Agreement, expressly survive any termination of this Agreement); or (z) proceed to close the transaction contemplated hereby as scheduled with no adjustment to the Purchase Price, provided, however, that Buyers shall have the right to participate with Sellers in the adjustment and settlement of any insurance claim relating to said damage, and provided further that Sellers shall, at Closing, (I) assign to Buyers all of Sellers' interest in any then unpaid insurance proceeds claimed with respect to said loss or damage, and (II) pay to Buyers all insurance proceeds theretofore paid to Sellers with respect to same and not theretofore used for restoration or repair, plus any deductible amount. Buyers' failure to give notice within the time period specified above shall be deemed to be Buyers' election of option (y) above. For purposes of this Section 7.1, "material" shall mean a damage more than One Million Dollars ($1,000,000) to replace and/or repair.

**Section 7.2 Eminent Domain**. If, subsequent to the Effective Date and on or before the Closing Date, any proceeding which shall relate to the proposed taking of any material portion of the Real Property by condemnation or eminent domain is instituted or commenced, then Sellers shall promptly give Buyers notice of such proceeding, and Buyers shall, within fifteen (15) days after receipt of such notice, elect by written notice to Sellers to either (y) terminate this Agreement, in which event the Deposit shall be returned to Buyers, this Agreement shall be deemed null and void and all further rights and obligations of the parties hereunder shall terminate (other than those matters which, pursuant to the terms of this Agreement, expressly survive any termination of this Agreement); or (z) proceed to close the transaction contemplated hereby as scheduled with no adjustment to the Purchase Price, provided, however, that, at Closing, Sellers shall (I) credit to

Buyers any condemnation proceeds theretofore paid to Sellers with respect to the taking (and not theretofore used for restoration or repair), and (II) assign to Buyers all of Sellers' right to any other proceeds therefrom. Buyers' failure to give notice within the time period specified above shall be deemed to be Buyer's election of option (y) above. For purposes of this Section 7.2, a "material" taking shall be deemed to mean a taking of any portion of the building(s) associated with any Facility or that reduces the parking area by more than ten percent (10%) or below the minimum parking required pursuant to legal requirements, or which would otherwise result in any reduction in the number of licensed beds at the Facility.

## ARTICLE 8
## CONDITIONS

**Section 8.1 Conditions Precedent to Obligations of Buyers**. The obligations of Buyers to consummate the transactions contemplated hereby are subject to the satisfaction at or prior to the Closing Date of the following conditions (provided that Closing Date occurs prior to the Outside Date), any or all of which may be waived, in whole or in part, to the extent permitted by applicable law, in a written instrument executed and delivered by Buyers:

(a) Successful Bidder; Sale Order. The Bankruptcy Court shall have entered the Sale Order approving the sale of the Purchased Assets to Buyers and New Operators free and clear of all Claims and Encumbrances (other than Permitted Encumbrances and Assumed Liabilities), and such Sale Order shall be a Final Order.

(b) Title Insurance. The Title Company shall be irrevocably committed to issue the Title Policies insuring marketable title to the Real Property in the amount of the Purchase Price at regular rates and without additional premium, unless Sellers are willing to pay same, in the form of Buyers' approved proforma policy, subject only to the Permitted Encumbrances and as otherwise provided in this Agreement.

(c) Representations and Warranties. Each of the representations and warranties of Sellers contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date, as though made on and as of the Closing Date.

(d) Agreements and Covenants. Sellers shall have performed or complied, in all material respects, with all agreements and covenants required by this Agreement to be performed or complied with by Sellers on or prior to the Closing Date, including, without limitation, those covenants in Section 6.1 above and Sellers shall have delivered all of the items required to be delivered by Sellers pursuant to Section 3.3 above.

(e) No Order/Injunction. On the Closing Date, no Governmental Authority shall have enacted, issued, promulgated, or entered any statute, rule, regulation, executive order, judgment, decree, injunction, or other Order (whether temporary, preliminary, or permanent) which has the effect of making the Transactions contemplated by this Agreement illegal, or otherwise restrains consummation of the Transactions contemplated hereby.

(f) No Material Adverse Change. Since the date of execution of this Agreement, there shall have occurred no event, circumstance or other change in the Property or the operations of the Facilities taken as a whole that, in the aggregate, has had or reasonably could

be expected to have, a material adverse effect on the Property or the operations of the Facilities taken as a whole. Without limiting the foregoing, as of the Closing Date, (1) there shall have occurred no event, circumstance or other change in the regulatory status and/or condition of any of the Facilities' licenses, permits and/or certifications, the Medicare and Medicaid rates of the Facilities, and/or the business operations or financial conditions of the Purchased Assets that, alone or in the aggregate, is reasonably likely to result in a loss, suspension or revocation of any of the Facilities' licenses, material violations cited by any Governmental Authority with jurisdiction over the operations of the Facilities, decertification from the Medicaid or Medicare programs, or reduction in the number of licensed beds at the Facilities, (2) Centers for Medicare and Medicaid Services ("CMS") shall not have issued a denial of payment, which remains outstanding, for new admissions or a denial of new admissions with respect to any Facility that is outstanding as of the Closing Date, (3) there shall not then be imposed against any Facility any life safety violation which remains outstanding as of the Closing Date, and (4) CMS shall not have made a finding of "immediate jeopardy" with respect to any Facility which remains outstanding as of the Closing Date.

(g) Simultaneous Closing with OTA. Operators and New Operators shall have entered into the OTA, all of New Operators' conditions to closing set forth in the OTA shall have been satisfied or waived (including, without limitation New Operators' receipt of License Confirmation (as defined in the OTA)), and the closing under the OTA shall occur simultaneously with the Closing of this Agreement.

(h) Facility Census. The aggregate resident census at all the Facilities shall not have decreased by more than seven and one-half percent (7.5%) since the Effective Date. Each calculation shall be based on the seven (7) day average census before the relevant date (i.e., the Effective Date and the Closing Date).

**Section 8.2 Conditions to Obligations of Sellers**. The obligations of Sellers to consummate the transactions contemplated hereby are subject to the satisfaction at or prior to the Closing Date of the following conditions (provided that Closing Date occurs prior to the Outside Date), any or all of which may be waived, in whole or in part, to the extent permitted by applicable law, in a written instrument executed and delivered by Sellers:

(a) Sale Order. The Bankruptcy Court shall have entered the Sale Order approving the sale of the Purchased Assets to Buyers and New Operators free and clear of all Claims and Encumbrances (other than Permitted Encumbrances and Assumed Liabilities), and such Sale Order shall be a Final Order.

(b) Representations and Warranties. Each of the representations and warranties of Buyers contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date, as though made on and as of the Closing Date.

(c) Agreements and Covenants. Buyers shall have performed or complied, in all material respects, with all agreements and covenants required by this Agreement to be performed or complied with by Buyers on or prior to the Closing Date, including, without limitation, Buyers shall have delivered all of the items required to be delivered by Buyers pursuant to Section 3.3 above.

(d) Simultaneous Closing with OTA. Operators and New Operators shall have entered into the OTA, all of Operators' conditions to closing set forth in the OTA shall have been satisfied or waived, and the closing under the OTA shall occur simultaneously with the Closing of this Agreement.

## ARTICLE 9
## TERMINATION; INDEMNIFICATION

**Section 9.1 Termination**. This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing:

(a) by written consent of Sellers and Buyers;

(b) by written notice of either the Sellers or Buyers to the other party, if the Closing shall not have been consummated prior to September 16, 2024 (the "Outside Date");

(c) by written notice from Buyers to Sellers, if there shall have been any breach (i) by Sellers of any of Sellers' representations, warranties, covenants and agreements set forth herein, or (ii) by Operators of any of Operators' representations, warranties, covenants and agreements set forth in the OTA, which breach is not cured within the earlier of (x) the Cure Period (as defined below) or (y) the Outside Date;

(d) by written notice from Sellers to Buyers, if there shall have been any material breach (i) by Buyers of any of Buyers' representations, warranties, covenants and agreements set forth herein, or (ii) by New Operators of any of New Operators' representations, warranties, covenants and agreements set forth in the OTA, which breach is not cured within the earlier of (x) the Cure Period, or (y) the Outside Date;

(e) by written notice from Buyers to Sellers if the Bankruptcy Court has not entered the Bidding Procedures Order on or prior to June 7, 2024, or (ii) entered the Sale Order on or prior to August 7, 2024 unless otherwise ordered by the Bankruptcy Court;

(f) by written notice from Buyers to Sellers, if this Agreement, the OTA, the Sale Order, the Bidding Procedures or the Bidding Procedures Order is modified or amended without Buyers' prior written consent;

(g) automatically upon the occurrence of the following at the Auction: (i) Buyers are not chosen as the Successful Bidder at the Auction, and (ii) Buyers are not designated as the Backup Bidder at the Auction;

(h) automatically upon the consummation of an Alternative Transaction;

(i) by written notice from Buyers to Sellers, if any of Buyers' conditions to close as set forth in Section 8.1 above, and not otherwise specifically addressed by any of the preceding subsections in this Section 9.1, have not been timely and fully satisfied as of the Outside Date; provided the same was caused by or resulted from Sellers' action or inaction; and

(j) by written notice from Sellers to Buyers, if any of Sellers' conditions to close as set forth in Section 8.2 above, and not otherwise specifically addressed by any of the preceding subsections in this Section 9.1, have not been timely and fully satisfied as of the Outside Date.

As used above, "Cure Period" shall mean the period ending fifteen (15) days after the defaulting party receives notice written notice thereof from the non-defaulting party; provided that if a non-monetary breach is not reasonably capable of being cured within said fifteen (15) day period but the defaulting party notifies the non-defaulting party in writing of its efforts to cure and thereafter diligently pursues the same, the "Cure Period" shall be extended to thirty (30) days from initial receipt of the written default notice.

**Section 9.2 Procedure and Effect of Termination.**

(a) In the event of termination and abandonment by Buyers or Sellers, or both such parties, pursuant to Section 9.1 hereof, written notice thereof shall forthwith be given to the other party or parties, and this Agreement shall terminate, and the purchase of the Property hereunder shall be abandoned, without further action by Buyers or Sellers.

(b) If this Agreement is terminated as provided herein, no party shall have any liability or further obligation hereunder to any other party to this Agreement, except as specifically provided in this Agreement.

(c) If this Agreement is terminated by Sellers (i) pursuant to Section 9.1(d) or (ii) pursuant to Section 9.1(j) (but specifically excluding failure to satisfy the conditions to close set forth in Section 8.2(a)), and Sellers and Operators have complied in all material respects with all covenants and obligations required under this Agreement and the OTA to be performed by Sellers and Operators through the date of termination, then Seller's sole remedy shall be to retain the Deposit as Seller's liquidated damages. THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE AND EXTREMELY DIFFICULT TO ASCERTAIN THE ACTUAL DAMAGES SUFFERED BY SELLERS AND OPERATORS AS A RESULT OF BUYERS' FAILURE TO COMPLETE THE TRANSACTIONS PURSUANT TO THIS AGREEMENT, AND THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE EFFECTIVE DATE, THE LIQUIDATED DAMAGES PROVIDED FOR IN THIS SECTION 9.2(c) REPRESENT A REASONABLE ESTIMATE OF THE DAMAGES WHICH SELLERS AND OPERATORS WILL INCUR AS A RESULT OF SUCH FAILURE. THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLERS, OPERATORS AND THEIR RESPECTIVE BANKRUPTCY ESTATES.

(d) If this Agreement is terminated by Buyers pursuant to any subsection in Section 9.1(a), (b), (c), (e), (f), (g), (h) and (i), and Buyers and New Operators have complied in all material respects with all covenants and obligations required under this Agreement and the OTA to be performed by Buyers and New Operators through the date of termination, Buyers shall be entitled to an immediate return of the Deposit. In addition to the immediate return of the Deposit in accordance with the preceding sentence, (i) if this Agreement is terminated by Buyers pursuant

to Section 9.1(c) or (f), Buyers shall also be paid the Expense Reimbursement within three (3) business days of termination, and (ii) if this Agreement is terminated by Buyers pursuant to Section 9.1(h), Buyers shall also be paid the Expense Reimbursement and the Termination Fee at the time of, and as a condition to, closing of the Alternative Transaction.

(e) Notwithstanding anything herein or in the OTA to the contrary, if this Agreement is terminated by Buyers because (i) the Bankruptcy Court enters an Order approving the sale of the Purchased Assets to Buyers and New Operators, but such Order is not free and clear all Liens, Claims and Encumbrances of DHS and DOH (other than Permitted Encumbrances and Assumed Liabilities), or (ii) Closing does not otherwise occur because Buyers and New Operators are unable to obtain the necessary licensure and/or Medicaid provider agreements from DHS and DOH as a result of the Liens, Claims and Encumbrances of DHS and DOH, and Buyers and New Operators have complied in all material respects with all covenants and obligations required under this Agreement and the OTA to be performed by Buyers and New Operators through the date of termination, Buyers shall be entitled to an immediate return of the Deposit and shall also be paid the Expense Reimbursement within three (3) business days of termination.

## ARTICLE 10
## MISCELLANEOUS

**Section 10.1 Payment of Expenses**. Whether or not the transactions contemplated by this Agreement are consummated, each party shall pay its own expenses incident to preparing for, entering into and carrying out this Agreement and the transactions contemplated hereby; *provided, however*, should Buyer be entitled to recover the Expense Reimbursement pursuant to the terms herein, then Sellers and their respective bankruptcy estates shall be liable for the same which (i) shall be entitled to super-priority administrative expense claim status under Sections 503 and 507 of the Bankruptcy Code (provided, however, such claims shall not come ahead of the Carve Out, as defined in the CIBC DIP loan facility), (ii) shall not be subordinate to any other administrative expense claim against the Debtors, and (iii) shall survive the termination of any Transaction Documents.

**Section 10.2 Entire Agreement; Assignment; Etc**. This Agreement constitutes the entire agreement, and supersedes all other agreements, understandings, representations and warranties, written, oral, electronic, or otherwise, between the parties with respect to the subject matter hereof, and is not intended to create any obligations to, or rights in respect of, any persons and entities other than the parties hereto. This Agreement shall not be assignable by operation of law or otherwise unless approved by the Bankruptcy Court; *provided, however,* Buyers may designate an affiliate or affiliates, including newly formed affiliates, to take title to any of the Purchased Assets at Closing.

**Section 10.3 Severability**. If any term or other provision of this Agreement, or any portion thereof, is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other terms and provisions of this Agreement, or remaining portion thereof, shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any such term or other provision, or any portion thereof, is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so

as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are consummated to the fullest extent possible.

**Section 10.4 Modification or Amendment**. The parties may modify or amend this Agreement at any time only by a written instrument duly executed and delivered by each party, provided that the same shall be subject to approval by the Bankruptcy Court.

**Section 10.5 Exhibits and schedules**. If any exhibits or schedules are not attached hereto, the parties hereto agree to attach such exhibits and schedules as soon as reasonably practicable but in any event prior to ten (10) days before the Bid Deadline. The parties hereto agree that the party charged with providing an exhibit or schedule to this Agreement shall, to the extent necessary after delivery thereof, amend or supplement all exhibits and schedules in order for the same to be current, true and correct as of the Closing Date. The inclusion of all supplements to the exhibits and schedules pursuant to this Section shall be subject to Buyers approving, in their reasonable judgment, all such exhibits and schedules within seven (7) days of submission thereof to Buyers.

**Section 10.6 Construction of Agreement**. The parties to this Agreement acknowledge that each of them has been represented by counsel in connection with this Agreement and the transactions contemplated hereby. The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent. Accordingly, any rule of law or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against a party that drafted it has no application and is expressly waived.

**Section 10.7 Notices**. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given on the first business day after timely delivery to Federal Express or other reputable overnight courier service for next business day delivery, on the fifth business day after being mailed by registered or certified mail (postage prepaid, return receipt requested), in each case, to the parties at the following addresses, or on the date sent and confirmed by electronic transmission (provided a notice is subsequently sent by certified mail or overnight courier service) to the telecopier number or email specified below (or at such other address or telecopier number for a party as shall be specified by notice given in accordance with this Section):

(a) If to Buyer, to:

Attn: Daniel Morris
Email: Dan@Kadimahealth.com

With a copy to:

Koss & Schonfeld, LLP
160 Broadway, 8th Floor
New York, NY 10038
Attn: Allen Koss Esq.
Email: avk@kandsllp.com
Phone: (212) 796-8915
Fax: (212) 401-4757

Bradley Arant Boult Cummings LLP
1819 Fifth Ave. N.

Birmingham, AL 35203
Attn: T. Parker Griffin
Email: pgriffin@bradley.com
Phone: (205) 521-8524
Fax: 205.488.6524

(b) If to Sellers, to: Attn: Louis E. Robichaux, IV
Email: Louis.Robichaux@ankura.com

with a copy to: Glenn B. Rose
Bass, Berry & Sims, PLC
150 Third Ave. South, Suite 2800
Nashville, TN 37205
grose@bassberry.com

and a copy to: Michael J. Roeschenthaler
Whiteford
11 Stanwix Street, Suite 1400
Pittsburgh, PA 15222

No provision of this Agreement, including this Section 10.6, shall be deemed to constitute consent to the manner and address for service of process in connection with any legal proceeding (including such arising out of or in connection with this Agreement), which service shall be effected as required by applicable law.

**Section 10.8 Failure or Delay Not Waiver; Remedies Cumulative**. No failure or delay on the part of any party in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty, covenant or agreement herein, nor shall any single or partial exercise of any such right preclude other or further exercise thereof or of any other right. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

**Section 10.9 Governing Law**. THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH FEDERAL BANKRUPTCY LAW, TO THE EXTENT APPLICABLE, AND WHERE STATE LAW IS IMPLICATED, THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA SHALL GOVERN, WITHOUT GIVING EFFECT TO THE CHOICE OF LAW PRINCIPLES THEREOF (EXCEPT FOR ANY LAWS OF THAT STATE WHICH WOULD RENDER SUCH CHOICE OF LAWS INEFFECTIVE), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

**Section 10.10 Jurisdiction, Waiver of Jury Trial.** THE BANKRUPTCY COURT WILL HAVE JURISDICTION OVER ANY AND ALL DISPUTES BETWEEN OR AMONG THE PARTIES, WHETHER AT LAW OR IN EQUITY, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY AGREEMENT CONTEMPLATED HEREBY; PROVIDED, HOWEVER, THAT IF THE BANKRUPTCY COURT IS UNWILLING OR UNABLE TO HEAR ANY SUCH DISPUTE, THE COURTS OF THE COMMONWEALTH OF PENNSYLVANIA AND THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN

PENNSYLVANIA WILL HAVE SOLE JURISDICTION OVER ANY AND ALL DISPUTES BETWEEN OR AMONG THE PARTIES, WHETHER AT LAW OR IN EQUITY, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY AGREEMENT CONTEMPLATED HEREBY.

EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT or THE TRANSACTIONS CONTEMPLATED HEREBY.

**Section 10.11 Counterparts**. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument. Telecopied or PDF (exchanged via e-mail) signatures may be used in place of original signatures on this Agreement.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**SELLERS:**

Maybrook-C Whitecliff Propco, LLC
Maybrook-C Overlook Propco, LLC
Maybrook-C Briarcliff Propco, LLC
Maybrook-C Silver Oaks Propco, LLC
Maybrook-C Kade Propco, LLC
Maybrook-C Evergreen Propco, LLC
Maybrook-C Latrobe Propco, LLC
3876 Saxonburg Boulevard Propco, LLC, and
100 Tandem Village Road Propco, LLC
each a Delaware limited liability company

By:_____
Name: Louis E. Robichaux, IV
Title: Chief Restructuring Officer

**BUYERS:**

Greenville Property Management LLC,
Harmony Property Management, LLC,
Irwin Property Management, LLC,
Latrobe Property Management, LLC,
New Castle Property Management, LLC,
New Wilmington Property Management, LLC,
Washington Property Management, LLC
Cheswick Property Management, LLC, and
North Strabane Property Management, LLC
each a Pennsylvania limited liability company

By:_____
Name:_____
Title:_____

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**SELLERS:**

Maybrook-C Whitecliff Propco, LLC
Maybrook-C Overlook Propco, LLC
Maybrook-C Briarcliff Propco, LLC
Maybrook-C Silver Oaks Propco, LLC
Maybrook-C Kade Propco, LLC
Maybrook-C Evergreen Propco, LLC
Maybrook-C Latrobe Propco, LLC
3876 Saxonburg Boulevard Propco, LLC, and
100 Tandem Village Road Propco, LLC
each a Delaware limited liability company

By:_____
Name: Louis E. Robichaux, IV
Title: Chief Restructuring Officer

**BUYERS:**

Greenville Property Management LLC,
Harmony Property Management, LLC,
Irwin Property Management, LLC,
Latrobe Property Management, LLC,
New Castle Property Management, LLC,
New Wilmington Property Management, LLC,
Washington Property Management, LLC
Cheswick Property Management, LLC, and
North Strabane Property Management, LLC
each a Pennsylvania limited liability company

By:_____
Name: DANIEL MORRIS
Title: PRINCIPAL

**Joinder of Deposit Agent**

The undersigned, as "Deposit Agent", joins in the execution of this Agreement solely for the purpose of acknowledging and agreeing to the terms related to the Deposit.

Omni Agent Solutions, Inc.

By: _____
Name: Brian Osborne
Title: CEO/President

*[Signature Page to Contract of Sale]*

**EXHIBIT A**

See attached.

| Facility Name | Type of Facility | Common Address | Legal Description | Seller | Operator | Buyer | New Operator |
|---|---|---|---|---|---|---|---|
| The Grove at Greenville (the "Greenville Facility") | Duly licensed 154 bed skilled nursing facility | 110 Fredonia Road, Greenville, PA 16125 | See Exhibit A-1 | Maybrook-C Whitecliff Propco, LLC | Maybrook-C Whitecliff Opco, LLC | Greenville Property Management LLC | Greenville Rehabilitation & Nursing LLC |
| The Grove at New Wilmington (the "Wilmington Facility") | Duly licensed 115 bed skilled nursing facility | 520 New Castle Street, New Wilmington, PA 16142 | See Exhibit A-2 | Maybrook-C Overlook Propco, LLC | Maybrook-C Overlook Opco, LLC | New Wilmington Property Management, LLC | New Wilmington Rehabilitation & Nursing LLC |
| The Grove at North Huntingdon (the "Huntingdon Facility") | Duly licensed 120 bed skilled nursing facility | 249 Maus Drive, North Huntingdon, PA 15642 | See Exhibit A-3 | Maybrook-C Briarcliff Propco, LLC | Maybrook-C Briarcliff Opco, LLC | Irwin Property Management, LLC | Irwin Rehabilitation & Nursing LLC |
| The Grove at New Castle (the "New Castle Facility") | Duly licensed 62 bed skilled nursing facility | 715 Harbor Street, New Castle, PA 16101 | See Exhibit A-4 | Maybrook-C Silver Oaks Propco, LLC | Maybrook-C Silver Oaks Opco, LLC | New Castle Property Management, LLC | New Castle Rehabilitation & Nursing LLC |
| The Grove at Washington (the "Washington Facility") | Duly licensed 74 bed skilled nursing facility | 1198 W. Wylie Avenue, Washington, PA 15301 | See Exhibit A-5 | Maybrook-C Kade Propco, LLC | Maybrook-C Kade Opco, LLC | Washington Property Management, LLC | Washington Rehabilitation & Nursing LLC |

| Facility Name | Type of Facility | Common Address | Legal Description | Seller | Operator | Buyer | New Operator |
|---|---|---|---|---|---|---|---|
| The Grove at Harmony (the "Harmony Facility") | Duly licensed 115 bed skilled nursing facility | 191 Evergreen Mill Road, Harmony, PA 16037 | See Exhibit A- 6 | Maybrook-C Evergreen Propco, LLC | Maybrook-C Evergreen Opco, LLC | Harmony Property Management, LLC | Harmony Rehabilitation & Nursing LLC |
| The Grove at Latrobe (the "Latrobe Facility") | Duly licensed 107 bed skilled nursing facility | 576 Rogers Drive, Latrobe, PA 15650 | See Exhibit A-7 | Maybrook-C Latrobe Propco, LLC | Maybrook-C Latrobe Opco, LLC | Latrobe Property Management, LLC | Latrobe Rehabilitation & Nursing LLC |
| Cheswick Rehab & Wellness (the "Cheswick Facility") | Duly licensed 121 bed skilled nursing facility | 3876 Saxonburg Blvd., Cheswick, PA 15024 | See Exhibit A-8 | 3876 Saxonburg Boulevard Propco, LLC | Cheswick Rehabilitation and Wellness Center, LLC | Cheswick Property Management, LLC | Cheswick Rehabilitation & Nursing, LLC |
| North Strabane Rehab & Wellness (the "Canonsburg Facility" | Duly licensed 62 bed skilled nursing facility | 100 Tandem Village Road, Canonsburg, PA 15317 | See Exhibit A-9 | 100 Tandem Village Road Propco, LLC | North Strabane Rehabilitation and Wellness Center, LLC | North Strabane Property Management, LLC | North Strabane Rehabilitation & Nursing, LLC |

## LEGAL DESCRIPTIONS

**A-1:**

**The Grove At Greenville**
**110 Fredonia Road Greenville, PA 16125**

Parcel 1:

ALL that certain tract or parcel of ground with the improvements thereon erected, situate in Hempfield Township, Mercer County, Pennsylvania, and bounded and described in accordance with a site plan made for Gilmore's White Cliff Nursing Home by Ronald P. Bittler, PE, dated December 27, 1977, and last revised March 24, 1983, as follows, to-wit:

BEGINNING at a point set on the centerline of Legislative Route No. 43044, commonly known as the Fredonia Road (forty [40] feet wide), at a corner of lands of Stephen and Margaret Zawistowski (as shown on said plan); thence extending from said beginning point and measured along lands of Stephen and Margaret Zawistowski the two (2) following courses and distances: (1) North three (3) degrees ten (10) minutes East, four hundred forty eight and eighty one hundredths (448.80) feet to an iron pin; and (2) South eighty six (86) degrees fifty (50) minutes East, four hundred eighty (480) feet to an iron pin at a corner of lands of Lot No. 20, lands of Ralph and Ruth Woodworth (as shown on said plan); thence extending along said lands South three (3) degrees ten (10) minutes West four hundred seventy four and forty one hundredths (474.40) feet to a point set on the centerline of Fredonia Road (L.R. No. 43044), aforesaid; thence extending along said centerline North eighty three (83) degrees forty seven (47) minutes West four hundred eighty and eighty one hundredths (480.80) feet to the first mentioned point and place of beginning.

PARCEL NO. 09-057-134

Parcel 2:

ALL that certain piece or parcel of land situate in Township of Hempfield, County of Mercer, more commonly known as Lot 20 in the Troy Estates Plan of Lots recorded in Plan Book 1, Page 98.

BEING the same premises which Francis A. Hayman, Jr., John J. Hayman, Drury J. Gallagher, William H. Miller, Timothy F. Nicholson, Robert N. Elkins, George L. Ryan and Howard G. Seitz, as tenants in common in the undivided portion or shares as follows: Francis A. Hayman, Jr. 15.34%; John J. Hayman - 15.33%; Drury J. Gallagher - 15.33%; William H. Miller - 18.4%; Timothy F. Nicholson - 18.4%; Robert N. Elkins - 9.2%; George L. Ryan - 4.0%; and Howard G. Seitz - 4.0%, by Deed dated 05/12/1983 and recorded 05/16/1983 in the Office of the Recorder of Deeds in and for the County of Mercer in Deed Book 83 DR Page 1242, granted and conveyed unto White Cliff Nursing Center Associates, a Pennsylvania Limited Partnership.

PARCEL NO. 09-057-139

The foregoing Parcels 1 & 2 being further described as follows:

Beginning at a point in the centerline of Fredonia Road (a.k.a. L.R. 43044-40"ROW) said point being distant 1440 feet more or less westerly along said centerline from its intersection with Maple Avenue and from said beginning point necessary; thence

1) along lands now or formally of Stephan Zawistowski North 03 degrees 10 minutes seconds East a distance of 448.80 feet to a point and corner; thence

2) still along said lands of Stephan Zawistowski, South 86 degrees 50 minutes 00 seconds East a distance of 540.00 feet to a point and corner; thence

3) along lands of Ralph R. Woodworth, South 03 degrees 10 minutes 00 seconds West a distance of 477.60 feet to a point in the said centerline of Fredonia Road; thence

4) along said centerline North 83 degrees 47 minutes 00 seconds West a distance of 540.89 feet to the point and place of beginning.

BEING the same premises which Whitecliff Nursing Center Associates, a Pennsylvania limited partnership, by deed dated June 30, 2016, and recorded August 18, 2016, in the Office of the Recorder of Deeds in and for the County of Mercer in Instrument No. 2016-00007500, granted and conveyed unto Maybrook-C Whitecliff Propco, LLC a Delaware limited liability company.

**A-2:**

**The Grove At New Wilmington**
**520 New Castle Street, New Wilmington, PA 16142**

ALL THAT CERTAIN piece, parcel or tract of land situate in the Borough of New Wilmington, County of Lawrence and Commonwealth of Pennsylvania, being bounded and described as follows:

BEGINNING at the Northeast corner of the tract herein described, said point being located in the Centerline of New Castle Street, a forty-six (46) foot right-of-way, and being common to Lot 2 of the Overlook Subdivision as recorded in Plan Book 18, Page 37; thence along the Centerline of New Castle Street, South 0 degrees 15 minutes 30 seconds East, a distance of 203.38 feet to a point; thence by same along a curve to the right having a radius of 319.61 feet, an arc distance of 225.925 feet to a point, said curve having a chord of South 19 degrees 59 minutes 32 seconds West, a distance of 221.25 feet; thence by same, South 40 degrees 14 minutes 30 seconds West, a distance of 31.46 feet to a point; thence by lands of now or formerly Beechwood Partners, North 66 degrees 49 minutes 00 seconds West, a distance of 278.13 feet to a point; thence by same, South 37 degrees 07 minutes 15 seconds West, a distance of 148.73 feet to a point; thence by lands of now or formerly Beechwood Partners, North 56 degrees 40 minutes 00 seconds West, a distance of 224.93 feet to a point; thence by Lot 2 of the Overlook Subdivision, North 8 degrees 20 minutes 00 seconds East, a distance of 261.65 feet to a point; thence by same, South 71 degrees 36 minutes 00 seconds East, a distance of 65.00 feet to an iron pin; thence by same, North 38 degrees 52 minutes 00 seconds East, a distance of 96.12 feet to an iron pin; thence by same, North 89 degrees 04 minutes 15 seconds East, a distance of 468.55 feet to the point of beginning.

Together with an easement for parking which is recorded in the office for the recording of deeds in and for Lawrence County, Pennsylvania in Record Book 657 Page 563 and an easement for access to and use of sheds which encroach upon adjacent property, which easement is to be recorded.

PARCEL NO. 18-034000

BEING the same premises which Overlook Nursing Center Associates, a Pennsylvania limited partnership, by deed dated June 30, 2016, and recorded August 18, 2016, in the Office of the Recorder of Deeds in and for the County of Lawrence in Document No. 2016-006244, granted and conveyed unto Maybrook-C Overlook Propco, LLC a Delaware limited liability company.

**A-3:**

**The Grove At North Huntingdon**
**249 Maus Drive, North Huntingdon/Irwin, PA 15642**

ALL THAT certain piece, parcel or tract of land situate in North Huntingdon Township, Westmoreland County, Pennsylvania, bounded and described as follows:

BEGINNING at a point in the centerline of Daily Drive, SK 3055 said point being N 04°-27' W, a distance of 358.35 feet from the Southwesterly corner of lands formerly Alice Gahagan and also being the South West corner of Lot #4 of the Alice Gahagan Plan of Lots, as recorded in Deed Book 74, Page 175, thence continuing along the Centerline of Daily Drive N 04°-27' W, a distance of 54.23 feet, thence along lands of Richard Wood, S 89°-30' E, a distance of 150.00 feet to a point, thence continuing along lands of Richard Wood and lands of George D. Badanich N 04°-27'-00" W, a distance of 200.00 feet to a point, thence along lands of the Calvin Presbyterian Church and lands of Long Run Presbyterian Church and lands of James W. and Jennie S. Shirley S 89°-30' E, a distance of 517.86 feet to a point, said point being the Northeasterly corner of this tract described, thence along lands of Briarcliff Nursing Center Associates, being Lot #1 of the James W. Shirley Plan and other lands of John M. & Dorothea M. Shirley, being Lot #4 of the James W. Shirley Plan, S 00°-30' E, a distance of 385.00 feet to a point, thence continuing along lands of John M. & Dorothea M. Shirley, being Lot #4 of the James W. Shirley Plan and other lands of Ronald R. & Marilyn Webberking, being Lot #8 of the James W. Shirley Plan, N 89°-30' W, a distance of 491.24 feet to a point, thence along lands of William Stash and lands of John Pacerucha, N 04°-27'-00" W, a distance of 132.15 feet to a point, said point being the Northeast corner of Lot #1 of the Alice Gahagan Plan of Lots, thence continuing along lands of Pacerucha N 89°-30' W, a distance of 150.00 feet to a point in the centerline of Daily Drive, said point being the place of beginning of this parcel described.

Parcel 2:

Being Lot #1 of the James W. Shirley Plan, as recorded in Plan Book Volume 90, Page 1645. BEGINNING at the Northwest corner of Lot #1 of the James W. Shirley Plan as it adjoins the Northeasterly corner of lands of the Briarcliff Nursing Center Associates as located in the above described Parcel #1, thence along lands of James W. Shirley S 89°-30' E, a distance of 50.00 feet, thence along other lands of James W. Shirley, being Lot #5 of the James W. Shirley Plan, S 00°-

30' E, a distance of 200.00 feet to a point, thence along lands of John M. Shirley, being Lot #4 of the James W. Shirley Plan, N 89°-30' W, a distance of 50,00 feet to a point, thence continuing along the line of lands of Briarcliff Nursing Center Associates, N 00°-30' W, a distance of 200.00 feet to the point of BEGINNING.

Parcel 3: GRANT OF RIGHT-OF-WAY AND EASEMENT

BEGINNING at a point in the Centerline of Daily Drive, at the Northwest corner of lands now or formerly of George D. Badanich thence by a line through Maus Drive, N 64°-30' E, a distance of 161.09 feet to a point in Maus Drive, thence along line of lands of Calvin Presbyterian Church, S 48°-40' E, a distance of 108.00 feet to a point on line of Parcel #1, aforesaid, thence extending partly along same and along lands of George D. Badanich, N 89°-30'W, a distance of 226.50 feet to a point in the centerline of Daily Drive, said point being the point of beginning of parcel described.

PARCEL NO. 54-07-09-0-120-00-000

BEING the same premises which Briarcliff Nursing Center Associates, a Pennsylvania limited partnership by Deed dated June 30, 2016, and recorded August 18, 2016, in the Office of the Recorder of Deeds in and for the County of Westmoreland, in Instrument No. 201608180026289, granted and conveyed unto Maybrook-C Briarcliff Propco, LLC, a Delaware limited liability company.

**A-4:**

**The Grove At New Castle**
**715 Harbor Street, New Castle, PA 16101**

ALL that certain piece, parcel or tract of land situate in the 6th Ward, City of New Castle, County of Lawrence, Commonwealth of Pennsylvania, being bounded and described as follows:

BEGINNING at a monument at the Southeast corner of the tract herein described, said monument being located on the West side of Harbor Street, a fifty (50) foot right of way, said point being common to lands of now or formerly the Housing Authority of Lawrence County and lands of the Grantor herein; thence by lands of now or formerly the Housing Authority of Lawrence County South 89° 54' 00" West a distance of 320.15 feet to a point; thence by same North 08° 55' 00" West a distance of 293.47 feet to a monument; thence by lands of now or formerly Joseph Wyza, Jr., South 89° 34' 00" East a distance of 319.04 feet to a point; thence along the Westerly right of way line of Harbor Street South 09° 13' 30" East a distance of 290.71 feet to a point of beginning.

PARCEL NO. 06-041000

BEING the same premises which Overlook Nursing Center Associates, a Pennsylvania limited partnership, by deed dated June 30, 2016, and recorded August 17, 2016, in the Office of the Recorder of Deeds in and for the County of Lawrence in Document No. 2016-006234, granted and conveyed unto Maybrook-C Silver Oaks Propco, LLC a Delaware limited liability company.

**A-5:**

**The Grove At Washington**
**1198 W. Wylie Avenue, Washington, PA 15301**

All that certain tract or parcel of ground with the buildings and improvements thereon erected, situate in the Township of Canton, County of Washington and Commonwealth of Pennsylvania, which is bounded and described in accordance with a survey and plan made by Engelhardt-Power and Associates, Incorporated, Washington, Pennsylvania, dated 1 December 1983, Job No. 457-6-83, as follows, to wit:

BEGINNING at a point in Township Public Road 563, also known as West Wylie Avenue Extension, which point is the Northwest corner of the land herein conveyed and the Northeast corner of land now or formerly of Joseph Lepowsky and which point is further located North thirteen (13) degrees twenty-two (22) minutes zero (00) seconds West, a distance of eight and seventy one-hundredths (8.70) feet from a pipe on the Southerly side of said road; thence in said road South eighty-one (81) degrees thirty (30) minutes zero (00) seconds East, a distance of eighty-nine and eighty-two one-hundredths (89.82) feet to a point in said road; thence continuing in said road, North seventy-two (72) degrees thirty-two (32) minutes zero (00) seconds East, four hundred thirty-nine and sixty-eight one-hundredths (439.68) feet to a point in said road which is the Northwesterly corner of land now or formerly of Edward Steffek; thence by line of land now or formerly of Steffek and land now or formerly of William E. Kieth, South twelve (12) degrees twelve (12) minutes forty (40) seconds East, three hundred thirty-four and four one-hundredths (334.04) feet to a point in the Northerly side of a forty (40) foot wide street; thence extending along said Northerly side of said street and land of Stanley & Hollie R. Sams Plan of record in the Recorder's Office of Washington County, Pennsylvania, in Plan Book 9, Page 130, South seventy-seven (77) degrees thirty-six (36) minutes zero (00) seconds West, a distance of one hundred seventy-four and seven one-hundredths (174.07) feet to a point; thence by the same South twenty-two (22) degrees forty-one (41) minutes zero (00) seconds East, a distance of forty and eighty-two one-hundredths (40.82) feet to a point; thence by the same, South seven (7) degrees fifty-one (51) minutes forty (40) seconds East, a distance of four hundred forty-nine and sixty-six one-hundredths (449.66) feet to an angle iron; thence by land now or formerly of Herbert R. and Renee Ackron the three (3) following courses and distances: (1) South forty (40) degrees six (06) minutes ten (10) seconds West, three hundred and eighty-five one-hundredths (300.85) feet to a point, (2) South seventy-six (76) degrees thirty-eight (38) minutes zero (00) seconds West, two hundred sixty-two and ninety-one one-hundredths (262.91 ) feet to a point, and (3) north thirteen (13) degrees twenty-two (22) minutes zero (00) seconds West, five hundred and no one-hundredths (500.00) feet to a point in line of lands now or formerly of Joseph Lepowsky; thence extending along said lands the two (2) following courses and distances: (1) North seventy-six (76) degrees thirty-eight (38) minutes zero (00) seconds East, two hundred and no one-hundredths (200.00) feet to a pipe, and (2) North thirteen (13) degrees twenty-two (22) minutes zero (00) seconds West, five hundred and no one-hundredths (500.00) feet to a point in the Township Public Road 563, the first mentioned point and place of BEGINNING

CONTAINING an area of 10.4825 acres, more or less.

Being further described according to a survey prepared by Bock & Clark's National Surveyors Network dated 01-26-16 as follows:

Beginning at a point in or near the centerline of West Wylie Avenue (33 foot wide public right of way) said point being located at the northeast corner of lands N/F of Joseph Samida as described in Deed Book 766 Page 494 and from said beginning point running; thence

1) Along said centerline South 81 degrees 30 minutes 00 seconds East a distance of 89.82 feet to a point in same; thence

2) Still along said centerline North 72 degrees 23 minutes 00 seconds East a distance of 439.83 feet to a point in same; thence

3) Leaving said West Wylie Avenue and along lands N/F of Carl R. Claypoole and John Meyers South 12 degrees 12 minutes 40 seconds East a distance of 335.19 feet to a point in the northerly sideline of Kimberly Drive (50 foot wide public right of way); thence

4) Along said sideline and lands N/F of William Sams South 77 degrees 36 minutes 00 seconds West a distance of 174.07 feet to a point; thence

5) Still along said William Sams South 23 degrees 55 minutes 00 seconds East a distance of 40.82 feet to a point; thence

6) Along the rear of parcels located on Kimberly Drive South 07 degrees 40 minutes 00 seconds East a distance of 450.00 feet to a point; thence

7) Along land N/F of Margaret L. Breck and Donald York South 40 degrees 01 minutes 40 seconds West a distance of 300.26 feet to a point; thence

8) Still along said Breck and York South 76 degrees 38 minutes 00 seconds West a distance of 262.91 feet to a point; thence

9) Still along Breck and York and lands N/F Foley Selvaggi North 13 degrees 22 minutes 00 seconds West a distance of 500.00 feet to a point; thence

10) Along lands N/F of Joseph Samida North 76 degrees 38 minutes 00 seconds East a distance of 200.00 feet to a point; thence

11) Still along said Joseph Samida North 13 degrees 22 minutes 00 seconds West a distance of 500.00 feet to the point and place of beginning.

PARCEL NO. 120-011-00-00-0038-00

BEING the same premises which Briarcliff Nursing Center Associates, a Pennsylvania limited partnership by deed dated June 20, 2016, and recorded August 18, 2016, in the Office of the Recorder of Deeds in and for the County of Washington, in Instrument No. 201620668, granted and conveyed unto Maybrook-C Kade Propco, LLC, a Delaware limited liability company.

**A-6:**

**The Grove At Harmony**
**191 Evergreen Mill Road, Harmony, PA 16037**

All those certain pieces, parcels or tracts of land situate in the Township of Jackson, County of Butler and Commonwealth of Pennsylvania, being bounded and described as follows:

Parcel 1

Beginning at a point in the centerline of Evergreen Mill Road, T-323, a thirty-three foot (33') right-of-way, at line of lands of now or formerly Schwan's Sales Ent, Inc.; thence by lands of now or formerly Schwan's Sales Ent., Inc., J. Rosenberger and M.B. Ebner, North 23°36'00" East a distance of 592.00 feet to a point in the Little Connoquenessing Creek; thence along the Little Connoquenessing Creek and by lands of now or formerly Southwest Butler County School District, South 74°00'00" East a distance of 450.00 feet to a point; thence by same, South 63°16'00" East a distance of 218.72 feet to a point; thence by same, South 73°30'00" East a distance of 108.00 feet to a point; thence along Parcel 2 herein described, South 30°38'00" West a distance of 687.43 feet to a point in Evergreen Mill Road; thence along Evergreen Mill Road, North 59°15'00" West a distance of 460.00 feet to a point; thence by same, North 73°17'17" West a distance of 232.69 feet to the point of beginning.

Parcel 2

Beginning at a point in the centerline of Evergreen Mill Road, T-323, a thirty-three foot (33') right-of-way, said point being the southeast corner of Parcel No. 1 as described above; thence along the centerline of Evergreen Mill Road, South 59°15'00" East a distance of 539.90 feet to a point; thence along Parcel No. 3 as herein described, North 28°49'00" East a distance of 818.36 feet to a point in the Little Connoquenessing Creek; thence along the Little Connoquenessing Creek and lands now or formerly Southwest Butler County School District, North 73°30'00" West a distance of 112.58 feet to a point; thence along Parcel No. 5 as herein described, South 28°49'00" West a distance of 197.30 feet to a point; thence by same, North 59°15'00" West a distance of 109.99 feet to a point; thence by same, North 28°49'00" East a distance of 169.59 feet to a point in the Little Connoquenessing Creek; thence along the Little Connoquenessing Creek and lands of now or formerly Southwest Butler County School District, North 73°30'00" West a distance of 304.90 feet to a point; thence along Parcel No. 1 as described above, South 30°38'00" West a distance of 687.43 feet to the point of beginning.

Parcel 3

Beginning at a point in the centerline of Evergreen Mill Road, T -323, a thirty-three foot (33') right-of-way, said point being located on a bridge over the Little Connoquenessing Creek at lands of now or formerly G. Hartmann; thence along Evergreen Mill Road, North 57°24'30" West a distance of 877.75 feet to a point; thence by same, North 57°24'49" West a distance of 238.69 feet to a point; thence along Parcel No. 2 as described above, North 28°49'00" East a distance of 818.36 feet to a point in the Little Connoquenessing Creek; thence along the Connoquenessing Creek and lands of now or formerly Southwest Butler School District, South 73°30'00" East a distance of 122.01 feet to a point; thence by same, South 66°00'00" East a distance of 600.00 feet to a point;

thence by same, South 55°00'00" East a distance of 190.00 feet to a point; thence by same, South 69°00'00" East a distance of 350.00 feet to a point; thence along the Little Connoquenessing Creek and lands of now or formerly G. Hartmann, South 36°45'00" West a distance of 1005.00 feet to the point of beginning.

Parcel 4

Beginning at a point in the centerline of Evergreen Mill Road, T-323, a thirty-three foot (33') right-of-way, said point being on a line common to lands of now or formerly T. Grech, said point also being the point of beginning of Parcel No. 1 as described above; thence along Evergreen Mill Road, South 73°17'17" East a distance of 232.69 feet to a point; thence by same, South 59°15'00" East a distance of 999.90 feet to a point; thence by same South 57°24'49" East a distance of 238.69 feet to a point; thence by lands of now or formerly R.W. McConnell, Jr. and M.A. Crawford, South 35°01'00" West a distance of 861.30 feet to a point in the Connoquenessing Creek; thence along the Connoquenessing Creek North 46°29'00" West a distance of 1033.30 feet to a point; thence by same, North 39°30'00" West a distance of 528.12 feet to a point; thence by same North 55°50'00" West a distance of 153.94 feet to a point; thence by lands of now or formerly T. Grech, North 17°20'00" East a distance of 138.63 feet to a point; thence by same, North 79°00'00" East a distance of 389.40 feet to the point of beginning.

Parcel 5

Commencing at a point in the centerline of Evergreen Mill Road, T-323, a thirty-three foot (33') right-of-way, said point being common to Parcel No. 2 and Parcel No. 3 as described above and being on the westerly edge of a twenty-five foot (25') right-of-way; thence along the boundary between Parcel No. 2 and Parcel No. 3 and the westerly line of a twenty-five foot (25') right-of-way, North 28°49'00" East a distance of 593.33 feet to a point; thence along the southerly line of said twenty-five foot (25') right-of-way, North 59°15'00" West a distance of 110.05 feet to the point of beginning of the tract herein described; thence along Parcel No. 2 as described above, North 59°15'00" West a distance of 109.99 feet to a point; thence by same, North 28°49'00" East a distance of 169.59 feet to a point in the Little Connoquenessing Creek; thence along the Little Connoquenessing Creek and lands of now or formerly Southwest Butler School District, South 73°30'00" East a distance of 112.52 feet to a point; thence along Parcel No. 2 as described above, South 28°49'00" West a distance of 197.30 feet to the point of beginning.

PARCEL NOS. 180-4F102-2; 180-4F102-2M; & 180-4F102-2MA

BEING the same premises which Lawrence County Industrial Development Authority, an instrumentality of the Commonwealth of Pennsylvania and a public body corporate and politic, by Deed dated 04/12/1983 and recorded 10/03/1986 in the Office of the Recorder of Deeds in and for the County of Butler in Record Book 1305 Page 708, granted and conveyed unto Overlook Nursing Center Associates, a Pennsylvania Limited Partnership.

Excepting and Reserving to the Grantor all rights under the oil and gas lease executed by Overlook Nursing Center Associates as lessor and R.E. Gas Development LLC as lessee, recorded to Instrument No. 201004200008167; as assigned by Assignment and Assumption in favor of Summit Discovery recorded to Instrument No. 201010010022357.

ALSO BEING the same premises which Overlook Nursing Center Associates, a Pennsylvania limited partnership, by Deed dated June 30, 2016, and recorded August 18, 2016, in the Office of the Recorder of Deeds in and for the County of Butler in Instrument No. 201608180016925, granted and conveyed unto Maybrook-C Evergreen Propco, LLC, a Delaware limited liability company.

**A-7:**

**The Grove At Latrobe**
**576 Fred Rogers Drive, Latrobe, PA 15650**

ALL THAT CERTAIN piece or parcel of land, situate in the Township of Unity, County of Westmoreland, and Commonwealth of Pennsylvania, being more specifically bounded and described as follows:

BEGINNING at a point on the Old Lincoln Highway leading from Youngstown to U.S. Route 30 at a point where the Northerly boundary line of the property now or formerly of L.V. Planinsek intersects with the property herein described; thence from said point of beginning and by lands now or formerly of Planinsek North 49° West 303.64 feet to an iron pin at line of lands now or formerly of Joseph Misko; thence along lands now or formerly of said Misko and lands of the Edgewater Terrace Plan of Lots North 61° 21' 40" East, a distance of 872.70 feet to a point in the center line of the aforementioned Old Lincoln Highway; thence from said point and through the Old Lincoln Highway South 41° West 818.18 feet to a point the place of BEGINNING.

AS SURVEYED LEGAL DESCRIPTION

ALSO BEING that same Premises described in that certain ALTA/NSPS Land Title Survey OLH PA Project being B&C Project No 201700041,001 dated January 24, 2017 for 576 Fred Rogers Drive in the Township of Unity, County of Westmoreland, Commonwealth of Pennsylvania being more specifically bounded and described as follows:

BEGINNING at a Mag Nail (Set) on Fred Rogers Drive (formerly Old Lincoln Highway), thence North 49°001'01"West, 303.64 feet to a pipe (FD); thence along line of Edgewater Terrace Plan of Lots, North 61°21'39" East, 872.70 feet to a Mag Nail (Set) in center line of Fred Rogers Drive; thence through Fred Rogers Drive South 41°00'West, 818.17 feet to a Mag Nail, being place of BEGINNING.

BEING designated as Tax Map No. 61-14-16-0-117-000-000 in the Tax Assessment Office of Westmoreland County, Pennsylvania.

BEING the same premises which 576 Latrobe LLC, a Delaware limited liability company by Deed dated February 10, 2017, recorded on February 21, 2017, to Westmoreland County Instrument No. 201702210005739 granted and conveyed to Maybrook-C Latrobe Propco, LLC, a Delaware limited liability company.

**A-8:**

**Cheswick Rehab & Wellness**
**13876 Saxonburg Blvd., Cheswick, PA 15024**

ALL THAT certain piece or parcel of land situate in the Township of Indiana, County of Allegheny and Commonwealth of Pennsylvania, to wit.

BEGINNING at the intersection of the dividing line between West Deer Township and Indiana Township, Allegheny County, Pennsylvania, with the easterly line of Saxonburg Boulevard as widened to a width of 60 feet; thence in a southerly direction along the easterly line of said Saxonburg Boulevard by the arc of a circle curving to the right having a radius of 830.00 feet an arc distance of 161.54 feet; thence continuing along said easterly line of said Boulevard, South 36 degrees 34 minutes West, a distance of 14.00 feet to a point on the southerly line of lands now or formerly of George R. Roncevich and being the true point of beginning of the within described parcel; thence from said true point of beginning and along said easterly line of said Saxonburg Boulevard, South 36 degrees 34 minutes West, a distance of 84.94 feet to a point; thence in a southerly direction along said easterly line of Saxonburg Boulevard by an arc of a circle bearing to the left having a radius of 770.00 feet an arc distance of 266.98 feet to a point on the northerly line of lands now or formerly of John Rees; thence along said lands now or formerly of John Rees, South 67 degrees 26 minutes 32 seconds East, a distance of 543.65 feet to a point on the westerly line of lands now or formerly of M. Kish, Jr.; thence along line of land of Kish, North 0 degrees 15 minutes East, a distance of 500.41 feet to a point on the said southerly line of land of George R. Roncevich; thence along said line of land of Roncevich, North 87 degrees 38 minutes West, a distance of 334.83 feet to a point on the easterly line of Saxonburg Boulevard being the true point of BEGINNING.

BEING designated as Block 1081-C, Lot 10 in the Records of the Deed Registry Office of Allegheny County, Pennsylvania.

BEING the same premises which FC-THC Leasing III, LLC, a Delaware limited liability company, by Deed dated August 21, 2017, and recorded on September 21, 2017, in Allegheny County Office of Recorder of Deeds in Deed Book Volume 16949, Page 498, granted and conveyed unto 3876 Saxonburg Boulevard Propco, LLC, a Delaware limited liability company.

NOTE FOR INFORMATIONAL PURPOSES ONLY:
Tax Parcel ID. No. 1080

**A-9:**

**North Strabane Rehab & Wellness**
**100 Tandem Village Road, Canonsburg, PA 15317**

Being a portion of that certain tract of land situate in the Township of North Strabane, County of Washington and Commonwealth of Pennsylvania, being Lot No. 301 in the Grandvue Plan of Lots,

Phase 3, as recorded in the Office of the Recorder of Deeds of Washington County, Pennsylvania on March 4, 1999 in Plan Book Volume 39, Pages 41 and 42.

BEING the same property that Tandem Health Care of North Strabane, LLC, a Pennsylvania limited liability company, by Deed dated August 21, 2017, recorded September 21, 2017, in the Washington County Records as Instrument No. 201724649 granted and conveyed unto 100 Tandem Village Propco, LLC, a Delaware limited liability company, as Agent, and 200 Tandem Village Propco, LLC, a Delaware limited liability company, as Agent, for 100 Tandem Village Propco, LLC, a Delaware limited liability company and 200 Tandem Village Propco, LLC, a Delaware limited liability company, respectively.

NOTE FOR INFORMATIONAL PURPOSES ONLY:

Tax Parcel ID. No. 520-001-15-00-0011-00

THE PERSONAL CARE/RETIREMENT CENTER LOCATED ON THIS PROPERTY IS EXCLUDED FROM THE PURCHASED ASSETS

**EXHIBIT B**
**TERMS OF THE SALE MOTION AND SALE ORDER; BIDDING PROCEDURES**

1.1 Sale Motion. By no later than May 24, 2024, Debtors shall file with the Bankruptcy Court the Sale Motion, which shall include, among other things, a proposed form of the Bidding Procedures Order. The Debtors shall promptly serve true and correct copies of the Sale Motion and all related pleadings, or notice thereof in form satisfactory to Buyers, to all creditors of the Debtors and other parties in interest in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Rules for the United States Bankruptcy Court for the Western District of Pennsylvania and any other applicable order of the Bankruptcy Court. The Debtors shall also promptly serve the Sale Motion to any other party designated in writing by Buyers in their sole discretion. The Debtors and their bankruptcy estates shall be responsible for all costs of service of the Sale Motion and any other motions or notices related to the Sale Motion, Bidding Procedures, or Transactions.

1.2 Bidding Procedures and Auction. Buyers and New Operators acknowledge that Debtors are seeking to find another party that would be willing to pay more for the Purchased Assets. In connection with this effort, the parties acknowledge that the Debtors will request the Bankruptcy Court, in the Sale Motion, to approve certain procedures related to this effort, including the procedures for soliciting competing bids for the Purchased Assets and selling the Purchased Assets at a sale auction (the "Auction") should there be other Qualifying Bidders, and certain bidding protections to Buyers as consideration for serving as the stalking horse. In that regard, the Debtors shall take such actions as are reasonably necessary to obtain (on an expedited basis following the filing of the Sale Motion and by no later than June 7, 2024) the Bidding Procedures Order from the Bankruptcy Court approving, among other things, payment of the Expense Reimbursement and Termination Fee and procedures for the marketing, competitive bidding, auction, and sale of the Purchased Assets that include, without limitation, the following (collectively, and as more fully set forth in the Bidding Procedures Order, the "Bidding Procedures"):

a. Minimum Initial Topping Bid: $54,875,000.00;

b. Minimum Bid Increments Thereafter: $250,000.00;

c. Other bidders to provide to Debtors, among other things, a blackline comparison of the PSA and OTA, a $1,350,000.00 purchase price deposit, and satisfactory proof of financing prior to the expiration of the Bid Deadline in order to qualify as a bidder for the Auction (such other bidders meeting such qualifying criteria shall be referred to herein as "Qualifying Bidders"). For the avoidance of doubt, and provided that the PSA and other Transaction Documents have not been terminated prior to the Bid Deadline, Buyers' purchase offer pursuant to the PSA and OTA and the other Transaction Documents shall constitute a qualifying bid.

d. Qualifying Bidders will have a due diligence period that expires at the conclusion of the Bidding Solicitation Period;

e. If there are other Qualifying Bidders, an Auction to be held by no later than July 17, 2024 (unless such different date is established by the Bankruptcy Court in the Bidding Procedures Order), at which the Debtors will select the winning bidder (the "Successful Bidder");

f. Buyers shall be entitled to credit bid the amount of the Termination Fee and Expense Reimbursement towards any subsequent bid at the Auction;

g. If there are no other Qualifying Bidders as of the Bid Deadline, then Buyers shall be deemed the Successful Bidder. Buyers may be required to serve as the Backup Bidder upon the Debtors' selection of another party or parties as the Successful Bidder(s); and

h. No extension of the Bidding Solicitation Period, the Bid Deadline, or date of the Auction unless ordered by the Bankruptcy Court or approved by Buyers in writing. Without limiting the foregoing, Debtors shall not file any motion or otherwise seek to change, modify or amend the Transaction Documents, the Bidding Procedures Order, or the Sale Order without prior written approval of the Buyers.

1.3 Sale Order Hearing and Sale Order. Within three (3) days following the Auction, if there are other Qualifying Bidders, Debtors shall file with the Bankruptcy Court the results of the bidding solicitation process and the Auction, along with the purchase agreement of the Successful Bidder and all documents to be filed on behalf of the Debtors with the Bankruptcy Court for approval of the sale to the Successful Bidder and entry of the Sale Order. If there are no additional Qualifying Bidders as of the Bid Deadline, Debtors shall file a notice with the Bankruptcy Court within three (3) days of the Bid Deadline that the Buyers were the Successful Bidder and seeking the Bankruptcy Court's entry of the Sale Order approving the PSA, OTA, and other Transaction Documents. Debtors shall take such actions as are reasonably necessary to obtain the Bankruptcy Court's entry of the Sale Order by no later than August 7, 2024. Buyers and New Operators agree that they will promptly take such actions as are reasonably requested by the Debtors to assist in obtaining Bankruptcy Court approval of the Sale Order, including furnishing affidavits or other documents or information for filing with the Bankruptcy Court for purposes, among others, of (a) demonstrating that Buyers and New Operators are a "good faith" purchaser under Section 363(m) of the Bankruptcy Code, and (b) establishing adequate assurance of future performance within the meaning of Section 365 of the Bankruptcy Code.

1.4 Contracts.

(a) Sellers and Operators shall provide to Buyers and New Operators a list of Contracts relating to the operations and leasing of the Facilities (the "Available Contracts List"). Sellers and Operators will use best efforts to ensure that the Available Contracts List contains all Contracts which the Buyer may seek to assume. At any time prior to the Sale Hearing, the Buyers and New Operators, in their sole and absolute discretion, and subject to the their right to subsequently amend their designations until the Closing, may deliver one or more written notices

to the Sellers and Operators (each such notice, a "Designation Notice"), pursuant to which Buyers and New Operators shall designate in writing any Available Contracts that Buyers or New Operators wish to assume at Closing. Any Available Contracts so designated shall be deemed the Assumed Contracts.

(b) Any Contracts that Buyers or New Operators do not indicate they desire to assume and continue shall be deemed rejected by Buyers and New Operators (the "Rejected Contracts"), and Sellers and Operators may reject and terminate such Rejected Contracts pursuant to the Bankruptcy Code. Any Contract not expressly designated by Buyers or New Operators as an Assumed Contract pursuant to a Designation Notice, including any Contract discovered after the Closing, shall be deemed a Rejected Contract.

(c) The Sale Motion and Bidding Procedures Order shall include the procedures for the assumption and assignment of the Assumed Contracts to the Buyers and New Operators on the terms set forth herein. By no later than June 21, 2024, the Debtors shall serve an initial notice on all counterparties to each Contract on the Available Contracts List specifically stating that the Debtors are or may be seeking the assumption and assignment of such Contracts, the Debtors' calculation of the associated Cure Costs, and the deadline for objecting to the Cure Costs or any other aspect of the proposed assumption and assignment of their Contracts to Buyers, New Operators, or any other Successful Bidder (the "Initial Assumption and Assignment Notice"). The Debtors will not serve any such notice to a current resident or patient of any Facility without the Buyers' prior approval of the form of such notice.

(d) Pursuant to the Bidding Procedures Order, the counterparties to the Contracts shall have an opportunity to file any objections to the assumption and/or assignment of any Contracts on the Available Contracts List. Upon any such objection, such Contract shall become a "Disputed Contract" and, unless the Disputed Contract is a Rejected Contract, the Debtors, with Buyers' and New Operators' consent to be provided or withheld in their sole discretion, shall either settle the objection of such counterparty or shall litigate such objection under such procedures as the Bankruptcy Court shall approve as part of the Bidding Procedures Order. The Debtors shall not settle a disputed Cure Cost for any amount with regard to any Contract that has been designated as an Assumed Contract pursuant to a Designation Notice without the express written consent of the Buyers or New Operators, as applicable. Upon a Final Order or settlement determining any Cure Costs regarding any Disputed Contract after the Closing or at any time prior to such Final Order or settlement, Buyers and New Operators shall have the option to (x) pay the Cure Cost with respect to such Disputed Contract and assume the Disputed Contract as an Assumed Contract or (y) designate the Disputed Contract as an Rejected Contract and not be responsible for the Cure Cost.

(e) At Closing, Buyers or New Operators, as applicable, shall pay all Cure Costs in connection with the assumption and assignment of the Assumed Contracts.

1.5 Good Faith Efforts. The Debtors agree to diligently prosecute the entry of the Bidding Procedures Order and the Sale Order. In the event the entry of the Bidding Procedures Order or the Sale Order shall be appealed, the Debtors shall use their best efforts to defend such appeal. The Debtors shall comply with all notice requirements (i) of the Bankruptcy Code and the

Federal Rules of Bankruptcy Procedure, or (ii) imposed by the Bidding Procedures Order or the Sale Order, in each case, in connection with any pleading, notice or motion to be filed in connection herewith.

1.6 Sale Free and Clear. The Debtors acknowledge and agree, and the Sale Order shall provide, that on the Closing Date and concurrently with the Closing, the Purchased Assets shall be transferred to Buyers and New Operators free and clear of all then existing or thereafter arising Claims and Encumbrances to the fullest extent permitted by Section 363(f) of the Bankruptcy Code (other than Permitted Encumbrances and Assumed Liabilities), including without, limitation, any amounts owed by any of the Debtors to (i) DHS or DOH for nursing facility assessments, or (ii) to DOL for violations of wage and hour laws or other applicable laws and regulations. The Debtors acknowledge and agree that this requirement is a precondition to Buyers' and New Operators' obligation to close the Transactions.

1.7 Definitions. For purposes of this Exhibit B and the Transaction Documents, the following terms shall have the meaning ascribed to them below:

"Alternative Transaction" means (a) the approval by the Bankruptcy Court of a sale or sales of all or any portion of the Purchased Assets to a Successful Bidder other than Buyers, or (b) the filing of a plan of reorganization that does not contemplate the sale of the Purchased Assets to Buyers in accordance with the terms hereof.

"Assumed Contracts" means any Contracts of Sellers or Operators which Buyers or New Operators designate in writing to be assumed and assigned to Buyers or New Operators, as applicable, as pursuant to section 365 of the Bankruptcy Code and the terms of the PSA, OTA, and Sale Order, including, without limitation, the Resident Agreements and Provider Agreements (each as defined in the OTA).

"Avoidance Actions" means causes of action arising under Bankruptcy Code sections 502, 510, 541, 544, 545, 547, 548, 549, 550, 551, or 553, or under related state or federal statutes and common law, including, without limitation, fraudulent transfer laws, whether or not litigation is commenced to prosecute such causes of action.

"Bid Deadline" means 5:00 p.m. E.S.T. July 12, 2024, or such other date as is set by Order of the Bankruptcy Court.

"Bidding Procedures Order" means an Order of the Bankruptcy Court, the proposed form of which shall be included with the Sale Motion following approval by Sellers and Buyers, that contains at least the following: (i) the approval of the PSA and OTA as the stalking horse contract and the Buyers and New Operators as the stalking horse bidders, (ii) the approval of the Bidding Procedures governing the sale and solicitation process and the Auction, the deadlines and dates relating thereto, and the bid protections included therein (including, without limitation, the Termination Fee and the Expense Reimbursement), and (iii) setting a date for the Sale Hearing as soon as possible following the Auction, if there are other Qualifying Bidders, or following the end of the Bidding Solicitation Period, if there are no other Qualifying bidders, to confirm the Auction results, if applicable, and enter the Sale Order.

"Bidding Solicitation Period" means the time period running from the date of the filing of the Sale Motion until the Bid Deadline, or such other time period as is set by Order of the Bankruptcy Court.

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

"Contracts" shall mean all executory contracts, agreements, leases, commitments and arrangements (whether written or oral), including all service contracts, maintenance contracts and consulting agreements, and all of any Seller's or Operator's duties, obligations, covenants, promises, rights and privileges therein or thereunder to which any Seller or Operator or its respective predecessors or agents is a party and which relate to the Facilities (or any one of the Facilities) and the operations thereof.

"Cure Costs" shall mean all costs required to be paid pursuant to Section 365 of the Bankruptcy Code in connection with the assumption and assignment of the Assumed Contracts including the cost of obtaining consents in respect of the Assumed Contracts.

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

"Expense Reimbursement" means all reasonable fees and expenses incurred by Buyers, including, without limitation, professional fees and out-of-pocket fees, costs and expenses of Buyers incurred in connection with the due diligence, preparation, negotiation, execution, delivery and performance of the Transaction Documents; provided the total Expense Reimbursement shall be capped at $300,000.00. The obligations of the Debtors to pay the Expense Reimbursement (i) shall be entitled to super-priority administrative expense claim status under Sections 503 and 507 of the Bankruptcy Code (provided, however, except in the event of the closing of an Alternative Transaction, such claims shall not come ahead of the Carve Out as defined in the CIBC DIP Loan facility), (ii) shall not be subordinate to any other administrative expense claim against the Debtors, and (iii) shall survive the termination of any Transaction Documents.

"Final Order" means an Order that is unstayed and in effect and as to which (i) the time to appeal, petition for certiorari or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari or other proceedings for reargument or rehearing shall then

be pending, or (ii) if an appeal, writ of certiorari, reargument or rehearing thereof has been filed or sought, such Order shall have been affirmed by the highest court to which such Order was appealed, or certiorari shall have been denied or reargument or rehearing shall have been denied or resulted in no modification of such Order, and the time to take any further appeal, petition for certiorari or move for reargument or rehearing shall have expired.

"Governmental Authority" means any U.S. federal, state or local or any supra-national, territorial or non-U.S. government, political subdivision, governmental, regulatory or administrative authority, instrumentality, agency, body or commission, self-regulatory organization or any court, tribunal, or judicial or arbitral (public or private) body.

"Liabilities" means any liability, debt, guarantee, claim, demand, expense, commitment, damages, assurances or obligation (whether direct or indirect, fixed, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due) of every kind and description, including all costs and expenses related thereto.

"Order" means any order, writ, judgment, injunction, temporary restraining order, decree, stipulation, determination, settlement or award entered by or with any Governmental Authority.

"OTA" means the Operations Transfer Agreement entered into by Operators, Manager, and New Operators dated May 17, 2024, as may be amended by the parties pursuant to the terms therein, and pursuant to which the Operators will transfer the operations of and certain assets related to the Facilities to the New Operators.

"PSA" means the Contract of Sale entered into by Sellers and Buyers dated May 17, 2024, as may be amended by the parties pursuant to the terms therein, pursuant to which Buyers will purchase from Sellers certain real and personal property on the terms more specifically set forth therein.

"Sale Motion" means the motion or motions of the Debtors, in form and substance approved by Sellers, Operators, Buyers, and New Operators seeking (i) approval and entry of the Bidding Procedures Order on an expedited basis, (ii) the scheduling of the Auction (if there are other qualifying bidders) and the Sale Hearing, (iii) the entry of the Sale Order following the Auction, if there are other qualifying bidders, or following the end of the Bidding Solicitation Period, if there are no other qualifying bidders, and (iv) any other relief necessary to consummate the Transactions.

"Sale Order" means an Order of the Bankruptcy Court, the proposed form of which shall be submitted to the Bankruptcy Court following approval by Sellers, Operators, Buyers, and New Operators, and that contains at least the following: (i) authorization and approval of (a) the PSA, the OTA and the other Transaction Documents, and the consummation of the Transactions on the terms and conditions set forth therein, and (b) the assumption and assignment of the Assumed Contracts to the Buyers or New Operators, as applicable, and (ii) findings of fact, conclusions of law and ordering provisions that (a) the consummation of the Transactions contemplated by the Transaction Documents, on the terms and conditions set forth therein are

legal, valid, and properly authorized under all applicable provisions of the Bankruptcy Code, including, without limitation, sections 105(a), 363(b), 363(f), 363(m), 363(n), 365(b) and 365(f), and all of the applicable requirements of such sections have been complied with in respect of the Transactions, (b) pursuant to section 105(a) and 363(f) of the Bankruptcy Code, the sale of the Purchased Assets to Buyers, New Operators, or their designee(s) shall be free and clear of any Claims or Encumbrances other than the Permitted Encumbrances and Assumed Liabilities (as defined in the OTA), (c) Buyers, New Operators, and any designee(s) of Buyers or New Operators are purchasers of the Purchased Assets in "good faith" pursuant to section 363(m) of the Bankruptcy Code, (d) the Debtors, the Buyers, affiliate of Buyers, any designee of Buyers, the New Operators, any affiliates of New Operators, and any designee of New Operators, did not engage in any conduct which would allow any Transaction Documents or Transactions to be set aside pursuant to section 363(m) of the Bankruptcy Code, (e) none of the Debtors, the Buyers, any affiliate of Buyers, nor any designee of Buyers, or the New Operators, any affiliates of New Operators, nor any designee of New Operators, engaged in any conduct that would cause or permit the Transaction Documents or Transactions to be avoided or costs and damages to be imposed against Buyers, their affiliates, or designees under section 363(n) of the Bankruptcy Code; (f) none of the Buyers, any affiliate of Buyers, nor any designee of Buyers, or the New Operators, any affiliates of New Operators, nor any designee of New Operators are a successor to Sellers, Operators, or the bankruptcy estate(s) of Debtors by reason of any theory of law or equity, and none of the Buyers, any affiliate of Buyers, nor any designee of Buyers, or the New Operators, any affiliates of New Operators, nor any designee of New Operators shall assume or in any way be responsible for any liability of Sellers or the bankruptcy estate(s) of the Debtors, except as otherwise expressly provided in the Transaction Documents, (g) the form of notice of the Sale Motion and any hearing thereon was proper, adequate, and reasonable under the circumstances and no further notice to any party, including any creditors of the Sellers, Operators, or Debtors, is necessary for purposes of authorizing the free and clear sale of the Purchased Assets to Buyers and New Operators pursuant to the Bankruptcy Code or other applicable law, (h) the form of notice to counterparties of any Assumed Contracts was proper, adequate, and reasonable under the circumstances and no further notice to any such contract counterparty is necessary, (i) each of the counterparties to the Assumed Contracts was given adequate notice of the Sellers' and Operators' proposed assumption thereof and the terms of such assumption, and (j) the final amount of Cure Costs under the Bankruptcy Code and applicable law for each of the Assumed Contracts other than with respect to any Disputed Contract that may be resolved pursuant to the procedures set forth in the Transaction Documents or Bidding Procedures Order.

"Sale Order Hearing" means the hearing following the Auction, if there are other qualifying bidders, or following the end of the Bidding Solicitation Period, if there are no other qualifying bidders, seeking approval of the Successful Bidder and entry of the Sale Order.

"Termination Fee" means the amount of $1,325,000.00 to be paid to Buyers upon the closing of an Alternative Transaction as a bid protection and in consideration of Buyers' and New Operators' willingness to enter into the PSA and OTA and serve as the stalking horse for the Debtors pursuant to the terms and conditions herein and the significant efforts expended by Buyers in connection with the possible acquisition of the Purchased Assets that will be marketed to other competing bidders despite the Agreement. The obligations of the Debtors to pay the Termination Fee (i) shall be entitled to super-priority administrative expense claim status under Sections 503

and 507 of the Bankruptcy Code, (ii) shall not be subordinate to any other administrative expense claim against the Debtors, and (iii) shall survive the termination of any Transaction Documents.

"Transactions" means the transactions contemplated by the PSA, OTA, and the other Transaction Documents.

"Transaction Documents" means the PSA, the OTA, the Bill of Sale, the Deeds, and any other agreements, instruments or documents required to be delivered at the Closing or pursuant to the PSA or OTA, in each case, including all exhibits and schedules thereto and all amendments thereto made in accordance with the respective terms thereof.

**EXHIBIT C**

**INTENTIONALLY OMITTED**

**EXHIBIT 3.3(C)**

**BILL OF SALE**

**EXHIBIT 3.3(D)**

**BRING DOWN CERTIFICATE**

This Certificate is delivered pursuant to the Contract of Sale ("Agreement"), dated as of _____, 2024, between Greenville Property Management LLC, Harmony Property Management, LLC, Irwin Property Management, LLC, Latrobe Property Management, LLC, New Castle Property Management, LLC, New Wilmington Property Management, LLC, Washington Property Management, LLC, [•], LLC and [•], LLC, each a Pennsylvania limited liability company (each, a "Buyer" and, collectively, the "Buyers"), and Maybrook-C Whitecliff Propco, LLC, Maybrook-C Overlook Propco, LLC, Maybrook-C Briarcliff Propco, LLC, Maybrook-C Silver Oaks Propco, LLC, Maybrook-C Kade Propco, LLC, Maybrook-C Evergreen Propco, LLC, Maybrook-C Latrobe Propco, LLC, 3876 Saxonburg Boulevard Propco, LLC, and 100 Tandem Village Road Propco, LLC each a Delaware limited liability company (each, a "Seller" and, collectively, the "Sellers").

The undersigned, _____, does hereby certify that the undersigned is the [title] of [Buyers/Sellers] and is authorized to execute this Certificate, that the representations and warranties made by [Buyers/Sellers] in the Agreement are true and correct in all material respects as of [Closing Date]; and that the covenants to be performed by [Buyers/Sellers] pursuant to the Agreement have been performed and complied with in all material respects as of [Closing Date]. The [Buyers/Sellers] may rely upon this certificate.

**{Remainder of Page Left Intentionally Blank}**

**SELLERS:**

Maybrook-C Whitecliff Propco, LLC
Maybrook-C Overlook Propco, LLC
Maybrook-C Briarcliff Propco, LLC
Maybrook-C Silver Oaks Propco, LLC
Maybrook-C Kade Propco, LLC
Maybrook-C Evergreen Propco, LLC
Maybrook-C Latrobe Propco, LLC
3876 Saxonburg Boulevard Propco, LLC, and
100 Tandem Village Road Propco, LLC
each a Delaware limited liability company

By:_____
Name: Louis E. Robichaux, IV
Title: Chief Restructuring Officer

**BUYERS:**

Greenville Property Management LLC,
Harmony Property Management, LLC,
Irwin Property Management, LLC,
Latrobe Property Management, LLC,
New Castle Property Management, LLC,
New Wilmington Property Management, LLC,
Washington Property Management, LLC
Cheswick Property Management, LLC, and
North Strabane Property Management, LLC
each a Pennsylvania limited liability company

By:_____
Name:_____
Title:_____

# FIRST AMENDMENT TO CONTRACT OF SALE

THIS FIRST AMENDMENT TO CONTRACT (this "First Amendment") is made and entered into and effective as of September 18, 2024 (the "Effective Date") by and between Greenville Property Management LLC, Harmony Property Management, LLC, Irwin Property Management, LLC, Latrobe Property Management, LLC, New Castle Property Management, LLC, New Wilmington Property Management, LLC, Washington Property Management, LLC, Cheswick Property Management, LLC, LLC and North Strabane Property Management, LLC, each a Pennsylvania limited liability company (each, a "Buyer" and, collectively, the "Buyers"), and Maybrook-C Whitecliff Propco, LLC, Maybrook-C Overlook Propco, LLC, Maybrook-C Briarcliff Propco, LLC, Maybrook-C Silver Oaks Propco, LLC, Maybrook-C Kade Propco, LLC, Maybrook-C Evergreen Propco, LLC, Maybrook-C Latrobe Propco, LLC, 3876 Saxonburg Boulevard Propco, LLC, and 100 Tandem Village Road Propco, LLC each a Delaware limited liability company (each, a "Seller" and, collectively, the "Sellers").

## RECITALS

A. Sellers and Buyers entered into that certain Contract of Sale dated May 17, 2024 (the "Agreement"; *all capitalized terms used but not otherwise defined herein shall have the meanings ascribed such terms in the Agreement*), pursuant to which Sellers agreed to sell and Purchaser agreed to purchase the Property pursuant to the terms and conditions therein.

B. Sellers and Buyer desire to amend and modify the Agreement in accordance with the terms and conditions contained in this First Amendment.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Sellers and Buyers agree as follows:

1. Amendments.

a. Section 9.1(b) of the Agreement is hereby amended by deleting "September 16, 2024" and replacing the same with "October 28, 2024".

b. Section 9.1(e) of the Agreement is hereby amended by deleting "August 7, 2024" and replacing the same with "October 1, 2024".

c. Notwithstanding anything to the contrary in the Agreement or the OTA, including, without limitation, Article 9 of the Agreement, Buyers and Sellers agree that in the event the Agreement is terminated by Buyers or Sellers, or Closing does not occur, as a result of New Operators' failure to receive License Confirmation (as said term is defined in the OTA), Buyers shall be entitled to an immediate return of the Deposit.

d. Exhibit A-9 of the Agreement is hereby deleted in its entirety and replaced with the following:

A-9:

**North Strabane Rehab and Wellness**
**100 Tandem Village Road, Canonsburg, PA 15317**

Lot 1 Legal Description

ALL THAT CERTAIN parcel or tract of land situate in the Township of North Strabane, County of Washington and Commonwealth of Pennsylvania, being known as Lot 1 of the Tandem Village Road Plan of Lots recorded as Instrument No. 202413005 in the Washington County, PA Recorder of Deeds Office and being more particularly bounded and described as follows:

BEGINNING at an iron pin with cap set at the dividing line between Lot 1 & Lot 2 of the aforesaid Tandem Village Road Plan of Lots, said POINT OF BEGINNING also being at the southwest corner of property now or formerly of Brian M. & Andrea L. Carnahan, recorded as Instrument No. 201130134 and the northwest corner of property now or formerly of Patrick L. & Deborah D. Larkin, recorded in Deed Book 2395, Page 632;

THENCE from said POINT OF BEGINNING and following the dividing line between Lots 1 & 2 for the following two (2) courses and distances:

1) S 71°31'00" W, a distance of 480.00 feet to an iron pin with cap set;
2) S 32°33'41" W, a distance of 263.14 feet to an iron pin with cap set on the easterly line of property now or formerly of Theodore D. Hervol, recorded as Instrument No. 199724861;

THENCE leaving the dividing line between Lots 1 & 2 and following the easterly line of Hervol, N 14°36'21" W, a distance of 390.23 feet to an iron pin with cap set at the southeast corner of property now or formerly of Alfed G. & Jan R. Cerminara, recorded as Instrument No. 201105576;

THENCE following the easterly line of Cerminara, N 16°49'17" W, a distance of 124.20 feet to an iron pin with cap set at the southwest corner of Lot 1A of the Grandvue Plan of Lots, Phase 1, recorded in Plan Book 30, Pages 69-70;

THENCE following the southerly lines of Lots 1A, 2A, 3, 4, 5, 6, 7, 8, 9 & 10 of the Grandvue Plan of Lots, N 71°05'39" E, a distance of 836.16 feet to an iron pin with cap set on the westerly right-of-way line of Linden Creek Road (50' right-of-way Width);

THENCE following the westerly right-of-way line of Linden Creek Road, S 29°54'23" E, a distance of 111.25 feet to an iron pin with cap set at the northeast corner of property now or formerly of Brian M. & Andrea L. Carnahan, recorded as Instrument No. 201130134;

THENCE following the northerly line of Carnahan, S 60°05'37" W, a distance of 248.06 feet to an iron pin with cap set at the northwest corner of Carnahan;

THENCE following the westerly line of Carnahan, S 29°54'23" E, a distance of 200.00 feet to the POINT OF BEGINNING.

CONTAINING within said bounds a total of 6.179 acres or 269,167.78 square feet of land.

2. Ratification. Except as expressly modified and amended by this First Amendment, the Agreement has not been modified or amended, is hereby ratified and confirmed by Sellers and Buyers, and is subject to each of the terms, provisions and conditions thereof, as amended hereby, and is hereby declared by Sellers and Buyers to be in full force and effect. To the extent of any inconsistency between the Agreement and this First Amendment, the terms of this First Amendment shall control. All references to the Agreement in any document relating to the transaction contemplated by the Agreement shall refer to the Agreement as amended hereby.

3. Authority. The persons executing this First Amendment on behalf of the parties certify they have been duly authorized to do so, and such authority has not been rescinded or modified in any respect.

4. Counterparts. This First Amendment may be executed in counterparts, in which case all such counterparts taken together shall constitute one and the same instrument which is binding upon the parties hereto, notwithstanding that all of the parties are not signatories to the original or the same counterpart. The delivery of counterpart signatures by facsimile or other electronic (email/pdf) transmission shall have the same force and effect as the delivery of a signed hard copy.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this First Amendment as of the date first written above.

**SELLERS:**

Maybrook-C Whitecliff Propco, LLC
Maybrook-C Overlook Propco, LLC
Maybrook-C Briarcliff Propco, LLC
Maybrook-C Silver Oaks Propco, LLC
Maybrook-C Kade Propco, LLC
Maybrook-C Evergreen Propco, LLC
Maybrook-C Latrobe Propco, LLC
3876 Saxonburg Boulevard Propco, LLC, and
100 Tandem Village Road Propco, LLC
each a Delaware limited liability company

By:_____
Name: Louis E. Robichaux, IV
Title: Chief Restructuring Officer

**BUYERS:**

Greenville Property Management LLC,
Harmony Property Management, LLC,
Irwin Property Management, LLC,
Latrobe Property Management, LLC,
New Castle Property Management, LLC,
New Wilmington Property Management, LLC,
Washington Property Management, LLC
Cheswick Property Management, LLC, and
North Strabane Property Management, LLC
each a Pennsylvania limited liability company

By:_____
Name:_____
Title:_____

IN WITNESS WHEREOF, the parties have executed this First Amendment as of the date first written above.

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By:_____
Name: Louis E. Robichaux, IV
Title: Chief Restructuring Officer

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Latrobe Property Management, LLC,
New Castle Property Management, LLC,
New Wilmington Property Management, LLC,
Washington Property Management, LLC
Cheswick Property Management, LLC, and
North Strabane Property Management, LLC
each a Pennsylvania limited liability company

By:_____
Name: DANIEL Moore
Title: PRINCIPAL

**Joinder of Deposit Agent**

The undersigned, as "Deposit Agent", joins in the execution of this Agreement solely for the purpose of acknowledging and agreeing to the terms related to the Deposit.

Omni Agent Solutions, Inc.

By:
Name: Brian Osborne
Title: CEO / President

# Notice Recipients

| | | |
|---|---|---|
| District/Off: 0315−2 | User: auto | Date Created: 9/30/2024 |
| Case: 24−21217−CMB | Form ID: pdf900 | Total: 1 |

**Recipients submitted to the BNC (Bankruptcy Noticing Center):**

| | | | | |
|---|---|---|---|---|
| db | South Hills Operations, LLC | 485 Lexington Avenue | 10th Floor | New York, NY 10017 |

TOTAL: 1