



CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed October 4, 2018


United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re: § Chapter 11
§
4 West Holdings, Inc. *et al.*,¹ § Case No. 18-30777 (HDH)
§
Debtors. § (Jointly Administered)

ORDER AUTHORIZING AND APPROVING (A) THE SALE OF CERTAIN ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES, (B) PROCEDURES TO ASSUME AND ASSIGN EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (C) RELATED RELIEF

This matter is before the Court on the Debtors' motion (the "Motion")² for, *inter alia*, entry of an order authorizing and approving that certain Asset Purchase Agreement (the

¹ A list of the Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, is attached to the Motion as Exhibit A.

“Agreement”), a copy of which is attached hereto as Exhibit A, between the entities listed as “Seller” on Schedule I of the Agreement (the “Debtors”) and SC-GA 2018 Partners, LLC (the “Purchaser”) ³, and, in connection therewith, authorizing and approving the sale (the “Sale”) of certain assets (the “Transferred Assets”) of the Debtors, ⁴ free and clear of all claims and any other interests, liens, mortgages, pledges, security interests, rights of first refusal, obligations, and encumbrances of any kind whatsoever, and the assumption and assignment of certain leases and/or executory contracts, pursuant to the terms and conditions set forth in the Agreement, and granting certain related relief, and the Court having previously entered an order on May 14, 2018 approving bidding and auction procedures with respect to the Transferred Assets [Docket No. 377] (the “Bid Procedures Order”), and the Court having held a hearing regarding the Motion on September 17-19, 2018 (the “Hearing”); and it appearing that the Court has jurisdiction over this matter; and it further appearing that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and after due deliberation; and good and sufficient cause appearing,

THE COURT HEREBY FINDS AND DETERMINES THAT:⁵

² Unless otherwise defined in this Order, all capitalized terms shall have the meanings provided in the Agreement and the Motion, and to the extent of any inconsistency between the Agreement and the Motion, the Agreement shall govern.

³ To the extent the Purchaser assigns any of its rights under the Agreement, in whole or in part, to one or more designees or assignees, any such designee or assignee shall be deemed to be a “Purchaser” as and to the extent of such assignment and thereby entitled to all of the benefits and protections afforded hereunder.

⁴ For the avoidance of doubt, Transferred Assets shall not include any property owned by Healthcare Services Group, Inc. (“HSG”) including property owned by HSG that is located at a facility owned or leased by any Debtor.

⁵ These findings and conclusions 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. All findings of fact and conclusions of law announced by the Court at the Hearing in relation to the Motion are hereby incorporated herein to the extent not inconsistent herewith. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

Jurisdiction, Final Order, and Statutory Predicates

A. This Court has jurisdiction to hear and determine the Motion pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

B. The statutory predicates for the relief requested in the Motion are sections 105(a), 363 and 365 of the Bankruptcy Code, Bankruptcy Rules 2002(a)(2), 6004, 6006, 9006, 9007, 9014 and 9019.

C. This Order constitutes a final order within the meaning of 28 U.S.C. § 158(a). Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), and to any extent necessary under Bankruptcy Rule 9014 and Federal Rule of Civil Procedure 54(b), as made applicable by Bankruptcy Rule 7054, the Court expressly finds that there is no just reason for delay in the implementation of this Order.

Notice of the Sale

D. Actual written notice of the Motion was provided to (a) U.S. Trustee; (b) the Office of the Attorney General of the states in which the Debtors operate Facilities; (c) the 40 largest unsecured creditors on a consolidated basis; (d) counsel for the Committee; (e) counsel to OHI Asset RO, LLC and the DIP Lender; (f) counsel to the Purchaser; (g) counsel to Sentosa; (h) the Internal Revenue Service; (i) the Department of Medicaid, Department of Health, and Division of Health Services Regulation in each state in which the Debtors operate facilities; (j) the taxing authorities in the states where the facilities within the Restructuring Portfolio are located; (k) any known party holding a lien or any other interest in the Transferred Assets; and

(l) those parties who have requested notice pursuant to Bankruptcy Rule 2002 (collectively, the “Notice Parties”).⁶

E. The notice was reasonably calculated to provide all interested parties with timely and proper notice of the Sale and the Hearing.

F. As evidenced by the certificates of service previously filed with the Court, proper, timely, adequate, and sufficient notice of the Motion, the Agreement and the transactions contemplated thereby, and the Hearing, have been provided in accordance with sections 105(a), 363, and 365 of the Bankruptcy Code, and Bankruptcy Rules 2002, 6004, 6006, 9007, and 9019. The notices described above were good, sufficient, and appropriate under the circumstances, and no other or further notice of the Motion or the Hearing is or shall be required.

G. The disclosures made by the Debtors concerning the Motion, the Agreement, the Sale, and the Hearing were good, complete, and adequate.

H. A reasonable opportunity to object and be heard with respect to the Sale and the Motion and the relief requested therein (including the assumption and assignment of the Assumed Agreements), has been afforded to all interested persons and entities, including, but not necessarily limited to, the Notice Parties.

Good Faith of Purchaser

I. The Agreement was negotiated, proposed, and entered into by the Debtors and the Purchaser without collusion, in good faith, and from arm’s-length bargaining positions.

⁶ On August 13, 2018, the Debtors filed the *Notice of Hearing on Debtors’ Motion for an Order Authorizing and Approving (A) the Sale of Certain Assets Free and Clear of All Liens, Claims, Interests, and Encumbrances, (B) Procedures to Assume and Assign Executory Contracts and Unexpired Leases, and (C) Related Relief* [Docket No. 829] (the “Notice”), which provided notice of the Motion, hearing date, objection deadline and a link to the Debtors’ case website whereby parties could obtain a free copy of the Motion and any other pleading filed in these chapter 11 cases. The Notice was served on all creditors. See Certificate of Service [Docket No. 949].

J. Neither the Debtors nor the Purchaser has engaged in any conduct that would cause or permit the Agreement or the Sale to be avoided under section 363(n) of the Bankruptcy Code.

K. The Purchaser is purchasing the Transferred Assets in good faith and is a good faith buyer within the meaning of section 363(m) of the Bankruptcy Code, and is therefore entitled to all of the protections afforded by that provision, and otherwise has proceeded in good faith in all respects in connection with these cases in that, *inter alia*: (a) the Purchaser recognized that the Debtors were free to deal with any other party interested in acquiring any or all of the Transferred Assets; (b) the Purchaser complied with the provisions in the Bidding Procedures Order; (c) the Purchaser agreed to subject its bid to the competitive bidding procedures set forth in the Bidding Procedures Order; (d) all payments to be made by the Purchaser and other agreements or arrangements entered into by the Purchaser in connection with the Sale have been disclosed; (e) the Purchaser has not violated section 363(n) of the Bankruptcy Code by any action or inaction; and (f) and the negotiation and execution of the Agreement and any other agreements or instruments related thereto were at arms' length and in good faith.

Highest and Best Offer

L. The Debtors marketed the Transferred Assets and conducted the Auction in accordance with the Bid Procedures Order. Prior to selecting the Purchaser as the successful bidder, the Debtors solicited offers to acquire the Transferred Assets from a wide variety of parties. In doing so, the Debtors afforded potential bidders confidential due diligence access to provide any such bidders an opportunity to submit a Qualified Bid. Other than the Purchaser's Stalking Horse Bid, the Debtors received one bid from Sentosa and following certain modifications, deemed it a Qualified Bid. The Debtors conducted an auction on June 19, 2018 (the "Auction"). Following multiple rounds of bidding, the Debtors selected the Purchaser as the

successful bidder and Sentosa as the Back-Up Bidder. On June 21, 2018, the Debtors filed the *Notice of Successful Bidder* [Docket No. 605].

M. Following the Court's July 9, 2018 ruling on the Debtors' Expedited Motion for an Order Interpreting Certain Provisions of the Third Amended Chapter 11 Plan [Docket No. 680] and Omega's issuance of a letter purporting to terminate the Restructuring Support Agreement that previously approved by the Court [Docket No. 506], the Debtors negotiated with the Purchaser to preserve the material economic terms of the transaction embodied in the Stock Purchase Agreement and convert that transaction into the form of the Agreement such that it could be effectuated outside of a chapter 11 plan and under section 363 of the Bankruptcy Code.

N. The Bid Procedures were designed to obtain the highest value for the Transferred Assets for the Debtors and their estates, and the Agreement constitutes the highest and best offer received by the Debtors and their estates for the Transferred Assets, and the Agreement constitutes the highest and best offer for the Transferred Assets.

O. The Agreement represents a fair and reasonable offer to purchase the Transferred Assets under the circumstances of these chapter 11 cases. The Agreement will provide a greater benefit to the Debtors and their estates than would be provided by any other reasonably available alternative. The Debtors' determination that the Agreement constitutes the highest and best offer for the Transferred Assets constitutes a valid and sound exercise of the Debtors' business judgment. Approval of the Sale Motion and the Agreement and each of its exhibits, and the consummation of the transactions contemplated thereby is in the best interests of the Debtors, their creditors, their estates and other parties in interest.

P. The Debtors have demonstrated compelling circumstances and a good, sufficient, and sound business purpose and justification for the sale of the Transferred Assets to the Purchaser prior to confirmation of a chapter 11 plan.

No Fraudulent Transfer

Q. The consideration provided by the Purchaser pursuant to the Agreement (i) is fair and reasonable, (ii) is the highest and/or best offer for the Transferred Assets, and (iii) constitutes reasonably equivalent value (as those terms are defined in each of the Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, and section 548 of the Bankruptcy Code) and fair consideration under the Bankruptcy Code and under the laws of the United States, any State, territory, or possession, or the District of Columbia. No other person or entity or group of entities has offered to purchase the Transferred Assets for greater value to the Debtors and their estates than the Purchaser. Approval of the Motion, the Sale and the Agreement, and the consummation of the transactions contemplated thereby, are in the best interest of the Debtors and their estates.

R. The Purchaser is not a mere continuation of the Debtors or their estates and no continuity of enterprise exists between the Purchaser and the Debtors or their estates. The Purchaser is not holding itself out to the public as a continuation of the Debtors or their estates. The Purchaser is not a successor to the Debtors or their estates and the Sale does not amount to a consolidation, merger, or de facto merger of the Purchaser and the Debtors or their estate.

Validity of Transfer

S. The Debtors (i) have full corporate power and authority to execute and deliver the Agreement and all other documents contemplated thereby, (ii) has all of the necessary corporate power and authority to consummate the transactions contemplated by the Agreement, including, without limitation, the Sale and the assumption and assignment of the Assumed Agreements,

which, for purposes of this Order, includes all agreements identified to date and all agreements identified in the future if assumed and assigned pursuant to the Assumption and Assignment Procedures set forth in the Motion, (iii) has taken all corporate action necessary to authorize and approve the Agreement and the consummation by the Debtors of the transactions contemplated thereby, including, without limitation, the Sale and the assumption and assignment of the Assumed Agreements, and (iv) subject to the entry of this Order, needs no consents or approvals, other than those expressly set forth in the Agreement, to consummate the transactions contemplated thereby, including, without limitation, the Sale and the assumption and assignment of the Assumed Agreements.

T. The Transferred Assets constitute property of the Debtors' estates, and good title thereto is vested in the Debtors' estate within the meaning of section 541(a) of the Bankruptcy Code. The Debtors are the sole and lawful owner of the Transferred Assets, and no other person has any ownership right, title, or interest therein.

U. The Agreement was not entered into for the purpose of hindering, delaying, or defrauding creditors under the Bankruptcy Code or under the laws of the United States, any State, territory, or possession, or the District of Columbia. Neither the Debtors nor the Purchaser are entering into the transactions contemplated by the Agreement fraudulently for purposes of statutory and/or common law fraudulent conveyance and fraudulent transfer laws.

V. Subject to section 363(f) of the Bankruptcy Code, the transfer of the Transferred Assets to the Purchaser will be, as of the Closing Date, a legal, valid, and effective transfer of the Transferred Assets, which transfer vests or will vest the Purchaser with all right, title, and interest of the Debtors and their estates to the Transferred Assets free and clear of: (a) all liens and encumbrances (collectively, "Liens"), and (b) all claims (as that term is defined in Section

101(5) of the Bankruptcy Code), liabilities, obligations, demands, guaranties, options, rights, contractual commitments, restrictions, interests, and matters of any kind and nature, whether arising prior to or subsequent to the Petition Date, and whether imposed by agreement, understanding, law, equity, or otherwise (including, without limitation, rights with respect to Claims and Liens (i) that purport to give to any party a right of setoff or recoupment against, or a right or option to effect any forfeiture, modification, profit sharing interest, right of first refusal, purchase or repurchase right or option, or termination of, any of the Debtors' or the Purchaser's interests in the Transferred Assets, or any similar rights, or (ii) in respect of taxes, restrictions, rights of first refusal, charges of interests of any kind or nature, if any, including, without limitation, any restriction of use, voting, transfer, receipt of income, or other exercise of any attributes of ownership) (collectively, as defined in this clause (b), the "Claims").

W. Pursuant to section 1146(c), the execution, delivery and/or recordation of any and all documents or instruments necessary or desirable to consummate the transactions contemplated by the Agreement and the transfer of the Transferred Assets to the Purchaser pursuant thereto shall be, and hereby is, exempt from the imposition and payment of any and all recording, transfer, sales and use, stamp and other similar taxes.

Section 363(f) is Satisfied

X. The conditions of section 363(f) of the Bankruptcy Code have been satisfied in full; therefore, the Debtors may sell the Transferred Assets to the Purchaser free and clear of any Liens, Claims and interests in and against the property.

Y. The Purchaser would not have entered into the Agreement, and would not consummate the transactions contemplated thereby, if the sale of the Transferred Assets to the Purchaser were not free and clear of all Liens and Claims. The Purchaser shall not be

responsible for any Liens or Claims other than Liabilities which have been expressly assumed by the Purchaser pursuant to the Agreement.

Z. The Debtors may sell the Transferred Assets free and clear of all Liens and Claims against its estate and/or any of the Transferred Assets because, in each case, one or more of the standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code have been satisfied. Those holders of Liens or Claims against the estate or any of the Transferred Assets who did not object, or who withdrew their objections, to the Sale or the Motion are deemed to have consented to the Sale pursuant to section 363(f)(2) of the Bankruptcy Code. All other holders of Liens or Claims are adequately protected by having their Liens or Claims, if any, in each instance against the Debtors' estates or any of the Transferred Assets, attach to the gross proceeds of the Sale ultimately attributable to the particular Transferred Assets in which such creditor alleges a Lien or Claim, in the same order of priority, with the same validity, force and effect that such Lien or Claim had prior to the Sale, subject to any claims and defenses that the Debtors' estates may possess with respect thereto.

Cure/Adequate Protection

AA. The assumption and assignment of the Assumed Agreements is integral to the Agreement, is in the best interest of the Debtors, their estates and their creditors, and represents a reasonable exercise of sound and prudent judgment by the Debtors. For all Assumed Agreements, which, for purposes of this Order, includes all agreements identified to date and all agreements identified in the future if assumed and assigned pursuant to the Assumption and Assignment Procedures set forth in the Motion (which does not yet include the Laurel Baye Lease), the Purchaser's promise to perform the obligations under the Assumed Agreements after the Closing Date shall constitute adequate assurance of future performance within the meaning of section 365(f)(2)(B) of the Bankruptcy Code.

BB. Any objections to the assumption and assignment of the Assumed Agreements are hereby overruled.

Compelling Circumstances for a Prompt Sale

CC. Good and sufficient reasons for approval of the Agreement and the Sale have been articulated. The relief requested in the Motion is in the best interest of the Debtors and their estates. The Debtors have demonstrated both (i) good, sufficient, and sound business purposes and justifications, and (ii) compelling circumstances for the Sale other than in the ordinary course of business, pursuant to section 363(b) of the Bankruptcy Code in that, among other things, the prompt consummation of the Sale to the Purchaser is necessary and appropriate to maximize the value of the Transferred Assets. Time is of the essence in consummating the Sale and the transactions contemplated in the Agreement.

DD. Given all of the circumstances of the Debtors' bankruptcy cases and the adequacy and fair value of the Purchase Price under the Agreement, the proposed Sale of the Transferred Assets to the Purchaser constitutes a reasonable and sound exercise of the Debtors' business judgment and should be approved.

EE. The Sale does not constitute a *de facto* or *sub rosa* plan of reorganization or liquidation because it does not propose to (i) impair or restructure existing debt of, or equity interests in, the Debtors, (ii) impair or circumvent voting rights with respect to any plan proposed by the Debtors, (iii) circumvent chapter 11 safeguards, including those set forth in sections 1125 and 1129 of the Bankruptcy Code, or (iv) classify claims or equity interests.

FF. The consummation of the Sale and the assumption and assignment of the Assumed Agreements is 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), and

365, and all of the applicable requirements of such sections have been complied with in respect of the Sale.

Rule 9019 Satisfied

GG. The Transferred Assets include the Debtors' claims against, or a release of such claims against, the Purchaser and its affiliates which includes certain insiders of the Debtors. Good and sufficient reasons have been articulated by the Debtors for the releases provided by the Debtors under the Agreement. The claims being released were subject to a market test as set forth in the Bid Procedures Order, and no party submitted a higher or better bid at the Auction than Purchaser's bid as reflected in the Agreement.

HH. The releases provided by the Debtors in connection with the Agreement are fair, equitable and within the range of reasonableness required by Bankruptcy Rule 9019. The releases are (i) for adequate consideration, (ii) supported by sound business reasons, and (iii) a proper exercise of the Debtors' business judgment.

**NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND
DECREED THAT:**

General Provisions

1. The relief requested in the Motion is granted and approved as set forth herein, and the Sale contemplated in the Motion is approved.
2. The record of these cases, including the Court's findings of fact and conclusions of law, set forth in the Bidding Procedures Order, are incorporated herein by reference and the Court takes judicial notice of the record.
3. All objections to the Motion or the relief requested therein that have not been withdrawn, waived, or settled as announced to the Court at the Hearing or by stipulation filed

with the Court, and all reservations of rights included therein, are hereby denied and overruled with prejudice.

Approval of the Agreement

4. The Agreement (and all schedules and exhibits affixed thereto) and all other ancillary documents, all of the terms and conditions thereof, and the transactions contemplated therein are hereby approved and authorized.

5. Pursuant to sections 363(b) and (f) of the Bankruptcy Code, the Debtors are authorized, directed and empowered to take any and all actions necessary or appropriate to: (i) consummate the Sale of the Transferred Assets to the Purchaser pursuant to and in accordance with the terms and conditions of the Agreement and this Order; (ii) close the Sale as contemplated in the Agreement and this Order; and (iii) execute and deliver, perform under, consummate, implement, and close fully the Agreement, including the assumption and assignment to the Purchaser of the Assumed Agreements, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Agreement and the Sale.

6. This Order and the Agreement shall be binding in all respects upon the Debtors, their estates, their affiliates, all successors of the Debtors and their estates (including any trustee, receiver, receiver-manager, interim receiver or monitor, or similar officer appointed in respect of the Debtors), all creditors of, and holders of equity interests in, the Debtors, any holders of Liens, Claims, or other interests in, against, or on all or any portion of the Transferred Assets (whether known or unknown), the Purchaser and all successors, designees and assigns of the Purchaser, and the Transferred Assets. This Order and the Agreement shall inure to the benefit of the Debtor and their estates and their creditors, the Purchaser, and the respective successors, designees and assigns of each of the foregoing.

Transfer of the Transferred Assets

7. Pursuant to sections 105(a), 363(b), 363(f), and 365 of the Bankruptcy Code, the Debtors are authorized to transfer the Transferred Assets to the Purchaser on the Closing Date and, upon the Closing under the Agreement, such transfer shall constitute a legal, valid, binding, and effective transfer of such Transferred Assets and shall vest the Purchaser with title to the Transferred Assets and, upon the Debtors' receipt of the full Purchase Price, shall be free and clear of all Liens, Claims, and other interests of any kind or nature whatsoever, including but not limited to, successor or successor-in-interest liability and Claims, with all such Liens, Claims or other interests to attach to the proceeds ultimately attributable to the property against or in which such Liens, Claims, or interests are asserted, subject to the terms thereof, with the same validity, force and effect, and in the same order of priority, that such Liens, Claims, or interests now have against the Transferred Assets. Upon the Closing, the Purchaser shall take title to and possession of the Transferred Assets.

8. All persons and entities in possession of some or all of the Transferred Assets on the Closing Date are directed to surrender possession of such Transferred Assets to the Purchaser or its designee or assignee at the Closing. Upon the Closing, the Purchaser shall take title to and possession of the Transferred Assets subject only to the Assumed Liabilities; provided, however, that the Purchaser shall not be relieved of liability with respect to the Assumed Liabilities. On the Closing Date, each of the Debtor's creditors is authorized and directed to execute such documents and take all other actions as may be reasonably necessary to release its Liens, Claims, or other interests in and against the Transferred Assets, if any, as such Liens, Claims, or interests may have been recorded or may otherwise exist.

9. On the Closing Date, this Order shall be construed and shall constitute for any and all purposes a full and complete general assignment, conveyance, and transfer of the Debtors'

interest in the Transferred Assets. Each and every federal, state, and local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Agreement and the Sale.

10. All persons and entities are hereby forever prohibited and enjoined from taking any action that would adversely affect or interfere with the ability of the Debtors to sell and transfer the Transferred Assets and assign the Assumed Agreements to the Purchaser in accordance with the terms of the Agreement and this Order.

11. All persons and entities that are in possession of some or all of the Transferred Assets on the Closing Date are directed to surrender possession of such Transferred Assets to the Purchaser or its assignee at the Closing.

12. A certified copy of this Order may be filed with the appropriate clerk and/or recorded with the recorder to act to cancel any Liens and other encumbrances of record.

13. If any person or entity that has filed statements or other documents or agreements evidencing Liens on, or interests in, all or any portion of the Transferred Assets shall not have delivered to the Debtors prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of liens and easements, and any other documents necessary for the purpose of documenting the release of all Liens, Claims, or other interests that the person or entity has or may assert with respect to all or any portion of the Transferred Assets, the Debtors are hereby authorized and directed, and the Purchaser is hereby authorized, to execute and file such statements, instruments, releases, and other documents on behalf of such person or entity with respect to the Transferred Assets.

14. This Order is and shall be effective as a determination that, on the Closing Date, all Liens, Claims, and/or other interests of any kind or nature whatsoever existing as to the

Transferred Assets prior to the Closing Date, shall have been unconditionally released, discharged, and terminated, and that the conveyances described herein have been effected. This Order is and shall be binding upon and govern the acts of all persons and entities, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register, or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any lease; and each of the foregoing persons and entities is hereby directed to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transactions contemplated by the Agreement and the Sale.

Assumption and Assignment of Assumed Agreements

15. The Assumption and Assignment Procedures set forth in the Motion are hereby approved. The Debtors are hereby authorized and directed in accordance with sections 105(a) and 365 of the Bankruptcy Code to (a) assume and assign to the Purchaser, effective upon the Closing of the Sale, the Assumed Agreements free and clear of all Liens, Claims, and other interests of any kind or nature whatsoever, and (b) execute and deliver to the Purchaser such documents or other instruments as the Purchaser reasonably deems necessary to assign and transfer the Assumed Agreements.

16. The counterparties to the Assumed Agreements (the “Counterparties”) shall look solely to the Purchaser for any amounts payable under the Assumed Agreements from and after the Closing Date.

17. The Assumed Agreements are executory contracts under section 365 of the Bankruptcy Code. The Debtors may assume the Assumed Agreements in accordance with section 365 of the Bankruptcy Code. The Debtors may assign the Assumed Agreements in accordance with sections 363 and 365 of the Bankruptcy Code. Any provisions in the Assumed Agreements that purport to prohibit or condition the assignment of the Assumed Agreements or allow the Counterparties to terminate, recapture, accelerate, impose any penalty, or modify any term or condition upon the assignment of the Assumed Agreements, constitute unenforceable anti-assignment provisions that are void and of no force and effect; all other requirements and conditions under sections 363 and 365 of the Bankruptcy Code for the assumption by the Debtors and assignment to the Purchaser of the Assumed Agreements have been satisfied. The Assumed Agreements shall be transferred and assigned to, and following the closing of the Sale shall remain in full force and effect for the benefit of the Purchaser, notwithstanding any provision in the Assumed Agreements (including those of the type described in sections 365(b)(2) and (f) of the Bankruptcy Code) that purports to prohibit, restrict, or condition such assignment or transfer and, pursuant to section 365(k) of the Bankruptcy Code, the Debtors' estates shall be relieved from any further liability with respect to the Assumed Agreements after such assignment to and assumption by the Purchaser. Upon Closing, in accordance with sections 363 and 365 of the Bankruptcy Code, the Purchaser shall be fully and irrevocably vested in and to all rights and title to the Assumed Agreements.

18. The amounts necessary to cure any defaults existing as of the Closing Date under the Assumed Agreements, if any, are the amounts listed in the Motion or otherwise filed and served by the Debtors, or, if applicable, such other amount(s) upon which the Debtors, the Purchaser, and any of the Counterparties may have agreed or as determined by the Court (the

“Cure Amounts”). The Purchaser shall pay the Cure Amounts at Closing, or at such later time as may be mutually agreed upon by the Purchaser and any of the Counterparties. No other defaults exist under the Assumed Agreements. Upon the Closing, the Counterparties waive, release, and are hereby precluded from asserting any claims against the Debtors, or their estates for any claims arising out of or in connection with the Assumed Agreements. The Purchaser shall pay the Cure Amounts to the Counterparties in full satisfaction of the Counterparties’ claims for defaults that may have arisen under the Assumed Agreements.

19. Pursuant to sections 105(a), 363 and 365 of the Bankruptcy Code, all Counterparties are forever barred and permanently enjoined from raising or asserting against the Debtors, their estates, the Purchaser, or any of their respective successors and assigns any assignment fee, default, breach or claim or pecuniary loss, or condition to assignment, arising under or related to the Assumed Agreements existing as of the Closing Date or arising by reason of the Closing, other than payment of the Cure Amounts.

19A. With respect to the Laurel Baye Lease, by no later than October 4, 2018, the lessors thereto shall file a written election (the “Election”) with this Court as to whether (i) they intend to permit the sale of the subject properties to the Purchaser, or (ii) they do not intend to permit the sale of the subject properties to the Purchaser. Such Election shall also provide, to the extent the Purchaser may seek to have the Laurel Baye Lease assigned to it, the Cure Amount attributable to the Laurel Baye Lease as of the date thereof⁷ and any known objection to the ability of the Purchaser to provide adequate assurance of future performance within the meaning of section 365(f)(2)(B) of the Bankruptcy Code. Thereafter, if the Purchaser still seeks an

⁷ The provision of such Cure Amount shall not preclude the lessors to the Laurel Baye Leases from asserting that such Cure Amount should be paid by the Debtors in conjunction with any assumption of the Laurel Baye Lease prior to the Closing Date, nor preclude the Debtors from disputing such Cure Amount, or asserting that its payment should be deferred to the Closing Date.

assignment of the Laurel Baye Lease, but there is a dispute among the parties as to the Cure Amount, adequate assurance of future performance, or any other matters, the parties should expeditiously meet and confer to determine any discovery and briefing schedule needed to resolve such matters in advance of the Closing Date. Any Election hereunder shall only be for purposes of this Order, and the Sale or any assignment of the Laurel Baye Lease, as the case may be.

Prohibition of Actions against the Purchaser

20. Except as otherwise expressly provided for in this Order or the Agreement, the Purchaser shall not have any liability or other obligation to the Debtors or their estates arising under or related to any of the Transferred Assets. Without limiting the generality of the foregoing, and except as otherwise expressly provided for herein or in the Agreement, the Purchaser shall not be liable for any Claims against the Debtors or their estates, and the Purchaser shall have no successor or vicarious liabilities of any kind or character, including, but not limited to, under any theory of antitrust, environmental, successor or transferee liability, labor law, *de facto* merger, mere continuation, or substantial continuity, whether known or unknown as of the Closing Date, now existing or hereafter arising, whether fixed or contingent, whether asserted or unasserted, whether legal or equitable, whether liquidated or unliquidated.

21. All persons and entities holding Liens, Claims, or other interests of any kind or nature whatsoever against or in all or any portion of the Transferred Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, liquidated or unliquidated, senior or subordinate), hereby are forever barred, estopped, and permanently enjoined from asserting against the Purchaser, its affiliates, its successors, designees or assigns, their property, or the Transferred Assets, such persons' or entities' Liens, Claims, or interests in and to the Transferred Assets, including, without limitation, the following actions:

(i) commencing or continuing in any manner any action or other proceeding against the Purchaser, its affiliates, its successors, its designees or its assigns, or their assets or properties;

(ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order against the Purchaser, its affiliates, its successors, its designees or its assigns, or their assets or properties; (iii) creating, perfecting, or enforcing any Lien or other Claim against the Purchaser, its affiliates, its successors, its designees or its assigns, or their assets or properties;

(iv) asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due the Purchaser, its affiliates, its successors, its designees or its assigns, or their assets or properties; (v) commencing or continuing any action, in any manner or place, that does not comply or is inconsistent with the provisions of this Order or other orders of the Court, or the agreements or actions contemplated or taken in respect thereof; or (vi) revoking, terminating or failing or refusing to transfer or renew any license, permit, or authorization to own or operate any of the Transferred Assets or conduct any of the businesses operated with the Transferred Assets.

On the Closing Date, each creditor is authorized and directed to execute such documents and take all other actions as may be necessary to release all Liens, Claims, and other interests in or on the Transferred Assets, if any, as provided for herein, as such Liens, Claims, or interests may have been recorded or may otherwise exist.

22. All persons and entities are hereby forever prohibited and enjoined from taking any action that would adversely affect or interfere with the ability of the Debtors to sell and transfer the Transferred Assets to the Purchaser and any of its designees or assigns in accordance with the terms of the Agreement and this Order.

23. The Purchaser has given substantial consideration under the Agreement for the benefit of the Debtors' estates. The consideration given by the Purchaser shall constitute valid

and valuable consideration for the releases of any potential Claims and Liens pursuant to this Order, which releases shall be deemed to have been given in favor of the Purchaser by all holders of Liens against or interests in, or Claims against, the Debtors, their estates or any of the Transferred Assets. The consideration provided by the Purchaser for the Transferred Assets under the Agreement is fair and reasonable and may not be avoided under section 363(n) of the Bankruptcy Code.

24. Without limiting the generality of the foregoing, neither the Purchaser nor any of its respective past, present, or contemplated members, partners, officers, directors or shareholders, its respective predecessors, successors, designees or assigns, or affiliates or the Transferred Assets shall have any liability whatsoever with respect to, or be required to satisfy in any manner, whether at law or equity, or by payment, setoff, or otherwise, directly or indirectly, any Liens and Claims, encumbrances, and/or other interests relating to any U.S. federal, state, or local income tax liabilities, including, without limitation, any such tax liabilities that are attributable to the recapture of an excess loss account under Treasury Regulation Section 1.1502-19 (or any similar provision of state or local tax law), that the Debtors are obligated for or incurs in connection with consummation of the transactions contemplated by the Agreement, including, without limitation, the Sale and the assumption and assignment of the Assumed Agreements.

25. To the fullest extent permitted under applicable law, the Purchaser shall be authorized (but not directed), as of Closing, to operate under any licenses, permits, registrations, and government authorizations or approvals of the Debtors with respect to the Transferred Assets, and all such licenses, permits, registrations, and governmental authorizations and approvals are deemed to have been, and hereby are, directed to be transferred to the Purchaser as of Closing; provided, however, that nothing in the Agreement or this Order shall authorize the

transfer of a permit or license without governmental approval where applicable nonbankruptcy law requires governmental approval of such transfer; provided, further, that the foregoing is not intended to modify the protections provided by section 525 of the Bankruptcy Code, to the extent applicable.

26. To the extent provided by section 525 of the Bankruptcy Code, no governmental unit may deny, delay, revoke, suspend, or refuse to grant or renew any permit, license, or similar grant relating to the operation of the Transferred Assets on account of the filing or pendency of the Debtors' chapter 11 cases or the consummation of the transactions contemplated by the Agreement including, without limitation, the Sale and the assumption and assignment of the Assumed Agreements.

27. Nothing in this Order or the Agreement releases, nullifies, or enjoins the enforcement of any liability to a governmental unit under police and regulatory statutes or regulations that any entity would otherwise be subject to as the owner or operator of property after the date of entry of this Order.

28. To the fullest extent permissible under applicable law, except as otherwise expressly provided for in the Agreement or this Order, the Debtors irrevocably and unconditionally releases, remises, and forever discharges the Purchaser from any and all suits, legal or administrative proceedings, claims, demands, damages, losses, costs, liabilities, interest or causes of action whatsoever, at law or in equity, known or unknown, which the Debtors and their estates might now have or subsequently may have as of the Closing, based on, relating to or arising out of the Agreement, the Sale or this Order, and the ownership, use or operation of the Transferred Assets, save only those obligations that expressly survive Closing under the Agreement.

Other Provisions

29. Upon Closing, any cash proceeds of the Sale shall be paid over to the Debtors to be held in escrow pending the effective date of a chapter 11 plan or further order of the Court, at which time, such proceeds will be payable pursuant to the terms thereof or as otherwise ordered by this Court. The value of the releases and unencumbered assets remains to be determined.

30. The transactions contemplated by the Agreement are undertaken by the Purchaser without collusion and in good faith, and accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale and the transactions contemplated thereby shall not affect the validity of the Sale, unless such authorization and the Sale are duly stayed pending such appeal. The Purchaser is a good faith buyer and, as such, shall have the full protections of section 363(m) of the Bankruptcy Code.

31. Pursuant to Federal Rules of Bankruptcy Procedure 7062, 9014, 6004(h), and 6006(d), this Order shall be effective immediately upon its entry and the Debtors and the Purchaser are authorized to close the Sale immediately upon entry of this Order.

32. The releases set forth in the Agreement are approved pursuant to Federal Rule of Bankruptcy Procedure 9019.

33. No bulk sales law or any similar law of any state or other jurisdiction applies in any way to the Sale or the transactions contemplated thereby.

34. The failure specifically to reference any particular provision of the Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Agreement is authorized and approved in its entirety; provided, however, that this Order shall govern if any inconsistency exists between the Agreement (including all ancillary documents executed in connection therewith) and this Order. Likewise, all of the provisions of this Order are nonseverable and mutually dependent.

35. The Agreement and any related agreements, documents, or other instruments may be modified, amended, or supplemented by the parties thereto 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.

36. Nothing contained in any plan confirmed in the Debtors' chapter 11 cases, any order confirming any such plan, any order converting any of the Debtors' chapter 11 cases to a case under chapter 7 of the Bankruptcy Code, or any order dismissing any Debtor's bankruptcy case, shall conflict with or derogate from the provisions of the Agreement or this Order in any way.

37. The Court shall retain jurisdiction to, among other things, interpret, implement, and enforce the terms and provisions of this Order and the Agreement, all amendments thereto and any waivers and consents thereunder and each of the agreements executed in connection therewith to which the Debtors are party or which has been assigned by the Debtors to the Purchaser, and to adjudicate, if necessary, any and all disputes concerning or relating in any way to the Sale, including, but not limited to, retaining jurisdiction to: (a) compel delivery of the Transferred Assets to the Purchaser; (b) interpret, implement, and enforce the provisions of this Order; (c) protect the Purchaser against any alleged Liens, Claims, or other interests in or against the Transferred Assets of any kind or nature whatsoever; and (d) enter any orders under sections 363 and/or 365 of the Bankruptcy Code with respect to the Assumed Agreements.

38. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

39. To the extent that this Order is inconsistent with any prior order or pleading with respect to the Motion, the terms of this Order shall govern.

END OF ORDER

Order Submitted By:

DLA PIPER LLP (US)

/s/ Andrew Zollinger
Andrew Zollinger, State Bar No. 24063944
DLA Piper LLP (US)
1717 Main Street, Suite 4600
Dallas, Texas 75201-4629
Telephone: (214) 743-4500
Facsimile: (214) 743-4545
Email: andrew.zollinger@dlapiper.com

-and-

Thomas R. Califano (admitted *pro hac vice*)
Dienna Corrado (admitted *pro hac vice*)
1251 Avenue of the Americas
New York, New York 10020
Telephone: (212) 335-4500
Facsimile: (212) 335-4501
Email: thomas.califano@dlapiper.com
dienna.corrado@dlapiper.com

-and-

Daniel M. Simon (admitted *pro hac vice*)
One Atlantic Center
1201 West Peachtree Street, Suite 2800
Atlanta, Georgia 30309
Telephone: (404) 736-7800
Facsimile: (404) 682-7800
Email: daniel.simon@dlapiper.com

Counsel for the Debtors

PEPPER HAMILTON LLP

/s/ Francis J. Lawall
Francis J. Lawall (admitted *pro hac vice*)
3000 Two Logan Square
Philadelphia, PA 19103
Email: lawallf@pepperlaw.com

-and-

Donald J. Detweiler (admitted *pro hac vice*)
Hercules Plaza, Suite 5100
1313 N. Market Street
Wilmington, DE 19899-1709
E-mail: detweild@pepperlaw.com

-and-

NORTON ROSE FULBRIGHT US LLP

Ryan E. Manns
2200 Ross Avenue
Suite 3600
Dallas, TX 75201-7932
Email: louis.strubeck@nortonrosefulbright.com
ryan.manns@nortonrosefulbright.com

Counsel for the Committee

NELIGAN LLP

/s/ James P. Muenker
Patrick J. Neligan Jr.
James P. Muenker
325 N. St. Paul Street, Suite 3600
Dallas, Texas 75201
Email: pneligan@neliganlaw.com
jmuenker@neliganlaw.com

Counsel for SC-GA 2018 Partners, LLC

BRYAN CAVE LEIGHTON PAISNER LLP

/s/ Michael P. Cooley _____

Michael P. Cooley
JPMorgan Chase Tower, 2200 Ross Avenue
Suite 3300
Dallas, Texas 75201
Email: michael.cooley@bclplaw.com

-and-

Mark Duedall
Leah Fiorenza McNeill
One Atlantic Center, 14th Floor
Atlanta, Georgia 30309
Email: mark.duedall@bclplaw.com
leah.fiorenza@bclplaw.com

Counsel for Omega

EXHIBIT A

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT

by and among

the entities listed as “**SELLER**” on Schedule 1 attached hereto

and

SC-GA 2018 PARTNERS, LLC
or its designees, as Purchaser

and

SC-GA OPERATOR HOLDINGS, LLC
or its designees, as New Operator

August 13, 2018

ASSET PURCHASE AGREEMENT

This **ASSET PURCHASE AGREEMENT** (this "Agreement"), dated as of August 13, 2018, is by and among the entities listed as "Seller" on Schedule 1 attached hereto (collectively, "Seller"), SC-GA 2018 Partners, LLC, a Delaware limited liability company, or its designees and affiliates (collectively, "Purchaser"), and SC-GA Operator Holdings, LLC, a Delaware limited liability company, or its designees and affiliates (collectively, "New Operator"); with Seller, Purchaser and New Operator referred to herein individually as a "Party" and collectively as the "Parties".

WITNESSETH:

WHEREAS, Seller is the tenant and operator of the skilled nursing facilities set forth on Schedule 1 attached hereto (collectively, the "Facilities");

WHEREAS, the Facilities are duly licensed by the applicable authorities of the State of Georgia or South Carolina, as applicable (the "State"), and are duly certified under the Medicare and State Medicaid Programs;

WHEREAS, on March 6, 2018 (the "Petition Date"), each Seller and certain of their affiliates (collectively, the "Debtors") filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code with the Bankruptcy Court;

WHEREAS, on March 6, 2018, OHI Asset RO, LLC and certain of its affiliates (collectively, "Omega"), Seller and Purchaser entered into that certain Restructuring Support Agreement (as amended from time to time thereafter, the "RSA"), pursuant to which, inter alia, the parties agreed to support a sale of the Restructuring Portfolio (as that term is defined in the RSA) to Purchaser on the terms and conditions set forth in the RSA;

WHEREAS, on March 15, 2018, Seller and Purchaser entered into that certain Plan Funding Commitment and Stock Purchase Agreement (as amended from time to time thereafter, the "SPA"), pursuant to which Purchaser was to acquire the Restructuring Portfolio under the Plan (as that term is defined in the SPA), and the Purchaser was entitled to receive the Break-Up Fee and Expense Reimbursement (together, the "Bid Protections") on the terms and conditions set forth in the SPA, among other things;

WHEREAS, on May 14, 2018, the Bankruptcy Court entered its *Order Approving (A) Plan Funding Commitment and Stock Purchase Agreement with Plan Sponsor, (B) Stalking Horse Bid Protections, (C) Bidding and Auction Procedures Governing Submission and Consideration of Competing Plan Sponsorship Proposals, and (D) the Form and Manner of Notice Thereof* [Docket No. 377] (the "Bid Procedures Order"), pursuant to which the Court approved, among other things, the Bid Protections as an administrative expense of the Sellers' Bankruptcy Case, payable pursuant to the terms of the SPA without further order of the Bankruptcy Court;

WHEREAS, the SPA, as modified at the Auction held on June 19, 2018, was selected by the Seller as the Successful Bid at the Auction and as noted in the "Notice of Successful Bidder" filed by the Seller with the Bankruptcy Court at Docket No. 605 (the "Notice of Successful Bid");

WHEREAS, on July 20, 2018, Omega provided written notice to Seller and Purchaser of Omega's intent to terminate the RSA due to the failure of the Bankruptcy Court to enter the Confirmation Order (as that term is defined in the RSA) on or prior to July 19, 2018;

WHEREAS, Purchaser and Seller both dispute the purported termination of the RSA by Omega;

WHEREAS, pursuant to Sections 5.03(a)(ii), 7.01(c)(i) and 7.01(c)(ii) of the SPA, Purchaser may terminate the SPA and receive the Bid Protections due to the inability to satisfy the closing conditions set forth in Sections 6.01 and 6.02 of the SPA by the Outside Closing Date (as that term is defined in the SPA);

WHEREAS, on July 27, 2018, Seller filed its *Motion for Reconsideration of July 9, 2018 Ruling* (the "Reconsideration Motion") and an adversary proceeding to recharacterize certain of the Master Leases into secured financing arrangements (the "Recharacterization Complaint");

WHEREAS, Seller believes, following consultation with its advisors and consideration of its available alternatives, that in light of the current circumstances, a sale of all or substantially all of its assets to Purchaser and New Operator on the terms set forth herein is necessary to maximize value and is in the best interests of Seller, their respective estates, creditors and parties-in-interest;

WHEREAS, in connection with the Bankruptcy Case and following the entry of the Sale Order, this Agreement provides for the sale by Seller to Purchaser and New Operator of the Transferred Assets (as defined herein) associated with the Facilities on substantially the same economic terms as set forth in the SPA, pursuant to the terms hereof and the Sale Order;

WHEREAS, concurrent with the closing of the transactions contemplated hereunder, (i) Purchaser will assign to certain of its Affiliates certain rights and obligations hereunder with respect to those Transferred Assets that relate to the Real Property and the Tangible Personal Property, and (ii) New Operator will assign to certain of its Affiliates certain rights and obligations hereunder with respect to those Transferred Assets that relate to the Intangible Personal Property and operational matters;

WHEREAS, upon execution of this Agreement but subject to Sections 23(r) and 25 below, Purchaser and Seller acknowledge and agree that (i) the SPA is deemed terminated pursuant to Sections 7.01(c)(i) and/or 7.02(c)(ii) of the SPA, (ii) Purchaser is entitled to receive payment of the Bid Protections, and (iii) that the Agreement is replaced and superseded by this Agreement; and

WHEREAS, all capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them on Exhibit A hereto, which is incorporated into this Agreement as if set forth herein in full;

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Purchase and Sale of Transferred Assets.

(a) Subject to the terms and conditions of this Agreement and the Sale Order, and in consideration of, among other things, the payment of the Purchase Price, at the Closing, Seller will sell, assign and transfer to Purchaser and New Operator, as applicable, all of Seller's right, title and interest in and to the following assets (collectively, the "Transferred Assets"), free and clear of all Liens and Liabilities, except (i) statutory Liens not yet delinquent; (ii) Liens to be paid off from the proceeds at the Closing, (iii) Assumed Liabilities, (v) Permitted Liens, or (iv) as otherwise specifically provided herein (such exceptions, collectively, "Permitted Exceptions");

(i) the Land, which is further described on Exhibit B attached hereto and incorporated herein, including all improvements, structures, buildings, fixtures, heating, plumbing, air-conditioning, ventilation, sprinkler, alarm, security and electrical equipment and all ducts, pipes, cables and wires appurtenant thereto together with any appurtenant rights and easements thereto (collectively, the "Real Property");

(ii) all tangible assets, whether owned or leased by Seller and used in connection with the Facilities, including but not limited to, all hard assets, furniture, fixtures, equipment, instruments, supplies, inventory, vehicles, artwork, leasehold improvements, phone systems, computer hardware, databases, machinery, tools (and related repair and maintenance records), and all other tangible personal property used in the operation of and located at the Facilities owned or leased by Seller (collectively, the "Tangible Personal Property");

(iii) all rights of Seller under those executory contracts described on Schedule 1(a)(iii) (which list may be supplemented or revised by Purchaser at any time until ten (10) days before the Closing Date) to the extent Purchaser elects to assume the same pursuant to Section 24(b) hereof (collectively, the "Assumed Contracts");

(iv) all rights of Seller under those unexpired leases of real property described on Schedule 1(a)(iv) (which list may be supplemented or revised by Purchaser at any time until ten (10) days before the Closing Date) to the extent Purchaser elects to assume the same pursuant to Section 24(b) hereof (collectively, the "Assumed Leases");

(v) all patient and prospect lists (including, without limitation, all books, records and other materials, in hard copy and electronic format, that are in the possession of any Person that performs marketing services on behalf of Seller), marketing information, computer software and software licenses, telephone and fax numbers, telephone listings, email addresses and domain names used by the Facilities;

(vi) all transferable licenses, transferable permits and other transferable governmental approvals or authorizations which are used, or may be used, in connection with the Facilities (including, without limitation, any authorizations to participate in any state or federal reimbursement program such as Medicaid or Medicare in accordance with Section 6 below), whether issued or granted by any Governmental Authority or by any other Person, and all operating, license and certification rights with respect to the Business (except as otherwise provided in Section 6 below);

(vii) all transferable third-party warranties and claims for warranties relating to the Facilities or the Transferred Assets, together with the obligations and liabilities related thereto (collectively, the "Warranties");

(viii) any know-how or intellectual property rights used or held for use in connection with the operation of the Facilities and all goodwill associated with the Facilities;

(ix) all assignable or transferable goodwill relating to or arising in connection with the ownership or operation of the Business and the Facilities, including, without limitation, lists of residents and suppliers, correspondence, purchase orders, market surveys, and mailing lists;

(x) all deposits, trade accounts receivable, reimbursements, Third-party Payor funds and other amounts due solely with respect to the period after the Effective Time;

(xi) all agreements with then current patients and residents of the Facilities as of the Effective Time (including individuals temporarily not in occupancy) regarding admission and residency at the Facilities (the foregoing items 1(a)(v) through 1(a)(xii), collectively, the "Intangible Personal Property", and together with the Tangible Personal Property, the "Personal Property", and together with the Real Property, the "Property");

(xii) all of the Debtors' rights, claims, causes of action and avoidance claims under Chapter 5 of the Bankruptcy Code or otherwise (whether or not asserted as of the Closing Date) to the extent they relate to vendors, employees, landlords, suppliers, customers and other counterparties of Seller following the Closing Date that relate to any of the Transferred Assets, or the operation of the Business at the Facilities, and any Affiliates of Purchaser, as reflected in a schedule to be provided by Purchaser and filed by the Debtors in advance of the hearing on approval of the Sale Order (but expressly excluding any such claims, causes of action or rights against OHI Asset RO, LLC and its Affiliates) (the "Avoidance Actions").

(xiii) all other assets of Seller relating to or used in connection with the Business or the Facilities.

(b) Pursuant to the Sale Order, the Transferred Assets shall be sold and conveyed to Purchaser free and clear of all Liens and Liabilities (other than Permitted Exceptions), including any and all claims that Purchaser is a successor, transferee or continuation of Seller. The Term "Transferred Assets" shall not include the following (collectively, the "Excluded Assets"):

- (i) All cash and cash equivalents and short term investments;
- (ii) All assets of Seller not related to the Transferred Assets or the Facilities;
- (iii) All of the rights of Seller under this Agreement and all Transaction Documents;
- (iv) All accounts receivable relating to periods on or prior to the Effective Time; and

(v) All claims for any rebate, refund or credit of taxes, whether real, personal, tangible or intangible, and other governmental charges of whatever nature, and all rebates, refunds, credits and amounts payable in respect thereof, whenever and however paid, issued or credited, in each case, to the extent the same relate to any period prior to the Closing Date (whether in whole or in part, and, if in part, as shall be allocated to the period prior to the Closing Date based on the relative number of days applicable thereto).

2. Purchase Price.

(a) In consideration of the purchase and sale of the Transferred Assets, on the Closing Date, the Purchaser shall pay to the Seller an aggregate purchase price of Two Hundred Twenty-Seven Million Dollars (\$227,000,000) (the "Purchase Price"), subject to adjustment as provided in Section 2(c), in addition to the assumption of the Assumed Liabilities, the Hired Employees PTO Benefits and the Transition Services, which shall be paid as follows:

(i) One Hundred Ninety Seven Million Dollars (\$197,000,000) (the "Cash Consideration"), to be paid in immediately available funds at Closing as hereinafter provided, subject to the prorations and adjustments set forth herein, of which \$2,000,000 shall be earmarked, at the Seller's discretion to the extent permitted by applicable law, for the creation of a tort claims trust in connection with a chapter 11 plan of liquidation (the "Tort Claims Trust"); and

(ii) A promissory note, in the principal amount of Thirty Million Dollars (\$30,000,000), issued by Purchaser in favor of OHI Asset RO, LLC, substantially in the form and substance of Exhibit C attached hereto and made a part hereof (the "Purchaser Note").

(b) Intentionally omitted.

(c) Seller and Purchaser agree that the purchase and sale of the Transferred Assets is conditioned upon, among other things, the entry of the Recharacterization Order and Seller's ability to convey title to the Transferred Assets to Purchaser on the terms and conditions set forth herein. Consequently, if Seller has not obtained, on or prior to October 15, 2018, either (i) a Recharacterization Order with respect to the Laurel Baye Lease, or (ii) the consent of Omega to the sale of the Laurel Baye Facilities (including, without limitation, all Real Property associated therewith) to Purchaser under this Agreement, then both (x) the Purchase Price; and (y) the Cash Consideration shall each be reduced by an amount equal to Forty-Nine Million Dollars (\$49,000,000).

(d) If the Purchase Price is adjusted as set forth in Section 2(c), Purchaser may, in Purchaser's sole and absolute discretion, elect to include the Laurel Baye Lease on the schedule of Assumed Leases, in which case Seller shall (subject to payment of the applicable Cure Costs) assume and assign the Laurel Baye Lease to Purchaser, effective as of the Effective Time.

3. Deposit. In connection with the SPA, Purchaser has deposited with Escrow Agent the sum of Four Million Dollars (\$4,000,000) (the "Deposit"). Contemporaneously with the execution of this Agreement, Purchaser and Seller shall enter into an Amended and Restated Escrow Agreement with Escrow Agent in substantially the form attached hereto as Exhibit L. Upon Closing of the transactions contemplated under this Agreement, the Deposit shall be applied against the Purchase Price. On the later of (i) two (2) Business Days of the entry of the Sale Order or (ii) August 15, 2018, Purchaser shall deposit with Escrow Agent an additional Two Million Dollars (\$2,000,000) (the "Additional Deposit"). Upon Closing or termination of this Agreement, the Additional Deposit shall be treated as part of the Deposit and shall be delivered to Seller or Purchaser in accordance with the terms herein that are applicable to the Deposit.

4. Assumed Liabilities. Purchaser or New Operator, as applicable, shall, as of the Effective Time, expressly assume the following (collectively, the "Assumed Liabilities"):

(a) All of Seller's obligations with respect to events or periods on and after the Effective Time under the Assumed Agreements, pursuant to the Sale Order or other order of the Bankruptcy Court authorizing such assignment and assumption by Purchaser;

(b) Cure Costs relating to any Assumed Agreements, and all obligations with respect to events or periods after the Effective Time under the Assumed Agreements; and

(c) Assumed Hired Employees PTO Benefits;

(d) Assumed Patient Agreement Obligations.

Any indebtedness that is not an Assumed Liability and that is secured by a validly perfected Lien on the Property and not otherwise paid at Closing shall attach to the proceeds of the sale at the Closing.

5. Excluded Liabilities. Other than the Assumed Liabilities, neither Purchaser nor New Operator is assuming, and shall not be deemed to have assumed, any other Liability of Seller, or any of its Affiliates, fixed or contingent, disclosed or undisclosed, recorded or unrecorded, currently existing or hereafter arising, or otherwise (collectively, the "Excluded Liabilities"), including without limitation:

(a) malpractice, professional liability or other tort claims, statutory or regulatory claims, claims of local, state or federal agencies whether civil or criminal, fraud-based claims or claims for breach of contract to the extent any such claims are based on acts or omissions of Seller or events occurring at the Facilities before the Effective Time;

(b) claims related to Provider Agreements, except as provided by law, or managed care plans which relate to or arise from the acts, obligations or omissions of Seller for dates of service prior to the Effective Time;

(c) any accounts payable, taxes, or other obligation or Liability of Seller to pay money incurred by Seller for periods prior to the Effective Time;

(d) any collective bargaining agreements or other agreements or understandings with any labor union or collective bargaining unit or any employment or consulting agreements of any kind and any Liabilities arising from any pension fund or benefits programs;

(e) Cure Costs relating to any Excluded Contract;

(f) any administrative expense Claims accruing in the Bankruptcy Case;

(g) Liabilities or obligations of Seller arising under any and all existing contracts with its advisors and consultants not otherwise constituting an Assumed Agreement;

(h) Liabilities or obligations of Seller arising under any and all employment and change of control contracts, severance obligations, equity option contracts and equity purchase contracts to which Seller is a party;

(i) Liabilities or obligations in connection with any indebtedness of Seller, except pursuant to any Assumed Agreement or other Assumed Liability;

(j) pre-petition and post-petition Claims as of the Closing Date not otherwise assumed by Purchaser, including, without limitation, all trade payables and general unsecured Claims;

(k) Liabilities in connection with the Excluded Contracts;

(l) any Liability arising out of, under or in connection with the Excluded Assets;

(m) any Liability that is not an Assumed Liability; and

(n) any other Liabilities arising in whole or in part from Seller's acts or omissions or in any way related to the operations of the Facilities prior to the Effective Time.

6. Provider Agreements; Interim Billing.

(a) As of the Effective Time, New Operator shall assume any and all of Seller's rights and interests in and to Seller's Medicare provider numbers and Medicare provider reimbursement agreements, and New Operator shall have the right, but not the obligation, to assume any and all of Seller's rights and interests in and to Seller's Medicaid provider numbers and Medicaid provider reimbursement agreements. Each Party shall provide commercially reasonable assistance to the other Party with regard to such assumption. The Parties acknowledge and agree that New Operator is not expected to have received its "tie in" notice from CMS with respect to Seller's Medicare provider agreements or any new Medicare or Medicaid provider agreements (collectively, the "Provider Agreements") as of the Closing Date. Prior to New Operator's receipt of its tie in notice and Provider Agreements, Seller agrees that New Operator shall be permitted to bill for services performed following the Closing under Seller's Medicare and Medicaid provider numbers to the extent permitted by applicable law.

(b) Any reimbursements from Medicare or Medicaid billed by New Operator for dates of service after the Closing Date which are paid into Seller's accounts shall be forwarded by Seller to New Operator in accordance with Section 9 hereof.

7. Transfer of Resident Trust Funds and Deposits.

(a) At the Closing, Seller shall deliver to New Operator a true, correct and complete schedule of all trust funds held by Seller as of the most recent date available prior to the Effective Time for any resident of the Facilities (collectively, the "Resident Trust Funds") and deposits or prepayments paid by or for any resident of the Facilities (collectively, the "Resident Deposits").

(b) At the Closing, Seller shall transfer the Resident Trust Funds and Resident Deposits to New Operator and New Operator shall accept the Resident Trust Funds and Resident Deposits in trust for the residents, in accordance with applicable statutory and regulatory requirements. Within ten (10) Business Days after the Closing Date, Seller and New Operator shall prepare a final schedule of the Resident Trust Funds and Resident Deposits and thereafter reconcile the Resident Trust Funds and Resident Deposits transferred from Seller to New Operator.

8. Employees.

(a) Attached as Schedule 8(a) is a list (the "Employee Schedule") which reflects, in all material respects as of the most recent available date all of Seller's employees providing services to the Facilities, whether full time or part time (the "Facility Employees").

(b) Prior to the Closing, Seller shall provide New Operator with access to the Facilities and Facility Employees to permit New Operator to discuss potential employment of any Facility Employees by New Operator, pursuant to New Operator's standard employment policies and criteria. Seller shall, as of the Effective Time, terminate the employment of all Facility Employees. Without Seller's prior consent, New Operator shall not deliver any written communications to, or hold any group meetings with, any Facility Employee for the purpose of addressing or discussing the transactions contemplated herein.

(c) New Operator shall offer to hire one hundred percent (100%) of the Facility Employees with substantially similar compensation and benefits. For the purposes of this Agreement, Facility Employees shall include any employees who are on medical disability or leaves of absence and who worked at the Facilities immediately prior to such disability or leave who are able to perform the essential functions of the position with or without a reasonable accommodation, and who are qualified for the position.

(d) New Operator shall hire at the Effective Time, and at least five (5) Business Days before the Closing shall provide Seller with a schedule of, each Facility Employee who receives an offer of employment and elects to accept employment with New Operator in accordance with the terms of Section 8(c) (all of such employees who accept employment with New Operator being herein called the "Hired Employees").

(e) Seller shall be responsible for the payment to Facility Employees of all salaries, wages, benefits or other amounts due and payable under applicable law and/or the policies and procedures of Seller for periods prior to and at the Effective Time and shall timely pay to all applicable Governmental Authorities all employment-related taxes due with respect to Facility Employees for periods before the Effective Time, including Transferors' share of all FICA, state and federal unemployment taxes and workers' compensation insurance premiums. Seller shall provide at least two (2) days prior to the Closing a schedule setting forth, for each Hired Employee as of such date, the amount of all earned and accrued vacation, personal and sick pay and earned or accrued bonuses inclusive of all FICA, withholding, unemployment, worker's compensation or similar taxes and charges in connection with the foregoing (the "Hired Employees").

PTO Benefits”). New Operator shall assume the obligation to provide and/or pay such Hired Employees the amount of Hired Employee PTO Benefits applicable to each Hired Employee (“Assumed Hired Employees PTO Benefits”).

(f) Nothing in this Agreement shall create any rights in favor of any Person not a party hereto, including the Facility Employees, or constitute an employment agreement or condition of employment for any employee of Seller or New Operator or any Affiliate thereof, nor shall this Agreement be deemed the assignment to or assumption by New Operator of any collective bargaining agreement, employment agreement or terms or conditions of employment (except as set forth herein), and New Operator shall not assume any liabilities or obligations under any employee benefit plan of Seller or its Affiliates. New Operator shall provide group health coverage for the Hired Employees who qualify for its coverage, as provided in Section 8(g).

(g) As of the Effective Time, all Hired Employees who, immediately prior to the Effective Time, participated in group health insurance coverage sponsored by Transferors, shall be eligible for participation in a group health plan (as defined for purposes of Internal Revenue Code Section 4980B) established and maintained by New Operator. New Operator shall take such action as is necessary to provide that all such Hired Employees shall be eligible to be covered without a waiting period and without regard to any pre-existing condition unless they (i) are under a waiting period with Seller at the Effective Time, in which case they shall be required to complete their waiting period while under New Operator’s plan or in accordance with the terms of New Operator’s benefit plan, or (ii) were subject to a pre-existing condition exclusion while under Seller’s group health plan, in which case they shall be subject to the same exclusion while in New Operator’s group health plan or in accordance with the terms of New Operator’s benefit plan, which exclusion shall, if applicable, be subject to the same time limitation while the Hired Employees are in New Operator’s employ as was applicable thereto while the Hired Employees were in Seller’s employ, with the time limit calculated from the date the same commenced while said employees were in Seller’s employ. Seller and New Operator acknowledge and agree that it is the intent of this provision that Seller shall not be required to provide continued health coverage under ERISA or Section 4980B of the Internal Revenue Code to any of the Hired Employees or to any qualified beneficiary (as defined for purposes of Section 4980B of the Internal Revenue Code) of any such Hired Employees, who enroll in New Operator’s group health plan.

9. Accounts Receivable.

(a) Seller shall retain its right, title and interest in and to all unpaid accounts receivable with respect to the Facilities that relate to all periods on or prior to the Effective Time. New Operator shall have all right, title and interest in and to accounts receivable that relate to periods after the Effective Time. With respect to the post-Closing billing practice to be applied with respect to accounts receivable due to Seller from private pay, managed care and long term care insurance patients after the Effective Time, Seller shall prepare and send to the appropriate responsible parties for such patients bills for all periods up to and including the Effective Time, with instructions to send payment directly to Seller, with said payment payable to Seller or such other party as Seller directs. The Parties acknowledge that: (A) Seller may contact its Medicaid intermediary, Medicare intermediary, the applicable State agency or any other Third-party Payor to remit payment directly to Seller for services rendered on or prior to the Effective Time, and (B) New Operator may contact its Medicaid intermediary, Medicare intermediary, the applicable State agency or any other Third-party Payor to remit payment directly to New Operator for services rendered after the Effective Time; provided, however, that the Parties shall coordinate and cooperate with each other regarding such notification so as to avoid any conflicting or confusing payment instructions.

(b) To the extent that New Operator receives payment for accounts receivable to which Seller is entitled pursuant to Section 9(a) above, New Operator shall hold the same in trust for Seller and shall pay it to Seller as more specifically described below. To the extent that Seller receives payment for accounts

receivable to which New Operator is entitled pursuant to Section 9(a) above, Seller shall hold the same in trust for New Operator and shall pay it to New Operator as more specifically described below:

(i) if payments received by New Operator are paid pursuant to a voucher, check or other negotiable instrument containing: (A) Seller's Medicaid provider numbers, together with specific indications that the delivery of services relating to such payment was on or prior to the Effective Time (B) Seller's Medicare provider numbers, together with specific indications that the delivery of services relating to such payment was on or prior to the Effective Time, (C) any other payor or provider number issued to Seller, and/or (D) specific reference to dates of service on or prior to the Effective Time, New Operator shall not cash or deposit such payments in any New Operator account and shall instead forward such payments to Seller within five (5) Business Days of receipt of same;

(ii) if payments received by Seller are paid pursuant to a voucher, check or other negotiable instrument containing: (A) New Operator's Medicaid provider number, (B) Seller's Medicare provider number, together with specific indications that the delivery of services relating to such payment was after the Effective Time, (C) any other payor or provider number issued to New Operator, and/or (D) specific reference to dates of service after the Effective Time, Seller shall not cash or deposit such payments in any Seller's account and shall instead forward such payments to New Operator within five (5) Business Days of receipt of same;

(iii) if the accompanying remittance does not satisfy the requirements of Section 9(b)(i) or (ii) above but the Parties agree that the payments relate solely to services provided on or prior to the Effective Time: (A) in the event that such payments are received by New Operator, New Operator shall remit such payments to Seller within five (5) Business Days of receipt of same, and until so forwarded, shall be held in trust for the benefit of Seller, and (B) in the event that such payments are received by Seller, Seller shall retain the payments;

(iv) if the accompanying remittance advice does not satisfy the requirements of Section 9(b)(i) or (ii) above but the Parties agree that the payments relate solely to services provided after the Effective Time: (A) in the event that such payments are received by New Operator, New Operator shall retain the payments, and (B) in the event that such payments are received by Seller, Seller shall remit such payments to New Operator within five (5) Business Days of receipt of same, and until so forwarded, shall be held in trust for the benefit of New Operator; and

(v) if the accompanying remittance advice does not indicate the period to which a payment relates or if there is no accompanying remittance advice, the Parties shall in good faith attempt to agree on the disposition of such payment. If the Parties are unable to agree on the disposition of such payment, then: (1) all such payments which are received within the period commencing on the Effective Time and through the date sixty (60) days after the Effective Time shall be applied, first, against the outstanding account receivable due from such payor to Seller, and, second, against the outstanding account receivable due from such payor to New Operator, and (2) all such payments which are received after the date which is sixty (60) days after the Effective Time shall be applied, first, against the outstanding account receivable due from such payor to New Operator, and, second, against the outstanding account receivable due from such payor to Seller.

(c) New Operator and Seller shall promptly forward to the other Party any and all remittance advices, explanation of benefits, denial of payment notices and all other correspondence received by the Party that relate to services provided by the other Party. On the tenth day of each month until the first anniversary of the Effective Time, New Operator shall provide to Seller a monthly reconciliation (the "Receipts Report") for Seller's review, together with a copy of the remittance advice received by New Operator from any third-party intermediary, and other documentation as reasonably requested by Seller, with respect to all of Seller's accounts receivable due to Seller from Medicare, Medicaid or other Third-party Payor (including amounts owed as a result of payor adjustments or cost report settlements). The Receipts Reports

shall be sent by New Operator to Seller on the tenth day of every month (in respect of the immediately prior month) until the first anniversary of the Effective Time and thereafter as Seller may reasonably request, but not more often than quarterly. Seller may, at its own cost, verify the Receipt Reports. Seller shall reserve the right to contest or dispute with any Third-party Payor any statement of disallowance, denial or refusal to remit payment by such Third-party Payor relating to accounts receivable due to Seller. To the extent applicable, Seller shall provide New Operator with similar Receipts Reports in respect of New Operator's accounts receivable.

(d) New Operator shall provide written notice to Seller promptly upon receipt of any information from a Third-party Payor regarding any disallowance, denial or refusal to remit payment, in whole or in part, regarding any account receivable due to Seller. Seller shall provide written notice to New Operator promptly upon receipt of any information from a Third-party Payor regarding any disallowance, denial or refusal to remit payment, in whole or in part, regarding any account receivable due to New Operator. Nothing herein shall be deemed to limit in any way either Party's rights and remedies to recover accounts receivable due and owing to such Party by Medicare, Medicaid, or third parties under applicable law; provided, however, that: (i) Seller shall not, without the prior written consent of New Operator, settle or otherwise compromise its right, title and interest in and to unpaid accounts receivable in a manner that impacts, effects, diminishes or otherwise interferes with New Operator's right, title and interest in and to unpaid accounts receivable with respect to services provided at the Facilities by New Operator after the Effective Time, and (ii) New Operator shall not, without the prior written consent of Seller, settle or otherwise compromise its right, title and interest in and to unpaid accounts receivable in a manner that impacts, effects, diminishes or otherwise interferes with Seller's right, title and interest in and to unpaid accounts receivable with respect to services provided at the Facilities by Seller on or prior to the Effective Time.

(e) If any Party determines that a payment it received was misapplied by such Party, the Party which erroneously received said payment shall remit the same to the proper Party within ten (10) Business Days after said determination is made.

(f) For a period of eighteen (18) months after the Effective Time, New Operator and Seller shall, upon reasonable notice and during normal business hours, have the right to inspect, at its own cost and with reasonable staff assistance during normal business hours, that limited portion of the cash receipts and other books and records or copies thereof (including, without limitation, bank statements) of the other Party as the requesting Party may reasonably deem necessary to prepare the requesting Party's bills, verify balances of the other respective Party or confirm the other Party's compliance with the obligations imposed on it under this Section.

(g) If a Party (the "Receiving Party") fails to forward to the other Party (the "Proper Party") any payment received by Receiving Party in accordance with the terms of this Section 9 within ten (10) Business Days of demand therefor, the Proper Party shall be entitled (among all other remedies allowed by law and this Agreement) to interest on the unpaid amount at the prime rate (as reported in *The Wall Street Journal* or other similar publication), plus three percent (3%) per annum from the date which is five (5) Business Days after the demand until the date paid, together with all reasonable attorney's fees and other costs of collection. The payment of any interest or fees imposed under this Section 9(g), if any, shall be made together with the underlying payment therefor.

(h) The obligations of the Parties to forward the accounts receivable payments pursuant to this Section 9 are absolute and unconditional and irrespective of any circumstances whatsoever which might constitute a legal or equitable discharge, offset, counterclaim or defense of the Parties.

10. Prorations.

(a) At the Closing and for the billing period in which the Effective Time occurs, all expenses and income arising from the conduct of the business of the Facilities in the ordinary course (other than Assumed Liabilities), including, without limitation, patient care revenue, trade payables, telephone expenses and utility charges, real and personal property Taxes attributable to the Facilities, including any such items held in escrow (all such income and expenses to be referred to herein as the "Prorated Items"), shall be apportioned between Seller and New Operator as of the Effective Time, it being the agreement of the Parties that Seller shall be entitled to and, except for Assumed Liabilities, responsible for all revenue, expenses and obligations arising from the operation of the Facilities on or prior to the Effective Time and New Operator shall be entitled to and responsible for all revenue, expenses and obligations arising from the operation of the Facilities after the Effective Time, except, in each case, with respect to the Assumed Liabilities or as otherwise expressly set forth herein. This provision shall be implemented by New Operator or Seller, as the case may be, remitting to the other any invoices for Prorated Items that it receives that reflect a service date for which the other Party is responsible and by Seller or New Operator, as applicable, assuming responsibility for the payment of any invoices for Prorated Items that reflect a service date for which it is responsible with any overage or shortage in payments by either Party to be adjusted and paid as provided in Sections 10(b) and (c).

(b) All such prorations shall be made on the basis of actual days elapsed in the relevant accounting, billing or revenue period and shall be based on the most recent information available to Seller. Utility charges which are not metered and read for the Closing shall be estimated based on prior charges, and shall be re-prorated upon receipt of statements therefor.

(c) To the extent possible and based on reasonable estimates, the Parties shall make all prorations at the Closing. All amounts owing from one Party hereto to the other Party hereto that require adjustment after the Closing shall be settled within sixty (60) days after the Closing Date or, in the event the information necessary for such adjustment is not available within said sixty (60) day period, then as soon thereafter as practicable.

(d) All prorations to be made at Closing shall be effected through adjustment of the Purchase Price.

11. Access to Records.

(a) All: (i) resident records, minimum data sets, care plans, therapy records, pharmacy records, clinical patient trust account records and admission agreements (the "Patient Care Records") for the period prior to the Effective Time; and (ii) business records relating to the operation of the Facilities, including maintenance records, employment records for Hired Employees, including employment applications and W-9 Forms; and Governmental Authority compliance records (including surveys and plans of correction) for the period prior to the Effective Time (the "Operations Records") shall be delivered by Seller to New Operator on the Closing Date (by leaving such Patient Care Records and Operations Records at the Facilities); provided, however, that Seller may retain copies, at Seller's expense, of such Operations Records and Patient Care Records as Seller may deem reasonably necessary.

(b) Subsequent to the Effective Time, New Operator shall allow Seller and its agents and representatives to have reasonable access to (upon reasonable prior notice, during normal business hours), and to make copies of, at Seller's expense, the Patient Care Records and Operations Records and supporting material, to the extent reasonably necessary to enable Seller to investigate and defend any claim (to include, without limitation, employee and patient claims), to file or defend tax returns and to verify payments, adjustments or allocations provided by this Agreement, and subject, in each case, to requirements of applicable law regarding privacy and security of certain health-related information.

(c) Each of New Operator and Seller shall, upon reasonable notice to the other, be entitled to remove the originals of any Patient Care Records and Operations Records and supporting material

of the Facilities relating to any period prior to, on or after the Effective Time in the possession of the other, for purposes of litigation involving a resident or employee to whom such record relates, if an officer of a court of competent jurisdiction or agency official certifies that such original must be produced in order to comply with applicable law or the order of a court of competent jurisdiction in connection with such litigation, and the requesting Party, at the requesting Party's cost and expense and as a condition precedent to receiving such original record, shall provide the requested Party with a complete copy of such records prior to its removal. Any record so removed shall promptly be returned to the requested Party following its use. The Parties agree that Seller shall be deemed the custodian of all Patient Care Records and Operations Records for the period on or prior to the Effective Time, and New Operator shall be deemed the custodian of all Patient Care Records and Operations Records for the period following the Effective Time. If New Operator shall receive any request or demand from any third-party or Governmental Authority for Patient Care Records and/or Operations Records for the period on or preceding the Effective Time, New Operator shall, to the extent permitted by law, promptly forward such request or demand to Seller and shall not release any Patient Care Records and/or Operations Records for the period on or preceding the Effective Time without Seller's prior written consent.

(d) Each of New Operator and Seller shall maintain such books, records and other material comprising records of its operations of the Facilities, including, but not limited to, resident records and records of Resident Trust Funds, to the extent required by law, but in no event for less than seven (7) years, and thereafter each Party may request that such records be retained by it upon a showing to the requested Party of the requesting Party's reasonable need for such records.

(e) Until the expiration of four (4) years after the furnishing of services pursuant to this Agreement, New Operator shall, as provided in Section 1861(v)(1)(I) of the Social Security Act and regulations promulgated thereunder, make available, upon written request, to the Secretary of Health and Human Services or to the Comptroller General of the United States or any of their duly authorized representatives, this Agreement and all books, documents and records of New Operator that are necessary to verify the nature and extent of the costs of any services furnished pursuant to this Agreement for which payment may be made under the Medicare program. Any Party receiving a request for documents or information under this provision shall promptly notify the other Party. If such Section 1861(v)(1)(I) should not be found applicable to this Agreement under the terms of such Section and the regulations promulgated thereunder, then this Section will be deemed not to be a part of this Agreement and shall be conclusively deemed by the Parties to be null and void.

(f) Any delivery and retention of or access to the Patient Care Records and Operations Records by the Parties pursuant to this Agreement shall be subject to and in accordance with all applicable patient privacy or other applicable laws.

12. Patient Agreements; Operations Procedure Manual; Cost Reports.

(a) Seller has previously provided New Operator with true, complete and correct copies of the forms (and any material amendments or modifications thereof) of all patient agreements, occupancy agreements, residency agreements and similar agreements relating to the occupancy of the Facilities by the patients and residents thereof (the "Patient Agreements"). New Operator shall assume and perform any and all obligations under the Patient Agreements required to be performed after the Effective Time for all current patients and residents of the Facilities as of the Effective Time (including individuals temporarily not in occupancy) ("Assumed Patient Agreement Obligations"), and Seller shall remain responsible, and indemnify and hold harmless New Operator, for any and all obligations under the Patient Agreements required to have been performed on or prior to the Effective Time.

(b) Operating Procedures Manual Seller shall leave one (1) set of its operating procedures manuals at the Facilities. New Operator shall: (i) keep the operating procedures manuals strictly confidential and shall not copy or reproduce the information set forth therein, (ii) maintain control over and

restrict access to the operating procedures manuals to the same standard that New Operator maintains and controls access to its confidential and proprietary information, and (iii) not use the operating procedures manuals or the information set forth therein for any reason other than to facilitate and respond to inspections or surveys of the Facilities conducted by governmental or regulatory authorities. Seller makes no representation or warranty of any nature whatsoever regarding its operating procedures manual or its related forms, and expressly disclaims and renounces any such representation or warranty.

(c) Cost Reports. Seller shall timely prepare and file, in a manner reasonably consistent with past practice, with the appropriate Medicare and Medicaid agencies, any final cost reports with respect to its operation of the Facilities that are required to be filed by law under the terms of the Medicare and Medicaid Programs. Seller shall provide New Operator with copies of such cost reports, together with copies of any amendments thereto. Seller shall also cooperate with New Operator in the preparation of any cost reports as New Operator deems necessary that relate to Seller's period of ownership and operation of the Facilities.

13. Seller's Representations and Warranties. As a material inducement to Purchaser and New Operator to enter into this Agreement and Purchaser to pay the Purchase Price for the Transferred Assets as set forth herein, Seller hereby covenants, warrants and represents to Purchaser as follows:

(a) Organization and Standing of Seller. Each Seller is an entity validly existing and in good standing (or the jurisdictional equivalent) under the laws of its jurisdiction of formation and is registered to do business in the jurisdiction in which it operates, and has all necessary corporate power and authority to own, operate or lease the material properties and material assets now owned, operated or leased by it and to carry on its business as it is currently conducted.

(b) Authority. Subject to the entry of the Sale Order, each Seller has the full power and authority to make, execute, deliver and perform this Agreement and the other instruments to be executed and delivered by it pursuant hereto (the "Seller's Transaction Documents"). Such execution, delivery and performance have been duly authorized, subject to the entry of the Sale Order, by all necessary action on the part of such Seller and its members and managers, as applicable.

(c) Binding Effect. Subject to the entry of the Sale Order, Seller's Transaction Documents constitute the valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, except as limited by bankruptcy, insolvency, reorganization and other laws now or hereafter in effect affecting creditors' rights and remedies or by equitable principles.

(d) Validity of Contemplated Transactions. The authorization, execution and delivery of this Agreement and the Seller's Transaction Documents and the consummation of the transactions contemplated hereby and thereby by the Seller, do not, with or without the giving of notice or passage of time or both (A) subject to the entry of the Sale Order, violate, conflict with or result in the breach of any term or provision of or require any notice, filing or consent under (1) the articles of organization of the Seller or (2) any statutes, laws, rules, regulations, ordinances, licenses or permits of any governmental body, authority or agency applicable to any Seller (except for such notices to, and consents and approvals of, state governmental and regulatory authorities applicable to the change of ownership of facilities similar to the Facilities and required to be obtained in accordance with Section 19(l)) or (3) any judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental body, authority or agency binding upon any Seller and of which Seller has knowledge; (B) conflict with, result in the breach of any term or provision of, require any notice or consent under, give rise to a right of termination of, constitute a default under, result in the acceleration of, or give rise to a right to accelerate any obligation under any loan agreement, mortgage, indenture, financing agreement, lease or any other material agreement or instrument of any kind to which any Seller is a party or by which any Seller may be bound (except as shall be paid in full at Closing); or (C) result in any Lien, Liabilities, encumbrance or restriction on any of the Transferred Assets (except for Permitted Exceptions and Assumed Liabilities, and any Liens granted by or on behalf of Purchaser).

(e) Title to Assets. Seller has, or will have as of the Closing, good and valid (and, in the case of owned Real Property, marketable fee simple) title to, or a valid leasehold interest in, all Real Property and Tangible Personal Property and other Transferred Assets, other than properties and assets sold or otherwise disposed of in the ordinary course of business. All such Transferred Assets (including leasehold interests) are, or will be as of the Effective Time, free and clear of any Liens or Liabilities except for Permitted Exceptions, Assumed Liabilities, and those items set forth in Schedule 3.08(a).

(f) Litigation. Except for the Seller's Bankruptcy Case and as set forth on Schedule 13(f), there are no actions, suits or legal, administrative, arbitration or other proceedings or governmental investigations pending or, to Seller's Knowledge, threatened against Seller before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign which affect or relate to the Transferred Assets or the Facilities. Other than the Bankruptcy Case, the Seller is not a party to or subject to provisions of any judgment, order, writ, injunction, decree or award of any court, arbitrator or governmental or regulatory official, body or authority which adversely affects the Transferred Assets or the Facilities.

(g) Environmental Laws. The Real Property is in compliance with all federal, state or local laws, ordinances, rules, regulations, orders or directives or under common law relating to the environment ("Environmental Laws"), except for such noncompliance which is not reasonably expected to have a Material Adverse Effect on the operations of the Facilities, and no Seller, nor, to Seller's Knowledge, any other party, has caused any hazardous wastes or hazardous substances (as defined in any applicable Environmental Law) to enter into the soil or groundwater of the Real Property.

(h) Real Property Matters.

(i) Subject to the terms and conditions set forth herein, Seller shall deliver the Real Property on the Closing Date in substantially the same condition as on June 19, 2018, normal wear and tear, and damage due to casualty and/or the exercise of the powers of condemnation or eminent domain, excepted.

(ii) The Real Property is properly zoned for its current use and operation. There is no pending or, to Seller's Knowledge, threatened, request, application or proceeding to alter or restrict the zoning or otherwise materially restrict the current use of the Real Property. To Seller's Knowledge, there is no plan, study or effort by any governmental authority or agency or any private party or entity that would materially and adversely affect the authorization of the current use and operation of the Real Property for zoning purposes. The Real Property contains sufficient on-site parking in order to comply with all applicable Laws.

(iii) The certificate of occupancy for the improvements of the Real Property and the Facilities and all other consents, licenses, permits, approvals and certificates required for the use thereof have been issued to, and fully paid for by or on behalf of Seller, are in full force and effect and have not been revoked.

(iv) Seller has received no written notice of any litigation or governmental proceeding seeking eminent domain or rezoning of all or any material portion of the Real Property or which adversely affects the operations of the Facilities.

(v) Intentionally omitted.

(vi) Seller has not received any written notice or request from any insurance company or board of fire underwriters setting forth any defects in the Real Property which could reasonably be expected to adversely and materially affect the insurability thereof, or requiring the performance of any work or alteration of the Real Property.

(vii) Seller is not in receipt of any notice of outstanding violation of any material applicable law, ordinance, regulation, order or requirement relating to Seller's operation or use of the Real Property. There are no outstanding, cited or proposed deficiencies, sanctions or work orders of any authority having jurisdiction over the Real Property.

(viii) Seller is not a "foreign person" for purposes of § 1455 of the Internal Revenue Code.

(i) Permits. Seller and the Facilities have all certificates of need, licenses, permits, approvals and other governmental authorizations and waivers (collectively, the "Permits") for the operation of the Facilities as a skilled nursing facility and for the operation of the Ancillary Business (other than any such items that the failure to possess could not reasonably be expected to have a Material Adverse Effect on the operations of the Facilities and Ancillary Business), and as are necessary in order to enable it to conduct the business as now conducted at the Facilities. All of said Permits are in full force and effect and Seller has not received any notice, nor has any reason to believe, that any of such Permits may or shall be rescinded, revoked, terminated, suspended or not renewed. Subject to regulatory and other approvals, the Facilities' licenses are and shall, on the Closing Date, be unrestricted, unconditional, in good standing and in full force and effect and subject to no waivers or limitations. Seller has not received any notice from any Governmental Authority of any pending or threatened enforcement actions against the Facilities, or requiring the correction of any condition with respect to such license which has not been the subject of a plan of correction for which compliance has been effected and Seller has no reason to believe that the good standing of any such license is in jeopardy. The Facilities are currently certified for participation in the State Medicaid and Medicare reimbursement programs and such certifications are 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 Seller's Knowledge, any threatened actions or claims, which, if adversely determined, could reasonably be expected to materially and adversely affect either the license or certification of the Facilities, and for which a plan of correction was not timely filed. There are no outstanding civil monetary penalties or other fines levied against the Facilities. The material operating licenses for the Facilities and all other material Permits that are required to operate the Business at the Facilities, including with respect to the Ancillary Business, are listed or copies thereof are attached in Schedule 13(i) hereto.

(j) Employees; Employee Benefit Plans. Seller has provided New Operator a true, correct and complete list and copies of all pension, profit sharing, retirement, deferred compensation, stock purchase, stock option, incentive, bonus, vacation, severance, disability, hospitalization, medical insurance, life insurance and other employee benefit plans, programs or arrangements, maintained by Seller (other than obligations to make current wage or salary payments) in respect of, or which otherwise cover, any of the Hired Employees, or their beneficiaries (hereinafter individually referred to as a "Employee Plan" and collectively referred to as the "Employee Plans"). All such Employee Plans have been maintained in material compliance with their terms and all applicable laws. None of the Hired Employees are a party to any employment agreement, consulting agreement, collective bargaining agreement, or similar contract, commitment or arrangement which, after the giving of notice, cannot be terminated at will by Seller, nor will any such agreement be binding upon New Operator.

(k) Multi-Employer Plans. No Seller has, nor is it required to, contribute (and has not ever contributed or been required to contribute) to any multi-employer plan, as defined in Section 3(37) of the ERISA with respect to the Facility Employees.

(l) Employment Matters. As of the Closing Date, other than to the extent such obligations are Assumed Liabilities, Seller shall have no outstanding, post-petition obligations with respect to salary, wages or bonuses to any of the Hired Employees, or with respect to payroll or employment-related Taxes relating to any of the Hired Employees to any federal, state or local regulatory or taxing agency. Seller is in compliance in all material respects with all federal, state, and local laws respecting employment

(including, without limitation, any immigration laws) and employment practices, terms, and conditions of employment, and wages and hours.

(m) Regulatory and Legal Compliance. Each Facility is a licensed skilled nursing facility with the number and type of licensed beds set forth on Schedule 13(m). Except as set forth on Schedule 13(m), Seller is in compliance in all material respects with all federal, State and local statutes, laws, ordinances, judgments, decrees, orders or governmental rules, regulations, life safety codes, policies and guidelines applicable to the operation of the Facilities, including with respect to the Ancillary Business. Seller has not received any notice from any Governmental Authority of any alleged violation or noncompliance that has not been cured or addressed by a plan of corrective action.

(n) Intentionally omitted.

(o) Billing Practices. During the three (3)-year period prior to the Closing Date, all billing practices of the Business with respect to all Third-party Payors, including Medicare, Medicaid, and private insurance companies, have been in compliance in all material respects with all applicable Laws, regulations, and policies of such Third-party Payors (collectively, the "Payment Programs") or in the alternative, any such noncompliance has been cured within the time period allotted by applicable regulation or policy.

(p) Intentionally omitted.

(q) Government Investigations. During the three (3)-year period prior to the Closing Date, Seller has received no written notice of the commencement of any investigation proceedings or any governmental investigation or action (including any civil investigative demand or subpoena) under the False Claims Act (31 U.S.C. Section 3729 et seq.), the Anti-Kickback Act of 1986 (41 U.S.C. Section 51 et seq.), the Federal Health Care Programs Anti-Kickback statute (42 U.S.C. Section 1320a-7a(b)), the Ethics in Patient Referrals Act of 1989, as amended (Stark Law) (42 U.S.C. 1395nn), the Civil Money Penalties Law (42 U.S.C. Section 1320a-7a), or the Truth in Negotiations (10 U.S.C. Section 2304 et seq.), Health Care Fraud (18 U.S.C. 1347), Wire Fraud (18 U.S.C. 1343), Theft or Embezzlement (18 U.S.C. 669), False Statements (18 U.S.C. 1001), False Statements (18 U.S.C. 1035), and Patient Inducement Statute and equivalent state statutes or any rule or regulation promulgated by a Governmental Authority with respect to any of the foregoing healthcare fraud laws affecting Seller with respect to the Facilities.

(r) Mechanic Liens. No labor has been performed or materials furnished that could result in a post-petition materialman's or mechanic's Lien in an amount in excess of \$10,000 filed against the Transferred Assets except as shall be fully paid or released prior to the Closing or to the extent such Lien or underlying Liability is a Permitted Exception.

(s) Intentionally omitted.

(t) Insurance. There is in full force and effect policies of insurance insuring the Transferred Assets and the Business against such losses and risks and in such amounts as are usual and customary in Seller's business.

(u) Taxes. Within the times and in the manner prescribed by Law, Seller has filed all federal, state, and local tax returns relating to the Business and has paid all Taxes, assessments and penalties due and payable other than those as to which Seller is disputing diligently and in good faith. To Seller's Knowledge, there are no existing notices of Federal Tax Liens, or any state or local governmental taxing agency tax Liens filed against Seller or the Facilities and Seller has not failed to pay or refused to pay any federal, state, or any local governmental agency tax obligation after such has been assessed or demanded by any federal, state, or local governmental Taxing agency, including any interest, additional amounts, additions to tax and/or penalties other than those as to which Seller is disputing diligently and in good faith. All of such

returns and reports are true and complete in all material respects and all such estimates have been made in good faith based upon then-current information.

(v) Financial Information. Seller has furnished to Purchaser certain financial information related to the operation of the Facilities, true and complete copies of which are attached hereto as Schedule 13(v), and shall furnish Purchaser interim monthly financial statements for the monthly periods from the Contract Commencement Date until the Closing Date. The financial statements included in Schedule 13(v) hereto and the interim monthly financial statements delivered from the Contract Commencement Date until the Closing Date are referred to herein collectively as the "Financial Statements". The Financial Statements and the books and records of Seller which gave rise thereto, as well as all other books and records maintained by Seller with respect to the ownership, management and/or operation of the Transferred Assets, are complete and accurate in all material respects and not materially misleading.

(w) Cost Reports. Seller has and will prior to or contemporaneously with the Closing Date have filed all cost reports required to be filed as of the Closing Date under applicable law. Seller has furnished Purchaser with copies of all cost reports filed by Seller with the appropriate State agency, the appropriate Medicare and Medicaid agencies and/or fiscal intermediaries in respect of the operation of the Facilities for the years ended December 31, 2017 and 2016, and to Seller's Knowledge, such cost reports did not contain any material disallowable costs or expenses or any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading, and such cost reports have been and prior to the Closing Date shall be prepared in all material respects in accordance with and in compliance with all applicable government rules and regulations.

(x) Assumed Agreements. As of Closing, each of the Assumed Agreements is in full force and effect and is a valid and binding obligation the Seller and, to Seller's Knowledge, the other parties thereto, in accordance with its terms and conditions. Except for those defaults that will be cured or waived in accordance with Section 365 of the Bankruptcy Code (or that do not need to be cured under the Bankruptcy Code to permit the assumption and assignment of the Assumed Agreements and that would not be a Liability of Purchaser at or after the Closing), there is no material default under any of the Assumed Agreements by any Seller or, to Seller's Knowledge, by any other party thereto, and Seller has not received any written notice of any such default or event that with notice or lapse of time or both would constitute such a default by Seller under any Assumed Agreement. Subject only to the satisfaction of the Cure Costs applicable to the Assumed Agreements and the entry of the Sale Order, each Assumed Agreement may be assumed by Seller and assigned to Purchaser pursuant to section 365 of the Bankruptcy Code.

(y) Brokers. Other than Houlihan Lokey, no Seller has engaged any agent, broker, investment banker, person or firm who is entitled to a commission or fee in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated herein. To the extent any agent, broker, investment banker, person or firm has acted on behalf of any Seller or under the authority of Seller, Seller shall be responsible for any such broker's or finder's fee or any other commission or similar fee payable directly or indirectly to such agent, broker, investment banker, person or firm in connection with any of the transactions contemplated herein, including all fees payable to Houlihan Lokey.

14. Seller's Covenants. From the Contract Commencement Date until the earlier termination of this Agreement or the Closing, each Seller shall (except as otherwise consented to or approved by Purchaser and New Operator in writing):

- (c) operate the Business in the ordinary course consistent with Seller's past practices;
- (d) not create or permit to become effective any Liens upon the Transferred Assets (other than Permitted Exceptions);

(e) use its commercially reasonable efforts to obtain, on or prior to the Closing, any consents or Bankruptcy Court orders required to be obtained by Seller necessary for Seller to fulfill its obligations to consummate the transactions contemplated hereby;

(f) comply in all material respects with all applicable laws, and with all applicable rules and regulations of all governmental authorities, in conjunction with the execution, delivery and performance of this Agreement and the transactions contemplated hereby;

(g) file federal, state, and local tax returns, and pay all amounts then due (other than those amount being disputed in good faith and with appropriate proceedings), for all periods through and including the Closing Date;

(h) not sell, lease or otherwise dispose of all or any part of any Facilities or the Transferred Assets other than in the ordinary course of business. In addition, Seller shall not sell, lease, transfer to other facilities or locations or otherwise dispose of any Personal Property other than in the ordinary course of business, which shall be replaced with items of the same or better quality and in a manner consistent with its ordinary course;

(i) reasonably cooperate with Purchaser and New Operator with respect to all transitional matters;

(j) after consultation with Seller, permit New Operator and/or its representatives to have a reasonable presence at the Facilities and to interact with Facility staff, provided that such presence does not interfere with the operations of the Facilities or the staff's obligations and duties and complies with all applicable patient privacy or other laws;

(k) permit New Operator and/or its representatives to hold group meetings with Facility Employees for purposes of addressing employment and transitional matters;

(l) afford Purchaser's and/or New Operator's employees, auditors, legal counsel, representatives of Purchaser's and/or New Operator's lenders, or other authorized representatives all reasonable opportunity and access during normal business hours upon reasonable notice to inspect and investigate the Transferred Assets, including for review of all accounting records and other business records, provided that such inspections do not interfere with the operations of the Facilities and complies with all applicable patient privacy or other laws. Notwithstanding the foregoing, neither Purchaser nor New Operator shall conduct, or cause to be conducted, any invasive or destructive testing without Seller's prior written consent, which consent shall not be unreasonably withheld; and

(m) use its commercially reasonable efforts to file and obtain, on or prior to the Closing, confirmation of a chapter 11 plan of liquidation.

15. Purchaser's and New Operator's Representations and Warranties. As a material inducement to Seller to enter into this Agreement and to sell the Transferred Assets to Purchaser and New Operator as set forth herein, each of Purchaser and New Operator hereby covenants, warrants and represents to Seller as follows:

(a) Organization and Standing of Purchaser. Each of Purchaser and New Operator is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Delaware. Each of Purchaser and New Operator has the power and authority to purchase and acquire the Transferred Assets and to conduct the business presently being conducted by it.

(b) Authority. Each of Purchaser and New Operator has the full power and authority to make, execute, deliver and perform this Agreement including the instruments and documents to be

executed and delivered by it pursuant hereto (the "Purchaser's Transaction Documents" collectively with the Seller's Transaction Documents, the "Transaction Documents"). Such execution, delivery, performance and consummation have been duly authorized by all necessary action, corporate or otherwise, on the part of each of Purchaser and New Operator, its members and managers.

(c) Binding Effect. Purchaser's Transaction Documents, when executed by Purchaser and New Operator, as applicable, constitute the valid and binding obligations of Purchaser and New Operator, as applicable, enforceable against Purchaser and New Operator, as applicable in accordance with their respective terms, except as limited by bankruptcy, insolvency, reorganization and other laws now or hereafter in effect affecting creditors' rights and remedies or by equitable principles.

(d) Validity of Contemplated Transactions. The authorization, execution and delivery of this Agreement and the Purchaser's Transaction Documents and the consummation of the transactions contemplated hereby and thereby by Purchaser and New Operator, as applicable, do not and will not, with or without the giving of notice or passage of time or both (A) violate, conflict with or result in the breach of any term or provision of or require any notice, filing or consent under (i) the articles of organization or operating agreement of the Purchaser and New Operator, or (ii) any statutes, laws, rules, regulations, ordinances, licenses or permits of any governmental body, authority or agency applicable to the Purchaser and New Operator, or (iii) any judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental body, authority or agency binding upon the Purchaser and New Operator, as applicable (except for such notices to, and consents and approvals of, State governmental and regulatory authorities applicable to the change of ownership of facilities similar to the Facilities and required to be obtained in accordance with Section 20(e)); or (B) conflict with, result in the breach of any term or provision of, require any notice or consent under, give rise to a right of termination of, constitute a default under, result in the acceleration of, or give rise to a right to accelerate any obligation under any loan agreement, mortgage, indenture, financing agreement, lease or any agreement or instrument of any kind to which the Purchaser and New Operator are a party or by which the Purchaser and New Operator may be bound.

(e) Independent Investigation; Completion of Due Diligence. Each of Purchaser and New Operator have conducted its own independent due diligence investigation, review and analysis of the business, results of operations, prospects, condition (financial or otherwise) or assets of the Seller, and each acknowledge that they have been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of Seller for such purposes. Purchaser and New Operator each acknowledge and agree that (i) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, each of Purchaser and New Operator have relied solely upon their own investigation and the express representations and warranties of Seller set forth in Section 13 of this Agreement, (ii) neither Seller nor any other Person has made any representation or warranty as to Seller or this Agreement, except as expressly set forth in Section 13 of this Agreement, and (iii) Purchaser and New Operator have completed its due diligence investigation of Seller.

(f) Sufficient Funds; Adequate Assurances. Purchaser and/or New Operator, as applicable, shall at the Closing be capable of satisfying the conditions contained in sections 365(b)(1)(C) and 365(f) of the Bankruptcy Code with respect to the Assumed Agreements. Each of Purchaser and New Operator will at the Closing have the financial resources necessary to consummate the transaction contemplated by this Agreement, and perform all of its respective obligations hereunder, including but not limited to the ability to pay the Purchase Price and any indemnification required hereunder. Purchaser's and New Operator's obligations hereunder are not contingent upon any third party financing. Each of Purchaser and New Operator is solvent and both prior to and after consummation of the transactions contemplated hereby will have sufficient funds to operate its business and pay its debts as they become due and will not have unreasonably small capital with which to conduct its business; and no bankruptcy, insolvency, reorganization or similar action or proceeding, whether voluntary or involuntary, is pending, or has been threatened in writing, against Purchaser or New Operator.

(g) Brokers. Neither Purchaser nor New Operator has engaged any agent, broker, investment banker, person or firm who is entitled to a commission or fee in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated herein. To the extent any agent, broker, investment banker, person or firm has acted on behalf of Purchaser or New Operator, or under the authority of Purchaser or New Operator, Purchaser and/or New Operator shall be responsible for any such broker's or finder's fee or any other commission or similar fee payable directly or indirectly to such agent, broker, investment banker, person or firm in connection with any of the transactions contemplated herein.

(h) Legal Proceedings. There are no actions, suits, claims, investigations or other legal proceedings pending or, to Purchaser's or New Operator's knowledge, threatened against or by Purchaser, New Operator, or any Affiliate of either of them that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

(i) Availability of Funds: Equity Contributions. On or prior to Closing, Purchaser's Affiliates shall make equity contributions to Purchaser or its designees of at least Twenty-Five Million Dollars (\$25,000,000) for purposes of consummating the transactions contemplated by this Agreement.

16. Condition of Title and Survey: License Approval

(a) Title and Survey. The Real Property shall be conveyed to Purchaser by a special warranty deed substantially in the form annexed as Exhibit D for each State ("Deeds") to be delivered to Purchaser at Closing, free and clear of all Liens and Liabilities, except (A) Assumed Liabilities, and (B) (i) those caused by or on behalf of Purchaser; (ii) liens for taxes and sewer charges for the current year, or assessments, if not yet due and payable ("Permitted Tax Liens"); (iii) the rights of patients and residents under the Patient Agreements; (iv) easements, rights-of-way, zoning restrictions, minor defects or irregularities in title and other similar encumbrances as shown on any title policy delivered on the Closing Date, to the extent that the same do not have a material adverse impact on any Facility's use as a skilled nursing facility; (v) other matters of record acceptable to Purchaser in its sole discretion (the foregoing exceptions being herein collectively referred to as the "Permitted Liens"). Purchaser, at its sole cost, shall order a new or updated title insurance commitment for a title insurance policy (the "Title Commitments") from the Title Company and Purchaser shall order, at its sole cost, or in the event ordered by Seller, reimburse Seller for, a new or updated survey for the Real Property (the "Surveys"). On the date which is fifteen (15) days after Seller has received both new or updated Title Commitments and Surveys (the "Title Date"), Purchaser shall have the right to notify Seller of any matters shown on the Title Commitments or the Surveys that are not acceptable to Purchaser other than the Permitted Exceptions or Assumed Liabilities (such exceptions referred to herein as the "Title Defects"). If any updates to the Title Commitment or Survey after the Title Date shall disclose any additional matters other than the Permitted Exceptions or Assumed Liabilities, Purchaser shall have fifteen (15) days from the receipt of such updates within which to notify Seller thereof, in which case any such matters for which Purchaser provides notice shall also be treated as "Title Defects" hereunder. Seller shall have no obligation to cure any Title Defect (other than Seller's Monetary Liens as defined below).

(b) Addressing Title Defects. If Seller shall receive written notice of any Title Defect in accordance with Section 16(a), Seller shall notify the Purchaser within fifteen (15) days of receipt of such notice as to whether it intends to cure the Title Defects on or before the Closing Date (the "Seller's Response"). Purchaser shall not be required to object to, and Seller shall be required to pay off at the Closing or the Sale Order shall provide that the Real Property is to be transferred to Seller free and clear of, any financing obtained or assumed by Seller and secured by a mortgage, an assignments of leases and rents, a subordination agreements, UCC financing or other lien covering the Real Property and to either pay off or cause the Title Company to insure or endorse over any mechanic's or materialmen's liens for work or materials undertaken or acquired by or on behalf of Seller, any tax lien (other than a Permitted Tax Lien) or judgment lien against Seller, and any other exceptions or encumbrances to title that may be cleared through the payment of money (other than Permitted Exceptions); provided, however, Seller shall be entitled to utilize

the Purchase Price proceeds or Sale Order to effectuate any or all of the foregoing. All of the foregoing shall be referred to herein as "Seller's Monetary Liens". If Seller refuses to cure any Title Defect either expressly or by failing to timely deliver a Seller's Response, then Purchaser shall, within five (5) days of such refusal by Seller: (i) to terminate this Agreement by written notice to Seller in which event the Deposit shall be returned to Purchaser; or (ii) to take the Real Property with each such Title Defect.

(c) Federal and State Regulatory Approvals. New Operator shall file all applications with the appropriate State agency or department in order to obtain the appropriate licenses and approvals to operate the Facilities and the Ancillary Business (collectively, the "License Approval"). New Operator shall use its commercially reasonable efforts to obtain the License Approval and Seller shall use commercially reasonable efforts to provide all necessary and requested assistance to New Operator in connection with obtaining the License Approval.

17. Closing Costs. Purchaser shall bear the cost of any title examination, the Title Commitments, Surveys, and title insurance premium. Purchaser and Seller shall cooperate with each other and Seller shall use its commercially reasonable efforts to obtain the benefits of section 1146(a) of the Bankruptcy Code with respect to the sale of the Real Property to Purchaser. To the extent any transfer taxes are not otherwise exempted under section 1146(a) of the Bankruptcy Code, Purchaser shall also be responsible for all transfer taxes required for the transfer of the Real Property to Purchaser and the preparation and recording of all documents and instruments required to effect a transfer of title to the Transferred Assets. Seller shall be responsible for the preparation and recording of such releases and such instruments as are required to present clear title to Purchaser as required herein. Each Party shall be responsible for its own counsel fees in the fulfilling of the obligations under this Agreement, except as set forth in Section 29.

18. Date of Closing.

(n) The closing contemplated herein (the "Closing") shall occur on the later of (i) sixty (60) days from the date of the entry of the Sale Order by the Bankruptcy Court naming Purchaser as the Successful Bidder, which Sale Order shall be a Final Order, and (ii) fifteen (15) days from the date in which License Approval is obtained (such date, the "Closing Date"), subject to the satisfaction of the conditions precedent set forth herein. The Closing Date may be such earlier or different date as agreed to in writing by the Parties. In the event that the Closing has not occurred on or prior to November 30, 2018 (the "Outside Closing Date"), then this Agreement may be terminated in accordance with Section 23. Notwithstanding the actual time at which the Closing occurs, the time at which the Closing shall be deemed to be effective and the risk of loss shall pass from Seller to Purchaser and New Operator shall be 12:01 a.m. (Eastern time) on the day following the Closing Date (the "Effective Time").

(o) Purchaser shall be entitled to extend the anticipated Closing Date set forth in Section 18(a) above for an additional thirty (30) days (the "First Extended Closing Date"), provided that Purchaser deposits with the Seller an additional Two Million Dollars (\$2,000,000) (the "First Extension Deposit"). Furthermore, Purchaser shall be entitled to extend the Extended Closing Date for a further additional thirty (30) days (the "Second Extended Closing Date"), provided that Purchaser deposits with the Seller an additional Two Million Dollars (\$2,000,000) (the "Second Extension Deposit"). Upon Closing or termination of this Agreement, the First Extension Deposit and the Second Extension Deposit shall be treated as part of the Deposit and shall be delivered to Seller or Purchaser in accordance with the terms herein that are applicable to the Deposit. Notwithstanding anything to the contrary contained herein, Purchaser's right to extend the Closing to the Extended Closing Date and the Second Extended Closing Date shall not affect any Party's right to terminate this Agreement following the Outside Closing Date pursuant to Section 23(o).

19. Conditions Precedent to Obligations of Purchaser and New Operator. The obligations of Purchaser and New Operator under this Agreement are subject to, and shall be conditioned upon, the

satisfaction (or the waiver in writing by Purchaser and New Operator) prior to, or as of, the Closing Date of each of the following conditions:

- (a) Compliance by Seller with Covenants and Representations Correct. All of the covenants and obligations of this Agreement to be complied with and performed by Seller at or before the Closing Date shall have been complied with and performed in all material respects, and the representations and warranties made by Seller in this Agreement shall be true and correct, both as of the date hereof (unless otherwise specified) 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.
- (b) Pre-Closing Confirmation. Purchaser shall have obtained documentation or other evidence confirming that the Sale Order shall have been entered on the docket of the Bankruptcy Court and shall have become a Final Order. Purchaser shall also have obtained documentation or other evidence that Purchaser shall acquire good and marketable fee simple title to the Real Property, free and clear of all Liens and Liabilities (except for Permitted Exceptions).
- (c) Seller Transaction Documents. Seller shall have delivered to Purchaser and New Operator all of the documents, instruments and agreements set forth in Section 21(a) below, provided, however, that the failure or inability to deliver any of the reliance letters referenced in Section 21(a)(x) shall not be a condition precedent to Purchaser's or New Operator's obligations under this Agreement.
- (d) No Legal Action. No action, suit, investigation, other proceeding or Claim shall have been instituted and continuing before any court or before or by any government or governmental agency or instrumentality seeking either (1) to impose any restriction, limitations or conditions with respect to the transactions contemplated by this Agreement or which will prevent or enjoin the consummation of the transactions contemplated herein, or (2) to obtain damages or other relief against Purchaser in connection with such transactions.
- (e) No Material Damages, etc. Any material damage to any Real Property as a result of fire, explosion, disaster, accident, or any other similar material event or occurrence shall have been fully repaired and restored to materially not less than the condition of such Real Property as of the date hereof, subject to the terms of Section 22.
- (f) Title Commitment. The Title Company shall be prepared, subject only to payment therefor by Purchaser, to issue its Title Commitment, dated the Closing Date, insuring that, upon Closing, Purchaser will acquire good and marketable fee simple title to the Real Property, free and clear of all Liens and Liabilities except for Permitted Exceptions or other Liens created or caused by Purchaser or New Operator.
- (g) Recharacterization Order. The Bankruptcy Court shall have entered the Recharacterization Order.
- (h) Sale Order. The Sale Order shall provide that the Transferred Assets shall be conveyed free and clear of all Liens and Liabilities (other than Permitted Exceptions).
- (i) Regulatory Approvals. New Operator shall have received the License Approval.
- (j) Compliance. All deficiencies and violations of the severity level of "IJ" or worse noted in any pre-Closing Date survey for the Facilities shall have been corrected as of the Closing Date, and there shall be no material bans, remedies, sanctions, prohibitions on payment, or limitations in effect, pending, or to Seller's Knowledge, threatened with respect to admissions to the Facilities, or any material licensure curtailments in effect, pending or to Seller's Knowledge, threatened with respect to the Facilities,

and Seller has not have received from any Governmental Authority written notice that the Facilities will be subject to the imposition of a Corporate Integrity Agreement.

(k) Material Adverse Effect. There will have occurred no events nor will there exist circumstances which singly or in the aggregate have resulted in a Material Adverse Effect.

(l) Consents. Seller shall have obtained any consents required to be obtained by Seller to fulfill its obligations to consummate the transactions contemplated hereby.

20. Conditions Precedent to Obligations of Seller. The obligations of Seller under this Agreement are subject to, and shall be conditioned upon the satisfaction (or the waiver in writing by Seller) prior to, or as of, the Closing Date of each of the following conditions:

(a) Compliance by Purchaser and New Operator with Covenants and Representations Correct. All of the covenants and obligations of this Agreement to be complied with and performed by Purchaser and New Operator, as applicable, at or before the Closing Date shall have been complied with and performed, and the representations and warranties made by Purchaser and New Operator in this Agreement, shall be correct on 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.

(b) Pre-Closing Confirmation. Seller shall have obtained documentation or other evidence confirming that the Sale Order shall have been entered on the docket of the Bankruptcy Court and shall have become a Final Order. Purchaser shall also have obtained documentation or other evidence that Purchaser shall acquire good and marketable fee simple title to the Real Property, free and clear of all Liens and Liabilities (except for Permitted Exceptions) pursuant to the Sale Order, which Sale Order shall have been entered on the docket of the Bankruptcy Court and shall have become a Final Order.

(c) Purchaser Transaction Documents. Purchaser and New Operator, as applicable shall have delivered to Seller all of the documents, instruments and agreements set forth in Section 21(b) below.

(d) No Legal Action. No action, suit, investigation, other proceeding or Claim shall have been instituted and continuing before any court or before or by any government or governmental agency or instrumentality seeking either (1) to impose any restrictions, limitations or conditions with respect to the transaction contemplated by this Agreement or which will prevent or enjoin the consummation of the transactions contemplated by this Agreement, or (2) to obtain damages or other relief against Seller in connection with such transactions.

(e) Permits, Consents, etc. Purchaser shall have obtained all consents required to be obtained by Purchaser to fulfill its obligations to consummate the transactions contemplated under hereby.

21. Deliveries at Closing.

(a) At Closing, Seller shall deliver to the Purchaser and New Operator, in consideration of payment of the Purchase Price, an original executed counterpart of the following:

(i) The Deeds;

(ii) A Bill of Sale, substantially in the form and substance of Exhibit E attached hereto and made a part hereof (the "Bill of Sale");

(iii) A General Assignment with respect to the Intangible Personal Property, substantially in the form and substance of Exhibit F attached hereto and made a part hereof (the "General Assignment");

(iv) Assignment and Assumption Agreement;;

(v) Assignment and Assumption Agreement with respect to with respect to Resident Trust Funds and Patient Deposits, substantially in the form and substance of Exhibit G attached hereto and made a part hereof ("Assignment and Assumption of Resident Trust Funds");

(vi) A FIRPTA Certificate substantially in the form and substance of Exhibit H attached hereto and made a part hereof;

(vii) A Closing certificate substantially in the form and substance of Exhibit I, attached hereto and made a part hereof;

(viii) A Closing statement setting forth all adjustments to the Purchase Price (the "Closing Statement");

(ix) A Transition Services Agreement substantially in the form and substance of Exhibit K, pursuant to which New Operator or its Affiliates shall provide certain transition services to Seller on the terms and conditions set forth therein for an initial period of six (6) months (with further extensions at the discretion of the parties) at a cost of \$1,500,000 payable by Seller for such initial six (6) month period (the "TSA");

(x) An agreement by Purchaser or an Affiliate of Purchaser to provide services to the Tort Claims Trust reasonably necessary to carry out the duties thereunder, at no cost to the Seller.

(xi) The Mutual Release substantially in the form and substance of Exhibit M (the "Mutual Release"), which shall include a waiver of claims in the Bankruptcy Case by Health Care Navigator, LLC, Halcyon Rehabilitation, LLC and HMS Purchasing, LLC;

(xii) Terminations of the existing leases with respect to the Real Property;

(xiii) Reliance letters in favor of Purchaser's lenders allowing such lenders to rely on any third party reports prepared for, or in possession of, the Seller; and

(xiv) Such title affidavits, transfer tax forms and other documents as are customarily provided by sellers of commercial property comparable to the Real Property and such further documents, instruments and agreements as are contemplated herein.

(b) At Closing, Purchaser shall deliver the Purchase Price to the Seller in accordance with the provisions set forth herein, and Purchaser and New Operator, as applicable, shall deliver an original counterpart of the following:

(i) Purchaser Note;

(ii) General Assignment;

(iii) Assignment and Assumption Agreement;

(iv) Assignment and Assumption of Resident Trust Funds;

(v) A Closing certificate substantially in the form and substance of Exhibit J, attached hereto and made a part hereof;

(vi) The Closing Statement

(vii) The TSA;

(viii) The Mutual Release; and

(ix) Such affidavits, forms and other documents as are customarily provided by buyers of commercial property comparable to the Real Property and such further documents, instruments and agreements as are contemplated herein.

22. Casualty and Condemnation.

(a) Casualty. The risk of loss or damage to the Real Property by fire or other casualty until the Closing shall be the responsibility of the Seller. The Seller shall give the Purchaser and New Operator prompt notice of any damage or destruction to all or any material portion of the Real Property which materially adversely affects the ordinary operations of any Facility and thereafter shall promptly notify (the "Casualty Notice") Purchaser (i) whether Seller intends to repair and restore such damage or destruction to materially not less than its condition as of the date hereof (which Seller shall be obligated to do if the cost thereof does not exceed \$500,000.00 to an individual Facility ("Threshold")), (ii) of the amount of insurance proceeds available for such repair and restoration and the amount of any deductible associated therewith, and (iii) Seller's reasonable estimate of the cost to repair the damage. In the event that the cost to repair the damage is less than the Threshold or Seller otherwise elects repair and restore such damage or destruction, the completion of such repairs and restoration shall be a condition precedent to Closing, provided that Seller may extend the Closing Date for up to sixty (60) days to complete such repairs and restoration. If Seller elects not to make such repairs, or if the cost to repair the damage is greater than the Threshold, then the Purchaser and New Operator may, by written notice given to the Seller not more than ten (10) days after receipt of the Casualty Notice, terminate this Agreement, in which event, this Agreement shall cease, terminate and come to an end, and the Deposit shall be returned to the Purchaser and neither Party shall have any rights or liabilities against or to the other except as expressly set forth herein.

(b) Closing over Casualty. In the event this Agreement has not been terminated in accordance with the provisions of paragraph (a) above, then the Parties shall proceed to the Closing and (i) the Seller shall assign to the Purchaser its right to receive all insurance proceeds available for the aforesaid repairs and restoration and (ii) the Purchaser shall receive a credit against the Purchase Price at Closing in an amount equal to the deductible associated with the aforesaid insurance proceeds.

(c) Condemnation. The Seller shall give the Purchaser and New Operator prompt notice of any actual or threatened taking or condemnation of all or any material portion of the Real Property. If, prior to the Closing, there shall occur a taking or condemnation of all or any material portion of the Real Property, having an ascribed value in excess of \$10,000,000, or a deed has been given in lieu thereof, or, if there is pending any proceeding in condemnation or eminent domain for the taking or use of all or any material part of the Real Property having an ascribed value in excess of \$10,000,000, then, in such event, the Purchaser and New Operator may, at their option, terminate this Agreement by written notice given to the Seller within ten (10) days after the Purchaser and New Operator has received the notice referred to above or at the Closing, whichever is earlier. In the event the Purchaser and New Operator terminates this Agreement pursuant to this paragraph, this Agreement shall cease, terminate and come to an end, the Deposit shall immediately be returned to the Purchaser and neither Party shall have any rights or liabilities against or to the other except as expressly set forth herein.

(d) In the event this Agreement has not been terminated in accordance with the provisions of paragraph (c) above, then the Parties shall proceed to the Closing and the Purchaser shall receive a credit against the Purchase Price at Closing in an amount equal to the proceeds of any condemnation award received by the Seller (less Seller's reasonable costs and expenses of obtaining such award), and, to the extent there shall be any remaining award to be paid, Seller shall execute and deliver such assignment to Purchaser of Seller's right, title and interest in and to such award as shall be reasonably and mutually acceptable to Purchaser and Seller. This provision shall survive the Closing.

(e) This Section is an express provision with respect to destruction and eminent domain and is intended to supersede any applicable statute regarding risk of loss.

23. Termination. In addition to the express provisions contained herein regarding termination of this Agreement, this Agreement may be terminated at any time prior to the Closing Date by:

(a) Seller, if the representations and warranties of Purchaser or New Operator are not true and correct on and as of the Closing Date with the same force and effect as if made as of the Closing Date, in each case, other than representations and warranties that expressly speak only as of a specific date or time, which shall be true and correct as of such specified date or time; provided, however, if any inaccuracy in a representation or warranty of Purchaser or New Operator is capable of being cured, then Purchaser and New Operator shall have fifteen (15) calendar days after either (i) Purchaser and New Operator provide Seller with written notice of such inaccuracy, or (ii) Seller provides Purchaser and New Operator with written notice specifying, in reasonable detail, the claimed inaccuracy, to cure the inaccuracy so that the representation or warranty is true and correct. If Purchaser or New Operator timely cure the inaccuracy, then Seller shall not be entitled to terminate this Agreement pursuant to this subsection;

(b) Seller, if Purchaser or New Operator fails to perform and comply in all material respects with all agreements, obligations and covenants contained in this Agreement that are required to be performed or complied with by it at or prior to the Closing (provided that the payment of the Purchase Price shall not be subject to qualification by "materiality"); provided, however, if any of such failure by Purchaser or New Operator is capable of being cured, then Purchaser and New Operator shall have fifteen (15) calendar days after written notice from Seller to Purchaser and New Operator specifying, in reasonable detail, such failure, to cure the breach. If Purchaser or New Operator cures the breach within such fifteen (15) calendar day period, then Seller shall not be entitled to terminate this Agreement pursuant to this subsection;

(c) Seller, if any condition precedent under Section 20 of this Agreement has not been satisfied by the Closing Date and Seller has not waived the conditions that were not satisfied on or before the Closing Date; provided Seller has not defaulted under any covenant or obligation of Seller in breach of any representation or warranty of Seller set forth herein;

(d) Purchaser and New Operator, in accordance with Section 16 or Section 22 above;

(e) Purchaser and New Operator, if the representations and warranties of Seller are not true, correct and complete in all respects, at and as of the Closing with the same force and effect as if made as of the Closing Date, in each case, other than representations and warranties that expressly speak only as of a specific date or time, which shall be true and correct as of such specified date or time; provided, however, if any inaccuracy in a representation or warranty of Seller is capable of being cured, then Seller shall have fifteen (15) calendar days after either (i) Seller provides Purchaser and New Operator with written notice of such inaccuracy, or (ii) Purchaser and New Operator provide Seller with written notice specifying, in reasonable detail, the claimed inaccuracy, to cure the inaccuracy so that the representation or warranty is true and correct in all material respects. If Seller timely cures the inaccuracy, then Purchaser and New Operator shall not be entitled to terminate this Agreement pursuant to this subsection;

(f) Purchaser and New Operator, if Seller fails to perform and comply in all material respects with all agreements, obligations and covenants contained in this Agreement that are required to be performed or complied with by it at or prior to the Closing; provided, however, if any of such failure by Seller is capable of being cured, then Seller shall have fifteen (15) calendar days after written notice from Purchaser and New Operator to Seller specifying, in reasonable detail, such failure, to cure the breach. If Seller cures the breach within such fifteen (15) calendar day period, then Purchaser and New Operator shall not be entitled to terminate this Agreement pursuant to this subsection;

(g) Purchaser and New Operator, if any condition precedent under Section 19 of this Agreement have not been satisfied by the Closing Date and Purchaser and New Operator have not waived the conditions that were not satisfied on or before the Closing Date; provided neither Purchaser nor New Operator has defaulted under any covenant or obligation of Purchaser or New Operator in breach of any representation or warranty of Purchaser or New Operator set forth herein.

(h) Purchaser and New Operator, if the Sale Order is not entered by the Bankruptcy Court on or before September 30, 2018;

(i) Purchaser and New Operator, the Recharacterization Order is not entered by the Bankruptcy Court on or before October 15, 2018;

(j) Intentionally omitted.

(k) Purchaser and New Operator, if the Bankruptcy Court enters an order (i) appointing a chapter 11 trustee under Section 1104 of the Bankruptcy Code in the Bankruptcy Case, (ii) appointing an examiner with enlarged powers relating to the operation of the business (powers beyond those set forth in Section 1106(a)(3) and (4) of the Bankruptcy Code) under Section 1106(b) of the Bankruptcy Code in the Case, (iii) appointing a fiduciary or representative of the estate with decision-making or other management authority over some or all of the Seller's senior management, (iv) substantively consolidating the estate of any Seller with the estate of any other person or entity other than a Seller, or (v) dismissing the bankruptcy case or converting the bankruptcy case to a chapter 7 case;

(l) Purchaser and New Operator, if Seller files a motion in Seller's Bankruptcy Case (i) seeking to dismiss the Bankruptcy Case or convert the bankruptcy case to a chapter 7 case; or (ii) to takes any other action or actions adverse to Purchaser or its rights and remedies hereunder or under this Agreement;

(m) Purchaser and New Operator, if a plan of reorganization or liquidation is confirmed in the Seller's Bankruptcy Case that does not contain provisions for the consummation of the transactions contemplated under this Agreement;

(n) Purchaser and New Operator, in the event (i) that Seller takes any action (other than action approved by Purchaser or New Operator) in support of, or the Bankruptcy Court approves, a sale, transfer or other disposition of the Transferred Assets to anyone other than Purchaser (or its designee) in connection with a sale under 363, as part of a plan of reorganization or liquidation or by any other means (an "Alternative Transaction"); (ii) the Sale Order is appealed (and a stay pending appeal is granted), reversed, stayed, vacated or otherwise modified in any way adverse to Purchaser and New Operator (as determined in good faith by the Purchaser and New Operator) and not resolved to Purchaser's reasonable satisfaction, by October 15, 2018; (iii) the Bankruptcy Court orders that an amendment be made to this Agreement or to the schedules or exhibits to this Agreement, or the Sale Order and such amendment is materially adverse to Purchaser and New Operator, in their good faith determination; or (iv) Seller becomes a proponent or co-proponent of any plan or reorganization or liquidation under the Bankruptcy Code with the Bankruptcy Court that does not contain provision for consummation of the transactions hereunder to Purchaser and New Operator; or

(o) Either Party, if the Closing has not occurred by the Outside Closing Date.

(p) If this Agreement is terminated by Purchaser and New Operator pursuant to any of Section 23(d) through 23(o) above, Purchaser shall be entitled to the return of the Deposit and all accrued investment income thereon, whereupon this Agreement shall terminate and be of no further force or effect, except as otherwise set forth herein. If this Agreement is terminated by Seller pursuant to any of Section 23(a) through 23(c) above, Seller shall be entitled to retain the Deposit as liquidated damages for Purchaser's and/or New Operator's default and as Seller's exclusive money damages remedy, except as otherwise set forth herein, provided, however, that such damages shall not be paid to Seller in the event it obtains specific performance under Section 23(q) below. Notwithstanding anything contained herein to the contrary, under no circumstances shall (i) either Party have the ability to exercise or enforce any remedy or terminate this Agreement as a result of a default by the other Party if such default was caused in whole or in part by any default, action or omission by the first Party or its affiliates, and (ii) Purchaser or New Operator be entitled to consequential, special, or punitive damages for a default by Seller hereunder.

(q) The Parties agree that irreparable damage would occur upon any failure to cure a curable breach of any provision of this Agreement and that the Parties shall be entitled to specific performance of any such provision, in addition to any other remedy to which they are entitled at law or in equity.

(r) This Agreement shall automatically terminate upon entry of a Final Order by the Bankruptcy Court granting the Reconsideration Motion, upon which the Parties shall cooperate in good faith to amend the SPA to enable the Parties to proceed under and in accordance with the SPA in a manner consistent with the Reconsideration Order.

(s) This Section 23 shall survive the Closing or the earlier termination of this Agreement.

24. Bankruptcy Court Approvals.

(a) Bankruptcy Court Approvals. Promptly following the Contract Commencement Date, Seller shall make a motion (the "Sale Motion") for entry of the Sale Order from the Bankruptcy Court, which motion shall be in a form reasonably acceptable to Purchaser and New Operator which, among other things, (i) approves the sale of the Transferred Assets to Purchaser and New Operator on the terms and conditions set forth in this Agreement and authorizes Seller to proceed with this transaction, (ii) includes a specific finding that each of Purchaser and New Operator is a good faith purchaser of the Transferred Assets, and (iii) states that the sale of the Transferred Assets to Purchaser and New Operator shall be free and clear of all Liens and Liabilities (other than Permitted Exceptions). Following the filing of the Sale Motion, Seller shall use reasonable good faith efforts to obtain the entry of the Sale Order on or before September 30, 2018. Seller shall provide prompt and timely notice of the proposed sale of the Transferred Assets in accordance with the Bankruptcy Code and Bankruptcy Rules.

(b) Assumption, Assignment and Payment of Cure Costs. Seller shall assume and assign the Assumed Agreements designated by Purchaser, in Purchaser's sole discretion, to Purchaser or its designee in accordance with Sections 363 and 365 of the Bankruptcy Code and the Sale Order effective as of the Closing Date and Purchaser shall be solely responsible to pay all Cure Costs associated with any Assumed Agreement. In the event that the Bankruptcy Court determines that the Cure Costs with respect to any Assumed Agreement exceed the proposed Cure Costs approved by Purchaser, Purchaser may, at any time prior to the Closing, elect to remove such Assumed Agreement from the schedule of Assumed Agreements, in which case such Assumed Agreement shall not be assumed and assigned by Seller to Purchaser and Purchaser shall have no obligation to pay any Cure Costs associated with such Assumed Agreement.

25. Bid Protections. By entering into this Agreement, Purchaser and Seller acknowledge that Purchaser shall not seek payment of the Bid Protections in connection with the termination of the SPA until this Agreement is terminated by any party for any reason whatsoever (other than a breach of this Agreement by Purchaser or pursuant to Section 23(r)), upon which the Bid Protections will immediately become due and payable to Purchaser and Seller shall pay the Bid Protections to Purchaser within two (2) Business Days of the termination of this Agreement.

26. Intentionally omitted.

27. Confidentiality

(a) Each of the Parties hereto recognizes and acknowledges that, during the course of negotiations in connection with this Agreement and in preparation for the Closing hereunder, each Party has disclosed and will disclose to the other Party and its representatives, confidential and proprietary information, including, without limitation, books and records, documents and information concerning its and its affiliates' business activities, owners, finances, plans, and practices (collectively, the "Confidential Information"), all of which constitute and will constitute valuable, special and unique assets of the disclosing Party. Each Party agrees not to disclose any Confidential Information of the other to any third party, except as provided herein or as required by law. In addition, each Party agrees to disclose Confidential Information of the other only to its agents, consultants and representatives who have a legitimate need to know such information and who shall: (i) be advised of the confidentiality provisions of this Agreement; and (ii) agree to be bound by the confidentiality provisions hereof.

(b) Each Party hereby acknowledges that if any breach of this section occurs, the other Party would be irreparably and immediately harmed and could not be made whole by monetary damages. Accordingly, in addition to any other remedy to which it may be entitled in law or in equity, each Party shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and/or to compel specific performance of this Section, and the other Party shall not oppose the granting of such relief on the basis that monetary damages are adequate. Each Party also agrees to reimburse the other Party for all reasonable costs and expenses, including reasonable attorney's fees, incurred by such Party in enforcing obligations under this Section.

(c) Confidential Information does not include all or any portion of information which (i) becomes generally available to the public other than as a result of a breach of this Section by the receiving Party, or (ii) was or becomes rightfully available to on the receiving Party a non-confidential basis from a source other than the disclosing Party or its representatives; provided, that such source is not prohibited from disclosing such information to the receiving Party by a contractual, legal or fiduciary obligation to the disclosing Party or its representatives.

(d) Notwithstanding any other provision of this Agreement, the terms of this Section shall survive the termination of this Agreement.

28. Drafting. The Parties hereto have carefully reviewed and negotiated the terms of this Agreement and the Transaction Documents, and Seller, Purchaser and New Operator hereby acknowledge and agree that they have had a full and fair opportunity to review and negotiate the Agreement and the Transaction Documents with the advice of its counsel. Therefore, there shall be no presumption in favor of the non-drafting party.

29. Costs and Expenses. Except as expressly otherwise provided in this Agreement, each Party shall bear its own costs and expenses in connection with this Agreement and the transactions contemplated hereby. The substantially prevailing party in any suit brought to enforce any of the terms or provisions of this Agreement shall be entitled to recover reasonable attorneys' fees and expenses in any such action or proceeding.

30. Performance. In the event of a breach by either Party of its obligations hereunder, the other Party shall have the right, in addition to any other remedies which may be available, to obtain specific performance of the terms of this Agreement, and the breaching Party hereby waives the defense that there may be an adequate remedy at law.

31. Benefit and Assignment. This Agreement binds and inures to the benefit of each Party and its successors and proper assigns, including any trustee appointed in the Bankruptcy Case or any estate representative. Neither Party shall be permitted to assign its rights or obligations under this Agreement without the prior consent of the other Party; provided, however, that effective as of Closing, but not as a condition to Closing, Purchaser and New Operator may assign all of their rights and interests hereunder to any of their designees or Affiliates.

32. Effect and Construction of this Agreement. The captions used herein are for convenience only and shall not control or affect the meaning or construction of the provisions of this Agreement. This Agreement may be executed in one or more counterparts, and all such counterparts shall constitute one and the same instrument. Copies of original signatures sent by facsimile transmission shall be deemed to be originals for all purposes of this Agreement. All gender employed in this Agreement shall include all genders, and the singular shall include the plural and the plural shall include the singular whenever and as often as may be appropriate. When used in this Agreement, the term "including" shall mean "including but not limited to", except when preceded by a negative predicate.

33. Waiver, Discharge, etc. This Agreement shall not be released, discharged, abandoned, changed or modified in any manner, except by an instrument in writing executed by or on behalf of each of the Parties hereto by their duly authorized officer or representative. The delay or failure of any Party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of nor impair any such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of any Party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

34. Rights of Persons Not Parties. Nothing contained in this Agreement shall be deemed to create rights in persons not Parties hereto, other than the successors and proper assigns of the Parties hereto.

35. Governing Law; Disputes. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard any contrary rules relating to the choice or conflict of laws. The parties acknowledge and agree that the Bankruptcy Court shall have exclusive jurisdiction to hear and determine any claims or disputes between the parties hereto or any of Seller's creditors or other parties in interest in the Bankruptcy Case affected hereby pertaining directly or indirectly to this Agreement, the Transaction Documents, or to any matter arising herefrom or related hereto. The foregoing notwithstanding, should the Bankruptcy Court be unable to exercise such jurisdiction or decline to exercise such jurisdiction, any claims or disputes arising hereunder shall be adjudicated by any other court of competent jurisdiction in the State of New York.

36. Waiver of Jury Trial EACH OF THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION BROUGHT ON OR WITH RESPECT TO THIS AGREEMENT, INCLUDING TO ENFORCE OR DEFEND ANY RIGHTS HEREUNDER, AND AGREES THAT ANY SUCH ACTION SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY

37. Severability. Any provision, or distinguishable portion of any provision, of the Agreement which is determined in any judicial or administrative proceeding to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any

jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the Parties waive any provision of law which renders a provision hereof prohibited or unenforceable in any respect.

38. Entire Agreement. This Agreement including the schedules, exhibits and the other Transaction Documents, together with the agreements and instruments referenced herein and therein, constitute the entire agreement between the Parties hereto with respect to the subject matter hereof and thereof, and there are no agreements, understandings, restrictions, warranties, or representations between the Parties with respect to the subject matter hereof other than as set forth herein or therein.

39. Post-Closing Assistance. After the Closing, each Party (a "Requesting Party") shall, from time to time, upon written request therefor, execute and deliver to any other Party, any confirmatory instruments which such Requesting Party may reasonably request in order to consummate the transactions contemplated under this Agreement and/or under the Transaction Documents.

40. Notice. All notices provided for herein shall be made in writing (a)(i) by hand delivery or (ii) by reputable overnight delivery service making delivery against a signed receipt, *and* (b) by email to the following addresses:

To Seller: 4 West Holdings, Inc.
c/o Ankura Consulting
Attn: Louis Robichaux
15950 Dallas Parkway
Dallas, TX 75248
Email: louis.robichaux@ankura.com

with a copy to:

DLA Piper LLP (US)
Attn: Thomas R. Califano (thomas.califano@dlapiper.com)
1251 Avenue of the Americas
New York, NY 10020-1104
Email: thomas.califano@dlapiper.com

To Purchaser/New Operator: SC-GA 2018 Partners, LLC

4 West Red Oak Lane, Suite 201
White Plains, NY 10604
Attn.: Steve Lebowitz
Email: slebowitz@gmail.com

with a copy to:

Neligan LLP
325 N. St. Paul St., Suite 3600
Dallas, TX 75201
Attn.: Patrick J. Neligan, Jr., Esq.
James P. Muenker, Esq.
Email: pneligan@neliganlaw.com
jmuenker@neliganlaw.com

Either Party may upon notice to the other change its address for the receipt of notices. Any notices sent as provided herein shall be deemed delivered when actually received, when delivery is refused by the intended recipient, or when delivery is first attempted but cannot be completed due to the intended recipient's failure to provide notice of a change in address.

[Signatures on Next Page]

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first set forth.

PURCHASER:

SC-GA 2018 Partners, LLC

By: _____
Name: Steve Lebowitz
Title: President

NEW OPERATOR:

SC-GA OPERATOR HOLDINGS, LLC

By: _____
Name:
Title:


SELLER:

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

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first set forth.

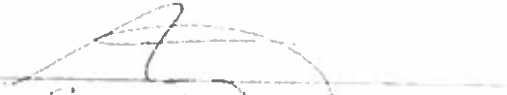
PURCHASER:

SC-GA 2018 Partners, LLC

By: 
Name: Steve Lebowitz
Title: President

NEW OPERATOR:

SC-GA OPERATOR HOLDINGS, LLC

By: 
Name: Steven Lebowitz
Title: Authorized Representative

SELLER:

By: _____
Name:
Title:

EXHIBITS AND SCHEDULES

| | | |
|------------|---|---|
| Exhibit A | - | Definitions |
| Exhibit B | - | Description of Real Property |
| Exhibit C | - | Purchaser Note |
| Exhibit D | - | Form of Special Warranty Deed |
| Exhibit E | - | Form of Bill of Sale |
| Exhibit F | - | Form of General Assignment |
| Exhibit G | - | Form of FIRPTA Certificate |
| Exhibit H | - | Form of Seller Closing Certificate |
| Exhibit I | - | Form of Seller Officer's Certificate |
| Exhibit J | - | Form of Purchaser Closing Certificate |
| Exhibit K | - | Transition Services Agreement |
| Exhibit L | - | Form of Amended and Restated Escrow Agreement |
| Exhibit M | - | Form of Mutual Release |
| Schedule 1 | - | Seller and Facilities |

EXHIBIT A

DEFINITIONS

As used in this Agreement, the following terms have the respective meanings set forth below or set forth in the section hereof following such term:

“**Additional Deposit**” shall have the meaning set forth in Section 3.

“**Affiliate**” means, with respect to any Person, any other Person controlling, controlled by or under common control with such Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made. For purposes of this definition, “control” (including the terms “controlling”, “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

“**Agreement**” shall mean this Asset Purchase Agreement, including all Exhibits and Schedules attached hereto, as modified, amended, supplemented and in effect from time to time.

“**Alternative Transaction**” shall have the meaning set forth in Section 23(m).

“**Ancillary Business**” means hospice and palliative care services offered in home, assisted living or skilled nursing settings by Palladium Hospice and Palliative Care, LLC.

“**Assignment and Assumption Agreement**” shall mean an assignment and assumption agreement assigning to Purchaser, subject and pursuant to Sale Order, the Assumed Agreements.

“**Assignment and Assumption of Resident Trust Funds**” shall have the meaning set forth in Section 21(a)(v).

“**Assumed Agreements**” means Assumed Contracts and Assumed Leases.

“**Assumed Contracts**” shall have the meaning set forth in Section 1(a)(iii).

“**Assumed Hired Employees PTO Benefits**” shall have the meaning set forth in Section 8(e).

“**Assumed Leases**” shall have the meaning set forth in Section 1(a)(iv).

“**Assumed Liabilities**” shall have the meaning set forth in Section 4.

“**Assumed Patient Agreement Obligations**” shall have the meaning set forth in Section 12(a).

“**Auction**” means the auction contemplated by the Bid Procedures Order.

“**Avoidance Actions**” shall have the meaning set forth in Section 1(a)(xii).

“**Bankruptcy Case**” means *In re 4 West Holdings, Inc., et al.*, jointly administered under Case No. 18-30777 (HDI) pending in the Bankruptcy Court.

“**Bankruptcy Code**” means chapter 11 of title 11 of the United States Code, 11 U.S.C. § 101 et.

“**Bankruptcy Court**” means the United States Bankruptcy Court for the Northern District of Texas, Dallas Division.

“**Break-Up Fee**” means the Break-Up Fee described in the Bid Procedures Order.

“**Bid Procedures Order**” shall have the meaning set forth in the Recitals.

“**Bid Protections**” shall have the meaning set forth in the Recitals.

“**Bill of Sale**” shall have the meaning set forth in Section 21(a)(ii).

“**Business**” means the operation of the skilled nursing business and services by Seller at the Facilities and all ancillary business and services conducted by Seller at the Facilities, including the Ancillary Business.

“**Business Day**” means any day except Saturday, Sunday or any other day on which commercial banks located in the State are authorized or required by law to be closed for business.

“**Cash Consideration**” shall have the meaning set forth in Section 2(a)(i).

“**Casualty Notice**” shall have the meaning set forth in Section 22(a).

“**Claim**” has the meaning set forth in Section 101(5) of the Bankruptcy Code.

“**Closing**” shall have the meaning set forth in Section 18(a).

“**Closing Date**” shall have the meaning set forth in Section 18(a).

“**Closing Statement**” shall have the meaning set forth in Section 21(a)(viii).

“**Confidential Information**” shall have the meaning set forth in Section 27(a).

“**Contract Commencement Date**” means the date on which this Agreement is executed by all parties.

“**Cure Costs**” means any and all amounts, costs or expenses that must be paid or actions or obligations that must be performed or satisfied pursuant to section 365(b)(1) of the Bankruptcy Code, as determined by the Bankruptcy Court or as agreed to by and between the contract counter party and Purchaser and New Operator, to effectuate the assumption by the applicable Seller and assignment of the Assumed Agreements hereunder.

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

“**Deeds**” shall have the meaning set forth in Section 16(a).

“**Expense Reimbursement**” means the Expense Reimbursement described in the Bid Procedures Order.

“**Effective Time**” shall have the meaning set forth in Section 18(a).

“**Employee Plans**” shall have the meaning set forth in Section 13(j).

“**Employee Schedule**” shall have the meaning set forth in Section 8(a).

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

“**Excluded Assets**” shall have the meaning set forth in Section 1(b).

“**Excluded Contracts**” mean any contract of the Seller that is not an Assumed Agreement.

“**Excluded Liabilities**” shall have the meaning set forth in Section 5.

“**First Extended Closing Date**” shall have the meaning set forth in Section 18(b).

“**First Extension Deposit**” shall have the meaning set forth in Section 18(b).

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

“**Facility Employees**” shall have the meaning set forth in Section 8(a).

“**Final Order**” means an order of the Bankruptcy Court (a) as to which the time to appeal shall have expired and as to which no appeal shall then be pending, or (b) if an appeal shall have been filed or sought, either (i) no stay of the order shall be in effect or (ii) if such a stay shall have been granted by the Bankruptcy Court or any other court having jurisdiction, then (A) the stay shall have been dissolved or (B) a final order of a court having jurisdiction to hear such appeal shall have affirmed the order and the time allowed to appeal from such affirmance or to seek review or rehearing thereof shall have expired and the taking or granting of any further hearing, appeal, petition for certiorari shall not be permissible, and if a timely appeal of such order or timely motion to seek review or rehearing of such order shall have been made, any court of appeals having jurisdiction to hear such appeal or motion (or any subsequent appeal or motion to seek review or rehearing) shall have affirmed the court’s (or lower appellate court’s) order upholding the order of the Bankruptcy Court and the time allowed to appeal from such affirmance or to seek hearing, appeal or petition for certiorari shall not be permissible; provided, however, that Purchaser and New Operator in good faith in their reasonable discretion shall have the right to determine that any order for which an appeal, motion to seek review, motion to seek rehearing, or any similar motion is pending is not a Final Order, notwithstanding that such order is not then subject to stay.

“**GAAP**” means United States generally accepted accounting principles, consistently applied, as in effect from time to time.

“**General Assignment**” shall have the meaning set forth in Section 21(a)(iii).

“**Governmental Authority**” means any foreign, domestic, federal, territorial, state or local governmental authority, or any instrumentality, court, legislative body, commission, tribunal or organization of any such governmental authority, or any regulatory, administrative or other agency of any such governmental authority, or any political or other subdivision, department or branch of any of the foregoing.

“**Health Care Law**” means any one or more applicable laws pertaining to or concerned with the establishment, construction, ownership, operation, maintenance, management, use, regulation, development, expansion, construction, and operation of the Facilities or any part thereof as it relates to the provision of health care services thereon, and/or the reimbursement of healthcare costs relating thereto, in each case as the same may have been and hereafter may be supplemented, modified, amended, restated or replaced from time to time, including, without limitation, the False Claims Act (31 U.S.C. Section 3729 et seq.), the Anti-Kickback Act of 1986 (41 U.S.C. Section 51 et seq.), the Federal Health Care Programs Anti-Kickback statute (42 U.S.C. Section 1320a-7a(b)), the Ethics in Patient Referrals Act of 1989, as amended (Stark Law) (42

U.S.C. 1395nn), the Civil Money Penalties Law (42 U.S.C. Section 1320a-7a), or the Truth in Negotiations (10 U.S.C. Section 2304 et seq.), Health Care Fraud (18 U.S.C. 1347), Wire Fraud (18 U.S.C. 1343), Theft or Embezzlement (18 U.S.C. 669), False Statements (18 U.S.C. 1001), False Statements (18 U.S.C. 1035), and Patient Inducement Statute and equivalent state statutes or any rule or regulation promulgated by a Governmental Authority with respect to any of the foregoing healthcare fraud laws affecting Seller with respect to the Facilities.

“**Hired Employees**” shall have the meaning set forth in Section 8(d).

“**Hired Employees PTO Benefits**” shall have the meaning set forth in Section 8(e).

“**Intangible Personal Property**” shall have the meaning set forth in Section 1(a)(xii).

“**Laurel Baye Facilities**” means the portion of the Real Property and any other portion of the Transferred Property that is the subject of the Laurel Baye Lease.

“**Laurel Baye Lease**” means the Master Lease Agreement, dated as of June 27, 2014, by and among OHI Asset (SC) Greenville, LLC, OHI Asset (GA) Macon, LLC, and OHI Asset (SC) Orangeburg, LLC, as landlords, and New Ark Master Tenant, LLC, as tenant, as amended by a First Amendment to Master Lease (New Ark-Cottages), dated as of September 30, 2016, and a Second Amendment to Master Lease (Laurel Baye), dated as of July 1, 2017.

“**Liabilities**” means any indebtedness, Claims, damages, lawsuits, liabilities, obligations, losses, fines or other penalties, royalties, proceedings, deficiencies, duties, obligations, contracts, agreements, debts, obligations, interests or other liabilities, whether statutory, regulatory or judicially created, including, without limitation, liabilities under the Provider Agreements and liabilities as a result of violations of Healthcare Laws (whether absolute, accrued, contingent, fixed, liquidated or unliquidated, or otherwise, or whether known or unknown, or whether due or to become due, and whether in Contract, tort, strict liability or otherwise, and whether or not resulting from third-party claims).

“**License Approval**” shall have the meaning set forth in Section 16(c).

“**Lien**” means any security interest, liens, restrictions and encumbrances of every kind, nature and description.

“**Losses**” means any and all damages, losses, Liabilities, costs and expenses (including, without limitation, reasonable attorney’s fees and expenses).

“**Material Adverse Effect**” means any circumstance, event, effect or change that, individually or in the aggregate, is or would reasonably be expected to be materially adverse to (1) the Business, or the results of operations, or condition (financial or otherwise) of the Facilities, (2) the Transferred Assets; or (3) the ability of Seller to perform its obligations under this Agreement or to consummate the transactions contemplated under this Agreement; provided, that no circumstance, event, effect or change arising out of any of the following shall be deemed to constitute a Material Adverse Effect: (i) any condition, change, effect, or circumstance generally affecting any of the industries or markets in which the Seller operate; (ii) any change in any law or generally accepted accounting principles (or changes in interpretations of any law or generally accepted accounting principles); (iii) general economic, regulatory, or political conditions (or changes therein) or conditions (or changes therein) in the financial, credit, or securities markets; (iv) any acts of God, natural disasters, terrorism, armed hostilities, sabotage, war, or any escalation or worsening of any of the foregoing; (v) the negotiation, execution, announcement, consummation, or existence of this Agreement or the transactions contemplated hereby (including the threatened or actual impact on relationships of Seller with

customers, vendors, suppliers, distributors, landlords or employees (including the threatened or actual termination, suspension, modification or reduction of such relationships)); (vi) any action required or permitted to be taken pursuant to the terms of this Agreement or upon the mutual written consent of the Parties; (vii) the failure, in and of itself, of the Seller to meet any published or internally prepared estimates of revenues, earnings or other financial projections, performance measures or operating statistics; and (viii) any litigation or claim threatened or initiated by creditors of Seller against Seller or any of its officers or directors, in each case, arising out of the execution of this Agreement or the transactions contemplated hereby, except in the circumstances contemplated by clauses (i), (ii), (iii), and (iv) above, other than to the extent any such condition, change, effect, or circumstance has a material and disproportionate adverse effect on Seller relative to other similarly situated participants in the industries or markets in which they operate.

“**New Operator**” shall have the meaning set forth in the Recitals.

“**Notice of Successful Bid**” shall have the meaning set forth in the Recitals.

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

“**Operations Records**” shall have the meaning set forth in Section 11(a).

“**Outside Closing Date**” shall have the meaning set forth in Section 18(a).

“**Party**” shall have the meaning set forth in the Recitals

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

“**Patient Agreements**” shall have the meaning set forth in Section 12(a).

“**Patient Care Records**” shall have the meaning set forth in Section 11(a).

“**Payment Programs**” shall have the meaning set forth in Section 13(o).

“**Permitted Exceptions**” shall have the meaning set forth in Section 1(a).

“**Permitted Liens**” shall have the meaning set forth in Section 16(a).

“**Permitted Tax Liens**” shall have the meaning set forth in Section 16(a).

“**Permits**” shall have the meaning set forth in Section 13(i).

“**Person**” means any individual, sole proprietorship, partnership, corporation, limited liability company, unincorporated society or association, Governmental Authority, estate, trust or other entity or organization,

“**Personal Property**” shall have the meaning set forth in Section 1(a)(xi).

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

“**Proper Party**” shall have the meaning set forth in Section 9(g).

“**Property**” shall have the meaning set forth in Section 1(a)(xii).

“**Prorated Items**” shall have the meaning set forth in Section 10(a).

“**Provider Agreements**” shall have the meaning set forth in Section 6(a).

“**Purchase Price**” means Section 2(a).

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

“**Purchaser Note**” shall have the meaning set forth in Section 2(a)(ii).

“**Purchaser’s Transaction Documents**” shall have the meaning set forth in Section 15(b).

“**Real Property**” shall have the meaning set forth in Section 1(a)(i).

“**Receipts Report**” shall have the meaning set forth in Section 9(c).

“**Recharacterization Complaint**” shall have the meaning set forth in the Recitals.

“**Recharacterization Order**” means an order of the Bankruptcy Court granting the relief requested by the Recharacterization Complaint, which shall be in form and substance reasonably acceptable to Purchaser and Seller.

“**Receiving Party**” shall have the meaning set forth in Section 9(g).

“**Reconsideration Motion**” shall have the meaning set forth in the Recitals.

“**Reconsideration Order**” means an order of the Bankruptcy Court granting the Reconsideration Motion, which shall be in form and substance reasonably acceptable to Purchaser and Seller.

“**Requesting Party**” shall have the meaning set forth in Section 39.

“**Resident Trust Funds**” shall have the meaning set forth in Section 7(a).

“**Resident Deposits**” shall have the meaning set forth in Section 7(a).

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

“**Sale Motion**” shall have the meaning set forth in Section 24(b).

“**Sale Order**” means an order of the Bankruptcy Court in form and substance satisfactory to Purchaser, in its reasonable discretion, with such changes as may be made by Purchaser (for the avoidance of doubt, including all exhibits and schedules thereto), granting the Sale Motion and that, among other things, finds and provides that: (i) this Agreement is the Successful Bid (as defined in the Bid Procedures Order); (ii) the Transferred Assets (which shall include good and marketable fee simple title to the Real Property) sold to Purchaser pursuant to this Agreement shall be transferred to Purchaser free and clear, with the exception of Permitted Exceptions and except as is required by applicable Law, of all Liens and Liabilities, causes of action, demands, guaranties, rights, restrictions, remedies, and matters of any kind or nature whatsoever, whether at law or in equity, including, without limitation, free and clear of any rights or claims based on theories of transferee or successor liability under applicable law, statute, rule, regulation, common law or equitable principle, including, without limitation, any Environmental Laws, labor or employment laws (including, but not limited to, unemployment compensation, workers’ compensation, wage and hour, discrimination, wrongful discharge, unfair labor practices, etc.), ERISA (including, but not limited to, termination liability or withdrawal liability from any defined benefit pension plan), the Code, and COBRA, of any Governmental Authority, including,

without limitation, the Pension Benefit Guaranty Corporation, the IRS, state and local taxing authorities and any Governmental Authority, whether arising before or after the commencement of the Bankruptcy Case and whether imposed by agreement, understanding, law, equity, regulation, custom or otherwise, including, without limitation, Seller's Benefit Plans, save and excepting only those Liabilities expressly assumed by Purchaser in writing pursuant to this Agreement; (iii) the Bankruptcy Court shall retain jurisdiction over any claims that are not Assumed Liabilities hereunder; (iv) this Agreement was negotiated, proposed and entered into by the Parties without collusion, in good faith and from arm's length bargaining positions; (v) this Agreement and the transactions contemplated hereby may be specifically enforced against and binding upon, and not subject to rejection or avoidance by, Seller or any Chapter 7 or Chapter 11 trustee of Seller appointed pursuant to the Bankruptcy Code or other representative of its estate; (vi) the Assumed Agreements shall be assigned to and assumed by Purchaser pursuant to the procedures set forth in Section 24(b) hereof and the Sale Motion, with only such exceptions as Purchaser may agree in writing; and (vii) granting related relief. The Sale Order may also provide that the transactions contemplated under this Agreement may be implemented, at Purchaser's option, as part of a plan of reorganization in the Bankruptcy Case under Chapter 11 of the Bankruptcy Code.

"Second Extended Closing Date" shall have the meaning set forth in Section 18(b).

"Second Extension Deposit" shall have the meaning set forth in Section 18(b).

"Seller" shall have the meaning set forth in the Recitals.

"Seller's Knowledge" means and refer to the current actual knowledge (as opposed to constructive or imputed) of the CEO, CFO and, as to any individual Seller, that of its Director of Nursing, its Director of Rehabilitation, its comptroller, and its Facility administrator, without independent investigation or inquiry and without any duty to conduct any investigation or inquiry.

"Seller's Monetary Liens" shall have the meaning set forth in Section 16(b).

"Seller's Response" shall have the meaning set forth in Section 16(b).

"Seller's Transaction Documents" shall have the meaning set forth in Section 13(b).

"SPA" shall have the meaning set forth in the Recitals.

"State" shall have the meaning set forth in the Recitals.

"Successful Bid" shall have the meaning set forth in the Bid Procedures Order.

"Tangible Personal Property" shall have the meaning set forth in Section 1(a)(ii).

"Taxes" means all federal, state, local and foreign taxes, assessments or governmental charges (including net income, gross income, payroll, ad valorem, excise, franchise, occupancy, real property, personal property, sales, use and value-added taxes, taxes withheld from employees' salaries and other withholding taxes and obligations and all deposits required to be made with respect thereto), levies, assessments, deficiencies, import duties, licenses and registration fees and charges of any nature whatsoever, including any interest, penalties, additions to tax or additional amounts with respect thereto.

"Third-party Payor" means Medicare, Medicaid, Tricare, Veteran's Administration, commercial and private insurers, managed care company, employee assistance programs, HMOs, preferred provider organizations

and any other governmental, commercial, or other organization which maintains a healthcare reimbursement program or policy.

“**Threshold**” shall have the meaning set forth in Section 22(a).

“**Title Commitment**” shall have the meaning set forth in Section 16(a).

“**Title Company**” means First American Title Company.

“**Title Date**” shall have the meaning set forth in Section 16(a).

“**Title Defects**” shall have the meaning set forth in Section 16(a).

“**Tort Claims Trust**” shall have the meaning set forth in Section 2(a)(i).

“**Transaction Documents**” shall have the meaning set forth in Section 15(b).

“**Transitions Services**” means those services provided by an Affiliate of Purchaser to Seller pursuant to the TSA.

“**Transferred Assets**” shall have the meaning set forth in Section 1(a).

“**TSA**” shall have the meaning set forth in Section 21(a)(ix).

“**WARN**” shall have the meaning set forth in Section 8(c).

“**Warranties**” shall have the meaning set forth in Section 1(a)(vii).

EXHIBIT B

REAL PROPERTY

Attached hereto.

[To Be Provided]

EXHIBIT C

PURCHASER NOTE

THIS SUBORDINATED SECURED PROMISSORY NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "*ACT*"), AS AMENDED, OR ANY COMPARABLE STATE SECURITIES LAW, AND MAY NOT BE SOLD, ASSIGNED, PLEDGED, OR OTHERWISE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT COVERING THE TRANSFER OR AN EXEMPTION UNDER THE ACT AND IS SUBJECT TO OTHER TRANSFER RESTRICTIONS AS SET FORTH HEREIN.

THIS SUBORDINATED SECURED PROMISSORY NOTE AND THE INDEBTEDNESS EVIDENCED BY THIS SUBORDINATED SECURED PROMISSORY NOTE ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN [SUBORDINATION AGREEMENT TO BE DRAFTED WITH SENIOR LENDER].

SUBORDINATED SECURED PROMISSORY NOTE

\$30,000,000.00

[City, State]

[_____, 2018 (the "*Issuance Date*")]

FOR VALUE RECEIVED, and subject to the terms and conditions set forth herein, SC-GA 2018 Partners, LLC, a Delaware limited liability company ("*Maker*"), hereby unconditionally promises to pay to the order of OHI Asset RO, LLC, a Maryland limited liability company or its assigns ("*Payee*," and together with Maker, the "*Parties*"), at 303 International Circle, Suite 200, Hunt Valley, MD 21030 (or at such other location as Payee may instruct Maker from time to time in writing), the principal amount of \$30,000,000.00 (the "*Loan*"), together with all accrued interest thereon, as provided in this Subordinated Secured Promissory Note (the "*Note*," as the same may be amended, restated, supplemented, or otherwise modified from time to time in accordance with its terms).

This Note has been executed and delivered pursuant to and in accordance with the terms and conditions of Article V.F of the Plan.

1. **Definitions.** Capitalized terms used herein shall have the meanings set forth in this **Section 1**.

(A) "**Affiliate**" means, when used with respect to any corporation, limited liability company, partnership, joint venture, or other legal entity, any Person who directly or indirectly controls or is controlled by or is under common control with such corporation, limited liability company, partnership, joint venture, or other legal entity. For the purposes of this definition, "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, through the majority ownership of voting securities, partnership interests, or other equity interests.

(B) **“Applicable Law”** means all applicable provisions of constitutions, laws, statutes, ordinances, rules, treaties, regulations, permits, licenses, approvals, interpretations, and orders of courts or Governmental Authorities and all orders and decrees of all courts and arbitrators.

(C) **“Applicable Rate”** means 6% per annum (calculated on the basis of a 360 day year).

(D) **“Business Day”** means a day other than a Saturday, Sunday, legal holiday, or day on which banks are authorized or required by law to be closed in the State of New York.

(E) **“Default Rate”** means 8% per annum (calculated on the basis of a 360 day year).

(F) **“Distribution”** means any payment, transfer, or distribution of cash or any assets to (x) one or more holders of any Equity Interests or (y) any Unlimited Subsidiary, or return of any capital, redemption of any of security, or making or assumption of any loans, advances, or extension of credit or capital contribution to, or any other investment in, any holder of any Equity Interests or any Unlimited Subsidiary, including a payment on any debt or other obligations, but excluding (i) payments to Maker or one or more Unlimited Subsidiaries in consideration of services rendered by or on behalf of Maker or such Unlimited Subsidiary and which payments and services are in strict compliance with Section 10.2(f) of this Note and (ii) repayment of any Replacement Loans provided that at the time of such repayment, there is (a) no pending Event of Default and (b) no event that with notice or elapse of time or both would constitute an Event of Default under Sections 5.2, 5.5 or 5.6 of this Note, unless cured or waived prior to making such repayment.

(G) **“Equity Cash Return”** means a then-current 8% cash annual return on the equity portion of the purchase price of the Restructuring Transaction; provided that (i) there shall be no Equity Cash Return any time there is a pending Event of Default under this Note, and (ii) payment of any Equity Cash Return shall be subject to the delivery to Payee of a certificate signed by an appropriate officer of Maker certifying that immediately following the payment of any Equity Cash Return, Maker will be solvent. For purposes of such certificate, “Solvent” shall mean that immediately following any such payment Maker’s current ratio (current assets divided by current liabilities, as determined in accordance with generally accepted accounting principles, consistently applied) is greater than 1.0.

(H) **“Equity Interest”** means any Equity Security in Maker (or such applicable party to which the language refers), including, without limitation, all issued, unissued, authorized, or outstanding units and other ownership interests, including limited liability company interests, together with (a) any options, warrants, or contractual rights to purchase or acquire any such Equity Securities at any time, and all rights arising with respect thereto and (b) the rights of any Person to purchase or demand the issuance of any of the foregoing and shall include: (i) conversion, exchange, voting, participation, dividend, and distribution rights; (ii) liquidation preferences; (iii) options, warrants, and call and put rights; (iv) share-appreciation rights; and (v) all unexercised Equity Interests.

(I) **“Equity Security”** means an “equity security” as defined in section 101(16) of the Bankruptcy Code.

(J) **“Event of Default”** has the meaning set forth in Section 5.

(K) **“Governmental Authority”** means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank, or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers, or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

(L) **“Lien”** means, with respect to any asset, any mortgage, leasehold mortgage, lien, pledge, charge, security interest, hypothecation, or encumbrance of any kind in respect of such asset.

(M) **“Loan”** has the meaning set forth in the introductory paragraph.

(N) **“Maker”** has the meaning set forth in the introductory paragraph.

(O) **“Maturity Date”** means the earlier of (a) seven (7) years from the Issuance Date, (b) the date of closing of any transaction or series of transactions involving the Complete Transfer (as defined in Section 2.3(b) hereof), or (c) the date on which all amounts under this Note shall become due and payable pursuant to Section 6.

(P) **“Note”** has the meaning set forth in the introductory paragraph.

(Q) **“Parties”** has the meaning set forth in the introductory paragraph.

(R) **“Payee”** has the meaning set forth in the introductory paragraph.

(S) **“Person”** means any individual, corporation, partnership, joint venture, limited liability company, association, joint-stock company, trust, unincorporated organization or government, or any agency or political subdivision of a Governmental Authority.

(T) **“Purchase Agreement”** means the Asset Purchase Agreement, dated August __, 2018, between the entities listed as “Seller” thereto, Maker and SC-GA Operator Holdings, LLC.

(U) **“Quarterly Payment Date”** means the ____ day of each [April, July, October and January].

(V) **“Replacement Loans”** means loans made to Maker or any Unlimited Subsidiary by a holder of any Equity Interests, the proceeds of which were used exclusively to repay all or a portion of the Senior Indebtedness.

(W) **“Restructuring Portfolio”** means all of the operating assets of the facilities as described on Schedule I to the Purchase Agreement.

(X) **“Restructuring Transaction”** means the transaction where the Restructuring Portfolio was transferred to Maker pursuant to the terms of the Purchase Agreement.

(Y) “**Senior Indebtedness**” means all obligations incurred under that certain [DESCRIBE SENIOR LOAN OBLIGATIONS], but only to the extent that Maker is obligated thereunder.

(Z) “**Senior Lender**” means [Sector Financial Inc., Credit Suisse AG, New York Branch and Credit Suisse AG, Cayman Islands Branch, and certain other lenders that will provide new mezzanine financing at Closing].

(AA) “**Tax Distributions**” means Distributions to holders of Equity Interests in an aggregate amount not to exceed the amount necessary for such holders to pay their actual federal, state, and local tax liabilities in respect of (but solely in respect of) the taxable income of Maker attributable to each such holder’s ownership of Equity Interests (taking into account all available credits and deductions). Upon Payee’s request, Maker shall cause the holders of Equity Interests to provide certificates setting forth supporting calculations in form and substance satisfactory to Payee.

(BB) “**Unlimited Subsidiary**” of a Person means a corporation, limited liability company, partnership, joint venture, or other legal entity of which a majority of the share of securities or other equity interests having ordinary voting power for the election of directors or other governing body are at any time beneficially owned, directly or indirectly, by such Person. Except the extent the context indicates otherwise, a reference in this Note to an Unlimited Subsidiary shall mean a reference to an Unlimited Subsidiary of Maker.

2. Payments.

2.1 Except as otherwise provided herein, Maker shall pay principal and interest due under this Note as follows:

(a) commencing on the Issuance Date, cash interest at the rate of 6% per annum on the unpaid principal amount of this Note, payable in cash in arrears on each Quarterly Payment Date.

(b) commencing on the third anniversary of the Issuance Date, principal repayments on each Quarterly Payment Date based on a 15 year amortization of the then outstanding principal balance of this Note.

(c) the aggregate unpaid principal amount under this Note, all accrued and unpaid interest, and all other amounts payable under this Note shall be paid in one final installment on the Maturity Date.

2.2 **Optional Prepayment.** Maker shall have the right, subject to the subordination provisions of this Note, to prepay the Loan evidenced by this Note at any time at a discount calculated as (a) the net present value of the then outstanding principal balance of this Note at the time of prepayment determined using a 6% discount rate, plus (b) any unpaid fees, charges, and accrued but unpaid interest on this Note.

2.3 Mandatory Prepayments.

(a) **Mandatory Prepayments upon any Distribution Other than the Equity Cash Return or Tax Distributions.** In the event Maker or an Unlimited Subsidiary shall make any Distributions (other than

the Equity Cash Return or Tax Distributions), Maker or such Unlimited Subsidiary shall pay an amount equal to 50% of the amount of such Distributions to Payee as a prepayment of the Loan.

(b) Mandatory Prepayments upon any Sale of All or Substantially all Facilities Comprising the Restructuring Portfolio. If all or substantially all facilities comprising the Restructuring Portfolio are sold, transferred, subleased or otherwise disposed of in any way (a “Complete Transfer”), Maker shall pay to Payee, at or prior to the time of the closing of such Complete Transfer and as a condition to the effectiveness of such Complete Transfer, an amount equal to the greater of (x) $\frac{1}{2}$ of the difference between (A) the aggregate amount (of any kind) of consideration then paid or thereafter payable to or on behalf of Maker in connection with such Complete Transfer (discounted to present value, in the case of sublease payments or other amounts to be received after the closing of the Complete Transfer, at a 6% discount rate) and (B) the sum of \$195,000,000 plus the actual, documented costs of all improvements made to the facilities subject to the Complete Transfer since the effective date of the Purchase Agreement, such amount not to exceed the then unpaid balance of principal, fees, charges, and accrued but unpaid interest on this Note, or (y) the then present value of the unpaid principal balance on this Note, determined using a 6% discount rate, plus any unpaid fees, charges, and accrued interest on this Note. Any such payments made under this section shall be in full and final satisfaction of all amounts owed under this Note.

(c) Mandatory Prepayments upon any Sale Not Constituting a Complete Transfer. If (i) any one or more facilities comprising the Restructuring Portfolio is/are sold, transferred, subleased, or disposed of in any way (a “Transfer”) (but excluding a transaction that constitutes a Complete Transfer governed by Section 2.3(b)), and (ii) all or any part of the proceeds from such Transfer are not required to be used to repay all or any part of the Senior Indebtedness, and until such time as all amounts due under this Note have been repaid, Maker shall pay to Payee, at or prior to the time of the closing of such Transfer and as a condition to the effectiveness of such Transfer, an amount equal to (x) any fees or charges outstanding under this Note, plus (y) all accrued but unpaid interest under this Note, plus an amount equal to 50% of the proceeds from such Transfer (net of amounts paid to Payee pursuant to clauses (x) and (y) of this Section 2.3(c) and including, for purposes of the foregoing, any amounts held in escrow), such amount not to exceed the then unpaid balance of principal, fees, charges and accrued but unpaid interest on this Note.

2.4 Acceptance of Late or Partial Payments. Payee may accept late or partial payment of any amount due under this Note; provided, however, that acceptance of one or more late or partial payments shall not constitute a waiver of any default nor of any of Payee’s rights to receive timely payment of any other payment. Acceptance of any payment, whether partial or otherwise, after the happening or occurrence of an Event of Default and the acceleration of the due date of this Note shall not constitute a reinstatement of the pre-acceleration payment schedule, nor shall it impair any of Payee’s rights or remedies under this Note.

3. Interest.

3.1 Interest Rate. Except as otherwise provided herein, the outstanding principal amount of the Loan shall bear interest at the Applicable Rate from the Issuance Date until the Loan is paid in full, whether at maturity, upon acceleration, by prepayment, or otherwise.

3.2 Default Interest. If any amount payable hereunder is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration, or otherwise, such overdue amount shall bear interest at the Default Rate from the date of such non-payment until such amount is paid in full.

3.3 Computation of Interest. All computations of interest shall be made on the basis of a year of 360 days and the actual number of days elapsed. Interest shall accrue on the Loan on the Issuance Date, and shall not accrue on the Loan on the day on which it is paid.

3.4 Interest Rate Limitation. If at any time and for any reason whatsoever, the interest rate payable on the Loan shall exceed the maximum rate of interest permitted to be charged by Payee to Maker under Applicable Law, such interest rate shall be reduced automatically to the maximum rate of interest permitted to be charged under Applicable Law.

4. Payment Mechanics.

4.1 Manner of Payment. All payments of interest and principal shall be made in lawful money of the United States of America no later than 3:00 PM New York City time on the date on which such payment is due by cashier's check, certified check, or by wire transfer of immediately available funds to Payee's account at a bank specified by Payee in writing to Maker from time to time. Any amounts received after such time on any date may, in the discretion of the Payee, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon (but shall be deemed to have been received when due for the purposes of Section 5.1 of this Note).

4.2 Application of Payments. All payments made hereunder (including optional or mandatory prepayments of the Loan) shall be applied first, to the payment of any fees or charges outstanding hereunder, second, to accrued interest, and third, to the payment of the principal amount outstanding under this Note.

4.3 Business Day Convention. Whenever any payment to be made hereunder shall be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension will be taken into account in calculating the amount of interest payable under this Note.

4.4 Evidence of Debt. Payee is authorized to record on the grid attached hereto as Schedule A the Loan made to Maker and each payment thereof. The entries made by Payee shall, to the extent permitted by Applicable Law, be prima facie evidence of the existence and amounts of the obligations of Maker therein recorded; *provided, however*, that the failure of Payee to record such payments, or any inaccuracy therein, shall not in any manner affect the Parties' rights and obligations hereunder, including the obligation of Maker to repay (with applicable interest) the Loan in accordance with the terms of this Note.

5. Events of Default. The occurrence of any of the following shall constitute an Event of Default hereunder:

5.1 Failure to Pay. Maker fails to pay any principal or interest on this Note when due.

5.2 Cross-Defaults. (a) Maker breaches, defaults under, or there is an event of default under the Senior Indebtedness or Replacement Loans or (b) Maker fails to pay when due any other indebtedness for borrowed money of Maker or of any of its direct or indirect subsidiaries, in each case after giving effect to all applicable notice and cure periods and the effect of any such breach, default, or event of default is to cause, or to permit any lender in respect of, or any holder of, any such indebtedness to cause such indebtedness to be demanded or to become due prior to the stated due date thereof (or if there is any non-payment default or event of default under such other indebtedness of Maker or of any of its direct or indirect subsidiaries that results in such indebtedness to be demanded or to become due prior to the stated due date thereof).

5.3 Distributions. Maker makes any Distributions, other than Tax Distributions, the Equity Cash Return (subject to the restrictions contained in the definition thereof), or Distributions that comply with Section 2.3(a).

5.4 Change in Control. Maker shall cease to own, directly or indirectly, free and clear of all Liens or other encumbrances, 100% of the Equity Interests of its Unlimited Subsidiaries on a fully diluted basis.

5.5 Bankruptcy.

(a) Maker commences any case, proceeding, or other action (i) under any existing or future law relating to bankruptcy, insolvency, reorganization, or other relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition, or other relief with respect to it or its debts, or (ii) seeking appointment of a receiver, trustee, custodian, conservator, or other similar official for it or for all or any substantial part of its assets, or Maker makes a general assignment for the benefit of its creditors;

(b) there is commenced against Maker any case, proceeding, or other action of a nature referred to in clause (a) above which (i) results in the entry of an order for relief or any such adjudication or appointment or (ii) remains undismissed, undischarged, or unbonded for a period of 60 days;

(c) there is commenced against Maker any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which has not been vacated, discharged, or stayed or bonded pending appeal within 10 days from the entry thereof;

(d) Maker takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (a), (b), or (c) above; or

(e) Maker is generally not paying or is unable to, or admits in writing its inability to, pay its debts as they become due.

5.6 Judgments. A judgment or decree is entered against Maker and such judgment or decree has not been vacated, discharged, stayed, or bonded pending appeal within 30 days from the entry thereof.

6. **Remedies.** Upon the occurrence of an Event of Default and at any time thereafter during the continuance of such Event of Default, Payee may at its option, by written notice to Maker (a) declare the entire principal amount of this Note, together with all accrued interest thereon and all other amounts payable hereunder, immediately due and payable and/or (b) exercise any or all of its rights, powers, or remedies under applicable law; *provided, however* that, if an Event of Default described in **Section 5.4** occurs, the principal of and accrued interest on the Loan shall become immediately due and payable without any notice, declaration, or other act on the part of Payee.

7. **Miscellaneous.**

7.1 **Notices.** Except as otherwise specified herein, any notice, consent, request, or other communication required or permitted to be given hereunder shall be in writing, addressed to Maker as set forth below Maker's signature to this Note or to Payee at its address set forth in the introductory paragraph (or to such other address or person as either party or person entitled to notice may by notice to the other party specify), and shall be: (a) personally delivered; (b) delivered by Federal Express or other comparable overnight delivery service; or (c) transmitted by United States certified mail, return receipt requested with postage prepaid. Unless otherwise specified, all notices and other communications shall be deemed to have been duly given on the first to occur of actual receipt of the same or: (i) the date of delivery if personally delivered; (ii) one Business Day after depositing the same with the delivery service if by overnight delivery service; and (iii) three days following posting if transmitted by mail.

7.2 **Waiver of Notice.** Maker hereby waives presentment, demand for payment, protest, notice of dishonor, notice of protest or nonpayment, notice of acceleration of maturity, and diligence in connection with the enforcement of this Note or the taking of any action to collect sums owing hereunder.

7.3 **No Waiver; Cumulative Remedies.** No failure to exercise and no delay in exercising on the part of Payee, of any right, remedy, power, or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege. The rights, remedies, powers, and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers, and privileges provided by law.

7.4 **Expenses.** Maker shall reimburse Payee on demand for all reasonable out-of-pocket costs, expenses, and fees (including reasonable expenses and fees of its counsel) incurred by Payee (a) after the occurrence of any Event of Default that is not timely cured, and (b) without duplication, in connection with the enforcement of Payee's rights hereunder.

7.5 **Revival of Obligations.** To the extent that any payment or payments made to Payee under this Note are subsequently invalidated, declared to be fraudulent or preferential, set aside, and/or required to be repaid to a trustee, to Maker, whether directly or indirectly as a debtor-in-possession, or to a receiver or any other party under any bankruptcy law, or other state or federal law, then the portion of the obligations of Maker intended to have been satisfied by such payment or payments will be revived and will continue in full force and effect as if such payment or payments had never been received by Payee.

7.6 No Oral Amendments. This Note may not be modified, amended, waived, extended, changed, discharged, or terminated orally or by any act or failure to act on the part of Maker or Payee, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge, or termination is sought.

7.7 Assignment. This Note may be freely transferred and assigned by Payee, its successors, endorsees, and assigns. Maker may not transfer its rights and obligations with respect to this Note without the prior written consent of Payee.

7.8 Waiver of Consequential Damages, Etc. To the fullest extent permitted by Applicable Law, Maker shall not assert, and hereby waives, any claim against Payee, on any theory of liability, for special, indirect, consequential, or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Note or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, the Loan, or the use of the proceeds thereof.

7.9 Severability. If any term, covenant, or condition of this Note is held to be invalid, illegal, or unenforceable in any respect, this Note shall be construed without such provision.

7.10 Counterparts; Integration; Effectiveness. This Note and any amendments, waivers, consents, or supplements may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which, when so executed and delivered, shall be deemed an original, but all of which counterparts together shall constitute but one agreement. This Note constitutes the entire contract among the parties with respect to the subject matter of thereof and supersedes all previous agreements and understandings, oral or written, with respect thereto. Delivery of an executed counterpart of a signature page to this Note by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart signature page.

7.11 Governing Law; Jurisdiction; Etc.

(a) **Governing Law.** The laws of the State of New York will govern this Note and any claim, controversy, dispute, or cause of action (whether in contract or tort or otherwise) based upon, arising out of, or relating to this Note and the transactions contemplated hereby and thereby.

(b) **Submission to Jurisdiction.** Maker irrevocably and unconditionally agrees that it will not commence any action, litigation, or proceeding of any kind whatsoever, whether in law or equity, or whether in contract or tort or otherwise, against Payee in any way relating to this Note or the transactions contemplated hereby, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that any such action, litigation, or proceeding may be brought in any such New York State court or, to the fullest extent permitted by Applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation, or proceeding will be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner

provided by law. Nothing herein will affect any right that Payee may otherwise have to bring any action or proceeding relating to this Note against Maker or its properties in the courts of any jurisdiction.

(c) **Waiver of Venue.** Maker irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Note in any such court referred to in **Section 7.12(b)**. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) **Service of Process.** Maker irrevocably consents to the service of process in the manner provided for notices in **Section 7.1** and agrees that nothing herein will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

7.12 Waiver of Jury Trial. MAKER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT, OR ANY OTHER THEORY). MAKER CERTIFIES THAT NO REPRESENTATIVE, AGENT, OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER.

8. Security Agreement.

8.1 Grant of Lien. As security for all of the obligations under this Note, and subordinate only to the Senior Indebtedness, Maker hereby pledges and assigns to Payee and grants to Payee a continuing Lien in all of the following whether now owned or hereafter acquired (by operation of law or otherwise):

(a) The Equity Interests of Maker, the Equity Interests of the operators of the facilities comprising the Restructuring Portfolio, and the Equity Interests any holding companies that own such entities making up the Restructuring Portfolio.

8.2 Creation and Validity of Lien. Subject to the Liens granted to the Senior Lender, Payee is hereby authorized to execute and file in all necessary and appropriate jurisdictions (as determined by Payee) one or more financing statements (or any other document or instrument deemed necessary by Payee) in the name of Maker and to sign Maker's name thereto. Maker authorizes Payee to file any such financing statement, document, or instrument without the signature of Maker to the extent permitted by applicable law. If requested by Payee, Maker (and all parties subject to Section 8.1(a)) shall (a) execute any pledge of their Equity Interests, (b) mark any certificates or other evidence of the Equity Interests as being pledged to Payee, and (c) shall provide the original certificates or other evidence of the Equity Interest to be held by Payee as collateral for the obligations under this Note.

9. **Subordination.** The indebtedness evidenced by this Note is subordinated to the prior payment in full in cash of all of the Senior Debt (as defined below) pursuant to, and to the extent provided in a Subordination Agreement in form and substance reasonably acceptable to the Senior Lenders and Payee.

10. Certain Representations and Covenants of Maker.

10.1 Maker hereby represents and warrants as of the date hereof that (i) it has taken all necessary and appropriate corporate action in order to authorize the execution, delivery, and performance of this Note; (ii) the execution, delivery, and performance of this Note (by such party) do not conflict with or result in a breach of or constitute a default under such party's organizational documents, violate any material law applicable to Maker, or violate any judgment, writ, injunction, or order of any court or Governmental Authority or office applicable to Maker; (iii) this Note constitutes a valid and binding obligation, enforceable against such party in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law); and (iv) Maker is not insolvent and will not be rendered insolvent by the obligations undertaken in this Note.

10.2 Maker agrees and covenants to Payee as follows:

(a) Maker shall provide Payee with copies of all agreements evidencing the Senior Indebtedness promptly after the execution and delivery thereof.

(b) Maker shall provide Payee with prompt written notice of the occurrence of any default or event of default under the Senior Indebtedness.

(c) Maker shall deliver to Payee such financial and other information concerning Maker and any of its direct or indirect subsidiaries as Payee shall reasonably request.

(d) If Maker fails to pay Payee any interest or principal payment when due hereunder, or if there is a pending Event of Default under this Note, then Maker shall not take any of the following actions: (A) declare or pay any dividend or make any other payment or distribution on account of its capital stock or equity interests including, without limitation, the Equity Cash Return; (B) purchase, redeem, or otherwise acquire or retire for value any of its Equity Interests; or (C) make any Distributions, including any Tax Distributions.

(e) Maker will not enter into any new documents or agreements, or amend or modify any documents or agreements, in each case evidencing or relating to the Senior Indebtedness in any manner that prohibits or restricts making or receiving any payments under this Note, except to the extent set forth herein.

(f) Maker will not transact any business with any Affiliate other than pursuant to the reasonable requirements of (and in the ordinary course of) Maker's business and upon terms substantially the same and no less favorable to Maker as it would obtain in a comparable arm's length transactions with any Person not

an Affiliate. The terms of any Replacement Loans shall be established in strict compliance with this Section 10.2(f).

(g) The aggregate principal amount of the Senior Indebtedness and the Replacement Loans shall not exceed \$175,000,000 at any time.

[signature page follows]

IN WITNESS WHEREOF, MAKER has executed this Secured Promissory Note as of _____, 2018.

MAKER:

SC-GA 2018 PARTNERS, LLC

By: _____
Name: Steven Lebowitz
Title: Authorized Representative
Address: 4 West Red Oak Lane, Suite 201
White Plains, NY 10604

Payee hereby acknowledges and agrees to the terms herein as of the ____ day of _____, 2018:

OHI Asset RO, LLC,

By: _____
Name: _____
Title: _____

EXHIBIT D

SPECIAL WARRANTY DEED

[To Be Provided]

EXHIBIT E

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS THAT, _____ (the "Seller"), for the sum of \$10.00 and other good and valuable consideration to it in hand paid by _____, LLC (the "Purchaser"), does by these presents, sell, assign, transfer and convey unto the Purchaser, all of Seller's right, title, and interest, if any, in and to the Personal Property (as such term is defined in that certain Asset Purchase Agreement dated as of _____, 20__ by and between Purchaser and Seller) AS IS WHERE IS. Seller hereby covenants that it will, at any time and from time to time upon written request therefor, execute and deliver to Purchaser, its nominees, successors and/or assigns, any new or confirmatory instruments which Purchaser, its nominees, successors and/or assigns, may reasonably request in order to assign and transfer to Purchaser its rights, title and interest in, the Personal Property.

IN WITNESS WHEREOF, the undersigned, being duly authorized, has executed and delivered this instrument effective as of _____, 20__.

By: _____
Name:
Title:

EXHIBIT F

GENERAL ASSIGNMENT

THIS ASSIGNMENT, is made effective as of [_____, 20__], by [_____] a [_____] ("**Assignor**") to [_____] a [_____] ("**Assignee**").

WITNESSETH:

WHEREAS, by that certain Asset Purchase Agreement (the "**APA**") by and among Assignor and Assignee, and other parties thereto, Assignor agreed to transfer to Assignee certain personal property and such other assets, as more fully described in the APA (the "**Transferred Assets**") (capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the APA); and

WHEREAS, the APA provides, inter alia, that Assignor shall assign to Assignee, certain intangible personal property, including, without limitation, all of the goodwill symbolized and associated with the Facilities (collectively, the "**Intangible Personal Property**"), and any bed rights and other assets located at or used in connection with the Facilities, and such other items applicable to the Transferred Assets, as more fully provided in the APA;

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

1. **Transfer of Intangible Property.** To the extent permitted by law, Assignor hereby assigns, sets over and transfers to Assignee all of its right, title and interest in, to and under all of Intangible Personal Property including all goodwill symbolized and associated with the Facilities, and any bed rights and other assets located at or used in connection with the Facilities.
2. **Transfer of Permits.** To the extent permitted by law, Assignor hereby assigns, sets over and transfers to Assignee all of its right, title and interest in, to and under Permits as set forth in the APA.
3. **Transfer of Warranties.** To the extent permitted by law, Assignor hereby assigns, sets over and transfers to Assignee all of its right, title and interest in, to and under all Warranties as set forth in the APA.
4. **Assumption.** Assignee hereby accepts the foregoing assignment set forth in Sections 1, 2 and 3 hereof, and assumes all of the obligations attendant to such asset being assigned, and all Assumed Liabilities in connection therewith; provided, that said assignment and assumption shall in all respects be subject to the terms of the APA 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 APA, the APA shall control.
5. **Miscellaneous.** This Assignment and the obligations of Assignor and Assignee hereunder shall survive the closing of the transactions referred to in the APA shall be binding upon and inure to the benefit of Assignor and Assignee, and their respective successors and assigns, shall be governed by and construed in accordance with the laws of the State of New York and may not be modified or amended in any manner other than by a written agreement signed by the party to be charged therewith. This Assignment may be executed in counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute but one and the same instrument.

[Signature Page Follows]

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

ASSIGNOR

[_____]

By: _____
Name:
Title:

ASSIGNEE

[_____]

By: _____
Name:
Title:

EXHIBIT G

ASSIGNMENT AND ASSUMPTION OF RESIDENT TRUST FUNDS AND DEPOSITS

This Assignment and Assumption Agreement (the "Assignment") is effective as of _____, 2018 and is between [_____] ("Seller"), and [_____] ("New Operator").

Background

A. Seller and New Operator are parties to an Asset Purchase Agreement (the "Agreement") dated as of _____, 2018, which is incorporated into this Assignment as if fully rewritten in this Assignment (terms defined therein having the same meaning when used herein).

B. It is a condition to the Closing under the Agreement that Seller assign all of their right, title and interest in, to, and under the Resident Trust Funds and Resident Deposits (as such terms are defined in the Agreement) to New Operator, and that New Operator assume Seller's obligations with respect to such Resident Trust Funds and Resident Deposits arising after the Effective Time.

Now, therefore, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, the Parties, intending to be bound, hereby agree to incorporate the foregoing recitals into this Assignment and further agree as follows:

1. Seller hereby assigns, transfers and conveys all of its right, title and interest in, to, and under the Resident Trust Funds and Resident Deposits to New Operator.

2. New Operator hereby accepts and assumes all liabilities arising after the Effective Time with respect to the Resident Trust Funds and Resident Deposits.

[next page is signature page]

IN WITNESS WHEREOF, the undersigned, being duly authorized, have executed and delivered this Assignment as of the date set forth above.

[_____]

By: _____
Name:
Title:

[_____]

By: _____
Name:
Title:

EXHIBIT H

FIRPTA NON-FOREIGN STATUS CERTIFICATION

BUYER: _____, LLC

SELLER: _____

PROPERTY: _____

Section 1445 of the Internal Revenue Code provides that a transferee (Buyer) of a U.S. real property interest must withhold tax if the transferor (Seller) is a foreign person. To inform the Buyer that withholding of tax is not required upon its disposition of the above-referenced property, the Seller hereby certifies the following:

1. The Seller is not a foreign person (as such term is defined in Section 1445(f)(3) of the Internal Revenue Code) for purposes of U.S. income taxation.
2. The Seller's U.S. taxpayer identification number is _____
3. The Seller's address is _____.

The Seller understands that this certification may be disclosed to the Internal Revenue Service by the Buyer and that any false statement made herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, the Seller declares that the Seller has examined this certification and to the best of the Seller's knowledge and belief it is true, correct and complete.

Date: _____, 20____

By: _____

Name: _____

Title: _____

EXHIBIT I

SELLER OFFICER'S CERTIFICATE

Pursuant to Section 21(a)(vii) of the Asset Purchase Agreement (the "Agreement"), dated as of _____, 20____ between _____ (the "Seller") and _____, LLC (the "Purchaser"), the undersigned, being a duly authorized executive officer of the Seller, does hereby certify that the representations and warranties made by the Seller in the Agreement are true and correct in all material respects as of the Closing Date (as defined in the Agreement) and the covenants to be performed by the Seller pursuant to the Agreement have been performed in all material respects as of the Closing Date (as defined in the Agreement).

By: _____

Name:

Title:

EXHIBIT I

PURCHASER CLOSING CERTIFICATE

Pursuant to Section 21(b)(iv) of the Asset Purchase Agreement (the "Agreement"), dated as of _____, 20__ between _____ (the "Seller") and _____, LLC (the "Purchaser"), the undersigned, being a duly authorized executive officer of the Purchaser, does hereby certify that the representations and warranties made by the Purchaser in the Agreement are true and correct in all material respects as of the Closing Date (as defined in the Agreement) and the covenants to be performed by the Purchaser pursuant to the Agreement have been performed in all material respects as of the Closing Date (as defined in the Agreement).

_____, LLC

By: _____

Name:

Title:

EXHIBIT K

TRANSITION SERVICES AGREEMENT

[To Be Provided]

EXHIBIT L

FORM OF AMENDED AND RESTATED ESCROW AGREEMENT

AMENDED AND RESTATED ESCROW AGREEMENT

THIS AMENDED AND RESTATED ESCROW AGREEMENT (the "Agreement"), dated as of August __, 2018, by and among 4 West Investors, LLC, 4 West Holdings, Inc. and the other signatories hereto (collectively, the "Seller"), SC-GA 2018 Partners, LLC ("Buyer"), and First American Title Insurance Company (the "Escrow Agent"). Buyer and Seller may each be referred to herein as a "Party," and together, the "Parties".

PREAMBLES

A. Seller, Buyer and Escrow Agent are parties to that certain Escrow Agreement, dated March 15, 2018 (the "Original Escrow Agreement") which was executed in connection with that certain Plan Funding Commitment and Stock Purchase Agreement, dated March 15, 2018 (the "Stock Purchase Agreement").

B. Pursuant to Section 2.03 of the Stock Purchase Agreement, Buyer deposited certain funds with Escrow Agent pursuant to the Original Escrow Agreement.

C. Buyer and Seller have since entered into that certain Asset Purchase Agreement, dated August __, 2018 (the "Purchase Agreement"), pursuant to which Buyer and Seller have agreed, subject to the terms and conditions therein, that the Stock Purchase Agreement is terminated, replaced and superseded by the Purchase Agreement.

D. The Parties now desire to amend and restate the Original Escrow Agreement.

E. Unless otherwise defined herein, each capitalized term contained herein shall have the meaning set forth in the Purchase Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties, the parties agree as follows:

I. *Escrow*

§1.01 Appointment and Acknowledgment of Escrow Agent

(a) Seller and Buyer hereby appoint the Escrow Agent, and the Escrow Agent hereby agrees to serve, as Escrow Agent pursuant to the terms of this Agreement.

§1.02 Operation of Escrow

The parties hereto agree that the escrow created by this Agreement (the "Escrow") shall operate as follows:

(a) Buyer has delivered to the Escrow Agent the sum of \$4,000,000 (the "Escrow Deposit"). The Escrow Deposit, together with any additional deposits made by Buyer and delivered to Escrow Agent pursuant to the terms of the Purchase Agreement and any investment

income earned thereon, less any fees and expenses of Escrow Agent permitted hereunder, is collectively referred to herein as the "Escrowed Funds". A Form W-9 was completed and executed by either Seller or Purchaser, as the case may be, concurrently with the execution of the Original Escrow Agreement.

(b) The Parties agree that the Escrowed Funds shall be held by the Escrow Agent until receipt of Joint Instructions (as defined below) and then distributed as follows:

- (i) if the Closing shall occur, the Escrowed Funds shall be distributed to Seller and shall be considered part of the Purchase Price payable by Buyer to Seller under Section 3 of the Purchase Agreement;
- (ii) if the Purchase Agreement is validly terminated by Seller pursuant to Section 23(a) through 23(c) of the Purchase Agreement, then the Escrowed Funds shall be distributed to Seller as set forth in Section 23(p) of the Purchase Agreement;
- (iii) if the Purchase Agreement is validly terminated by Purchaser pursuant to Section 23(d) through 23(o) of the Purchase Agreement, the Escrowed Funds shall be distributed to Purchaser as set forth in Section 23(p) of the Purchase Agreement; and
- (iv) the Parties further agree that the Escrowed Funds shall be dealt with as may be directed from time to time by joint written instructions ("Joint Instructions") executed by Louis Robichaux on behalf of Seller and by Steve Lebowitz on behalf of Buyer. In the event of the death or incapacity of Steve Lebowitz or Louis Robichaux, Seller or Buyer, as the case may be, shall notify the Escrow Agent in writing of their successor for the purpose of giving Joint Instructions or for otherwise acting in connection with this Agreement.

(c) Notice of all disbursements will be provided in accordance with Section 2.04 herein.

§1.03 Further Provisions Relating to the Escrow

(a) Buyer and Seller shall indemnify and hold harmless the Escrow Agent against and in respect of any and all claims, suits, actions, proceedings (formal and informal), investigations, judgments, deficiencies, damages, settlements, liabilities, and legal and other expenses (including legal fees and expenses of attorneys chosen by the Escrow Agent) as and when incurred arising out of or based on any act, omission, alleged act or alleged omission by the Escrow Agent or any other cause, in any case in connection with the acceptance of, or the performance or non-performance by the Escrow Agent of, any of the Escrow Agent's duties under this Agreement, except as a result of the Escrow Agent's bad faith, willful misconduct or gross negligence. The Escrow Agent shall be fully protected by acting in reliance on any notice, advice, direction, other document or signature reasonably believed by the Escrow Agent to be

genuine or by acting or failing to act in good faith on the advice of any counsel retained by the Escrow Agent.

(b) The Escrow Agent shall not be liable for any mistake of fact or of law or any error of judgment, or for any act or any omission, except as a result of the Escrow Agent's bad faith, willful misconduct or gross negligence.

(c) The Escrow Agent makes no representation as to the enforceability, validity, value, genuineness, or the collectibility of any security or other document or instrument held by or delivered to the Escrow Agent.

(d) The Escrow Agent shall have no duties or responsibilities except those expressly set forth herein or in the Purchase Agreement. The Parties hereto agree that the Escrow Agent will not be called on to construe or interpret any contract or instrument. The Escrow Agent shall not be bound by any notice of a claim, or demand with respect thereto, or any waiver, modification, amendment, termination, cancellation, or revision of this Agreement, unless in writing and signed by the other Parties hereto and received by the Escrow Agent, and, if the Escrow Agent's duties as Escrow Agent hereunder are affected, unless the Escrow Agent shall have given its prior written consent thereto. The Escrow Agent is authorized to comply with and obey laws, orders, judgments, decrees and regulations of any governmental authority, court, or other judicial tribunal, or the decisions or awards of any arbitrator. If the Escrow Agent complies with any such law, order, judgment, decree, regulation, decision or award, the Escrow Agent shall not be liable to any of the Parties hereto or to any other person even if such law, order, judgment, decree, regulation, decision or award is subsequently reversed, modified, annulled, set aside, vacated, found to have been entered without jurisdiction, or found to be in violation of or beyond the scope of a constitution or a law.

(e) If the Escrow Agent (i) shall be uncertain as to the Escrow Agent's duties or rights hereunder, (ii) shall receive any notice, advice, direction, or other document from any Party with respect to the Escrowed Funds which, in the Escrow Agent's opinion, is in conflict with any of the provisions of this Agreement or of any Joint Instruction or (iii) should be advised that a dispute has arisen with respect to the payment, ownership, or right of possession of the Escrowed Funds or any part thereof (or as to the delivery, non-delivery, or content of any notice, advice, direction, or other document) (any of the foregoing being a "Dispute"), the Escrow Agent shall be entitled, without liability to anyone, to refrain from taking any action other than to use the Escrow Agent's reasonable efforts to keep safely the Escrowed Funds until the Escrow Agent shall be directed otherwise in writing by both other Parties hereto, by an order, decree, or judgment of a court of competent jurisdiction which has been finally affirmed on appeal or which by lapse of time or otherwise is no longer subject to appeal, or by a decision or award of an arbitrator, but the Escrow Agent shall be under no duty to institute or to defend any proceeding, although the Escrow Agent may, in the Escrow Agent's discretion and at the expense of the Parties, institute or defend such proceedings or, at the option of Escrow Agent at any time after the Escrow Agent becomes aware of a Dispute, or is otherwise threatened with litigation or is sued, the Escrow Agent may deposit the Escrowed Funds, or any remaining portion thereof, with the clerk of a court of competent jurisdiction and commence an action in the nature of an interpleader for a determination of the respective rights of the Parties hereto in

the Escrowed Funds and, in such case, recover the Escrow Agent's costs and expenses, including attorneys' fees and expenses.

(f) If the Escrow Agent shall be unable to act or shall resign as Escrow Agent hereunder, the Escrow Agent shall give written notice of the Escrow Agent's resignation (the "Notice") to the other Parties hereto, which resignation shall take effect on the earlier of (i) ten (10) business days after the Notice and (ii) at the time when a successor agent accepts in writing the appointment as successor escrow agent and receives from the Escrow Agent the Escrowed Funds. Promptly after receipt of the Notice, Seller promptly shall appoint a successor escrow agent. If no successor escrow agent has been appointed and has accepted the Escrowed Funds within ten (10) business days after the Notice is sent, all responsibilities of the Escrow Agent hereunder shall, nevertheless, cease. The Escrow Agent's sole responsibility thereafter shall be to use the Escrow Agent's reasonable efforts to keep safe the Escrowed Funds and to deliver the Escrowed Funds as may be directed in writing by both of the Parties hereto or by a final judgment of a court of law. In addition, the Escrow Agent may, but is not obligated to, petition any court of competent jurisdiction for the appointment of a successor escrow agent. Such court may thereon appoint a successor escrow agent after the Escrow Agent deposits the Escrowed Funds into court and after such notice, if any, to the other Parties hereto as the court may deem proper and prescribe. This Agreement shall not otherwise be assignable by the Escrow Agent without the prior written consent of the other Parties hereto.

(g) The Escrow Agent's responsibilities and liabilities hereunder, except as a result of the Escrow Agent's own bad faith, willful misconduct or gross negligence, will terminate on the delivery by the Escrow Agent of all the Escrowed Funds under any provision of this Agreement and distribution of the Escrowed Funds by the Escrow Agent in accordance with the terms of this Agreement shall be a perpetual bar both at law and in equity of any claim against the Escrow Agent with respect to such distributed Escrowed Funds.

§1.04 **Income Tax Matters**

(a) The Escrow Agent shall use its commercially reasonable efforts to cause the financial institution at which the Escrowed Funds have been held to issue and deliver to Seller, a Form 1099 reflecting all interest and other income earned or paid on the Escrowed Funds during calendar year 2018.

(b) The Escrow Agent shall be entitled to reimbursement of any out-of-pocket expenses, if any, it incurs in the performance of its obligations under this Section 1.04.

II. *Administrative Provisions*

§2.01 **Further Action**

At any time and from time to time, each of the Parties hereto (other than the Escrow Agent) agrees, at its expense, to take such actions and to execute and deliver such documents as may be reasonably necessary to effectuate the purposes of this Agreement. In the event of any litigation under this Agreement, the prevailing party will be entitled to its costs of

litigation and its reasonable attorneys' fees; provided, however, under no circumstances will the Escrow Agent be required to pay any such costs or fees unless such litigation establishes the Escrow Agent's bad faith, willful misconduct or gross negligence.

§2.02 Survival

Subject to Section 1.03(g), the covenants, agreements, representations and warranties contained in or made pursuant to this Agreement shall survive the delivery by the Escrow Agent of the Escrowed Funds, irrespective of any investigation made by or on behalf of any party.

§2.03 Modification

This Agreement and the Purchase Agreement set forth the entire understanding of the parties with respect to the subject matter hereof, supersedes all existing agreements among them concerning such subject matter, and may be modified only by a written instrument duly executed by all Parties.

§2.04 Notices

Any notice, advice, direction, or other document or communication required or permitted to be given hereunder shall be in writing and shall be mailed by certified mail, return receipt requested or given by Federal Express, Express Mail, or similar overnight delivery or courier service or delivered (in person or by telecopy, email or similar telecommunications equipment) against receipt to the party to whom it is to be given at the address of such party set forth in Exhibit A (or to such other address as the party shall have furnished in writing in accordance with the provisions of this Section 2.04) with a copy to each of the other parties hereto. Any notice, advice, direction, or other document or communication given by certified mail shall be deemed given at the time of certification thereof, except for a notice changing a party's address which shall be deemed given at the time of receipt thereof. Any notice given by other means permitted by this Section 2.04 shall be deemed given at the time of receipt thereof.

§2.05 Waiver

Any waiver by any party of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Agreement. The failure of a party to insist on strict adherence to any term of this Agreement on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist on strict adherence to that term or any other term of this Agreement. Any waiver must be in writing.

§2.06 Binding Effect

Subject to Section 1.03(f), the provisions of this Agreement shall be binding on and inure to the benefit of the parties hereto and their respective heirs and personal representatives or successors and permitted assigns.

§2.07 No Third Party Beneficiaries

This Agreement does not create, and shall not be construed as creating, any rights enforceable by any person not a party to this Agreement (except as provided in Section 2.06).

§2.08 Submission to Jurisdiction; Waiver of Jury Trial

(a) Without limiting any party's right to appeal any order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby, and (ii) any and all proceedings related to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the parties hereby irrevocably consent to and submit to the jurisdiction and venue of the Bankruptcy Court and shall receive notices at such locations as indicated in Section 2.04. The parties hereby irrevocably waive, to the fullest extent permitted by applicable Law, any objection that they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto irrevocably agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

(b) Each of the parties hereto hereby irrevocably consents to process being served by any party to this Agreement in any suit, action or proceeding by delivery of a copy thereof in accordance with the provisions of Section 2.04.

(c) EACH PARTY TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, MATTER OR PROCEEDING REGARDING THIS AGREEMENT OR ANY PROVISION HEREOF.

§2.09 Separability

If any provision of this Agreement is invalid, illegal, unenforceable, or inapplicable to any person or circumstance to which it is intended to be applicable, such provision shall be deemed to be modified to the minimum extent necessary to avoid such invalidity, illegality, unenforceability, or inapplicability and such provision as so modified, and the remaining provisions of this Agreement, shall remain in effect, provided however, that if such invalidity, illegality, unenforceability, or inapplicability shall have a material adverse effect on the Escrow Agent, then this Agreement shall be void as to the Escrow Agent, except that the provisions of Section 1.03 shall survive.

§2.10 Headings

The headings in this Agreement are solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

§2.11 **Counterparts**

This Agreement may be executed in any number of counterparts (which may be delivered by electronic facsimile transmission), any of which may contain the signatures of less than all the parties, and each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

§2.12 **Governing Law**

This Agreement shall be governed, construed and enforced in accordance with the laws of the State of New York, without regard to the choice of law provisions thereof.

§2.13 **No Assignment**

Except for assignment by the Escrow Agent pursuant to Section 1.03(f), the rights and obligations of the parties under this Agreement shall not be assignable.

[The remainder of this page is intentionally left blank –
Signature page follows]

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

SELLER:

4 WEST INVESTORS, LLC
4 WEST HOLDINGS, INC.
AMBASSADOR REHABILITATION AND
HEALTHCARE CENTER, LLC
ANCHOR REHABILITATION AND
HEALTHCARE CENTER OF AIKEN, LLC
ANDERSON RE TX, LLC
ARK II REAL ESTATE, LLC
ARK III REAL ESTATE, LLC
ARK HOSPICE, LLC
ARK MISSISSIPPI HOLDING COMPANY, LLC
ARK REAL ESTATE, LLC
ARK SOUTH CAROLINA HOLDING
COMPANY, LLC
ARK TEXAS HOLDING COMPANY, LLC
BATTLE GROUND RE, LLC
BRUSHY CREEK REHABILITATION AND
HEALTHCARE CENTER, LLC
BRYAN RE, LLC
BURLESON RE, LLC
CAPSTONE REHABILITATION AND
HEALTHCARE CENTER, LLC
CHARLOTTESVILLE POINTE
REHABILITATION AND HEALTHCARE
CENTER, LLC
COBBLESTONE REHABILITATION AND
HEALTHCARE CENTER, LLC
COLUMBIA REHABILITATION AND
HEALTHCARE CENTER, LLC
COMFORT RE, LLC
CONNERSVILLE RE, LLC
CORNERSTONE REHABILITATION AND
HEALTHCARE CENTER, LLC
CRYSTAL REHABILITATION AND
HEALTHCARE CENTER, LLC
DELTA REHABILITATION AND
HEALTHCARE CENTER OF CLEVELAND,
LLC
DESCENDING DOVE, LLC
DIBOLL RE, LLC
FARMVILLE REHABILITATION AND

HEALTHCARE CENTER, LLC
FLEETWOOD REHABILITATION AND
HEALTHCARE CENTER, LLC
FORTRESS HEALTH & REHAB OF ROCK
PRAIRIE, LLC
FORTRESS HEALTH & REHAB OF ROCK
PRAIRIE RE, LLC
GRANBURY RE, LLC
GREAT OAKS REHABILITATION AND
HEALTHCARE CENTER, LLC
GREENVILLE RE, LLC
GREENVILLE REHABILITATION AND
HEALTHCARE CENTER, LLC
GREER REHABILITATION AND
HEALTHCARE CENTER, LLC
GRENADA REHABILITATION AND
HEALTHCARE CENTER, LLC
HERITAGE PARK REHABILITATION AND
HEALTHCARE CENTER, LLC
HILLSVILLE REHABILITATION AND
HEALTHCARE CENTER, LLC
HOLLY LANE REHABILITATION AND
HEALTHCARE CENTER, LLC
HOLLY RE, LLC
HOLLY SPRINGS REHABILITATION AND
HEALTHCARE CENTER, LLC
INDIANOLA REHABILITATION AND
HEALTHCARE CENTER, LLC
ITALY RE, LLC
IVA REHABILITATION AND HEALTHCARE
CENTER, LLC
JOHNS ISLAND REHABILITATION AND
HEALTHCARE CENTER, LLC
JOY OF BRYAN, LLC
LAMPSTAND HEALTH & REHAB OF BRYAN,
LLC
LINLEY PARK REHABILITATION AND
HEALTHCARE CENTER, LLC
MACON REHABILITATION AND
HEALTHCARE CENTER, LLC
MAGNIFIED HEALTH & REHAB OF
ANDERSON, LLC
MANNA REHABILITATION AND
HEALTHCARE CENTER, LLC
MCCORMICK REHABILITATION AND
HEALTHCARE CENTER, LLC

MIDLAND RE, LLC
MIDLAND REHABILITATION AND
HEALTHCARE CENTER, LLC
MOULTRIE RE, LLC
MOUNTAIN VIEW REHABILITATION AND
HEALTHCARE CENTER, LLC
NATCHEZ REHABILITATION AND
HEALTHCARE CENTER, LLC
NEW ARK MASTER TENANT, LLC
NEW ARK OPERATOR HOLDINGS, LLC
NEW REDEEMER HEALTH & REHAB OF
PICKENS, LLC
OLIVE LEAF HOLDING COMPANY, LLC
OLIVE LEAF, LLC
OMEGA HEALTH & REHAB OF
GREENVILLE, LLC
ORIANNA HEALTH SYSTEMS, LLC
ORIANNA HOLDING COMPANY, LLC
ORIANNA INVESTMENT, INC.
ORIANNA SC OPERATOR HOLDINGS, INC.
PALLADIUM HOSPICE AND PALLIATIVE
CARE, LLC
PATEWOOD REHABILITATION AND
HEALTHCARE CENTER, LLC
PICAYUNE REHABILITATION AND
HEALTHCARE CENTER, LLC
POINSETT REHABILITATION AND
HEALTHCARE CENTER, LLC
POPLAR OAKS REHABILITATION AND
HEALTHCARE CENTER, LLC
PORTLAND RE, LLC
PROVO RE, LLC
RAINBOW REHABILITATION AND
HEALTHCARE CENTER, LLC
RIVER FALLS REHABILITATION AND
HEALTHCARE CENTER, LLC
RIVERSIDE REHABILITATION AND
HEALTHCARE CENTER, LLC
ROCK PRAIRIE RE, LLC
ROCKY MOUNT REHABILITATION AND
HEALTHCARE CENTER, LLC
ROY RE, LLC
SCEPTER REHABILITATION AND
HEALTHCARE CENTER, LLC
SCEPTER SENIOR LIVING CENTER, LLC
SIMPSONVILLE REHABILITATION AND

HEALTHCARE CENTER, LLC
SNELLVILLE RE, LLC
SOUTHERN OAKS REHABILITATION AND
HEALTHCARE CENTER, LLC
TAPESTRY CONCEPTS, LLC
THE BLUFFS REHABILITATION AND
HEALTHCARE CENTER, LLC
THE RIDGE REHABILITATION AND
HEALTHCARE CENTER, LLC
TRINITY MISSION HEALTH & REHAB OF
CONNERSVILLE, LLC
TRINITY MISSION OF BURLESON, LLC
TRINITY MISSION OF COMFORT, LLC
TRINITY MISSION OF DIBOLL, LLC
TRINITY MISSION OF GRANBURY, LLC
TRINITY MISSION OF ITALY, LLC
TRINITY MISSION OF WINNSBORO, LLC
UTAH VALLEY REHABILITATION AND
HEALTHCARE CENTER, LLC
VICTORY REHABILITATION AND
HEALTHCARE CENTER, LLC
WADESBORO RE, LLC
WIDE HORIZONS RE, LLC
WIDE HORIZONS RESIDENTIAL CARE
FACILITY, LLC
WINNSBORO RE, LLC
WOODLANDS REHABILITATION AND
HEALTHCARE CENTER, LLC
YAZOO CITY REHABILITATION AND
HEALTHCARE CENTER, LLC

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

BUYER:

SC-GA 2018 PARTNERS, LLC

By: _____
Name:
Title:

ESCROW AGENT:

FIRST AMERICAN TITLE INSURANCE
COMPANY

By: _____
Name: Hilary A. Kruce
Title: Divisional Counsel

EXHIBIT A

ADDRESSES FOR NOTICE

| Party | Address for Notice | With Copy To: |
|----------------------------|--|--|
| <u>Seller</u> | 4 West Holdings, Inc. c/o Ankura Consulting Attn: Louis Robichaux 15950 Dallas Parkway Dallas, TX 75248 | DLA Piper LLP (US) Attn: Thomas R. Califano (thomas.califano@dlapiper.com) 1251 Avenue of the Americas New York, NY 10020-1104 And with a copy to: OHI Asset RO, LLC c/o Omega Healthcare Investors, Inc. Attn: Daniel J. Booth dbooth@omegahealthcare.com 303 International Circle Suite 200 Hunt Valley, MD 21030 And with a copy to: Bryan Cave LLP Attn: Rick Miller (rick.miller@bryancave.com) One Atlantic Center Fourteenth Floor 1201 W. Peachtree St. NW Atlanta, GA 30309 |
| <u>Buyer</u> | SC-GA 2018 Partners, LLC Attn: Steven Lebowitz 4 West Red Oak Lane, Suite 201 White Plains, NY 10604 | Neligan LLP 325 N. St. Paul, Suite 3600 Dallas, TX 75201 Attn: Patrick J. Neligan, Jr., Esq. James P. Muenker, Esq. Fax: (214) 840-5301 |
| <u>Escrow Agent</u> | First American Title Insurance Company 666 Third Avenue, 5 th Floor New York, New York 10017 Attn: Hilary A. Kruce Email: HKruce@firstam.com Phone: 212-551-9459 Fax: 714-824-5990 | |

EXHIBIT M

FORM OF MUTUAL RELEASE

RELEASE AGREEMENT

This Release Agreement, dated _____, 2018 (this "Release Agreement"), between 4 West Investors, LLC, 4 West Holdings, Inc. and the other "Debtor" signatories hereto (collectively, the "Debtors"), SC-GA 2018 Partners, LLC (the "Buyer") and the "Buyer Related Parties" signatories hereto (collectively, the "Buyer Related Parties", and together with the Buyer and the Debtors, the "Parties", and each, a "Party").

WHEREAS, the Debtors and the Buyer have entered into that certain Asset Purchase Agreement, dated as of August __, 2018 (as amended, supplemented or modified, the "Sale Agreement"); and

WHEREAS, under the terms of the Sale Agreement, the Parties are required to execute and deliver this Release Agreement at the Closing (as defined in the Sale Agreement).

NOW, THEREFORE, in consideration of the premises set out above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Definitions. Capitalized terms used and not defined in this Release Agreement have the respective meanings assigned to them in the Sale Agreement.

2. Release.

(a) In consideration of the covenants, agreements and undertakings of the Parties under the Sale Agreement and this Release Agreement, each of the Debtors (collectively, the "Debtor Releasers") hereby releases, waives, and forever discharges the Buyer, the Buyer Related Parties and each of their respective present and former, direct and indirect, parents, subsidiaries, affiliates, employees, officers, directors, shareholders, members, agents, representatives, permitted successors, and permitted assigns (collectively, the "Buyer Releasees") of and from any and all actions, causes of action, suits, losses, liabilities, rights, debts, dues, sums of money, accounts, reckonings, obligations, costs, expenses, liens, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims, and demands, of every kind and nature whatsoever, whether now known or unknown, foreseen or unforeseen, matured or unmatured, suspected or unsuspected, in law, admiralty, or equity, including, without limitation, those arising under or pursuant to chapter 5 of title 11 of the United States Code (collectively, "Claims"), which any of such Debtor Releasers ever had, now have, or hereafter can, shall, or may have against any of such Buyer Releasees for, upon, or by reason of any matter, cause, or thing whatsoever from the beginning of time through the date of this Release Agreement, except for any Claims relating to rights and obligations preserved by, created by or otherwise arising out of the Sale Agreement or this Release Agreement.

(b) In consideration of the covenants, agreements and undertakings of the Parties under the Sale Agreement and this Release Agreement, the Buyer (the "Buyer Releaser") hereby releases, waives, and forever discharges each of the Debtors and its respective present and former, direct and indirect, parents, subsidiaries, affiliates,

employees, officers, directors, shareholders, members, agents, representatives, permitted successors, and permitted assigns (collectively, "Debtor Releasees" and, together with the Buyer Releasees, the "Releasees") of and from any and all Claims, which the Buyer Releasor ever had, now have, or hereafter can, shall, or may have against any of such Debtor Releasees for, upon, or by reason of any matter, cause, or thing whatsoever from the beginning of time through the date of this Release Agreement, except for any Claims relating to rights and obligations preserved by, created by or otherwise arising out of the Sale Agreement or this Release Agreement.

(c) In consideration of the covenants, agreements and undertakings of the Parties under the Sale Agreement and this Release Agreement, the Buyer Related Parties (the "Related Party Releasors" and, together with the Debtor Releasors and the Buyer Releasor, the "Releasors") hereby releases, waives, and forever discharges each of the Debtor Releasees of and from any and all Claims, which any of such Related Party Releasor ever had, now have, or hereafter can, shall, or may have against any of such Debtor Releasees for, upon, or by reason of any matter, cause, or thing whatsoever from the beginning of time through the Petition Date.

(d) Each Releasor understands that it may later discover Claims or facts that may be different from, or in addition to, those that it or any other Releasor now knows or believes to exist regarding the subject matter of the release contained in this Section 2, and which, if known at the time of signing this Release Agreement, may have materially affected this Release Agreement and such Party's decision to enter into it and grant the release contained in this Section 2. Nevertheless, the Releasors intend to fully, finally and forever settle and release all Claims that now exist, may exist, or previously existed, as set out in the release contained in this Section 2, whether known or unknown, foreseen or unforeseen, or suspected or unsuspected, and the release given herein is and will remain in effect as a complete release, notwithstanding the discovery or existence of such additional or different facts. The Releasors hereby waive any right or Claim that might arise as a result of such different or additional Claims or facts. The Releasors have been made aware of, and understand, the provisions of California Civil Code Section 1542 ("**Section 1542**"), which provides: "**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**" The Releasors expressly, knowingly and intentionally waive any and all rights, benefits and protections of Section 1542 and of any other state or federal statute or common law principle limiting the scope of a general release.

3. Miscellaneous.

(a) This Release Agreement and all matters arising out of or relating to this Release Agreement are governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the conflict of laws provisions of such State.

(b) This Release Agreement, and each of the terms and provisions hereof, may only be amended, modified, waived, or supplemented by an agreement in writing signed by each Party.

(c) This Release Agreement will inure to the benefit of and be binding on each of the Parties and each of their respective permitted successors and permitted assigns.

(d) This Release Agreement may be executed in counterparts, each of which is deemed an original, but all of which constitutes one and the same agreement. Delivery of an executed counterpart of this Release Agreement electronically or by facsimile shall be effective as delivery of an original executed counterpart of this Release Agreement.

(e) For purposes of this Release Agreement, (i) the words “include,” “includes” and “including” are deemed to be followed by the words “without limitation”; (ii) the word “or” is not exclusive; (iii) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Release Agreement as a whole; (iv) words denoting the singular have a comparable meaning when used in the plural, and vice-versa; and (v) words denoting any gender include all genders. The Parties drafted this Release Agreement without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

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

DEBTORS:

4 WEST INVESTORS, LLC
4 WEST HOLDINGS, INC.
AMBASSADOR REHABILITATION AND
HEALTHCARE CENTER, LLC
ANCHOR REHABILITATION AND
HEALTHCARE CENTER OF AIKEN, LLC
ANDERSON RE TX, LLC
ARK II REAL ESTATE, LLC
ARK III REAL ESTATE, LLC
ARK HOSPICE, LLC
ARK MISSISSIPPI HOLDING COMPANY,
LLC
ARK REAL ESTATE, LLC
ARK SOUTH CAROLINA HOLDING
COMPANY, LLC
ARK TEXAS HOLDING COMPANY, LLC
BATTLE GROUND RE, LLC
BRUSHY CREEK REHABILITATION AND
HEALTHCARE CENTER, LLC
BRYAN RE, LLC
BURLESON RE, LLC

CAPSTONE REHABILITATION AND
HEALTHCARE CENTER, LLC
CHARLOTTESVILLE POINTE
REHABILITATION AND HEALTHCARE
CENTER, LLC
COBBLESTONE REHABILITATION AND
HEALTHCARE CENTER, LLC
COLUMBIA REHABILITATION AND
HEALTHCARE CENTER, LLC
COMFORT RE, LLC
CONNERSVILLE RE, LLC
CORNERSTONE REHABILITATION AND
HEALTHCARE CENTER, LLC
CRYSTAL REHABILITATION AND
HEALTHCARE CENTER, LLC
DELTA REHABILITATION AND
HEALTHCARE CENTER OF
CLEVELAND,
LLC
DESCENDING DOVE, LLC
DIBOLL RE, LLC
FARMVILLE REHABILITATION AND
HEALTHCARE CENTER, LLC
FLEETWOOD REHABILITATION AND
HEALTHCARE CENTER, LLC
FORTRESS HEALTH & REHAB OF ROCK
PRAIRIE, LLC
FORTRESS HEALTH & REHAB OF ROCK
PRAIRIE RE, LLC
GRANBURY RE, LLC
GREAT OAKS REHABILITATION AND
HEALTHCARE CENTER, LLC
GREENVILLE RE, LLC
GREENVILLE REHABILITATION AND
HEALTHCARE CENTER, LLC
GREER REHABILITATION AND
HEALTHCARE CENTER, LLC
GRENADA REHABILITATION AND
HEALTHCARE CENTER, LLC
HERITAGE PARK REHABILITATION AND
HEALTHCARE CENTER, LLC
HILLSVILLE REHABILITATION AND
HEALTHCARE CENTER, LLC
HOLLY LANE REHABILITATION AND
HEALTHCARE CENTER, LLC
HOLLY RE, LLC

HOLLY SPRINGS REHABILITATION AND
HEALTHCARE CENTER, LLC
INDIANOLA REHABILITATION AND
HEALTHCARE CENTER, LLC
ITALY RE, LLC
IVA REHABILITATION AND
HEALTHCARE
CENTER, LLC
JOHNS ISLAND REHABILITATION AND
HEALTHCARE CENTER, LLC
JOY OF BRYAN, LLC
LAMPSTAND HEALTH & REHAB OF
BRYAN,
LLC
LINLEY PARK REHABILITATION AND
HEALTHCARE CENTER, LLC
MACON REHABILITATION AND
HEALTHCARE CENTER, LLC
MAGNIFIED HEALTH & REHAB OF
ANDERSON, LLC
MANNA REHABILITATION AND
HEALTHCARE CENTER, LLC
MCCORMICK REHABILITATION AND
HEALTHCARE CENTER, LLC
MIDLAND RE, LLC
MIDLAND REHABILITATION AND
HEALTHCARE CENTER, LLC
MOULTRIE RE, LLC
MOUNTAIN VIEW REHABILITATION AND
HEALTHCARE CENTER, LLC
NATCHEZ REHABILITATION AND
HEALTHCARE CENTER, LLC
NEW ARK MASTER TENANT, LLC
NEW ARK OPERATOR HOLDINGS, LLC
NEW REDEEMER HEALTH & REHAB OF
PICKENS, LLC
OLIVE LEAF HOLDING COMPANY, LLC
OLIVE LEAF, LLC
OMEGA HEALTH & REHAB OF
GREENVILLE, LLC
ORIANNA HEALTH SYSTEMS, LLC
ORIANNA HOLDING COMPANY, LLC
ORIANNA INVESTMENT, INC.
ORIANNA SC OPERATOR HOLDINGS, INC.
PALLADIUM HOSPICE AND PALLIATIVE
CARE, LLC

PATEWOOD REHABILITATION AND
HEALTHCARE CENTER, LLC
PICAYUNE REHABILITATION AND
HEALTHCARE CENTER, LLC
POINSETT REHABILITATION AND
HEALTHCARE CENTER, LLC
POPLAR OAKS REHABILITATION AND
HEALTHCARE CENTER, LLC
PORTLAND RE, LLC
PROVO RE, LLC
RAINBOW REHABILITATION AND
HEALTHCARE CENTER, LLC
RIVER FALLS REHABILITATION AND
HEALTHCARE CENTER, LLC
RIVERSIDE REHABILITATION AND
HEALTHCARE CENTER, LLC
ROCK PRAIRIE RE, LLC
ROCKY MOUNT REHABILITATION AND
HEALTHCARE CENTER, LLC
ROY RE, LLC
SCEPTER REHABILITATION AND
HEALTHCARE CENTER, LLC
SCEPTER SENIOR LIVING CENTER, LLC
SIMPSONVILLE REHABILITATION AND
HEALTHCARE CENTER, LLC
SNELLVILLE RE, LLC
SOUTHERN OAKS REHABILITATION AND
HEALTHCARE CENTER, LLC
TAPESTRY CONCEPTS, LLC
THE BLUFFS REHABILITATION AND
HEALTHCARE CENTER, LLC
THE RIDGE REHABILITATION AND
HEALTHCARE CENTER, LLC
TRINITY MISSION HEALTH & REHAB OF
CONNERSVILLE, LLC
TRINITY MISSION OF BURLESON, LLC
TRINITY MISSION OF COMFORT, LLC
TRINITY MISSION OF DIBOLL, LLC
TRINITY MISSION OF GRANBURY, LLC
TRINITY MISSION OF ITALY, LLC
TRINITY MISSION OF WINNSBORO, LLC
UTAH VALLEY REHABILITATION AND
HEALTHCARE CENTER, LLC
VICTORY REHABILITATION AND
HEALTHCARE CENTER, LLC
WADESBORO RE, LLC

WIDE HORIZONS RE, LLC
WIDE HORIZONS RESIDENTIAL CARE FACILITY, LLC
WINNSBORO RE, LLC
WOODLANDS REHABILITATION AND HEALTHCARE CENTER, LLC
YAZOO CITY REHABILITATION AND HEALTHCARE CENTER, LLC

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

BUYER:

SC-GA 2018 PARTNERS, LLC

By: _____
Name:
Title:

BUYER RELATED PARTIES:

HEALTH CARE NAVIGATOR LLC

By: _____
Name:
Title:

HALCYON REHABILITATION, LLC

By: _____
Name:
Title:

HMS PURCHASING, LLC

By: _____
Name:
Title:

ASSET NAVIGATOR, LLC

By: _____
Name:
Title:

HS NEW ARK TRUST

By: _____
Name:
Title:

JS NEW ARK TRUST

By: _____
Name:
Title:

DES NEW ARK TRUST

By: _____
Name:
Title:

**SCHEDULE 1
SELLER AND FACILITIES**

| <u>Sellers</u> | <u>Facilities</u> |
|-----------------------|---|
| The Debtors | <p><u>Restructuring Portfolio</u></p> <p><u>South Carolina</u> Anchor Rehabilitation and Healthcare Center of Aiken, LLC Brushy Creek Rehabilitation and Healthcare Center, LLC Capstone Rehabilitation and Healthcare Center, LLC Fleetwood Rehabilitation and Healthcare Center, LLC Greenville Rehabilitation and Healthcare Center, LLC Greer Rehabilitation and Healthcare Center, LLC Iva Rehabilitation and Healthcare Center, LLC Linley Park Rehabilitation and Healthcare Center, LLC Manna Rehabilitation and Healthcare Center, LLC McCormick Rehabilitation and Healthcare Center, LLC Patewood Rehabilitation and Healthcare Center, LLC Poinsett Rehabilitation and Healthcare Center, LLC River Falls Rehabilitation and Healthcare Center, LLC Riverside Rehabilitation and Healthcare Center, LLC Southern Oaks Rehabilitation and Healthcare Center, LLC Simpsonville Rehabilitation and Healthcare Center, LLC The Ridge Rehabilitation and Healthcare Center, LLC</p> <p><u>Georgia</u> Cobblestone Rehabilitation and Healthcare Center, LLC Macon Rehabilitation and Healthcare Center, LLC</p> <p><u>Additional Entities</u> Palladium Hospice and Palliative Care, LLC Johns Island Rehabilitation & Healthcare Center, LLC</p> |