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*Proposed Counsel for the Debtor and
Debtor in Possession*

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

In re:

**BUCKINGHAM SENIOR LIVING
COMMUNITY, INC.¹**

Debtor.

)
) Chapter 11
)
) Case No. 25-80595 (MVL)
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**DEBTOR'S MOTION FOR ENTRY OF AN
ORDER (I)(A) APPROVING BIDDING PROCEDURES AND
BID PROTECTIONS, (B) APPROVING THE DEBTOR'S ENTRY
INTO THE STALKING HORSE APA, (C) SCHEDULING CERTAIN
DATES AND DEADLINES, (D) APPROVING THE FORM AND MANNER
OF NOTICE THEREOF, AND (E) ESTABLISHING NOTICE AND PROCEDURES
FOR THE ASSUMPTION AND ASSIGNMENT OF CONTRACTS AND LEASES; AND
(II)(A) AUTHORIZING THE SALE OF THE ASSETS FREE AND CLEAR OF ALL
ENCUMBRANCES AND (B) APPROVING THE ASSUMPTION AND ASSIGNMENT
OF THE ASSUMED CONTRACTS, AND (III) GRANTING RELATED RELIEF**

¹ The last four digits of the Debtor's federal tax identification number are 7872. The location of the Debtor's principal place of business and the service address for the Debtor is 8580 Woodway Drive, Houston, Texas 77063.

IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE ELECTRONICALLY AT [HTTPS://ECF.TXNB.USCOURTS.GOV/](https://ecf.txnb.uscourts.gov/) AT LEAST TWO (2) BUSINESS DAYS BEFORE THE START OF THE HEARING. IF YOU DO NOT HAVE ELECTRONIC FILING PRIVILEGES, YOU MUST FILE A WRITTEN OBJECTION THAT IS ACTUALLY RECEIVED BY THE CLERK AND FILED ON THE DOCKET AT LEAST TWO (2) BUSINESS DAYS BEFORE THE START OF THE HEARING. OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

Buckingham Senior Living Community, Inc., as debtor and debtor in possession in the above-captioned chapter 11 case (the “Debtor”), hereby files this motion (the “Motion”) for entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Bidding Procedures Order”), granting the relief described below. In support thereof, the Debtor relies upon the *Declaration of Michael Wyse in Support of Chapter 11 Petitions and First Day Pleadings* (the “First Day Declaration”) and the *Declaration of David Fields in Support Debtor’s Motion For Entry of an Order (I)(A) Approving Bidding Procedures and Bid Protections, (B) Approving the Debtor’s Entry Into The Stalking Horse APA, (C) Scheduling Certain Dates and Deadlines, (D) Approving the Form and Manner of Notice Thereof, and (E) Establishing Notice And Procedures for the Assumption and Assignment of Contracts and Leases; and (II)(A) Authorizing the Sale of the Assets Free and Clear of All Encumbrances and (B) Approving the Assumption and Assignment of the Assumed Contracts, and (III) Granting Related Relief* (the “Fields Declaration”), filed contemporaneously herewith. In support thereof, the Debtor respectfully represent as follows:

RELIEF REQUESTED

1. By the Motion, the Debtor seeks entry of the Bidding Procedures Order (a) approving the Bidding Procedures, by which the Debtor will solicit and select the highest or otherwise best offer for the sale of all, substantially all of the Debtor’s Assets pursuant to Bankruptcy Code section 363; (b) authorizing the Debtor to select Focus SH Acquisitions LLC as

the Stalking Horse Bidder pursuant to the Stalking Horse APA; (c) authorizing and approving, if and to the extent payable pursuant to the terms of the Bidding Procedures and Stalking Horse APA, the Bid Protections; (d) scheduling certain dates and deadlines; (e) approving the manner of notice of the Auction and Sale Hearing; and (f) approving procedures for the assumption and assignment of certain Executory Contracts and Unexpired Leases in connection with the Transaction.²

2. Additionally, the Debtor will seek entry of one or more orders (each, a “Sale Order”) at a proposed hearing on January 22, 2026 at 9:00 a.m., prevailing Central Time, or as soon thereafter as the Debtor may be heard (subject to Court availability) (the “Sale Hearing”), (a) authorizing and approving the Transaction with the Successful Bidder on the terms substantially set forth in the Successful Bid; (b) authorizing and approving the sale of the Debtor’s Assets free and clear of liens, claims, encumbrances, and other interests to the extent set forth in an asset purchase agreement with the Successful Bidder; and (c) authorizing the assumption and assignment of Executory Contracts and Unexpired Leases as set forth in an asset purchase agreement with the Successful Bidder.

JURISDICTION AND VENUE

5. The Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Order of Reference of Bankruptcy Cases and Proceedings Nunc Pro Tunc* dated August 3, 1984, entered by the United States District Court for the Northern District of Texas. This matter is a core proceeding under 28 U.S.C. § 157(b). Venue of this case and the Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

3. The legal predicates for the relief requested herein are sections 105(a), 363, 365, 503, and 507 of title 11 of the United States Code (the “Bankruptcy Code”), rules 2002, 6004, and

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Bidding Procedures (as defined below), or the Staking Horse APA (as defined below), as applicable.

6006(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and 2002-1 and 9013-1 of the *Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas* (the “Local Rules”), and Section E of the *Procedures for Complex Cases in the Northern District of Texas*, effective February 6, 2023 (the “Complex Case Procedures”).

BACKGROUND

6. On the date hereof (the “Petition Date”), the Debtor commenced a case by filing a petition for relief under chapter 11 of the Bankruptcy Code (the “Chapter 11 Case”) in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the “Court”). The Debtor continues to operate its business and manage its properties as a debtor and debtor in possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

7. To date, the Office of the United States Trustee for Region 6 (the “U.S. Trustee”) has not appointed an official committee in this Chapter 11 Case, nor has any trustee or examiner been appointed.

8. Additional information regarding the Debtor and this Chapter 11 Case, including the Debtor’s business operations, capital structure, financial condition, and the reasons for and objectives of this Chapter 11 Case, is set forth in the First Day Declaration.

INTRODUCTION

9. As described in the First Day Declaration, the Debtor is a premiere senior living facility that provides unparalleled and high-quality care to its residents. Following liquidity constraints exacerbated by the COVID-19 pandemic, in June 2021, the Debtor, with the support of its lenders, initiated a prior chapter 11 case to implement a comprehensive plan of reorganization. Despite these efforts, the Debtor continued to face liquidity challenges due to various macroeconomic headwinds.

10. Accordingly, on March 10, 2025 the Debtor engaged McDermott Will & Schulte (“McDermott”), as legal counsel, to assist it in evaluation of potential restructuring transactions, including through a section 363 sale, strategic alternative process. On March 19, 2025, the Debtor retained Raymond James & Associates, Inc. (“Raymond James”), as investment banker, to assist in marketing the Debtor’s assets and soliciting potential purchasers.

11. In May 2025, the Debtor, in consultation with Raymond James, launched a comprehensive third-party marketing process (the “Marketing Process”) to solicit proposals for one or more potential sales of all, substantially all of the Debtor’s assets (the “Assets,” and such sale, the “Transaction”). Prior to the Petition Date, Raymond James contacted over 1,230 parties, including strategic sponsors, to acquire the Assets. In connection with the prepetition Marketing Process, Raymond James prepared, among other things, a confidential information presentation and an electronic data room to which prospective bidders that executed confidentiality agreements received access. In total, 31 prospective bidders executed confidentiality agreements and received access to private-side information. By the beginning of July 2025, the Debtor received 5 preliminary indications of interest from prospective bidders as part of a first-round process.

12. After extensive discussions with prospective bidders, the Debtor, in an exercise of its business judgement and in consultation with counsel to the Bond Trustee, named Focus SH Acquisition LLC to serve as stalking horse bidder in connection with the sale process (the “Stalking Horse Bidder” and, the Stalking Horse Bidder’s bid, the “Stalking Horse Bid”) on the terms set forth stalking horse asset purchase agreement (as amended, supplemented, or otherwise modified by the parties thereto, the “Stalking Horse APA”), attached hereto as **Exhibit B**.

13. The Stalking Horse Bid provides for the Stalking Horse Bidder's purchase of substantially all of the Debtor's Assets (other than certain Excluded Assets). The aggregate consideration for the Assets to be purchased by the Stalking Horse Bidder includes:

- (a) Cash in the amount of \$100 million;
- (b) An amount equal to \$12 million, to be amortized and paid out over the twelve-month period beginning in the month following the Eligibility Period to all Eligible Current Residents who (i) have an entrance fee Residency Agreement in effect with the Debtor immediately prior to Closing pursuant to which a refund of such Current Resident's original entrance fee is or will be due (which is not repaid to them by the Debtor), (ii) are not delinquent on any rents previously owed to the Facility, (iii) prior to the Closing, execute a New Residency Agreement with the Stalking Horse Bidder for the same unit, level of acuity, and the same base service fee or rental rate as such Current Resident is currently paying immediately prior to the Closing Date, with such New Residency Agreement to become effective upon the Closing, (iv) execute a release of all liabilities in favor of current members of the Board of Directors and current officers of Debtor, Greystone Management Services Company, LLC, any trustee, the Bond Trustee, any bondholder, the Stalking Horse Bidder and any of the Stalking Horse Bidder's affiliates and subsidiaries, and the respective representatives and agents of the foregoing, on a form reasonably acceptable to the Stalking Horse Bidder, and (v) do not leave the Facility through the end of the last day of the month that is the twenty-fifth (25th) month following the Closing Date; *provided, however*, if any such Current Resident passes away prior to the close of the Eligibility Period but maintained residence at the Facility unit their death, Section 5.17(b)(v) shall not apply to such Current Resident and any recovery which such Current Resident would otherwise be eligible for herein shall be paid to the estate of such Eligible Current Resident; and
- (c) Credits of an aggregate value of \$750,000 to be made available following Closing to Current Residents whose Residency Agreement with Debtor provided a Life Care Benefit and who sign New Residency Agreements with the Stalking Horse Bidder.

14. The prepetition Marketing Process was robust and appropriate to identify prospective bidders for the Assets and entry into the Stalking Horse Bid presents the best means to achieve the best available value of the Debtor's estate for all stakeholders. The Stalking Horse Bid benefits the Debtor by serving as a floor for a postpetition marketing and overbid process to

ensure that the Debtor receives the highest or otherwise best offer for the Assets. The Stalking Horse Bid was heavily negotiated in good faith and at arm's length by the Debtor and its advisors. These efforts ensure that higher or otherwise better bids will be solicited to test and compete with the Stalking Horse Bid.

15. To maximize the value of the estate's assets and elicit the highest or otherwise best offers for the Assets during the postpetition Marketing Process, the Debtor and its advisors (in consultation with key stakeholders) developed the proposed bidding procedures attached as Exhibit 1 to the Bidding Procedures Order (the "Bidding Procedures") to allow interested parties to provide bids that are superior to the Stalking Horse Bid. Pursuant to the Bidding Procedures, the Debtor intends to continue marketing the Assets to prospective bidders and facilitating access to diligence materials. Such materials, for those executing a confidentiality agreement with the Debtor and receiving access to a virtual data room, will include confidential presentation materials, additional legal, financial, operational, and other information on the Debtor's Assets, and, as appropriate, meetings with management.

16. The Debtor and its advisors have carefully evaluated a number of qualitative and quantitative factors in designing a process that they believe would maximize the value of its estate and produce maximum recoveries. This process principally includes approval of the Bidding Procedures that are designed to promote active bidding and obtain the highest or otherwise best bids.

17. Accordingly, the Debtor believes that the proposed Bidding Procedures, entry into the Stalking Horse APA, and the related relief requested in the Motion will allow the Debtor to efficiently pursue a value-maximizing sale process in the best interest of all stakeholders. Therefore, Debtor respectfully requests that the Court grant the relief requested herein.

PROPOSED SALE PROCESS AND SELECTION OF STALKING HORSE BIDDER

I. The Bidding Procedures.

18. The Debtor seeks approval of the Bidding Procedures to establish an open process for the solicitation, receipt, and evaluation of bids in a fair, accessible, and expeditious manner. The Bidding Procedures will facilitate the Marketing Process to solicit interest in a sale of the Assets.

19. The timeline set forth in the Bidding Procedures is calculated to balance the need to provide adequate notice to parties in interest and any person or entity interested in purchasing the Assets (a “Potential Bidder”) with the need to run an expeditious and efficient sale process. The Bidding Procedures are designed to generate the highest or otherwise best available recoveries to the Debtor’s stakeholders by encouraging prospective bidders to submit competitive, value-maximizing bids. The Debtor believes that the Bidding Procedures and the timeline set forth therein are in the best interests of the Debtor’s estate, will establish the extent of the market for the Debtor’s Assets, and will provide interested parties with sufficient opportunity to participate.

20. Because the Bidding Procedures are attached as Exhibit 1 to the Bidding Procedures Order, they are not restated in their entirety herein. The following describes certain material points of the Bidding Procedures:³

<u>Requirement</u>	<u>Description</u>	<u>Location in Bidding Procedures or Bidding Procedures Order</u>
Public Announcement of Auction	Within two (2) business days after entry of the Bidding Procedures Order, the Debtor shall serve on the parties that received notice of the Motion (a) the Bidding Procedures Order and the Bidding Procedures and (b) a notice setting forth (i) the date, time, and place of the Auction and the hearing to consider the approval of the Transaction(s) and	Bidding Procedures § III Bidding Procedures Order ¶¶ 22-23

³ This summary is provided in accordance with Section E of the Complex Case Procedures and for the convenience of the Court and parties in interest. Accordingly, the summary, like the other summaries in this Motion, is qualified in its entirety by the provisions of the documents referenced including, without limitation, the Stalking Horse APA and the Bidding Procedures Order. To the extent anything in this summary is inconsistent with such documents, the terms of the applicable documents shall control.

<u>Requirement</u>	<u>Description</u>	<u>Location in Bidding Procedures or Bidding Procedures Order</u>
	(ii) the deadlines and procedures for objecting to the proposed Transaction(s) in the form attached hereto as <u>Schedule 1</u> (the “ <u>Auction Notice</u> ”). Within three (3) business days after entry of the Bidding Procedures Order, the Debtor shall publish the Auction Notice, with any modifications necessary for ease of publication, on one occasion in <i>The New York Times</i> (National Edition), the <i>Wall Street Journal</i> , or <i>USA Today</i> to provide notice to any other potential interested parties, and (iii) post the Auction Notice on its case website, https://dm.epiq11.com/Buckingham .	
Potential Bidder Qualifications	To participate in the bidding process or otherwise be considered for any purpose hereunder, including to receive access to due diligence materials, a person or entity interested in purchasing the Assets or part of the Assets (a “<u>Potential Bidder</u>”) must deliver or have previously delivered to the Debtor the following preliminary documentation (collectively, the “<u>Preliminary Bid Documents</u>”): (a) an executed confidentiality agreement (a “<u>Confidentiality Agreement</u>”) in form and substance acceptable to the Debtor; (b) a statement describing which portion of the Assets the Potential Bidder intends to acquire; (c) information sufficient to establish that the Potential Bidder has or can reasonably obtain the financial capacity to close a purchase of any portion, all, or substantially all of the Assets, the adequacy of which must be acceptable to the Debtor; and (d) a statement detailing whether the Potential Bidder is partnering with or otherwise working with any other interested party in connection with the potential submission of a joint Bid, the identity of any such party or parties, and a concise description of the nature of such partnership or joint bid to the extent reasonably practicable. The Debtor, in consultation with its advisors and the Consultation Parties, will determine and notify each Potential Bidder whether such Potential Bidder has submitted adequate documents so that such Potential Bidder may proceed to conduct due diligence and submit a bid (such Potential Bidder, an “<u>Acceptable Bidder</u>”).	Bidding Procedures § IV
Qualified Bid Requirements	A Qualified Bidder is one who submits a Qualified Bid, as defined in § V of the Bidding Procedures and summarized directly below.	Bidding Procedures § V

<u>Requirement</u>	<u>Description</u>	<u>Location in Bidding Procedures or Bidding Procedures Order</u>
<i>Complex Case Procedures, Part E Sections 19 (b) and 19(c)</i>	The requirements of a Qualified Bid can be found in § V of the Bidding Procedures. By way of summary, the Bidding Procedures require that a Bid, to be considered a Qualified Bid, must: (i) clearly state the Assets to be purchased, the liabilities to be assumed, and the executory contracts and/or unexpired leases to be assigned by Debtor; (ii) be accompanied by the Good Faith Deposit; (iii) clearly set forth the Purchase Price, identifying the cash and non-cash components; (iv) include financial and other information sufficient for the Debtor to make a reasonable determination as to the bidder's ability to consummate the proposed Transaction(s); (v) include duly executed and noncontingent, where applicable, Bid Documents; (vi) include a statement that the bid does not entitle such bidder to any break-up fee, termination fee, expense reimbursement, or similar type of payment or reimbursement and a waiver of any substantial contribution administrative expense claim; (vii) indicate whether the Acceptable Bidder intends to hire all employees of the Debtor or otherwise indicate its intentions with respect to the employees of the Debtor; (viii) include evidence that the Acceptable Bidder has obtained all necessary authorizations or approvals; (ix) fully disclose the identity of each entity and each entity's shareholders, partners, investors, or ultimate controlling entities that will be bidding; (x) include a written As-Is, Where-Is acknowledgement; (xi) provide background on the Acceptable Bidder and its qualifications to operate senior living communities; (xii) identify the Executory Contracts and Unexpired Leases to be assumed or assumed and assigned in connection with the proposed Transaction(s), provide for the payment of all Cure Amounts by the Acceptable Bidder, and demonstrate that the Acceptable Bidder can provide adequate assurance of future performance under all such Executory Contracts and Unexpired Leases; (xiii) acknowledge in writing that it has not engaged in any collusion; (xiv) state that in the event such Bid is chosen as the Back-Up Bid, it shall remain irrevocable until the Debtor and the Successful Bidder consummate the applicable Transaction(s); (xv) set forth regulatory and third-party approvals required to consummate the Transaction(s); (xvi) include the forms necessary for submission of regulatory approval; (xvii) state the Acceptable Bidder's expected Closing date; and (xviii) identify with particularity each and every condition to closing.	
Break-Up Fee and Expense Reimbursement <i>Complex Case Procedures, Part E</i>	Except as otherwise set forth in the Bidding Procedures Order or the Stalking Horse APA, no person or entity, shall be entitled to any expense reimbursement, breakup fees, "topping," termination, or other similar fee or payment, and by submitting a bid, such person or entity is deemed to have waived its right to request or to file with this Court any request for expense reimbursement or any fee of any nature,	Bidding Procedures §§ X, XI(f) Bidding Procedures Order ¶ 17

<u>Requirement</u>	<u>Description</u>	<u>Location in Bidding Procedures or Bidding Procedures Order</u>
<i>Sections 19 (a)(ii) and 19(a)(iv)</i>	whether by virtue of Bankruptcy Code section 503(b) or otherwise. At the Auction, an Overbid shall initially be at least a \$100,000 increase in cash, cash equivalents, or other such consideration that the Debtor, in its reasonable business judgment deem equivalent (including the right of the Bond Trustee to Credit Bid any remaining amounts of its secured claim in accordance with these Bidding Procedures) over the previous Bid; <i>provided, however</i>, that the Initial Overbid must provide for aggregate cash consideration of not less than One Hundred Five Million Dollars (\$105,000,000) to ensure there is sufficient cash to equal to or exceed the Stalking Horse Bidder's Purchase Price and cover the Break-Up Fee and the maximum Reimbursement Amount. No person or entity, other than the Stalking Horse Bidder, shall be entitled to any expense reimbursement, breakup fees, "topping," termination, or other similar fee or payment, and by submitting a bid, such person or entity is deemed to have waived their right to request or to file with this Court any request for expense reimbursement or any fee of any nature, whether by virtue of Bankruptcy Code section 503(b) or otherwise.	
Minimum Overbid <i>Complex Case Procedures, Part E Section 19 (a)(ii);</i>	The Initial Overbid must provide for aggregate cash consideration of not less than One Hundred Five Million Dollars (\$105,000,000) to ensure there is sufficient cash to equal to or exceed the Stalking Horse Bidder's Purchase Price and cover the Break-Up Fee and the maximum Reimbursement Amount.	Bidding Procedures § XI(f)
Overbids <i>Complex Case Procedures, Part E Section 19 (a)(iii)</i>	An Overbid may only be made at the Auction and shall initially be at least a \$100,000 increase in cash, cash equivalents, or other such consideration that the Debtor, in its reasonable business judgment deem equivalent (including the right of the Bond Trustee to Credit Bid any remaining amounts of its secured claim in accordance with these Bidding Procedures) over the previous Bid; provided, however, that the Initial Overbid must provide for aggregate cash consideration of not less than One Hundred Five Million Dollars (\$105,000,000) to ensure there is sufficient cash to equal to or exceed the Stalking Horse Bidder's Purchase Price and cover the Break-Up Fee and the maximum Reimbursement Amount; During the course of the Auction, the Debtor shall, after submission of each Overbid, promptly inform each Qualified Bidder of the terms of such Overbid and inform each Qualified Bidder whether such Overbid reflects, in the Debtor's view and in consultation with the Consultation Parties, the then highest or otherwise best Bid for the Assets.	Bidding Procedures § XI(f), (h) & (q)

<u>Requirement</u>	<u>Description</u>	<u>Location in Bidding Procedures or Bidding Procedures Order</u>
	The Debtor, in consultation with the Consultation Parties, reserves the right to further amend, waive, or otherwise modify the Auction Procedures at any time, provided that the Debtor may not (i) modify the consultation or consent rights of the Consultation Parties, (ii) reduce or modify the Initial Overbid requirements, or (iii) abridge the rights of the Bond Trustee to credit bid.	
Auction Procedures <i>Complex Case Procedures, Part E Section 19 (f)</i>	The Auction will be conducted in accordance with the following procedures (the “<u>Auction Procedures</u>”): (a) only Qualified Bidders may participate in or make subsequent Bids at the Auction; (b) only the Debtor, Qualified Bidders, the Consultation Parties, the U.S. Trustee, and such parties’ representatives, bondholders and advisors may attend the Auction; <i>provided</i> that Qualified Bidders may appear through a duly authorized representative (other than their counsel) bearing a valid and enforceable power of attorney or other written proof evidencing their ability to bind the applicable Qualified Bidder, which document(s) shall be delivered to the Debtor prior to the commencement of the Auction; (c) the Debtor, with the assistance of its advisors, shall direct and preside over any Auction; (d) at the commencement of the Auction, the Debtor may announce modified or additional procedures for conducting the Auction and related rules governing the Auction, including time periods available to all Qualified Bidders to submit successive Bid(s), or otherwise modify the Bidding Procedures, in each case in consultation with the Consultation Parties; (e) bidding shall begin with the Starting Bid; (f) subsequent Bids (each, an “<u>Overbid</u>”) may only be made at the Auction and shall initially be at least a \$100,000 increase in cash, cash equivalents, or other such consideration that the Debtor, in its reasonable business judgment deem equivalent (including the right of the Bond Trustee to Credit Bid any remaining amounts of its secured claim in accordance with these Bidding Procedures) over the previous Bid; <i>provided, however</i>, that the Initial Overbid must provide for aggregate cash consideration of not less than One Hundred Five Million Dollars (\$105,000,000) to ensure there is sufficient cash to equal to or exceed the Stalking	Bidding Procedures § XI

<u>Requirement</u>	<u>Description</u>	<u>Location in Bidding Procedures or Bidding Procedures Order</u>
	Horse Bidder's Purchase Price and cover the Break-Up Fee and the maximum Reimbursement Amount; (g) each Qualified Bidder will be permitted a reasonable time to respond to previous Bids at the Auction, as determined by the Debtor; (h) during the course of the Auction, the Debtor shall, after submission of each Overbid, promptly inform each Qualified Bidder of the terms of such Overbid and inform each Qualified Bidder whether such Overbid reflects, in the Debtor's view and in consultation with the Consultation Parties, the then highest or otherwise best Bid for the Assets; (i) the Auction will be transcribed to ensure an accurate recording of the bidding at the Auction; (j) each Qualified Bidder will be required to confirm on the record that it has not engaged, and will not engage, in any collusion with respect to the bidding or any Transaction(s). For the avoidance of doubt, this requirement does not restrict Qualified Bidder(s) from working with other Qualified Bidder(s) with the Debtor's prior written consent; (k) each Qualified Bidder will be required to confirm on the record that its Bid is a good faith, <i>bona fide</i> offer and it intends to consummate the Transaction(s) if selected as the Successful Bid in accordance with these Bidding Procedures (as may be modified in accordance herewith at the Auction); (l) subject to the Debtor's fiduciary obligations, including as set forth herein, the Debtor will not consider Bids made after the Auction has been closed; (m) the Debtor, in its reasonable business judgment in consultation with the Consultation Parties, may (i) determine which Qualified Bid is the highest or otherwise best offer, (ii) reject, at any time before entry of an order of the Court approving a Successful Bid, any Bid that the Debtor determines is (A) inadequate or insufficient, (B) not in conformity with the requirements of the Bankruptcy Code, the Bidding Procedures, or the terms and conditions of the Transaction(s), or (C) contrary to the best interests of the Debtor, its estate, creditors, and other stakeholders, and (iii)	

<u>Requirement</u>	<u>Description</u>	<u>Location in Bidding Procedures or Bidding Procedures Order</u>
	impose such other terms and conditions upon Qualified Bidders as the Debtor determines to be in the best interests of the Debtor's estate in this Chapter 11 Case; (n) the Debtor has the right to request any additional information that will allow the Debtor to make a reasonable determination as to a Qualified Bidder's financial and other capabilities to consummate the transactions contemplated by their proposal and any further information that the Debtor believes is reasonably necessary to clarify and evaluate any Bid made by a Qualified Bidder during the Auction; (o) the Debtor reserves the right, in its reasonable business judgment and in consultation with the Consultation Parties, to adjourn the Auction one or more times to, among other things, (i) facilitate discussions between the Debtor and Qualified Bidders, (ii) allow Qualified Bidders the opportunity to consider how they wish to proceed, and (iii) provide Qualified Bidders the opportunity to provide the Debtor with such additional evidence as the Debtor, in its reasonable business judgment, may require that the Qualified Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed transaction at the prevailing amount; (p) notwithstanding anything herein to the contrary, the Debtor, in consultation with the Consultation Parties, may at any time choose to adjourn the Auction by announcement at the Auction. The Debtor shall promptly file notice of such adjournment with the Court; and (q) the Debtor, in consultation with the Consultation Parties, reserves the right to further amend, waive, or otherwise modify the Auction Procedures at any time, provided that the Debtor may not (i) modify the consultation or consent rights of the Consultation Parties, (ii) reduce or modify the Initial Overbid requirements, or (iii) abridge the rights of the Bond Trustee to credit bid. For the avoidance of doubt, nothing in the Auction Procedures will prevent the Debtor from exercising its fiduciary duties under applicable law (as reasonably determined in good faith by the Debtor, in consultation with its advisors).	

<u>Requirement</u>	<u>Description</u>	<u>Location in Bidding Procedures or Bidding Procedures Order</u>
Modification of Bidding and Auction Procedures <i>Complex Case Procedures, Part E Section 19 (d)</i>	At the commencement of the Auction, the Debtor may announce modified or additional procedures for conducting the Auction and related rules governing the Auction, including time periods available to all Qualified Bidders to submit successive Bid(s), or otherwise modify the Bidding Procedures, in each case in consultation with the Consultation Parties. The Debtor, in consultation with the Consultation Parties, reserves the right to further amend, waive, or otherwise modify the Auction Procedures at any time, provided that the Debtor may not (i) modify the consultation or consent rights of the Consultation Parties, (ii) reduce or modify the Initial Overbid requirements, or (iii) abridge the rights of the Bond Trustee to credit bid. The Debtor shall, in consultation with the Consultation Parties, be entitled to modify these Bidding Procedures in its reasonable business judgment and in a manner consistent with the exercise of its fiduciary duties, in any manner that will best promote the goals of the bidding process or the Bidding Procedures, or impose, at or before the Auction (if held), additional customary terms and conditions on the sale of the applicable Assets, including, without limitation: (a) extending the deadlines set forth in the Bidding Procedures; (b) adjourning the Auction; (c) adding procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction (if held); (d) canceling the Auction; (e) rejecting any or all Bids or Qualified Bids; and (f) adjusting the applicable minimum Overbid increment. Notwithstanding anything to the contrary herein, the Debtor may not (a) modify the consultation or consent rights of the Consultation Parties, (b) reduce or modify the Initial Overbid requirements, (c) modify deadlines in the Stalking Horse APA; or (d) abridge the rights of the Bond Trustee to credit bid. All parties expressly reserve all of their rights (and do not waive any such rights) to seek Court relief with regard to the Auction, the Bidding Procedures, the Transaction(s), and any related items (including, if necessary, to seek an extension of the Bid Deadline). Subject to the terms of the Bidding Procedures, the Debtor, in consultation with the Consultation Parties, may modify the Bidding Procedures as necessary or appropriate to maximize value for its estate except as expressly prohibited by this Order.	Bidding Procedures §§ XI(d) & (q), XVI Bidding Procedures Order ¶¶ 18, 32

<u>Requirement</u>	<u>Description</u>	<u>Location in Bidding Procedures or Bidding Procedures Order</u>
	The Debtor, in consultation with the Consultation Parties, may revise the Sale Schedule and modify any of the deadlines set forth herein or provide for additional deadlines within a Sale Schedule without further order of the Court; provided that the Debtor will disclose all applicable deadlines in a notice filed with the Court, including, as applicable, the Auction Notice.	
Back-Up Bidder <i>Complex Case Procedures, Part E Section 19 (e)</i>	Each Bid must state that in the event such Bid is chosen as the Back-Up Bid, it shall remain irrevocable until the Back-Up Termination Date (as defined below); Each Bid shall provide that the Acceptable Bidder will serve as a Back-Up Bidder (as defined below) if the Acceptable Bidder's Bid is the next highest or otherwise best bid with respect to the applicable Assets The party submitting the Back-Up Bid to purchase the Assets (the "<u>Back-Up Bidder</u>") will be determined by the Debtor, in consultation with the Consultation Parties, at the conclusion of the Auction and will be announced at that time to all the Qualified Bidders participating in the Auction. The Debtor's selection of a Back-Up Bid shall be deemed final, and the Debtor shall not accept any further bids or offers to submit a bid after such selection; <i>provided</i> that, nothing in these Bidding Procedures shall require the board of directors, board of managers, or such similar governing body of the Debtor to take or refrain from taking any action that the Debtor determined in good faith, in consultation with its advisors, would be inconsistent with applicable law or its fiduciary obligations. The Debtor will be authorized, but not required, to consummate the Transaction with the Back-Up Bidder without further order of the Court, so long as such Back-Up Bid shall have been approved in connection with the Court's approval of the Successful Bid, or subject to Court approval if not. If for any reason a Successful Bidder fails to consummate the purchase of such Assets within the time permitted, then the Back-Up Bidder will automatically be deemed to have submitted the Successful Bid for such Assets, and the Back-Up Bidder shall be deemed a Successful Bidder for the Assets and shall be required to consummate the Transaction with the Debtor as soon as is reasonably practicable without further order of the Court, upon twenty-four (24) hours' advance notice filed with the Court. To the extent any objections are raised and remain unresolved, the Court may schedule a hearing on an expedited basis to adjudicate such objection. The Back-Up Bid shall remain open and irrevocable until the earliest to occur of (a) ninety (90) days following the hearing to consider the applicable order approving the Transaction(s) (the "<u>Sale Order</u>"), (b) consummation of the	Bidding Procedures V(s) & (t), XIII

<u>Requirement</u>	<u>Description</u>	<u>Location in Bidding Procedures or Bidding Procedures Order</u>
	Transaction with the Successful Bidder at an Auction, and (c) the release of such Back-Up Bid by the Debtor in writing (the “Back-Up Termination Date”).	
Good Faith Deposit <i>Complex Case Procedures, Part E Section 17(f)</i>	The Good Faith Deposit of the Successful Bidder will, upon consummation of the Successful Bid, become property of the Debtor’s estate and be credited to the portion of such Successful Bidder’s applicable Purchase Price. If the Successful Bidder (or Back-Up Bidder, if applicable), fails to consummate the Successful Bid (or Back-Up Bid, if applicable), then the Good Faith Deposit of such Successful Bidder (or Back-Up Bidder, if applicable) will be irrevocably forfeited to the Debtor and shall be retained by the Debtor as liquidated damages, in addition to any and all rights, remedies, or causes of action that may be available to the Debtor. The Good Faith Deposits of any unsuccessful Qualified Bidders (except for any Back-Up Bidder and the Stalking Horse Bidder) will be returned within five (5) business days after entry of the Sale Order of the Transaction or upon the permanent withdrawal of the applicable proposed Transaction. The Good Faith Deposit(s) of any Back-Up Bidder, if any, will be returned to such Back-Up Bidder no later than five (5) business days of the Back-Up Termination Date. The return of any Good Faith Deposits of the Stalking Horse Bidder will be subject to the terms of the applicable Stalking Horse APA. All such Good Faith Deposits shall be held in escrow and at no time shall be deemed property of the Debtor’s estate absent further order of the Court. Any deposit (including any Good Faith Deposit) provided by a Qualified Bidder shall be held in escrow by the Debtor or its agent and shall not become property of the Debtor’s bankruptcy estate unless and until released from escrow to the Debtor pursuant to the terms of the applicable escrow agreement, the Bidding Procedures, or an order of this Court, as applicable.	Bidding Procedures § XV Bidding Procedures Order ¶ 21
Credit Bid <i>Complex Case Procedures, Part E Section 17(m)</i>	Notwithstanding anything herein, for the avoidance of doubt, the Stalking Horse Bidder is a Qualified Bidder and the Stalking Horse APA is a Qualified Bid. The Stalking Horse Bidder is entitled to credit bid the Break-Up Fee and Expense Reimbursement at each round of any Auction. Notwithstanding anything to the contrary herein, the Bond Trustee shall be deemed to be a Qualified Bidder and may submit a Credit Bid of all or any portion of the aggregate amount of its secured claims, at any time prior to or during the Auction, and any such Credit Bid will be considered a	Bankruptcy Procedures §§ V(o), VI, XI(f) and (q), XVI

<u>Requirement</u>	<u>Description</u>	<u>Location in Bidding Procedures or Bidding Procedures Order</u>
	Qualified Bid (a “<u>Qualified Credit Bid</u>”). Further, (i) no Good Faith Deposit will be required in connection with a Qualified Credit Bid and (ii) no Qualified Credit Bid will serve as the Back-Up Bid without the written consent of the Bond Trustee. No party may challenge the Bond Trustee’s right to credit bid except by objecting to such right prior to the Auction, and any such challenge must be adjudicated prior to the start of the Auction. An Overbid may only be made at the Auction and shall initially be at least a \$100,000 increase in cash, cash equivalents, or other such consideration that the Debtor, in its reasonable business judgment deem equivalent (including the right of the Bond Trustee to Credit Bid any remaining amounts of its secured claim in accordance with these Bidding Procedures) over the previous Bid; <i>provided, however</i>, that the Initial Overbid must provide for aggregate cash consideration of not less than One Hundred Five Million Dollars (\$105,000,000) to ensure there is sufficient cash to equal to or exceed the Stalking Horse Bidder’s Purchase Price and cover the Break-Up Fee and the maximum Reimbursement Amount. The Debtor, in consultation with the Consultation Parties, reserves the right to further amend, waive, or otherwise modify the Auction Procedures at any time, provided that the Debtor may not (i) modify the consultation or consent rights of the Consultation Parties, (ii) reduce or modify the Initial Overbid requirements, or (iii) abridge the rights of the Bond Trustee to credit bid. Notwithstanding anything to the contrary herein, the Debtor may not (a) modify the consultation or consent rights of the Consultation Parties, (b) reduce or modify the Initial Overbid requirements, (c) modify deadlines in the Stalking Horse APA; or (d) abridge the rights of the Bond Trustee to credit bid.	
Relief from Bankruptcy Rule 6004(h) <i>Complex Case Procedures, Part E Section 17(n)</i>	Notwithstanding Bankruptcy Rule 6004(h), this Order shall be effective and enforceable immediately upon entry hereof.	Bidding Procedures Order ¶ 37

II. The Stalking Horse Bidder

21. Prior to the date hereof, the Debtor and the Stalking Horse Bidder negotiated the terms of the Stalking Horse APA, through which the Stalking Horse Bidder will acquire

substantially all of the Assets of the Debtor and assume certain liabilities of the Debtor, subject to Court approval and the Marketing Process.

22. The chart below summarizes certain of the Stalking Horse APA's material terms:

Material Terms of the Stalking Horse Bid and Proposed Sale Order	
Parties (Stalking Horse APA, Recitals)	The Debtor, a Texas nonprofit corporation as "Seller", and Focus SH Acquisitions LLC, a Delaware Limited Liability Company, or its nominee, as "Buyer" or "Purchaser".
Purchase Price (Stalking Horse APA, Section 2.4) (Sale Order, Introduction)	The aggregate Purchase Price for the Acquired Assets and the assumption of the Assumed Liabilities shall be One Hundred Twelve Million Seven Hundred Fifty Thousand (\$112,750,000.00) consisting of the following: (i) One Hundred Million Dollars (\$100,000,000) (the "Base Purchase Price"), plus (ii) \$12,000,000 in Rent Rebate Funds, amortized and paid out over the twelve-month period beginning in the month following the end of the Eligibility Period to all Eligible Current Residents in an amount equal to their respective pro rata share of the cumulative original entrance fees subject to refund paid by all such Eligible Current Residents, plus (iii) the \$750,000 cost of the Healthcare Discount Program, the program to be adopted by Buyer following Closing pursuant to which Buyer shall make an aggregate value of \$750,000 available following Closing in the form of credits to Current Residents whose Residency Agreement with Seller provided a Life Care Benefit, but only to those Current Residents who sign New Residency Agreements with Buyer (collectively, the "<u>Purchase Price</u>"). The Base Purchase Price shall be adjusted in accordance with Section 2.5(f), and payable by wire transfer of immediately available funds as follows: (a) Within two (2) Business Days of the Execution Date, a cash amount equal to Two Million (\$2,000,000.00) Dollars (the "Deposit") shall be deposited in escrow by Buyer with the Title Company; and (b) At the Closing, Buyer shall pay to Seller, to an account designated in writing by Seller at least two (2) Business Days prior to Closing, a cash amount equal to the Base Purchase Price, minus the Deposit, and Buyer shall direct the Title Company to release and transfer the Deposit to Seller to such account at Closing.
Purchased Assets (Stalking Horse APA, Section 2.1)	Upon the terms and subject to the conditions contained in this Agreement, at the Closing, Seller shall sell, assign, transfer, deliver and convey to Buyer, and Buyer shall purchase, acquire and accept from Seller, free and clear of all Liens except Permitted Liens and in accordance with Sections 105, 363 and 365 and other applicable provisions of the Bankruptcy Code, all of Seller's right, title and interest in and to the assets owned by Seller or used in the Seller's operation of the Facility (the "<u>Business</u>") including, but not limited to, the following (collectively, the "<u>Purchased Assets</u>"), but excluding the Excluded Assets: (a) insurable fee simple title to the Premises, and all other rights, title and interest of Seller in and to the parcel(s) of real property on which the Facility is located;

	(b) fee simple title in and to all buildings, structures, facilities, amenities, driveways, walkways, parking lots and other improvements located on the Premises; (c) the Facility (including keys and passcodes) and the fixtures and improvements thereon; (d) to the extent not Inventory, all tangible personal property owned by Seller (including all furniture, fixtures and Equipment, vans, tractors, motorized vehicles, computers, keys, machinery, manufactured and purchased parts, food supplies, central supplies, medical supplies and equipment, housekeeping supplies and office supplies other than such Inventory and other supplies that are disposed of in the ordinary course of business prior to the Closing Date); (e) the Books and Records; (f) the Assumed Contracts; (g) the Inventory; (h) to the extent transferable under applicable law, the Permits; (i) all proprietary manuals, forms, regulations, policies and procedures of Seller used in connection with the Facility; (j) all intellectual property, including any trademarks, trade secrets and the like; (k) general intangibles and community specific intellectual property, including domain names listed in Schedule 3.12, as well as the names “Buckingham” and related logos and marketing materials; (l) personnel records for Transferred Employees (including, without limitation, all employee background checks, disciplinary records, employment applications, W-4’s and I-9’s) to the extent the transfer of such records is not prohibited by applicable law; and (m) any and all other items of tangible and intangible personal property and assets required for or used in the operation of the Facility or the Business owned by the Seller.
Assumed Liabilities (Stalking Horse APA, Section 2.3)	Upon the terms and subject to the conditions contained in this Agreement, at the Closing, Buyer shall assume or otherwise be responsible for (collectively, the “<u>Assumed Liabilities</u>”), which amounts shall be in addition to the Purchase Price, only the following assumed liabilities: (a) All rights and all obligations under Assumed Contracts from and after the Effective Time, plus the Cure Amounts; and (b) all liabilities and obligations relating to the other Purchased Assets accruing or arising after, and solely relating to operation for the Facility after, the Effective Time. Seller shall retain and use commercially reasonable efforts to make provision for, in the ordinary course of business or via resolution of the Chapter 11 Case, all liabilities and obligations of Seller other than the Assumed Liabilities.

Sale to Insider (Stalking Horse APA, Recitals; <i>see also</i> Stalking Horse Sale Order, ¶ R)⁴ <i>Complex Case Procedures, Part E Section 17(a)</i>	The sale is not to an insider. Rather, the sale is to Focus SH Acquisitions LLC, or its nominee.
Agreements with Management (Stalking Horse APA, Section 5.10) <i>Complex Case Procedures, Part E Section 17(b)</i>	Immediately prior to the Effective Time, Seller shall terminate all of its employees (the “<u>Employees</u>”) and, effective as of the Effective Time, Buyer shall, subject to Purchaser’s or Purchaser’s operator’s normal employment screening process (including, without limitation, background check, drug-testing, employment history, workers’ compensation status, current working status and similar matters), tender or cause Buyer’s operator to tender offers of employment to substantially all of the Employees; <u>provided, however</u>, Buyer or Buyer’s operator will have no obligation to tender offers of employment to any Employees who (a) do not pass Buyer’s or Buyer’s operator’s normal employment screening process, or (b) are on suspension, under parole or the subject of heightened scrutiny for inadequate or inappropriate performance or behavior (or who have an employment history of previously being on suspension, parole or the subject of heightened scrutiny for inadequate or inappropriate performance or behavior, provided that such metrics are part of Buyer’s or Buyer’s operator’s normal employment screening process (those employees to whom Buyer or Buyer’s operator makes an offer of employment, the “<u>Offer Employees</u>”). For purposes of this Section 5.10(a), “substantially all” means that no more than forty-nine (49) Employees shall fall outside the definition of Offer Employees. After the entry of the Sale Order, Buyer will be entitled to meet with and conduct job interviews with any and all Offer Employees. Offers of employment made by Buyer or Buyer’s operator to Employees will be on such terms as Buyer or Buyer’s operator shall determine, which terms may not be comparable to the current terms of employment in effect between such Employees and Seller; provided, however, that such terms are sufficiently comparable so as not to constitute a constructive discharge for purposes of the WARN Act. Those Offer Employees who accept such offer of employment and actually become Buyer or Buyer’s operator employees on the Closing Date are referred to herein as “Transferred Employees”. At least fifteen (15) days prior to the Closing Date, Seller shall provide Buyer with a list of all Employees (the “<u>Schedule of Employees</u>”), including, for each listed employee, his or her name, date of hire, job title, full-time/part-time status, exempt/non-exempt status, whether such employee is a member of a union and subject to any collective bargaining agreement, bonus eligibility, commission eligibility, severance entitlement, current compensation paid or payable and status (e.g., leave of absence, disability, layoff, active, temporary). The Schedule of Employees shall also include a schedule setting forth, for each employee in the Schedule of Employees, the amount of accrued but unused vacation, sick, holiday, personal time-off, paid time off or unused sick time as separate figures (excluding any unused paid time off or unused sick time beyond the applicable hour cap for employees based on seniority provided for in Seller’s employee policies,

⁴ “Stalking Horse Sale Order” shall mean the *Order (I) Approving Asset Purchase Agreement Between the Debtor and the Successful Bidder; (II) Authorizing the Sale of Substantially all of the Debtor’s Assets Free And Clear of Liens, Claims, Encumbrances, and Interests, Except for Certain Permitted Liens and Assumed Liabilities; (III) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (IV) Granting Related Relief* attached to the Stalking Horse APA as Exhibit D.

	which shall be identified and provided to Buyer, to the extent such information is maintained by Seller) (collectively, “<u>Accrued PTO</u>”) and the estimated aggregate value of the Accrued PTO. Upon Buyer providing Seller with the list of Offer Employees, Seller shall provide Buyer, no later than ten (10) days prior to the Closing Date, with an updated version of such schedule reflecting the anticipated Accrued PTO amounts (and the value of those anticipated amounts) for the Offer Employees as of the Closing Date. At Closing, Seller shall pay out to all Employees in their final paychecks an amount equal to such Employees’ Accrued PTO. Subject to restrictions under applicable law, Seller agrees to make employment records and other related information reasonably requested by Buyer regarding the employees on the Schedule of Employees available to Buyer between the date of entry of the Sale Order and the Closing Date. Each of Buyer and Seller agrees that it shall be responsible for any associated liabilities arising under the WARN Act or any comparable state or local laws as a result of such Party’s failure to perform its obligations hereunder. Buyer shall deliver to Seller no later than five (5) days prior to the Closing Date (and subject to Buyer’s further update at the Closing), an updated schedule of Offer Employees (and which update at the Closing shall include the list of Transferred Employees, to the extent available). Seller shall cooperate with Buyer in providing information reasonably requested by Buyer to facilitate offering employment to Offer Employees and hiring and establishing benefits for Transferred Employees. This Agreement shall not be deemed to create or grant to any Employee, Offer Employee, or Transferred Employee any third-party beneficiary rights or claims or any cause of action of any kind or nature. At Buyer’s sole cost and expense (other than for employee cost-sharing), Buyer shall be responsible for offering Transferred Employees group health plan coverage on and after the Closing Date sufficient to extinguish any rights a Transferred Employee may have to continuation of coverage under any of Seller’s group health plans including, but not limited to, COBRA insurance coverage. Buyer shall be responsible for, or shall cause its manager to be responsible for, providing COBRA continuation coverage (within the meaning of Section 4980B of the Code and the Treasury regulations thereunder) to any “M&A qualified beneficiaries” (within the meaning of Section 4980B of the Code and the Treasury regulations thereunder) for the duration of the period to which such individuals are entitled to such coverage. <u>Schedule 5.10(f)</u> lists all of Seller’s employees who are beneficiaries of COBRA as of the Execution Date. For the avoidance of doubt, Buyer shall not assume, honor or accept any Employee Benefit Plan and, except as described in this Section 5.10(f) with respect to COBRA obligations, Seller shall be solely responsible for satisfying all obligations (whether arising under federal, state or local law or pursuant to contract) which may arise or which may have arisen on or prior to the Effective Time in connection with the employment by Seller of the Employees or the creation, funding, operation or termination of any of the Employee Benefit Plans.
Releases, Exculpations and Indemnifications (Stalking Horse APA, Sections 5.17(b)(iv), and 5.7) <i>Complex Case Procedures, Part E Section 17(c)</i>	Current Residents shall execute a release (a “<u>Rent Rebate Payment Program Release</u>”) of all liabilities in favor of current members of the Board of Directors and current officers of Seller, Greystone Management Services Company, LLC, any trustee, the Trustee, any bondholder, Buyer and any of Buyer’s affiliates and subsidiaries, and the respective representatives and agents of the foregoing, on a form reasonably acceptable to Buyer. Upon the consummation of any Alternative Transaction, the Parties shall instruct the Title Company to refund the Deposit to Buyer, Seller will pay the Break-Up Fee and Reimbursement Amount as set forth in this Section 5.7(h), and the Parties shall be released from all further obligations hereunder.

Private Sale/No Competitive Bidding (Stalking Horse APA, Section 5.6(c) & (g) <i>see also</i> Stalking Horse Sale Order, ¶ P) <i>Complex Case Procedures, Part E Section 17(d)</i>	An auction is contemplated, and there are no provisions limiting the solicitation of competing offers for the Debtor's Assets or otherwise limiting the marketing of the Debtor's Assets in any material way.
Closing and Other Deadlines (Stalking Horse APA, Section 5.8) <i>Complex Case Procedures, Part E Section 17(e)</i>	At the Closing, Buyer shall deliver the following to Seller: (a) the Purchase Price, payable and adjusted as provided herein; (b) the Related Agreements to which Buyer is a party, duly executed by Buyer; (c) a certificate executed as of the Closing Date by a duly authorized representative of Buyer, certifying that the conditions set forth in Section 6.1 have been satisfied (a "Bring Down Certificate"); (d) a certificate of a duly authorized representative of Buyer (i) certifying that attached to such certificate are true and complete copies of Buyer's resolutions of the authorized representative of Buyer, authorizing the execution, delivery and performance of this Agreement and the Related Agreements to which Buyer is a party and the consummation of the Contemplated Transactions, and (ii) certifying as to the incumbency of the officer of Buyer executing this Agreement and the Related Agreements to which Buyer is a party; (e) a certificate of good standing for Buyer from the Delaware Secretary of State; (f) evidence of receipt (if applicable) of all of the Approvals, or assurances of issuance thereof; and (g) all instruments of transfer or assignment, certificates, deeds, bills of sale, evidence of filing or recording and other documents as are reasonably necessary to effectuate the sale of the Purchased Assets or demonstrate the satisfaction of the conditions and compliance with the covenants set forth in this Agreement, including customary documents required in order to effectuate the transfer of the Facility and Premises which are required by the Title Company for any title policies to be issued by the Title Company to Buyer at Closing. At the Closing, Seller shall deliver the following to Buyer: (a) the Purchased Assets (to the extent such delivery is not reflected in the Related Agreements); (b) a duly executed original special warranty deed executed by Seller and acknowledged in recordable form, conveying insurable fee simple title to the Real Property and the Premises, free and clear of all Liens other than

	Permitted Liens, except as permitted or contemplated by this Agreement, in the form attached hereto as Exhibit C; (c) the Related Agreements to which Seller is a party, duly executed by Seller; (d) evidence or reasonable validation that Accrued PTO has been or is being paid to Seller's employees as of Closing; (e) a Bring Down Certificate (with respect to Section 6.2) on behalf of Seller; (f) a certified copy of the Sale Order providing the Seller with authority to conduct the transactions hereunder and providing that the Sale is free and clear of Liens; (g) a certificate of fact for Seller from the Texas Secretary of State; (h) an updated Rent Roll and updated list of all the Entrance Fee Deposits listed by Resident dated no later than five (5) Business Days prior to the Closing Date; (i) evidence of receipt (if applicable) of all of the Approvals, or assurances of issuance thereof; (j) subject to Section 5.15, evidence of the binding of the Tail Insurance; (k) an updated set of loss run reports related to all insurance policies held by Seller dated no later than thirty (30) days prior to the Closing Date (to be updated again just prior to the Closing Date); and (l) all instruments of transfer or assignment, certificates, deeds, bills of sale, evidence of filing or recording and other documents as are reasonably necessary to effectuate the sale of the Purchased Assets or demonstrate the satisfaction of the conditions and compliance with the covenants set forth in this Agreement, including customary documents required in order to effectuate the transfer of the Facility and Premises which are requested by Buyer or required by the Title Company for any title policies to be issued by the Title Company to Buyer at Closing.
Interim Arrangements with Proposed Buyer (Stalking Horse Term Sheet) <i>Complex Case Procedures, Part E Section 17(g)</i>	The Debtor is not entering into any interim agreements or arrangements with the proposed Buyer.
Use of Proceeds (Stalking Horse Term Sheet; <i>see also</i> Stalking Horse Sale Order, ¶ 8) <i>Complex Case Procedures, Part E Section 17(h)</i>	The Stalking Horse Term Sheet does not include any provision proposing to release sale proceeds on or after the Closing without further Court order.
Record Retention	From and after the Closing, each Party shall afford, for a period ending on the later of (a) three (3) years from the Closing Date or (b) the liquidation or dissolution of

(Stalking Horse APA, Section 5.2; <i>see also</i> Stalking Horse Sale Order, ¶ 33) <i>Complex Case Procedures, Part E Section 17(i)</i>	Seller, the other Party, and its Affiliates reasonable access, during normal business hours and upon reasonable prior notice, to the books, records and other data relating to the operation of the Business prior to the Closing (including any clinical, Resident and employee records constituting Excluded Assets) in its possession to the extent that such access may be reasonably required by the requesting Party in connection with (i) the preparation of Tax returns, (ii) the determination or enforcement of rights and obligations under this Agreement, (iii) compliance with the requirements of any Governmental Authority, (iv) in connection with any threatened or actual legal proceeding, (v) in connection with any audit of the Business for any pre-Closing period or (vi) for the operation of the Business. Notwithstanding anything to the contrary contained herein, nothing in this Agreement shall obligate the Parties to share any information covered by the attorney client privilege, work product doctrine or other similar privilege. During such period neither Party shall dispose of or destroy any books, records or other data relating to the operation of the Business prior to the Closing unless such Party gives the other Party thirty (30) days' prior written notice thereof and the option to retain such books, records or other data. Further, Buyer shall maintain all records including healthcare records for the periods required by law. On the Closing Date, Seller shall deliver to Buyer the originals or copies of all of the Books and Records and other records constituting part of the Purchased Assets, including Resident medical and financial records and employee records, by leaving all such records maintained in paper forms at the Facility or transferring all such records maintained electronically to Buyer's systems.
Sale of Avoidance Actions (Stalking Horse APA, Section 2.2) <i>Complex Case Procedures, Part E Section 17(j)</i>	Under the Stalking Horse APA, all claims and causes of action are Excluded Assets from the Purchased Assets, which includes avoidance actions under Chapter 5 of the Bankruptcy Code. The Debtor will retain these rights.
Requested Findings as to Successor Liability (Stalking Horse APA Section 2.1; <i>see also</i> Stalking Horse Sale Order, ¶¶ 28, 29) <i>Complex Case Procedures, Part E Section 17(k)</i>	On the Closing Date, the Purchased Assets shall be sold to the Purchaser free and clear of any and all Liens (except for Permitted Liens), including successor liabilities and any liens granted during the Chapter 11 Case, to the fullest extent permitted by section 363 of the Bankruptcy Code and/or other applicable law.
Sale Free and Clear of Unexpired Leases (Stalking Horse APA, Section 2.1; <i>see also</i> Stalking Horse Sale Order ¶ 9) <i>Complex Case Procedures, Part E Section 17(l)</i>	On the Closing Date, the Purchased Assets shall be sold to the Purchaser free and clear of any and all Liens (except for Permitted Liens), including successor liabilities and any liens granted during the Chapter 11 Case, to the fullest extent permitted by section 363 of the Bankruptcy Code and/or other applicable law.

III. The Stalking Horse Bid Protections

23. The Debtor seeks authorization to enter into the Transaction contemplated by the Stalking Horse APA unless a higher or otherwise better Qualified Bid is submitted with respect to the Assets, as determined by the Debtor in accordance with the Bidding Procedures, and for the Stalking Horse Bid to serve as the minimum bid for the Assets.

24. Recognizing the Stalking Horse Bidder's expenditure of time, energy, and resources in connection with the proposed transaction set forth in the Stalking Horse APA, and the benefit that those efforts provided to the Debtor, its estate and creditors, and all other parties in interest, the Debtor agreed that, in the event that the Stalking Horse APA is terminated and an Alternative Transaction is consummated, pursuant to the provisions thereof, the Debtor will (a) reimburse the Stalking Horse Bidder's reasonable and documented expenses incurred and paid for prior to the Auction in an amount not to exceed \$350,000 (the "Reimbursement Amount"), and (b) pay the Stalking Horse Bidder an additional \$3.5 million (the "Break-Up Fee" and together with the Reimbursement Amount, the "Bid Protections"); *provided, however*, that the Bid Protections shall be paid solely from proceeds of an Alternative Transaction.

IV. The Proposed Schedule

25. The Debtor is seeking approval of the Bidding Procedures and the following proposed timeline for the Transaction (the dates set forth below, the "Sale Schedule") to establish a clear and open process for the solicitation, receipt, and evaluation of third-party bids on a timeline that allows the Debtor to consummate a Transaction that is, above all else, value maximizing. Moreover, the Debtor, in its sound business judgment, reserves the right to alter the timing of the Sale Schedule as necessary under the circumstances in accordance with the Bidding Procedures. The Debtor respectfully requests that the Court approve the following Sale Schedule:

Action	Description	Deadline
Contract Assumption Notice	Target date for the Debtor to file a notice of contracts that may be assumed and assigned to any Successful Bidder.	December 19, 2025
Bid Deadline	The deadline by which all binding Bids must be actually received pursuant to the Bidding Procedures.	January 9, 2026, at 12:00 p.m., prevailing Central Time
Sale Objection Deadline	The deadline by which objections to the Transaction must be made.	January 9, 2026, at 12:00 p.m., prevailing Central Time
Cure Objection Deadline	The deadline by which objections to the proposed assumption and assignment of any Executory Contract or Unexpired Lease or the Cure Costs proposed with respect thereto must be made.	January 9, 2026, at 12:00 p.m., prevailing Central Time
Auction (if any)	The date and time of the Auction.	January 13, 2026, at 10:00 p.m., prevailing Central Time
Notice of Successful Bidder	The deadline by which the Debtor will file on the docket, but not serve, a notice identifying the Successful Bidder, the applicable Successful Bidder, the Assets, and the key terms of the agreement.	Within two (2) business days upon the conclusion of the Auction (if any).
Post-Auction Objection Deadline	The deadline by which objections to the Successful Bidder, if any, or to dispute the ability of the Successful Bidder to provide adequate assurance of future performance with respect to any Executory Contract or Unexpired Lease must be made.	January 20, 2026, at 4:00 p.m., prevailing Central Time
Sale Hearing	The Hearing, if any, before the Court to consider approval of the Successful Bid or Successful Bids, pursuant to which the Debtor and the Successful Bidder or Successful Bidders will consummate the Transaction.	January 22, 2026, at 9:00 a.m., prevailing Central Time

26. The timelines contemplated in the foregoing Sale Schedule are essential to maximizing value for the Debtor's estate. The Debtor believes that the relief sought by this Motion appropriately balances the need to provide all parties in interest with notice and due process, affords the Debtor sufficient time to generate interest in any or all of the Assets, and provides the Debtor with an expeditious process commensurate with the Debtor's liquidity constraints and the interests of its patients and residents. Accordingly, the Debtor believes the relief requested herein

is in the best interest of the Debtor's estate, will provide interested parties with sufficient opportunity to participate in the process, and, therefore, should be approved.

V. Form and Manner of Auction Notice.

27. The Debtor proposes holding the Auction on January 13, 2026, at 10:00 a.m., prevailing Central Time (or such other date as selected by the Debtor), at the offices of the proposed counsel to the Debtor: McDermott Will & Schulte LLP, 2801 N. Harwood Street, Suite 2600, Dallas, Texas 75201-1574, or such other location as may be communicated to the relevant participants.

28. Within two (2) business days after entry of the Bidding Procedures Order, the Debtor will cause the Auction Notice to be served on the parties that receive notice of this Motion. In addition, within five (5) business days after entry of the Bidding Procedures Order, the Debtor will post the Auction Notice on its restructuring website, <https://dm.epiq11.com/Buckingham>, and publish the Auction Notice, with any modifications necessary for ease of publication, on one occasion in *The New York Times* (National Edition), the *Wall Street Journal*, or *USA Today*, to provide notice to any other potential interested parties. The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

29. The Auction Notice is reasonably calculated to provide all interested parties with timely and proper notice of the proposed Transaction, including the date, time, and place of the Auction (if any), the Bidding Procedures, and the dates and deadlines related thereto. Accordingly, the Debtor requests that the form and manner of the Auction Notice be approved and no other or further notice of the Auction be required.

BASIS FOR RELIEF

I. The Relief Sought in the Bidding Procedures Order Is in the Best Interests of the Debtor's Estate and Should Be Approved.

30. Bankruptcy Code section 363 and Bankruptcy Rule 6004(f)(1) authorize a debtor to sell property outside the ordinary course of business by private sale or by auction. Bankruptcy Code section 363(b) provides that “[t]he [debtor in possession], after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate” 11 U.S.C. § 363(b)(1). Bankruptcy Code section 105(a) empowers bankruptcy courts to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).

31. Courts have made clear that a debtor's business judgment is entitled to substantial deference with respect to the procedures to be used in selling an estate's assets. *See, e.g., In re Cont'l Air Lines, Inc.*, 780 F.2d 1223, 1226 (5th Cir. 1986) (“[F]or a debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside of the ordinary course of business.”); *In re Culp*, 550 B.R. 683, 697 (D. Del. 2015) (“‘In determining whether to authorize use, sale or lease of property of the estate under Section 363, courts require the [debtor] to show that a sound business purpose justifies such actions.’ If the [debtor's] decision evidences a sound business purpose, then the Bankruptcy Court should approve the sale.”) (quoting *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999)); *In re Integrated Res., Inc.*, 147 B.R. 650, 656 (S.D.N.Y. 1992) (applying business judgment rule to bidding procedures and incentives and noting that “[c]ourts are loath to interfere with corporate decisions absent a showing of bad faith, self-interest, or gross negligence”).

32. The paramount goal in any proposed sale of property of the estate is to maximize the proceeds received by the estate. *See, e.g., In re Bigler, LP*, 443 B.R. 101, 115 (Bankr. S.D. Tex. 2010). Courts uniformly recognize that procedures intended to enhance competitive bidding are consistent with the goal of maximizing the value received by the estate and therefore are appropriate in the context of bankruptcy transactions. *See, e.g., In re ASARCO, LLC*, 650 F.3d 593, 603 (5th Cir. 2011) (affirming the bankruptcy court’s approval of bid procedures designed to maximize the value of the debtor’s estate); *In re Bigler*, 443 B.R. at 115 (providing that the two goals for a sale of the debtors’ assets are “maximizing value for the estate and preserving the integrity of the judicial process”); *In re Integrated Res., Inc.*, 147 B.R. at 659 (noting that bid procedures “are important tools to encourage bidding and to maximize the value of the debtor’s assets”).

33. Here, the proposed Bidding Procedures will promote active bidding from seriously interested parties and will maximize the value of the Debtor’s Assets for the benefit of the Debtor’s estate. The proposed Bidding Procedures will allow the Debtor to market its Assets in a controlled, fair, and open fashion that will encourage participation by financially capable bidders who can demonstrate the ability to close a Transaction. In particular, the Bidding Procedures contemplate an open and public marketing process with minimum barriers to entry and provide Potential Bidders with sufficient time to perform due diligence and acquire the information necessary to submit a timely and well-informed bid.

34. In addition, approval of the Bidding Procedures and entry of the proposed Bidding Procedures Order will facilitate the time-sensitive Transaction process, and any delay will significantly erode estate value available to the Debtor’s stakeholders. The timelines set forth in the Bidding Procedures provide a sufficient period between the Petition Date and the Bid

Deadlines and are comparable to other timelines recently approved in this Circuit. *See, e.g., In re Steward Health Care Sys. LLC*, Case No. 24-90213 (CML) (Bankr. S.D. Tex. June 3, 2024) [Docket No. 626] (approving a sale timeline that provided an approximate six-week period between the filing of the motion and the bid deadline); *In re Eiger Pharms., Inc.*, Case No. 24-80040 (SGJ) (Bankr. N.D. Tex. Apr. 5, 2024) [Docket No. 94] (approving a sale timeline that provided an approximate two-week period between the filing of the motion and the bid deadline); *In re Impel Pharms. Inc.*, Case No. 23-80016 (SGJ) (Bankr. N.D. Tex. Jan. 11, 2024) [Docket No. 137] (approving a sale timeline that provided a five-week period between the filing of the motion and the bid deadline); *In re AppHarvest Prods., LLC*, Case No. 23-90745 (DRJ) (Bankr. S.D. Tex. Aug. 25, 2023) [Docket No. 88] (approving a sale timeline that provided a four-week period between the filing of the motion and the bid deadline).

35. Accordingly, the Debtor requests that the Court approve the Bidding Procedures as a valid exercise of the Debtor's business judgment.

II. The Bid Protections Have a Sound Business Purpose and Should Be Approved.

36. The Debtor seeks authority to offer Bid Protections to the Stalking Horse Bidder consisting of a Reimbursement Amount in the amount not to exceed \$350,000 and a Break-Up Fee in the amount of \$3.5 million. The use of a stalking horse in a public auction process for the sale of a debtor's assets is a customary practice in chapter 11 cases, as the use of a stalking horse bid is, in many circumstances, the best way to maximize value in an auction process by "establish[ing] a framework for competitive bidding and facilitat[ing] a realization of that value." *Off. Comm. of Unsecured Creditors v. Interforum Holding LLC*, No. 11-CV-219, 2011 WL 2671254, No. 11-219, *1 (E.D. Wis. July 7, 2011).

37. The Court should approve the Bid Protections set forth in the Stalking Horse APA. Courts have acknowledged that the approval of bid protections in connection with substantial sales

in bankruptcy is warranted to compensate an unsuccessful acquirer whose initial offer served as the basis and catalyst for higher or better offers. *See, e.g., In re ASARCO*, 650 F.3d at 602 n.9 (explaining that bid protections “provide an incentive for an initial bidder to serve as a so-called ‘stalking horse,’ whose initial research, due diligence, and subsequent bid may encourage later bidders”) (quoting *In re 310 Assocs.*, 346 F.3d 31, 34 (2d Cir. 2003)). The Fifth Circuit requires that breakup fees and expenses be supported by a sound business justification. *Id.* at 602–03 (favoring the business judgment standard governing use of assets outside of the ordinary course of business in assessing the propriety of bid protections).

38. Here, the Bid Protections are supported by a sound business justification. The Stalking Horse Bidder’s submission of a competitive offer will offer a strong baseline for the bidding process and ensure that the Debtor maximizes the value it is able to realize from the sale. Moreover, the Bid Protections are an integral part of the Stalking Horse Bidder’s offer. As such, the Bid Protections were an important incentive to ensure the Stalking Horse Bidder’s participation in the bidding process as a stalking horse.

39. Further, the Bid Protections are reasonable in dollar amount and in terms of the percentage of transaction value as compared to those otherwise approved in this district and others. *See, e.g., In re Genesis Healthcare, Inc.*, Case No. 25-80185 (SGJ) (Bankr. N.D. Tex. Aug. 28, 2025) [Docket No. 685] (approving expense reimbursement in the amount of \$750,000); *In re Prospect Medical Holdings, Inc.*, Case No. 25-80002 (SGJ) (Bankr. N.D. Tex. Mar. 19, 2025) [Docket No. 1264] (approving expense reimbursement and a breakup fee, not to exceed of up to 3% of the transaction value in the aggregate); *In re Ebix Inc.*, Case No. 23-80004 (SWE) (Bankr. N.D. Tex. July 28, 2024) (approving a 3% break-up fee of \$4,350,000 and a \$3 million expense reimbursement); *In re KidKraft Inc.*, Case No. 24-80045 (MVL) (Bankr. N.D. Tex. June 24, 2024)

[Docket No. 238] (approving a 2.25% break-up fee and a \$1 million expense reimbursement); *In re Eiger BioPharmaceuticals, Inc.*, Case No. 24-80040 (SGJ) (Bankr. N.D. Tex. Apr. 5, 2024) (approving a break-up fee of 3% and a \$600,000 expense reimbursement); *In re Impel Pharms. Inc.*, Case No. 23-80016 (SGJ) (Bankr. N.D. Tex. Jan. 11, 2024) [Docket No. 137] (approving a break-up fee of \$450,000 and an expense reimbursement of up to \$300,000 for a transaction with a \$17.5 million purchase price). The Bid Protections are reasonable, necessary, and consistent with terms generally negotiated for in transactions of similar size and magnitude.

40. Accordingly, for the reasons set forth above, the Debtor respectfully submits that the Court grant the Debtor the authority to incur and pay the Bid Protections to the extent they become due under the Stalking Horse APA.

III. The Form and Manner of Notice Should Be Approved.

41. Pursuant to Bankruptcy Rule 2002(a), the Debtor is required to provide creditors with twenty-one (21) days' notice of the Auction. Pursuant to Bankruptcy Rule 2002(c), such notice must include the time and place of the Auction and the deadline for filing any objections to such a sale. *See* Fed. R. Bankr. P. 2002(c).

42. Within two (2) business days following entry of the Bidding Procedures Order, the Debtor will cause the Auction Notice to be served upon: (a) the U.S. Trustee; (b) the Internal Revenue Service; (c) the United States Attorney for the Northern District of Texas; (d) the Attorney General for the State of Texas; (e) State Comptroller of Public Accounts; (f) the Centers for Medicare and Medicaid Services; (g) the Attorneys General for the states in which the Debtor conduct business; (h) counsel for any statutory committees appointed in these cases or the parties included on the Debtor's list of its 30 largest unsecured creditors if such a committee has not been appointed; (i) counsel to the Bond Trustee; (j) counsel to the proposed DIP Lenders; (k) counsel

to Focus SH Acquisition LLC; and (l) all parties entitled to notice pursuant to Bankruptcy Rule 2002.

43. The Debtor submits that the Auction Notice constitutes good and adequate notice of the Auction and the proceedings with respect thereto in compliance with, and satisfaction of, the applicable requirements of Bankruptcy Rule 2002. Accordingly, no further notice is necessary and the Debtor requests that this Court approve the form and manner of the notice of the Auction Notice.

IV. The Assumption and Assignment Procedures Are Appropriate and Should Be Approved.

44. As set forth above, the Transaction contemplates the potential assumption and assignment of Executory Contracts and Unexpired Leases to the Successful Bidder. In connection with this process, the Debtor believes it is necessary to establish assumption and assignment procedures by which: (a) the Debtor and counterparties to the Executory Contracts or Unexpired Leases (the “Contract Counterparties”) can reconcile cure obligations, if any, in accordance with Bankruptcy Code section 365; and (b) such Contract Counterparties can object to the assumption and assignment of the Contracts and/or related Cure Costs (the “Assumption and Assignment Procedures”). As set forth in the Bidding Procedures Order, the Debtor also requests that any Contract Counterparty that fails to object to the proposed assumption and assignment of any Executory Contract or Unexpired Lease be deemed to consent to the assumption and assignment of the applicable Executory Contract or Unexpired Lease pursuant to Bankruptcy Code section 365 on the terms set forth in the Sale Order, along with the Cure Costs identified in the Contract Assumption Notice (as defined in the Bidding Procedures Order). *See, e.g., In re Boy Scouts of Am.*, 642 BR 504, 569 (Bankr. D. Del. 2022) (“The lack of objection of a [creditor] is also consensual for purposes of § 363 and, again, permissible under § 363(f)(2).”); *In re Christ Hosp.*,

No. CIV.A. 14-472 ES, 2014 WL 4613316, at *14 (D.N.J. Sept. 12, 2014) (same); *In re Congoleum Corp.*, No. 03-51524, 2007 WL 1428477, at * 1 (Bankr. D.N.J. May 11, 2007) (same); *Hargrave v. Township of Pemberton (In re Tabone, Inc.)*, 175 B.R. 855, 858 (Bankr. D.N.J. 1994) (same); *Pelican Homestead v. Wooten (In re Gabel)*, 61 B.R. 661, 667 (Bankr. W.D. La. 1985) (same).

45. The Debtor believes that the Assumption and Assignment Procedures are fair and reasonable, provide sufficient notice to parties to the Executory Contracts and Unexpired Leases, and provide certainty to all parties in interest regarding their obligations and rights in respect thereof. Accordingly, the Debtor requests the Court approve the Assumption and Assignment Procedures set forth in the Bidding Procedures Order.

V. The Transaction Should be Approved as an Exercise of Sound Business Judgment.

46. Bankruptcy Code section 363(b) permits a debtor, subject to court approval, to enter into a transaction outside the ordinary course of its business so long as there is a “sound business purpose” that justifies such action. *See* 11 U.S.C. § 363(b)(1); *see also In re ASARCO*, 650 F.3d at 601 (“Section 363 of the Bankruptcy Code addresses the debtor’s use of property of the estate and incorporates a business judgment standard.”); *Stanziale v. Nachtoml (In re Tower Air, Inc.)*, 416 F.3d 229, 238 (3d Cir. 2005) (stating that “[o]vercoming the presumptions of the business judgment rule on the merits is a near-Herculean task”).

47. The business judgment rule shields a debtor’s decisions from judicial second-guessing. Once a debtor articulates a valid business justification, the business judgment rule “is a presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith, and in the honest belief that the action taken was in the best interests of the company.” *In re S.N.A. Nut Co.*, 186 B.R. 98, 102 (Bankr. N.D. Ill. 1995) (citations omitted); *see also In re Filene’s Basement, LLC*, No. 11-13511 (KJC), 2014 WL 1713416, at *12 (Bankr. D. Del. Apr. 29, 2014) (“If a valid business justification exists, then a strong presumption follows that

the agreement at issue was negotiated in good faith and is in the best interests of the estate.”) (citations omitted); *see also In re Johns-Manville Corp.*, 60 B.R. 612, 615–16 (Bankr. S.D.N.Y. 1986) (“[A] presumption of reasonableness attaches to a debtor’s management decisions.”). Thus, if a debtor’s actions satisfy the business judgment rule, then the transaction in question should be approved under Bankruptcy Code section 363(b)(1).

48. Generally, courts have applied four factors in determining whether a sale of a debtor’s assets should be approved: (a) whether a sound business purpose exists for the sale; (b) whether the proposed sale price is fair; (c) whether the debtor has provided adequate and reasonable notice; and (d) whether the buyer acted in good faith. *See, e.g., In re Delaware & Hudson Ry.*, 124 B.R. 169, 176 (D. Del. 1991) (“Once a court is satisfied that there is a sound business reason or an emergency justifying the pre-confirmation sale the court must also determine that the trustee has provided the interested parties with adequate and reasonable notice, that the sale price is fair and reasonable and that the purchaser is proceeding in good faith.”); *see also In re Eiger Biopharmaceuticals, Inc.*, Case No. 24-80040 (SGJ) (Bankr. N.D. Tex. Aug. 21, 2024) [Docket No. 558]; *In re Sunland Medical Found.*, Case No. 23-80000 (MVL) (Bankr. N.D. Tex. Dec. 1, 2023) [Docket No. 320]; *In re Christian Care Centers, Inc.*, Case No. 22-80000 (SGJ) (Bankr. N.D. Tex. July 21, 2022 [Docket No. 264].

A. A Sound Business Purpose Exists for the Transaction.

49. Here, a sound business purpose exists for the Transaction because the Debtor believes that the Transaction will maximize the value of its Assets, exposing them to the market as part of a competitive, arms’ length process. It is well-settled that, where there is a court-approved auction process, a full and fair price is presumed to have been obtained for the assets sold, as the best way to determine value is exposure to the market. *See Bank of Am. Nat’l Trust & Sav. Ass’n. v. 203 N. LaSalle St. P’ship*, 526 U.S. 434, 457 (1999); *see also In re Trans World*

Airlines, Inc., No. 01-00056, 2001 WL 1820326, *4 (Bankr. D. Del. 2001) (“[I]t is worth noting that a [section] 363(b) sale transaction does not require an auction procedure. The auction procedure has developed over the years as an effective means for producing an arm’s length fair value transaction.”). Consequently, the ultimately successful bid, after being subject to a “market check” in the form of the Marketing Process and Auction, will constitute, in the Debtor’s business judgment, the highest or otherwise best offer for the Assets and will provide a greater recovery for its estate than any known or practicably available alternative. Also, because any sale of the Debtor’s Assets likely will contemplate the assumption of certain of the Debtor’s Executory Contracts and Unexpired Leases, it will result in payment in full for a number of the Debtor’s creditors.

50. As noted above, prior to the Bid Deadline, Raymond James will market the Assets and solicit other offers consistent with the Bidding Procedures, including, for example, by contacting parties, providing Acceptable Bidders with data room access and requested information, and otherwise assisting the Debtor with all efforts to increase transaction value. In this way, the number of bidders that are eligible to participate in a competitive Auction process will be maximized, or, if no Auction is held because no Auction is necessary, the purchase price will, conclusively, be deemed fair value.

51. Thus, the Debtor submits that the Successful Bid will constitute the highest or otherwise best offer for the Assets and will provide a greater recovery for the Debtor’s estate than would be provided by any other available alternative. As such, the Debtor’s determination to sell the Assets through an Auction process and subsequently to enter into a purchase agreement with the Successful Bidder will be a valid and sound exercise of the Debtor’s business judgment. The Debtor will submit evidence at the Sale Hearing to support these conclusions. Therefore, the

Debtor requests that the Court make a finding that the proposed sale of the Assets is a proper exercise of the Debtor's business judgment and is rightly authorized.

B. Adequate and Reasonable Notice of the Auction and Transaction Will be Provided.

52. The Auction Notice: (a) will be served in a manner that provides parties in interest notice of the date, time, and location of the Sale Hearing; (b) informs parties in interest of the deadlines for objecting to the Transaction or the assumption and assignment of the Executory Contracts and Unexpired Leases; and (c) otherwise includes all information relevant to parties interested in or affected by the Transaction. Significantly, the form and manner of the Auction Notice will have been approved by this Court pursuant to the Bidding Procedures Order after notice and a hearing before it is served on parties in interest.

C. The Transaction Has Been Proposed in Good Faith Without Collusion, and the Successful Bidder Is a "Good Faith Successful Bidder."

53. The Debtor requests that the Court find the Successful Bidder is entitled to the benefits and protections provided by Bankruptcy Code section 363(m) in connection with the sale of Assets. Bankruptcy Code section 363(m) provides in pertinent part:

[t]he reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

11 U.S.C. § 363(m).

54. Bankruptcy Code section 363(m) thus protects the purchaser of assets sold pursuant to Bankruptcy Code section 363 from the risk that it will lose its interest in the purchased assets if the order allowing the sale is reversed on appeal, as long as such purchaser leased or purchased the assets in "good faith." *See id.* While the Bankruptcy Code does not define "good faith," courts

have held that a good faith purchaser is one who purchases assets for value, in good faith, and without notice of adverse claims. *In re O'Dwyer*, 611 Fed. App'x 195, 200 (5th Cir. 2015); *In re Mark Bell Furniture Warehouse, Inc.*, 992 F.2d 7, 9 (1st Cir. 1993); *In re Willemain v. Kivitz*, 764 F.2d 1019, 1023 (4th Cir. 1985); *In re Congoleum Corp.*, No. 03-51524, 2007 WL 1428477, *2 (Bankr. D.N.J. May 11, 2007). In other words, a party would have to show fraud or collusion between the successful bidder and the debtor-in-possession or trustee or other bidders to demonstrate a lack of good faith. An appropriate characterization of good faith in a bankruptcy sale is a lack of “fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.” *In re Bleaufontaine, Inc.*, 634 F.2d 1383, 1388 n.7 (5th Cir. 1981) (quoting *In re Rock Indus. Mach. Corp.*, 572 F.2d 1195, 1198 (7th Cir. 1978)).

55. The Debtor submits that the Successful Bidder, will be “good faith purchasers” within the meaning of Bankruptcy Code section 363(m), and the Stalking Horse APA and any marked versions thereof, would be good faith, arm’s length agreements entitled to the protections of Bankruptcy Code section 363(m).⁵

56. *First*, as set forth in more detail above, the consideration to be received by the Debtor from a Successful Bidder will be substantial, fair, and reasonable. *Second*, any sale agreement with a Successful Bidder will presumably be the culmination of a competitive Auction process in which all parties will be represented by counsel and all negotiations will be conducted on an arm’s length, good faith basis. *Third*, there is no indication of any “fraud, collusion between

⁵ The Debtor believes that a finding of good faith within the meaning of Bankruptcy Code section 363(m) will be appropriate for any Successful Bidder. Pursuant to the Bidding Procedures, any Successful Bidder will have had to present a proposal in accordance with the Bidding Procedures. In addition, the Debtor will not choose as the Successful Bidder or Back-Up Bidder any entity whose good faith under Bankruptcy Code section 363(m) can reasonably be doubted and will be prepared to present the Court with sufficient evidence to allow the Court to find that the “good faith” standard of Bankruptcy Code section 363(m) has been satisfied.

the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders” or similar conduct that would cause or permit the Transaction to be avoided under Bankruptcy Code section 363(n). With respect to Potential Bidders, the Bidding Procedures are designed to ensure that no party is able to exert undue influence over the process. *Finally*, any bids that the Debtor ultimately determines to be Successful Bids will have been evaluated and approved by the Debtor in consultation with its advisors and the Consultation Parties. Accordingly, the Debtor believes that the Successful Bidder, if any, and any purchase agreement associated with a Successful Bid should be entitled to the full protections of Bankruptcy Code section 363(m).

VI. The Transaction Should be Approved “Free and Clear” Under Section 363(f).

57. Bankruptcy Code section 363(f) permits a debtor to sell property free and clear of another party’s interest in the property if: (a) applicable nonbankruptcy law permits such a free and clear sale; (b) the holder of the interest consents; (c) the interest is a lien and the sale price of the property exceeds the value of all liens on the property; (d) the interest is the subject of a *bona fide* dispute; or (e) the holder of the interest could be compelled in a legal or equitable proceeding to accept a monetary satisfaction of its interest. *See* 11 U.S.C. § 363(f).

58. Section 363(f) is drafted in the disjunctive. Thus, satisfaction of any of the requirements enumerated therein will suffice to warrant the Debtor’s sale of the Assets free and clear of all liens, claims, encumbrances, and other interests, except with respect to any interests that may be assumed liabilities under the applicable purchase agreement. *See In re Nature Leisure Times, LLC*, No. 06-41357, 2007 WL 4554276, at *3 (Bankr. E.D. Tex. Dec. 19, 2007) (“The language of § 363(f) is in the disjunctive such that a sale free and clear of an interest can be approved if any one of the aforementioned conditions contained in § 363(f) are satisfied.”); *see*

also In re Kellstrom Indus., Inc., 282 B.R. 787, 793 (Bankr. D. Del. 2002) (“[I]f any of the five conditions are met, the debtor has the authority to conduct the sale free and clear of all liens.”); *Citicorp Homeowners Servs., Inc. v. Elliot (In re Elliot)*, 94 B.R. 343, 354 (E.D. Pa. 1988) (holding that a sale “free and clear” may be approved provided the requirements of at least one subsection are met).

59. The Debtor submits that, to the extent that any interest in the Assets will not be an assumed liability, any such interest in the Assets satisfies or will satisfy at least one of the five conditions of Bankruptcy Code section 363(f), and that any such interest in the Assets will be adequately protected by either being paid in full at the Closing, or by having it attach to the net proceeds of the Transaction, subject to any claims and defenses the Debtor may possess with respect thereto. Accordingly, the Debtor requests authority to convey the Assets to the Successful Bidder, if any, free and clear of all encumbrances, with any such encumbrances to attach to the proceeds of the Transaction.

VIII. The Assumption and Assignment of the Contracts Should be Approved.

A. The Assumption and Assignment of the Executory Contracts and Unexpired Leases Reflects the Debtor’s Business Judgment.

60. Bankruptcy Code section 365(a) authorizes a debtor to assume and/or assign its executory contracts and unexpired leases, subject to the approval of the court, *provided* that the defaults under such contracts and leases are cured and adequate assurance of future performance is provided. The Debtor’s decision to assume or reject any executory contract or unexpired lease must only satisfy the “business judgment rule” and will not be subject to review unless such decision is clearly an unreasonable exercise of such judgment. *See, e.g., Grp. Of Inst’l Invs. v. Chicago, Milwaukee, St. Paul & Pacific Ry. Co.*, 318 U.S. 523 (1943) (applying Bankruptcy Act section 77(b), predecessor to Bankruptcy Code section 365, and rejecting test of whether executory

contract was burdensome in favor if whether rejection is within the debtor's business judgment); *Mirant Corp. v. Potomac Electric Power Co. (In re Mirant Corp.)*, 378 F.3d 511, 524–25 & n.5 (5th Cir. 2004) (noting that the “usual” standard governing approval of a debtor's decision to assume or reject an executory contract is whether the debtor's business judgment supports assumption or rejection). Under the business judgment test, a court should approve a debtor's proposed assumption if such assumption will benefit the estate. *In re Food City, Inc.*, 94 B.R. 91, 93–94 (Bankr. W.D. Tex. 1988).

61. The business judgment test “requires only that the trustee [or debtor in possession] demonstrate that [assumption] or rejection of the contract will benefit the estate.” *Wheeling-Pittsburgh Steel Corp. v. West Penn Power Co., (In re Wheeling-Pittsburgh Steel Corp.)*, 72 B.R. 845, 846 (Bankr. W.D. Pa. 1987); *see also In re J. C. Penney Direct Mktg. Servs., LLC*, 50 F.4th 532, 533–35 (5th Cir. 2022) (noting business judgment standard applies to assumption of lease contracts). Any more exacting scrutiny would slow the administration of a debtor's estate and increase costs, interfere with the Bankruptcy Code's provision for private control of administration of the estate, and threaten a court's ability to control a case impartially. *See Richmond Leasing Co. v. Capital Bank*, 762 F.2d 1303, 1311 (5th Cir. 1985).

62. Here, the Court should approve the decision to assume and assign certain designated Executory Contracts and Unexpired Leases (the “Assumed Contracts”) in connection with the Transaction as a sound exercise of the Debtor's business judgment. *First*, certain executory contracts (the “Executory Contracts”) and unexpired leases (the “Unexpired Leases”) are necessary to operate the Assets and, as such, they are essential to inducing the best offer for the Assets. *Second*, it is unlikely that any purchaser would want to acquire the Assets unless a significant number of the Executory Contracts and Unexpired Leases needed to manage the

Debtor's day-to-day operations were included in the transaction. *Third*, the Stalking Horse APA and any marked copy of the Stalking Horse APA submitted by a Potential Bidder will provide that the assumption and assignment of the Assumed Contracts is integral to, and inextricably integrated in, a proposed Transaction. *Finally*, the Assumed Contracts will be assumed and assigned through the process approved by the Court pursuant to the Bidding Procedures Order and, thus, will be reviewed by key constituents in the Chapter 11 Case.

63. Accordingly, the Debtor submits that the assumption and assignment of the Assumed Contracts by way of the Assumption and Assignment Procedures should be approved as an exercise of its business judgment.

B. Defaults Under the Assumed Contracts Will Be Cured Through the Transaction.

64. Upon finding that a debtor has exercised its business judgment in determining that assuming an executory contract or unexpired lease is in the best interest of its estate, courts must then evaluate whether the assumption meets the requirements of Bankruptcy Code section 365(b), specifically that a debtor "cure, or provide adequate assurance that the debtor will promptly cure," any default, including compensation for "actual pecuniary loss" relating to such default. 11 U.S.C. § 365(b)(1)(A).

65. The Debtor submits that the statutory requirements of Bankruptcy Code section 365(b)(1)(A) will be promptly satisfied because the Stalking Horse APA and any marked copy thereof submitted by a Potential Bidder will require that the Stalking Horse Bidder or Potential Bidder cure all defaults associated with, or that are required to properly assume, any Assumed Contracts. Because the Assumption and Assignment Procedures (once approved) provide a clear process by which to resolve disputes over Cure Costs or other defaults, the Debtor is confident that

if defaults exist that must be cured, such cure will be achieved fairly, efficiently, and properly, consistent with the Bankruptcy Code and with due respect to the rights of Contract Counterparties.

C. Contract Counterparties Will Be Adequately Assured of Future Performance.

66. Similarly, the Debtor submits that the third requirement of Bankruptcy Code section 365(b)—adequate assurance of future performance—will also be satisfied given the facts and circumstances present here. “The phrase ‘adequate assurance of future performance,’ adopted from section 2-609(1) of the Uniform Commercial Code, is to be given a practical, pragmatic construction based upon the facts and circumstances of each case. Although no single solution will satisfy every case, the required assurance will fall considerably short of an absolute guarantee of performance.” *In re Carlisle Homes*, 103 B.R. 524, 538 (D.N.J. 1988) (internal citations omitted). Among other things, adequate assurance may be given by demonstrating the assignee’s financial health and experience in managing the type of enterprise or property assigned. *See In re Filene’s Basement*, 2014 WL 1713416, at *12 (holding that a contract could be assigned because the assignee had the financial ability to perform the contract obligations going forward and would not fail to perform the contract’s obligations at risk of losing a significant investment); *In re Bygaph, Inc.*, 56 B.R. 596, 605–06 (Bankr. S.D.N.Y. 1986) (holding that adequate assurance of future performance is present where a prospective assignee has the financial resources and has expressed a willingness to devote sufficient funding to a business to give it a strong likelihood of succeeding).

67. The Debtor believes that it can and will demonstrate that the requirements for assumption and assignment of the Assumed Contracts to the Successful Bidder will be satisfied. As required by the Bidding Procedures, the Debtor will evaluate the financial wherewithal of Potential Bidders before designating such party a Qualified Bidder (*e.g.*, financial credibility, willingness, and ability of the interested party to perform under any contracts or leases to be

assumed) and will demonstrate such financial wherewithal, willingness, and ability to perform under any contracts or leases to be assumed and assigned to a Successful Bidder. Further, the Assumption and Assignment Procedures provide the Court and other interested parties ample opportunity to evaluate and, if necessary, challenge the ability of the Successful Bidder to provide adequate assurance of future performance and object to the assumption and assignment of the Assumed Contracts or proposed Cure Costs. The Court therefore should have a sufficient basis to authorize the Debtor to reject or assume and assign any Executory Contract or Unexpired Lease to be assumed and assigned to any Successful Bidder.

WAIVER OF ANY APPLICABLE STAY

68. The Debtor seeks a waiver of any stay of the effectiveness of the order granting this Motion. Pursuant to Bankruptcy Rule 6004(h), any “order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” The Debtor submits that the relief requested in this Motion is necessary to avoid immediate and irreparable harm to the Debtor for the reasons set forth herein. Accordingly, the Debtor submits that ample cause exists to justify a waiver of the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent applicable.

RESERVATION OF RIGHTS

69. Nothing in the Motion should be construed as (a) an admission as to the validity, priority, or character of any claim or other asserted right or obligation, or a waiver or other limitation on the Debtor’s ability to contest the same on any ground permitted by bankruptcy or applicable non-bankruptcy law; (b) a promise or requirement to pay any claim or other obligation; or (c) granting third-party-beneficiary status, bestowing any additional rights on any third party, or being otherwise enforceable by any third party.

NOTICE

70. The Debtor will provide notice of the Motion to: (a) the U.S. Trustee; (b) the Internal Revenue Service; (c) the United States Attorney for the Northern District of Texas; (d) the Attorney General for the State of Texas; (e) State Comptroller of Public Accounts; (f) the Centers for Medicare and Medicaid Services; (g) the Attorneys General for the states in which the Debtor conduct business; (h) the parties included on the Debtor's list of its 30 largest unsecured creditors; (i) counsel to the Bond Trustee; (j) counsel to the proposed DIP Lenders; (k) counsel to Focus SH Acquisition LLC; and (l) all parties entitled to notice pursuant to Bankruptcy Rule 2002. The Debtor submits that no other or further notice is required.

NO PRIOR REQUEST

71. No previous request for the relief sought herein has been made to this or any other court.

[Remainder of Page Intentionally Left Blank]

WHEREFORE, the Debtor respectfully requests entry of the Bidding Procedures Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and such other and further relief as may be just and proper.

Dated: November 18, 2025
Dallas, Texas

MCDERMOTT WILL & SCHULTE LLP

/s/ Marcus A. Helt
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- and -

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*Proposed Counsel for the Debtor and
Debtor in Possession*

CERTIFICATE OF SERVICE

I hereby certify that on this date a true and correct copy of the foregoing Motion was served by the Court's CM/ECF system on all counsel of record registered in this Chapter 11 Case through CM/ECF. Subject to the Court's approval of their retention and access to filing privileges, the Debtor's proposed claims and noticing agent will be filing a supplemental certificate of service on the docket to reflect any additional service of the foregoing Motion.

Dated: November 18, 2025
Dallas, Texas

MCDERMOTT WILL & SCHULTE LLP

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*Proposed Counsel for the Debtor and
Debtor in Possession*

EXHIBIT A

Proposed Order

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

In re:

**BUCKINGHAM SENIOR LIVING
COMMUNITY, INC.**¹

Debtor.

)
) Chapter 11
)

) Case No. 25-80595 (MVL)
)

) Related to Docket No. ____
)
)

**ORDER (I) APPROVING BIDDING
PROCEDURES AND BID PROTECTIONS,
(II) APPROVING THE DEBTOR'S ENTRY INTO
THE STALKING HORSE APA, (III) SCHEDULING
CERTAIN DATES AND DEADLINES, (IV) APPROVING
THE FORM AND MANNER OF NOTICE THEREOF, AND
(V) ESTABLISHING NOTICE AND PROCEDURES FOR THE
ASSUMPTION AND ASSIGNMENT OF CONTRACTS AND LEASES**

Upon the motion (the "Motion")² of the Debtor for entry of an order (this "Order")

(a) authorizing and approving the proposed bidding procedures attached hereto as **Exhibit 1**

¹ The last four digits of the Debtor's federal tax identification number are 7872. The location of the Debtor's principal place of business and the service address for the Debtor is 8580 Woodway Drive, Houston, Texas 77063.

(the “Bidding Procedures”) by which the Debtor will solicit and select the highest or otherwise best offer(s) for the sale (the “Transaction”) of all or substantially all of the Debtor’s assets (the “Assets”); (b) authorizing the Debtor to select Focus SH Acquisitions LLC as the stalking horse bidder for substantially all of the Debtor’s Assets (the “Stalking Horse Bidder” and, the Stalking Horse Bidder’s bid, the “Stalking Horse Bid”) pursuant to that certain Asset Purchase Agreement, dated November 12, 2025, attached hereto as **Exhibit 2** (as amended, supplemented, or otherwise modified by the parties thereto, the “Stalking Horse APA”); (c) approving the Reimbursement Amount and Break-Up Fee relating to the Stalking Horse Bidder (together, the “Bid Protections”); (d) scheduling certain dates and deadlines in connection with the approval of the Bidding Procedures; (e) approving the manner of notice of an auction or auctions, if any, for the Transaction (the “Auction”) and the hearing to consider approval of each Transaction (the “Sale Hearing”); and (f) approving procedures for the assumption and assignment of certain executory contracts (the “Executory Contracts”) and unexpired leases (the “Unexpired Leases”) in connection with the Transaction, all as more fully set forth in the Motion; and upon consideration of the First Day Declaration and the Fields Declaration; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Order of Reference of Bankruptcy Cases and Proceedings Nunc Pro Tunc* dated August 3, 1984, entered by the United States District Court for the Northern District of Texas; and the matter being a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and venue of this proceeding and the Motion in this District being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court being able to issue a final order consistent with Article III of the United States Constitution; and due and sufficient notice of the Motion having been given

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion or the Bidding Procedures, as applicable.

under the particular circumstances; and the Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the “Hearing”); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Motion is in the best interests of the Debtor, its estate, its creditors, and other parties in interest; and after due deliberation thereon; and good and sufficient cause appearing therefor; it is hereby

ORDERED, ADJUDGED, AND DECREED that:

1. The Motion is granted as set forth herein.
2. The Debtor has articulated good and sufficient reasons for authorizing and approving the Bidding Procedures, which are fair, reasonable, and appropriate under the circumstances and designed to maximize the recovery on, and realizable value of the Debtor’s enterprise, including with respect to the payment of the Bid Protections in accordance with the Stalking Horse APA.
3. The Debtor’s proposed notice of the Motion and the Hearing was (a) appropriate and reasonably calculated to provide all interested parties with timely and proper notice, (b) in compliance with all applicable requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, and (c) adequate and sufficient under the circumstances of the Chapter 11 Case, and no other or further notice is required. A reasonable opportunity to object or be heard regarding the relief granted by this Order has been afforded to all interested persons and entities.
4. All objections to the relief requested in the Motion that have not been withdrawn, waived, or settled prior to or at the Hearing are overruled.

II. Important Dates and Deadlines.

5. The key dates for the sale process are as follows:

Action	Description	Deadline
Contract Assumption Notice	Target date for the Debtor to file a notice of contracts that may be assumed and assigned to any Successful Bidder.	December 19, 2025
Sale Objection Deadline	The deadline by which objections to the Transaction must be made.	January 9, 2026, at 12:00 p.m., prevailing Central Time
Cure Objection Deadline	The deadline by which objections to the proposed assumption and assignment of any Executory Contract or Unexpired Lease or the Cure Costs proposed with respect thereto must be made.	January 9, 2026, at 4:00 p.m., prevailing Central Time
Bid Deadline	The deadline by which all binding Bids must be actually received pursuant to the Bidding Procedures.	January 9, 2026, at 4:00 p.m., prevailing Central Time
Auction (if any)	The date and time of the Auction.	January 13, 2026, at 10:00 a.m., prevailing Central Time (if any)
Notice of Successful Bidder	The deadline by which the Debtor will file on the docket, but not serve, a notice identifying the Successful Bidder, the applicable Successful Bidder, the Assets, and the key terms of the agreement.	Within two (2) business days upon the conclusion of the Auction (if any).
Post-Auction Objection Deadline	The deadline by which objections to the Successful Bidder, if any, or to dispute the ability of the Successful Bidder to provide adequate assurance of future performance with respect to any Executory Contract or Unexpired Lease must be made.	January 20, 2026, at 4:00 p.m., prevailing Central Time
Sale Hearing	The Hearing, if any, before the Court to consider approval of the Successful Bid or Successful Bids, pursuant to which the Debtor and the Successful Bidder or Successful Bidders will consummate the Transaction.	January 22, 2026 at 9:00 a.m., prevailing Central Time (subject to Court availability)

6. **Bid Deadline.** January 9, 2026, at 12:00 p.m., prevailing Central Time, is the deadline by which all Qualified Bids must be **actually received** by the parties specified in the Bidding Procedures (the “**Bid Deadline**”).

7. **Sale Objection Deadline.** Objections to the Transaction, with the exception of objections solely related to the identity of the Successful Bidder other than the Stalking Horse Bidder and adequate assurance of future performance by the Successful Bidder, which must be filed by the Post-Auction Objection Deadline (as defined below), must be made on or before January 9, 2026, at 4:00 p.m., prevailing Central Time (the “Sale Objection Deadline”).

8. **Cure Objection Deadline.** The deadline to object to any Cure Cost or to assumption and assignment on any basis, with the exception of objections solely related to adequate assurance of future performance by a Successful Bidder other than the Stalking Horse Bidder, which must be filed by the Post-Auction Objection Deadline, shall be made on or before January 9, 2026, at 4:00 p.m., prevailing Central Time (the “Cure Objection Deadline”).

9. **Auction.** The date and time of the Auction is January 13, 2026, at 10:00 a.m., prevailing Central Time, which time may be extended by the Debtor, in consultation with the Consultation Parties, upon written notice to the Court. The Auction will be held at the offices of the proposed counsel to the Debtor: McDermott Will & Emery LLP, 2801 N. Harwood Street, Suite 2600, Dallas, Texas 75201-1574, or such other location as may be communicated to the relevant participants. Only the Debtor, the Stalking Horse Bidder, Qualified Bidders, the Consultation Parties, the U.S. Trustee, and such parties’ representatives and advisors (including bondholders), shall be entitled to attend in the Auction; *provided* that Qualified Bidders may appear through a duly authorized representative (other than their counsel) bearing a valid and enforceable power of attorney or other written proof evidencing their ability to bind the applicable Qualified Bidder, which document shall be delivered to the Debtors prior to the commencement of the Auction. Except as otherwise permitted by the Debtors, only Qualified Bidders shall be permitted to bid at the Auction.

10. **Notice of Successful Bidder.** Within two (2) business days of the conclusion of the Auction the Debtors shall file a notice identifying the Successful Bidder, the applicable Successful Bidder, the Assets, and key terms of the agreement (the “Notice of Successful Bidder”).

11. **Post-Auction Objection Deadline.** Objections to the Notice of Successful Bidder related solely to the identity of the Successful Bidder (other than the Stalking Horse Bidder) or the ability of the Successful Bidder to provide adequate assurance of future performance with respect to any Executory Contract or Unexpired Lease, if any, must be made on or before January 20, 2026, at 4:00 p.m., prevailing Central Time (the “Post-Auction Objection Deadline”).

12. **Failure to Object.** If any party fails to timely file with the Court and serve an objection by the Sale Objection Deadline or Post-Auction Objection Deadline, as applicable, or otherwise abide by the procedures set forth in the Bidding Procedures regarding an objection to the Transaction, such party shall be barred from asserting, at the Sale Hearing or otherwise, any objection to the relief requested in the Motion or to the consummation and performance of the Transaction, including the transfer of the Assets to the Successful Bidder, free and clear of all liens, claims, interests, and encumbrances pursuant to Bankruptcy Code section 363(f), and shall be deemed to “consent” for the purposes of Bankruptcy Code section 363(f).

13. **Sale Hearing.** January 22, 2026 at 9:00 a.m., prevailing Central Time, or as soon thereafter as the Debtors may be heard, is the date and time for the hearing for the Court to consider the Successful Bid or Successful Bids, if needed (the “Sale Hearing”). The Sale Hearing may be adjourned by announcement in open Court or on the Court’s calendar without any further notice required.

III. Stalking Horse Bid and Bid Protections.

14. Focus SH Acquisitions, LLC shall be the Stalking Horse Bidder for the Debtor's Assets.

15. The Stalking Horse APA is the result of extensive, good-faith, arm's-length negotiations. If an Alternative Transaction occurs, subject to the terms of the Stalking Horse APA, the Debtor will (a) reimburse the Stalking Horse Bidder's reasonable and documented expenses incurred and paid for prior to the Auction in an amount not to exceed \$350,000 (the "Reimbursement Amount"), and (b) pay the Stalking Horse Bidder an additional \$3,500,000 in (the "Break-Up Fee" and together with the Reimbursement Amount, the "Bid Protections"); *provided, however*, that the Bid Protections shall be paid solely from proceeds of such Alternative Transaction. In the event the Debtor consummates an Alternative Transaction, subject to the terms of the Stalking Horse APA, the Bid Protections shall constitute a superpriority administrative expense of the Debtor's estate pursuant to Bankruptcy Code sections 105(a), 503(b) and 507, with priority over all expenses of the kind specified in Bankruptcy Code section 503(b) and 507(b). The Debtor and Bond Trustee acknowledge that the obligation to pay the Bid Protections shall survive termination of the Stalking Horse APA and shall have super-priority administrative status against the Debtor and its estate. "Alternative Transaction" as used in this Order shall have the meaning ascribed to it under the Stalking Horse APA.

16. Any Bid Protections paid pursuant to the Stalking Horse APA will be allowed and paid without any further order of this Court.

17. No person or entity, other than the Stalking Horse Bidder, shall be entitled to any expense reimbursement, breakup fees, "topping," termination, or other similar fee or payment, and by submitting a bid, such person or entity is deemed to have waived their right to request or to file

with this Court any request for expense reimbursement or any fee of any nature, whether by virtue of Bankruptcy Code section 503(b) or otherwise

IV. Auction, Bidding Procedures, Auction Notice, and Related Relief.

18. The Bidding Procedures, substantially in the form attached hereto as **Exhibit 1**, including the Auction Notice attached to the Bidding Procedures as **Schedule 1**, are incorporated herein and are hereby approved in their entirety, and the Bidding Procedures shall govern the submission, receipt, and analysis of all Bids relating to any proposed Transaction(s). Any party desiring to submit a Bid shall comply with the Bidding Procedures and this Order. The Debtor is authorized to take any and all actions necessary or appropriate to implement the Bidding Procedures. Subject to the terms of the Bidding Procedures, the Debtor, in consultation with the Consultation Parties, may modify the Bidding Procedures as necessary or appropriate to maximize value for its estate except as expressly prohibited by this Order.

19. Pursuant to the Bidding Procedures, the Debtor, in its reasonable business judgment, in consultation with the Consultation Parties, may (a) determine which Qualified Bid is the highest or otherwise best offer, (b) reject, at any time before entry of an order of the Court approving a Successful Bid, any Bid that the Debtor determines is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bidding Procedures, or the terms and conditions of the Transaction, or (iii) contrary to the best interests of the Debtor, its estate, its creditors, and other stakeholders, and (c) impose such other terms and conditions upon Qualified Bidders as the Debtor determines to be in the best interests of the Debtor's estate in this Chapter 11 Case. For the avoidance of doubt, the Stalking Horse Bidder is deemed a Qualified Bidder.

20. If the Debtor determines, in consultation with the Consultation Parties, not to conduct an Auction, then the Debtor shall file a notice with the Court of such determination within one business day of the making of such determination by the Debtor.

21. Any deposit (including any Good Faith Deposit) provided by a Qualified Bidder shall be held in escrow by the Debtor or its agent and shall not become property of the Debtor's bankruptcy estate unless and until released from escrow to the Debtor pursuant to the terms of the applicable escrow agreement, the Bidding Procedures, or an order of this Court, as applicable.

22. Within two (2) business days following the entry of this Order, the Debtor will cause the Auction Notice to be served upon: (a) the U.S. Trustee; (b) the Internal Revenue Service; (c) the United States Attorney for the Northern District of Texas; (d) the Attorney General for the State of Texas; (e) the Texas Department of Insurance; (f) the State Comptroller of Public Accounts; (g) the Centers for Medicare and Medicaid Services; (h) the Attorneys General for the states in which the Debtor conducts business; (i) the parties included on the Debtor's list of their 30 largest unsecured creditors; (j) counsel for any statutory committee appointed in this Chapter 11 Case; (k) counsel to the Bond Trustee; (l) counsel to the proposed DIP Lenders; (m) counsel to Focus SH Acquisition LLC, (n) all known holders of liens, encumbrances, and other claims secured by the Assets; and (o) all parties entitled to notice pursuant to Bankruptcy Rule 2002.

23. Within five (5) business days after entry of this Order, the Debtor shall place a publication version of the Auction Notice in *The New York Times* (National Edition), the *Wall Street Journal*, or *USA Today*, and post it on to the Debtor's restructuring website at <https://dm.epiq11.com/Buckingham>. Such notice shall be deemed sufficient and proper notice of the Transaction with respect to known interested parties.

24. Pursuant to the Bidding Procedures, each bidder participating in the Auction must (a) acknowledge in writing that it has not engaged in any collusion with respect to any Bids or the Transaction, and (b) agree not to engage in any collusion with respect to any Bids, the Auction, or the Transaction.

25. The Auction shall be transcribed or videotaped.

V. Assumption and Assignment Procedures.

26. The procedures set forth below regarding the assumption and assignment of any Executory Contracts and Unexpired Leases proposed to be assumed by the Debtor pursuant to Bankruptcy Code section 365(b) and assigned to the Successful Bidder, if any, pursuant to Bankruptcy Code section 365(f) in connection with the Transaction (the “Assumption and Assignment Procedures”) are hereby approved to the extent set forth herein.

27. The Assumption and Assignment Procedures shall govern the assumption and assignment of all of the Debtor’s Executory Contracts and Unexpired Leases to be assumed and assigned in connection with the Transaction under the Stalking Horse APA, and any marked versions thereof, subject to the payment of any amount necessary to satisfy all defaults and actual pecuniary loss to the counterparty resulting from such defaults including, but not limited to, all claims, demands, charges, rights to refunds, and monetary and non-monetary obligations that the relevant counterparty can assert under an Executory Contract or Unexpired Lease, whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, liquidated or unliquidated, senior or subordinate, relating to money now owing or owing in the future, arising under or out of, in connection with, or in any way relating to a contract or lease (the foregoing amounts as stated in the Contract Assumption Notice (as defined below), the “Cure Costs”):

- (a) **Notice of Contract Assumption.** On or before December 19, 2025, the Debtor shall file on the docket and serve a notice of contracts that may be

assumed and assigned to any Successful Bidder (the “Contract Assumption Notice”), in substantially the form attached hereto as **Exhibit 3**, via first class mail on the counterparties to the Executory Contracts or Unexpired Leases that may be assumed and assigned in connection with the Transaction(s) (the “Contract Counterparties”). The Contract Assumption Notice, shall inform each recipient of the timing and procedures relating to such assumption and assignment, and, to the extent applicable, (i) the title of the Executory Contract or Unexpired Lease, (ii) the name of the counterparty to the Executory Contract or Unexpired Lease, (iii) Debtor’s good faith estimates of the Cure Costs, if any, required in connection with the Executory Contract or Unexpired Lease, and (iv) the Cure Objection Deadline; *provided, however*, that service of a Contract Assumption Notice does not constitute an admission that any Executory Contracts and Unexpired Leases listed thereon is an executory contract or that such stated Cure Cost constitutes a claim against the Debtor or a right against any Successful Bidder, all rights with respect thereto being expressly reserved. Further, the inclusion of a contract on the Contract Assumption Notice is not a guarantee that such contract ultimately will be assumed and assigned.

- (b) **Cure Costs.** The payment of the applicable Cure Costs by the Successful Bidder shall (i) effect a cure of all defaults existing thereunder, (ii) compensate for any actual pecuniary loss to such counterparty resulting from such default, and (iii) together with the assumption of the ultimately assumed Executory Contract or Unexpired Lease by the Debtor and the assignment of such Executory Contract or Unexpired Lease to the Successful Bidder, constitute adequate assurance of future performance thereof.
- (c) **Supplemental Contract Assumption Notice.** To the extent the Debtor, at any time after the Auction (i) identifies additional Executory Contracts or Unexpired Leases that may be assumed by and assigned to the Successful Bidder, (ii) removes any Executory Contracts or Unexpired Leases from the list attached to the Contract Assumption Notice, (iii) and/or modifies the previously stated Cure Cost associated with any Executory Contract or Unexpired Lease, the Debtor will promptly file with this Court and serve by first-class mail a supplemental notice of contract assumption (a “Supplemental Assumption Notice”) on each of the Contract Counterparties affected by the Supplemental Assumption Notice. Each Supplemental Assumption Notice will include the same information with respect to listed Executory Contracts or Unexpired Leases as was included in the Contract Assumption Notice. Except as otherwise provided in any purchase agreement, a Successful Bidder may designate additional Executory Contracts and Unexpired Leases to be assumed and assigned up to two (2) business days prior to the Closing and may remove Executory Contracts or Unexpired Leases from the list of Executory Contracts and Unexpired Leases up to two (2) business days prior to the Closing. Contract Counterparties shall have fourteen (14) days following service of the

Supplemental Assumption Notice to file an objection to the Supplemental Assumption Notice.

- (d) **Objections.** Objections, if any, to the proposed assumption and assignment or the Cure Cost proposed with respect thereto, must (i) be in writing, (ii) comply with the applicable provisions of the Bankruptcy Rules, and the Local Rules, (iii) state with specificity the nature of the objection and, if the objection pertains to the proposed Cure Cost, state the correct Cure Cost alleged by the objecting counterparty, together with any applicable and appropriate documentation in support thereof, and (iv) be filed with the Court and served upon (A) proposed counsel to the Debtor, (B) counsel to the Stalking Horse Bidder, (C) the Bid Notice Parties (as defined in the Bidding Procedures), and (D) counsel to the Consultation Parties, so as to be **actually received** no later than **January 9, 2026, at 12:00 p.m., prevailing Central Time (the “Cure Objection Deadline”), or the deadline set forth in a Supplemental Assumption Notice, as applicable.** The Debtor may modify the Cure Objection Deadline and the deadline set forth in a Supplemental Assumption Notice by filing a notice of such modification on the Court’s docket.
- (e) **Deemed Consent of Counterparties.** If no objection to the proposed assumption and assignment or the Cure Cost proposed with respect thereto is timely filed with respect to an Executory Contract or Unexpired Lease: (i) the counterparty to such Executory Contract or Unexpired Lease shall be deemed to have consented to the assumption by the Debtor and assignment to the Successful Bidder of the Executory Contract or Unexpired Lease, and be forever barred from asserting any objection with regard to such assumption and assignment (including, without limitation, with respect to adequate assurance of future performance by the Successful Bidder); (ii) any and all defaults under the Executory Contract or Unexpired Lease and any and all pecuniary losses related thereto shall be deemed cured and compensated pursuant to Bankruptcy Code section 365(b)(1)(A) and (B) upon payment of the Cure Cost set forth in the applicable Contract Assumption Notice or Supplemental Assumption Notice for such Executory Contract or Unexpired Lease; and (iii) the counterparty shall be forever barred from asserting any other claims related to such Executory Contract or Unexpired Lease against the Debtor and its estate or the Successful Bidder, or the property of any of them, that existed prior to the entry of the order resolving the contract objections and the applicable Sale Order.
- (f) **Dispute Resolution.** To the extent that the parties are unable to consensually resolve any objection to a Cure Cost or other objection prior to the commencement of the Sale Hearing, including, without limitation, any dispute with respect to the Cure Costs required to be paid to the applicable counterparty under the Bankruptcy Code sections 365(b)(a)(1)(A) and (B) (any such dispute, a “Cure Dispute”), the Debtor may (i) assume and assign to the Successful Bidder the applicable

Executory Contract or Unexpired Lease prior to the resolution of the Cure Dispute; *provided* that the Successful Bidder shall (A) pay to the applicable counterparty the undisputed portion of the Cure Costs within five business days after entry of the applicable Sale Order and (B) reserve cash in an amount sufficient to pay the disputed portion of the Cure Costs reasonably asserted by the applicable counterparty (or such lesser amount as may be fixed or estimated by the Court or otherwise agreed to by the counterparty and the Debtor), or (ii) adjourn its request to assume the Executory Contract or Unexpired Lease pending resolution of the Cure Dispute (an “Adjourned Cure Dispute”); *provided further* that, to the extent the Adjourned Cure Dispute is resolved or determined unfavorably to the Debtor or Successful Bidder, the Debtor may withdraw the proposed assumption and assignment of the applicable Executory Contract or Unexpired Lease after such determination by filing a notice of withdrawal, which, in the case of a lease, shall be prior to the expiration of the applicable deadline to assume or reject unexpired leases under Bankruptcy Code section 365(d)(4). The Successful Bidder shall file notice of its intention to reserve for the Cure Costs or to adjourn its request for assumption. An Adjourned Cure Dispute may be resolved after the closing date of the applicable Transaction in the Debtor’s discretion.

- (g) **Contract Assumption.** No Executory Contract or Unexpired Lease shall be deemed assumed and assigned pursuant to Bankruptcy Code section 365 until the later of (i) the date the Court has entered an order assuming and assigning such Executory Contract or Unexpired Lease or (ii) the date the Transaction has closed.

28. Any party failing to timely file an objection to the Cure Costs, the proposed assumption and assignment of an Executory Contract or Unexpired Lease listed on the Contract Assumption Notice or a Supplemental Assumption Notice, or the adequate assurance of future performance provided by the Successful Bidder is deemed to have consented to (a) such Cure Cost, (b) the assumption and assignment of such Executory Contract or Unexpired Lease, (c) the related relief requested in the Motion, and (d) the Transaction. Such party shall be forever barred and estopped from objecting to the Cure Costs, the assumption and assignment of the Executory Contract or Unexpired Lease, adequate assurance of future performance, and the relief requested in the Motion, whether or not applicable law excuses such counterparty from accepting performance by, or rendering performance to, the Successful Bidder for purposes of Bankruptcy

Code section 365(c)(1) and from asserting any additional cure or other amounts against the Debtor and the Successful Bidder with respect to such party's Executory Contract or Unexpired Lease.

29. The Debtor shall provide reasonable evidence to each Executory Contract or Unexpired Lease counterparty that the Successful Bidder has the ability to comply with the requirements of adequate assurance of future performance; *provided* that any such evidence that constitutes nonpublic information shall be provided on a confidential basis. All Bidders are deemed to consent to the transmission of such evidence of adequate assurances of future performance on a confidential basis to counsel for the applicable Executory Contract or Unexpired Lease counterparties via email, with such information to be used only for purpose of assessing the applicable Bidder.

30. The inclusion of an Executory Contract or Unexpired Lease in the Contract Assumption Notice or a Supplemental Assumption Notice will not obligate the Debtor to assume any Executory Contract or Unexpired Lease listed thereon or a Successful Bidder to take assignment of such assumed Contract. Only those Executory Contracts and Unexpired Leases that are included on a schedule of assumed and assigned contracts attached to the executed definitive asset purchase agreement with a Successful Bidder (including amendments or modifications to such schedules in accordance with such asset purchase agreement) will be assumed and assigned to the applicable Successful Bidder. No Executory Contract or Unexpired Lease in the Contract Assumption Notice or a Supplemental Assumption Notice shall be assumed other than in connection with (and concurrently with the effectiveness of) the assignment of such Executory Contract or Unexpired Lease to the applicable Successful Bidder.

VI. Miscellaneous.

31. The failure to include or reference a particular provision of the Bidding Procedures in this Order shall not diminish or impair the effectiveness or enforceability of such a provision in the Bidding Procedures.

32. The Debtor, in consultation with the Consultation Parties, may revise the Sale Schedule and modify any of the deadlines set forth herein or provide for additional deadlines within a Sale Schedule without further order of the Court; provided that the Debtor will disclose all applicable deadlines in a notice filed with the Court, including, as applicable, the Auction Notice.

33. The Court, at the request of the Debtor in consultation with the Consultation Parties, may modify the dates of and adjourn any hearing set by this Order. The Debtor may not modify deadlines, milestones and/or requirements set forth under the Stalking Horse APA unless the Stalking Horse bidder, upon request, provides written consent to such modifications.

34. In the event of any inconsistencies between this Order and the Motion and/or the Bidding Procedures, the Bidding Procedures shall govern in all respects.

35. Nothing in the Motion or this Order or the relief granted (including any actions taken or payments made by the Debtor pursuant thereto) shall be construed as (a) an admission as to the validity, priority, or character of any claim or other asserted right or obligation, or a waiver or other limitation on the Debtor's ability to contest the same on any ground permitted by bankruptcy or applicable non-bankruptcy law; (b) a promise or requirement to pay any claim or other obligation; or (c) granting third-party-beneficiary status, bestowing any additional rights on any third party, or being otherwise enforceable by any third party.

36. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a), the Local Rules, and the Complex Case Procedures are satisfied by such notice.

37. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be effective and enforceable immediately upon entry hereof.

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

39. The Debtor is authorized to take all actions necessary to implement the relief granted in this Order.

40. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

END OF ORDER

Prepared and presented by:

/s/ Marcus A. Helt

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*Proposed Counsel for the Debtor and
Debtor in Possession*

Exhibit 1

Bidding Procedures

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

In re:

**BUCKINGHAM SENIOR LIVING
COMMUNITY, INC.¹**

Debtor.

)
) Chapter 11
)

) Case No. 25-25-80595 (MVL)
)
)
)
)

BIDDING PROCEDURES FOR THE SALE OF THE DEBTOR'S ASSETS

On November 17, 2025, the above-captioned debtor and debtor in possession (the “Debtor”) filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Northern District of Texas (the “Court”).

On [____], the Court entered the *Order (I) Approving Bidding Procedures and Bid Protections, (II) Approving the Debtor’s Entry Into the Stalking Horse APA, (III) Scheduling Certain Dates and Deadlines, (IV) Approving the Form and Manner of Notice Thereof, and (V) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases* [Docket No. [___]] (the “Bidding Procedures Order”),² by which the Court approved the following procedures (the “Bidding Procedures”) setting forth the process by which the Debtor is authorized to solicit bids for and conduct an auction (the “Auction”), if any, and ultimately select a purchaser for the sale of all or substantially all of the Debtor’s assets or any portion thereof (such sale(s), the “Transaction(s)”).

The Bidding Procedures Order also authorized, among other things, the Debtor’s entry into that certain Asset Purchase Agreement, dated November 12, 2025 (as amended, supplemented, or otherwise modified by the parties thereto, the “Stalking Horse APA”)³ between the Debtor and Focus SH Acquisitions LLC (the “Stalking Horse Bidder” and, the Stalking Horse Bidder’s bid, the “Stalking Horse Bid”), pursuant to which the Stalking Horse Bidder has agreed to acquire substantially all of the Assets (as defined below) of the Debtor and to assume certain liabilities of the Debtor, each as specifically enumerated in the Stalking Horse APA and subject to the terms and conditions set forth therein. The Stalking Horse Bid is subject to higher and better bids in accordance with the terms and conditions of these Bidding Procedures.

¹ The last four digits of the Debtor’s federal tax identification number are 7872. The location of the Debtor’s principal place of business and the service address for the Debtor is 8580 Woodway Drive, Houston, Texas 77063.

² All capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Bidding Procedures Order.

³ A copy of the Stalking Horse APA is attached to the Bidding Procedures Order as Exhibit 2.

Any Transaction(s) will be implemented pursuant to Bankruptcy Code section 363.

Throughout the bidding process, the Debtor, in its business judgment and with the assistance of its advisors, will regularly and timely consult with the following parties (collectively, the “Consultation Parties”): (a) counsel to the Bond Trustee, and (b) counsel to any official committee appointed in the Chapter 11 Case; *provided* that, to the extent that the Bond Trustee submits a Bid (as defined below), including a credit bid (a “Credit Bid”) for any Assets or indicates its intention to submit a Bid, the Bond Trustee shall not be a Consultation Party with respect to the evaluation and qualification of competing Bids for such Assets included in the Bond Trustee’s Bid or with respect to seeking and/or obtaining information about other Bids, but shall remain a Consultation Party for other purposes set forth in the Bidding Procedures and Bidding Procedures Order.

Copies of the Bidding Procedures Order or any other documents in the Debtor’s Chapter 11 Case are available upon request to Epiq by calling (877) 873-9197 (toll free, United States and Canada) or (503) 406-1463 (International) or visiting the Debtor’s restructuring website at <https://dm.epiq11.com/Buckingham>.

I. Key Dates and Deadlines.

The key dates for the Transaction are as follows:

Action	Deadline
Contract Assumption Notice	December 19, 2025
Bid Deadline	January 9, 2026, at 12:00 p.m., prevailing Central Time
Sale Objection Deadline	January 9, 2026, at 4:00 p.m., prevailing Central Time
Cure Objection Deadline	January 9, 2026, at 4:00 p.m., prevailing Central Time
Auction (if any)	January 13, 2026, at 10:00 a.m., prevailing Central Time (if any)
Notice of Successful Bidder	Within two (2) business days upon the conclusion of the Auction (if any)
Post-Auction Objection Deadline	January 20, 2026, at 4:00 p.m., prevailing Central Time
Sale Hearing	January 22, 2026 at 9:00 a.m., prevailing Central Time (subject to Court availability)

II. Assets to be Auctioned.

The Debtor is seeking to sell all of its assets, or any portion thereof, to the person or entity making the most value maximizing bid through the process outlined in these Bidding Procedures. These assets include, but are not limited to, the Debtor's going-concern business, unexpired leases, executory contracts, equipment, inventory, supplies, intellectual property, insurance proceeds, prepaid expenses and deposits, and books and records, in each case, free and clear of all liens, claims, interests, or other encumbrances (collectively, the "Assets").

III. Public Announcement of Auction.

Within two (2) business days after entry of the Bidding Procedures Order, the Debtor shall serve on the parties that received notice of the Motion (a) the Bidding Procedures Order and the Bidding Procedures and (b) a notice setting forth (i) the date, time, and place of the Auction and the hearing to consider the approval of the Transaction(s) and (ii) the deadlines and procedures for objecting to the proposed Transaction(s) in the form attached hereto as **Schedule 1** (the "Auction Notice"). Within five (5) business days after entry of the Bidding Procedures Order, the Debtor shall publish the Auction Notice, with any modifications necessary for ease of publication, on one occasion in *The New York Times* (National Edition), the *Wall Street Journal*, or *USA Today* to provide notice to any other potential interested parties, and (iii) post the Auction Notice on its case website, <https://dm.epiq11.com/Buckingham>.

IV. Potential Bidder Requirements.

To participate in the bidding process or otherwise be considered for any purpose hereunder, including to receive access to due diligence materials, a person or entity interested in purchasing the Assets or part of the Assets (a "Potential Bidder") must deliver or have previously delivered to the Debtor the following preliminary documentation (collectively, the "Preliminary Bid Documents"):

- a. an executed confidentiality agreement (a "Confidentiality Agreement") in form and substance acceptable to the Debtor;
- b. a statement describing which portion of the Assets the Potential Bidder intends to acquire;
- c. information sufficient to establish that the Potential Bidder has or can reasonably obtain the financial capacity to close a purchase of any portion, all, or substantially all of the Assets, the adequacy of which must be acceptable to the Debtor; and
- d. a statement detailing whether the Potential Bidder is partnering with or otherwise working with any other interested party in connection with the potential submission of a joint Bid, the identity of any such party or parties, and a concise description of the nature of such partnership or joint bid to the extent reasonably practicable.

The Debtor, in consultation with its advisors and the Consultation Parties, will determine and notify each Potential Bidder whether such Potential Bidder has submitted adequate documents

so that such Potential Bidder may proceed to conduct due diligence and submit a bid (such Potential Bidder, an “Acceptable Bidder”).

V. Qualified Bid Requirements.

To participate in the Auction, an Acceptable Bidder must deliver to the Debtor and its advisors an irrevocable offer for the purchase of some or all of the Assets (each, a “Bid”), and shall meet the following criteria, in each case, on or prior to the Bid Deadline (as defined below):

- a. **Purchased Assets and Assumed Liabilities:** Each Bid must clearly state the following: (i) the particular Assets, or the portion thereof, identified with reasonable specificity to be purchased and/or liquidated or otherwise disposed of (including, without limitation, estate claims and causes of action); (ii) the liabilities and obligations to be assumed, including any debt and Cure Costs (as defined below) to be assumed; and (iii) any executory contracts (the “Executory Contracts”) and any unexpired leases (the “Unexpired Leases”) to be received by assignment. For the avoidance of doubt, a Bid need not provide for the purchase of any estate claims and causes of action to constitute a Qualified Bid (as defined below);
- b. **Good Faith Deposit:** The Bid must be accompanied by a cash deposit in the amount equal to \$2,000,000 to be held in an interest-bearing escrow account to be identified and established by the Debtor (the “Good Faith Deposit”);
- c. **Purchase Price:** Each Bid must (i) clearly set forth the purchase price to be paid, assuming a purchase of the applicable Assets and any assumption of liabilities (the “Purchase Price”) and (ii) identify separately the cash and non-cash components of the Purchase Price. To be considered a Qualified Bid, a Bid must provide for aggregate cash consideration of not less than One Hundred Five Million Dollars (\$105,000,000) and the Bid must otherwise incorporate higher and better terms than the Stalking Horse Bid, including with respect to the Rent Rebate Funds and Healthcare Discount Program (each as defined in the Stalking Horse APA) (the “Initial Overbid”);
- d. **Sources of Financing:** To the extent that the Bid is not accompanied by evidence of the Acceptable Bidder’s capacity to consummate the Transaction(s) set forth in its Bid with cash on hand, the Bid must include committed financing, documented to the Debtor’s satisfaction, that demonstrates that the Acceptable Bidder has received sufficient debt and/or equity funding commitments to satisfy the Acceptable Bidder’s obligations under the proposed Transaction(s) and other obligations under its Bid. Such funding commitments or other financing must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals, and shall have covenants and conditions acceptable to the Debtor;
- e. **Same or Better Terms; Bid Documents:** Each Bid must include duly executed and non-contingent, where applicable, transaction documents necessary to effectuate the transactions contemplated in the Bid (the “Bid Documents”). The Bid

Documents shall include: (i) a purchase agreement, based on the Stalking Horse APA, duly executed by such bidder, containing only changes to the Stalking Horse APA that are reasonably necessary to effectuate the Bid, (ii) a schedule of contracts and leases to be assumed or rejected to the extent applicable to the Bid, (iii) with respect to the form of purchase agreement, a redline of such agreement marked to reflect the amendments and modifications made to the Stalking Horse APA, (iv) any other material documents integral to such Bid, and (v) a statement from the Acceptable Bidder that (A) it is prepared to enter into and consummate the transactions contemplated in the purchase agreement based on the Stalking Horse APA as soon as reasonably practicable after the conclusion of the Auction, subject to any necessary regulatory approvals, as specified by the Acceptable Bidder (or, if no Auction is held, the Bid Deadline (as defined below)) and (B) the Qualified Bid will be irrevocable (whether or not such Qualified Bid is selected as the highest or otherwise best bid to purchase the applicable Assets (each, a “Successful Bid”) or next highest or otherwise best bid (the “Back-Up Bid”) until the consummation of the Transaction);

- f. **No Qualified Bidder Bid Protections:** A Qualified Bid must include a statement that the Bid does not entitle such Acceptable Bidder to any break-up fee, termination fee, expense reimbursement, or similar type of payment or reimbursement and a waiver of any substantial contribution administrative expense claim under Bankruptcy Code section 503(b) related to bidding for the applicable Assets;
- g. **Employee Obligations:** Each Bid must indicate whether the Acceptable Bidder intends to hire all employees of the Debtor or otherwise indicate its intentions with respect to the employees of the Debtor;
- h. **Authorization:** Each Bid must contain evidence that the Acceptable Bidder has obtained all necessary authorizations or approvals from its shareholders and/or its board of managers or directors, or any other internal and other approvals, as applicable, with respect to the submission of its Bid and the consummation of the transactions contemplated in such Bid;
- i. **Contingencies; No Financing or Diligence Outs:** The Bid must not contain any contingencies for due diligence and inspection or financing of any kind (including any conditions pertaining to financial performance, conditions, or prospects) and all diligence must be completed before the Bid Deadline;
- j. **Identity:** Each Bid must fully disclose the identity of each entity and each entity’s shareholders, partners, investors, or ultimate controlling entities that will be bidding for or purchasing the applicable Assets or otherwise participating in connection with such Bid, including each equity holder or other financial backer of the bidder (including if such bidder is an entity formed for the purpose of consummating the transactions contemplated by such Bid), and the complete terms of any such participation, along with sufficient evidence that the Acceptable Bidder is legally empowered to complete the transactions on the terms contemplated by the parties.

Each Bid must also include contact information for the specific person(s) whom Raymond James & Associates, Inc. ("Raymond James"), proposed investment banker to the Debtors, and McDermott Will & Schulte LLP, proposed counsel to the Debtors, should contact regarding such Bid;

- k. **As-Is, Where-Is:** Each Bid must include a written acknowledgement and representation that the Acceptable Bidder: (i) has had an opportunity to conduct any and all due diligence regarding the Transaction(s) prior to making its offer; (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the assets in making its Bid; (iii) did not rely on or receive from any person or entity (including the Debtor or any of its advisors or representatives) any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied, by operation of law, or otherwise, regarding the completeness of any information provided in connection therewith or the Auction (if any), except as expressly stated in the Acceptable Bidder's asset purchase agreement; and (iv) did not engage in collusive conduct and acted in good faith in submitting its Bid;
- l. **Joint Bids and Merger Proposals:** The Debtor will be authorized to approve joint Bids in its reasonable business judgment, including, but not limited to, any Bids that contemplate acquiring assets through a merger or similar transaction, including if a proposed Bid contemplates additional financing from one or several participating parties, on a case by case basis, so long as such Bid meets the Qualified Bid requirements and the applicable Acceptable Bidders otherwise comply with these Bidding Procedures;
- m. **Qualifications to Operate a Senior Living Community:** Each Bid must provide background on the Acceptable Bidder and its qualifications to operate a senior living community, including:
 - (i) Operating history of the Acceptable Bidder;
 - (ii) The number of senior living communities that the Acceptable Bidder currently operates;
 - (iii) The Acceptable Bidder's ownership structure and corporate organization chart; and
 - (iv) The principal biographies of senior management of the Acceptable Bidder.
- n. **Adequate Assurance of Future Performance:** Each Bid must (i) identify the Executory Contracts and Unexpired Leases to be assumed or assumed and assigned in connection with the proposed Transaction, (ii) provide for the payment of all cure amounts (the "Cure Costs") related to such Executory Contracts and Unexpired Leases by the Acceptable Bidder, (iii) demonstrate, in the Debtor's reasonable business judgment, that the Acceptable Bidder can provide adequate assurance of future performance under all such Executory Contracts and Unexpired

Leases sufficient to satisfy the requirements of Bankruptcy Code sections 365(b)(3) and 365(f)(2)(B), and (iv) provide the following documentation:

- (i) The proposed assignee (the “Proposed Assignee”) and any guarantors, as applicable; and
 - (ii) Financial statements for the calendar or fiscal years ended 2023 and 2024 for the Proposed Assignee and any guarantors, as applicable, and other financial information about the Proposed Assignee to demonstrate its ability to provide adequate assurance of future performance.
- o. **Stalking Horse Bidder is a Qualified Bidder; Credit Bid Protections.** Notwithstanding anything herein, for the avoidance of doubt, the Stalking Horse Bidder is a Qualified Bidder and the Stalking Horse APA is a Qualified Bid. The Stalking Horse Bidder is entitled to credit bid the Break-Up Fee and Expense Reimbursement at each round of any Auction;
- p. **Acknowledgement of Compliance with Bidding Procedures, Bidding Order, Bankruptcy Code, and Non-Bankruptcy Law:** Each Bid must acknowledge that the Acceptable Bidder has complied, and will continue to comply, in all respects with these Bidding Procedures, the Bidding Procedures Order, the Bankruptcy Code, and any applicable non-bankruptcy law;
- q. **No Collusion:** The Acceptable Bidder must (i) acknowledge in writing that it has not engaged in any collusion with respect to any Bids or the Transaction(s), specifying that it did not agree with any Acceptable Bidders or Potential Bidders to control price or otherwise with respect to any of the Assets or the Transaction and processes contemplated by the Bidding Procedures; and (ii) agree not to engage in any collusion with respect to any Bids, the Auction, or the Transaction. The Acceptable Bidder must further indicate if it has or intends to coordinate its bid, or otherwise bid with, any current or former member of the Debtor’s executive management or board of directors. For the avoidance of doubt, this requirement does not restrict Potential Bidder(s) from working with other Potential Bidder(s) with the Debtor’s prior written consent (email being sufficient);
- r. **Good Faith Offer:** The Bid must constitute a good faith, *bona fide* offer to consummate the Transaction;
- s. **Irrevocable:** Each Bid must state that in the event such Bid is chosen as the Back-Up Bid, it shall remain irrevocable until the Back-Up Termination Date (as defined below);
- t. **Back-Up Bid:** Each Bid shall provide that the Acceptable Bidder will serve as a Back-Up Bidder (as defined below) if the Acceptable Bidder’s Bid is the next highest or otherwise best bid with respect to the applicable Assets;
- u. **Regulatory and Third-Party Approvals and Covenants:** A Bid must set forth each regulatory and third-party approval, if any, required for the Acceptable Bidder

to consummate the applicable Transaction(s), the time period within which the Acceptable Bidder expects to receive such regulatory and third-party approvals, and those actions the Acceptable Bidder will take to ensure receipt of such approvals as promptly as possible;

- v. **Expected Closing Date and Time Frame for Closing:** Each Bid must state the Acceptable Bidder's expected date of closing of the Transaction(s) (the "Closing") and must be reasonably likely (based on antitrust or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Successful Bid, within a time frame acceptable to the Debtor, in consultation with the Consultation Parties;
- w. **No Fees:** Each Acceptable Bidder presenting a Bid or Bids will bear its own costs and expenses (including legal fees) in connection with the proposed transaction, and by submitting its Bid(s) is agreeing to disclaim any right to receive any payments or amounts analogous to a break-up fee, expense reimbursement, termination fee, or other similar form of compensation;

For the avoidance of doubt, each Acceptable Bidder by submitting its Bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis, including under Bankruptcy Code section 503(b); *provided* that the Debtor is authorized to provide the Break-Up Fee and Reimbursement Amount to the Stalking Horse Bidder in connection with the Stalking Horse APA;

- x. **Adherence to Bidding Procedures:** By submitting its Bid, each Acceptable Bidder is agreeing to abide by and honor the terms of these Bidding Procedures and agrees not to submit a Bid or seek to reopen the Auction after conclusion of the Auction;
- y. **Consent to Jurisdiction:** The Acceptable Bidder must submit to the jurisdiction of the Court and waive any right to a jury trial in connection with any disputes relating to the Debtor's qualification of Bids, the Auction, the Transaction, and the construction and enforcement of these Bidding Procedures, Preliminary Bid Documents, the Bids, the Bid Documents, and any and all other agreements entered into in connection with any proposed Transaction, the Closing, and any other related matter; and
- z. **Conditions to Closing:** Each Bid must identify with particularity each and every condition to closing, including the Executory Contract and Unexpired Leases for which assumption and assignment is required.

Only Bids fulfilling all of the preceding requirements contained in this section as determined or otherwise waived in the Debtor's reasonable business judgment, in consultation with the Consultation Parties, may be deemed to be qualified bids (the "Qualified Bids"), and only those parties submitting Qualified Bids, in the Debtor's reasonable business judgment, in consultation with the Consultation Parties, may be deemed to be qualified bidders (the "Qualified Bidders"). The Bids received by the Debtor shall be shared with the Consultation Parties that are

not Potential Bidders within a reasonable time after receipt by the Debtor, but in no event no later than twenty-four (24) hours after receipt.

Neither the Debtor nor any of its advisors are making or have at any time made, and no bidder, Potential Bidder, or Acceptable Bidder, including any Qualified Bidder, has relied, is relying, or shall rely on any warranties or representations of any kind or character, express or implied, with respect to the Assets, including, but not limited to, any warranties or representations as to operating history or projections, valuation, governmental approvals, the compliance of the Assets with governmental laws, the truth, accuracy, or completeness of any documents related to the Assets, or any other information provided by or on behalf of the Debtor to a bidder, or any other matter or thing regarding the Assets, except as expressly stated in the Acceptable Bidder's purchase agreement. All bidders must acknowledge and agree that upon closing the Debtor shall sell and transfer to the Successful Bidder and the Successful Bidder shall accept the applicable Assets to the extent expressly provided in the Court's order approving the Transaction. Neither the Debtor nor any of its advisors will be liable for or bound by any express or implied warranties, guaranties, statements, representations, or information pertaining to the Assets or relating thereto that the Debtor, any advisor, or agent representing or purporting to represent the Debtor to whomever might have made or furnished, directly or indirectly, orally or in writing, unless (with respect to the Debtor only) specifically set forth in the Court's order approving the Transaction.

There shall be no communication between or among Potential Bidders and/or Acceptable Bidders, including Qualified Bidders, unless the Debtor's advisors have authorized such communication in writing. The Debtor reserves the right, in its reasonable business judgment, to disqualify any Potential Bidders or Acceptable Bidders that have communications between or amongst themselves without the prior authorization of the Debtor's advisors. For the avoidance of doubt, the joining of Bids between Potential Bidders or Acceptable Bidders may be permitted by the Debtor in its reasonable business judgement, in consultation with the Consultation Parties.

As soon as practicable after the Bid Deadline and in any event prior to the start of the Auction, the Debtor shall determine which Acceptable Bidders are Qualified Bidders and will notify the Acceptable Bidders whether Bids submitted constitute Qualified Bids, which will enable such Qualified Bidders to participate in the Auction. No later than three (3) business days before any Auction begins, the Debtor will provide copies of any such Qualified Bids to the Stalking Horse Bidder and Qualified Bidders, as applicable. Any Bid that is not deemed a Qualified Bid shall not be considered by the Debtor; *provided* that if the Debtor receives a Bid prior to the Bid Deadline that does not satisfy the requirements of a Qualified Bid, the Debtor may provide the Acceptable Bidder with the opportunity and work with the Acceptable Bidder to remedy any deficiencies prior to the Auction.

VI. Right to Credit Bid

Notwithstanding anything to the contrary herein, the Bond Trustee shall be deemed to be a Qualified Bidder and may submit a Credit Bid of all or any portion of the aggregate amount of its secured claims, at any time prior to or during the Auction, and any such Credit Bid will be considered a Qualified Bid (a "Qualified Credit Bid"). Further, (i) no Good Faith Deposit will be required in connection with a Qualified Credit Bid and (ii) no Qualified Credit Bid will serve as the Back-Up Bid without the written consent of the Bond Trustee. No party may challenge the

Bond Trustee's right to credit bid except by objecting to such right prior to the Auction, and any such challenge must be adjudicated prior to the start of the Auction.

VII. Obtaining Due Diligence Access.

Only Acceptable Bidders that have executed a Confidentiality Agreement shall be eligible to receive due diligence information, access to the Debtor's electronic data room, and additional non-public information regarding the Debtor. Beginning on the date the Debtor determines that a party is an Acceptable Bidder and has executed a Confidentiality Agreement, or as soon as reasonably practicable thereafter, the Debtor will provide such Acceptable Bidder with access to an electronic data room and reasonable due diligence information, as requested by such Acceptable Bidder, as soon as reasonably practicable after such request. The Debtor shall post substantially all written due diligence provided to any Acceptable Bidder to the Debtor's electronic data room for the benefit of all Acceptable Bidders, subject to the further provisions below.

Acceptable Bidders will not, directly or indirectly, contact or initiate or engage in discussions in respect of matters relating to the Debtor or a potential transaction with any resident, supplier, or other contractual counterparty of the Debtor without the prior written consent of the Debtor. The due diligence period will end on the Bid Deadline, and subsequent to the Bid Deadline the Debtor shall have no obligation to furnish any due diligence information.

In connection with the provision of due diligence information to Acceptable Bidders, the Debtor shall not furnish any confidential information relating to the Debtor or a potential transaction to any person except an Acceptable Bidder or such Acceptable Bidder's duly authorized representatives to the extent provided in an applicable Confidentiality Agreement.

The Debtor and its advisors shall coordinate all reasonable requests for additional information and due diligence access from Acceptable Bidders; *provided* that the Debtor may decline to provide such information to Acceptable Bidders who, in the Debtor's reasonable business judgment have not established, or who have raised doubt, that such Acceptable Bidders intend in good faith to, or have the capacity to, consummate a Transaction(s). For any Acceptable Bidder who is a competitor of the Debtor or is affiliated with any competitors of the Debtor, or otherwise presents a *bona fide* competitive or strategic concern, the Debtor reserves the right to withhold or modify any diligence materials that the Debtor determines are business-sensitive or otherwise inappropriate for disclosure to such bidder. Neither the Debtor nor its representatives shall be obligated to furnish information of any kind whatsoever to any person that is not determined to be an Acceptable Bidder.

The Debtor shall keep the Consultation Parties reasonably informed of all interested parties that become Acceptable Bidders and the status of their due diligence.

A. Communications with Acceptable Bidders (including Qualified Bidders).

Notwithstanding anything to the contrary in these Bidding Procedures, all substantive direct communications, including any diligence requests, with Acceptable Bidders (including any Qualified Bidders) shall be through Raymond James.

B. Due Diligence from Acceptable Bidders (including Qualified Bidders).

Each Acceptable Bidder (including any Qualified Bidder) shall comply with all reasonable requests for additional information and due diligence access requested by the Debtor or its advisors, regarding the ability of such Acceptable Bidder (including any Qualified Bidder) to consummate its contemplated transaction. Failure by an Acceptable Bidder (including any Qualified Bidder, other than the Stalking Horse Bidder, if any) to comply with such reasonable requests for additional information and due diligence access may be a basis for the Debtor to determine that such bidder is no longer an Acceptable Bidder (including any Qualified Bidder, other than the Stalking Horse Bidder, if any) or that a bid made by such bidder is not a Qualified Bid.

David Fields (David.Fields@RaymondJames.com) and Max Moilanen (Maxwell.Moilanen@RaymondJames.com) at Raymond James & Associates, Inc. shall coordinate all requests for additional information and due diligence access on behalf of the Debtor.

VIII. Bid Deadline.

Binding Bids must be submitted in writing to the following parties (the “Bid Notice Parties”) so as to be **actually received** no later than 12:00 p.m., prevailing Central Time, on January 9, 2026 (the “Bid Deadline”).

- (a) proposed counsel to the Debtor, McDermott Will & Schulte LLP, 2501 North Harwood Street, Suite 1900, Dallas, TX 75201 (Attn: Marcus A. Helt (mhelt@mwe.com)), and 1180 Peachtree St. NE, Suite 3350, Atlanta, GA 30309 (Attn: Daniel M. Simon (dsimon@mwe.com)), and One Vanderbilt Avenue, New York, NY 10017 (Attn: Darren Azman (dazman@mwe.com) and Natalie Rowles (nrowles@mwe.com)); and
- (b) the Debtor’s proposed investment banker, Raymond James & Associates, Inc., 300 Four Falls, Suite 400, 300 Conshohocken State Road, W. Conshohocken, PA 19428 (Attn: David Fields (David.Fields@RaymondJames.com)) and 880 Carillion Parkway, Floor 3, St. Petersburg, FL 33716 (Attn: Max Moilanen (Maxwell.Moilanen@RaymondJames.com)).

The Debtor may extend the Bid Deadline for any reason whatsoever, in its reasonable business judgment and in consultation with the Consultation Parties, for all or certain Acceptable Bidders.

IX. Evaluation of Qualified Bids.

The Debtor shall evaluate Qualified Bids and identify the Qualified Bid that is, in the Debtor’s reasonable business judgment, in consultation with the Consultation Parties, the highest or otherwise best Qualified Bid for any Assets (the “Starting Bid”). The Debtor shall promptly (and in no event later than 24 hours after receipt by the Debtor) provide to the Office of the United States Trustee for Region 6 (the “U.S. Trustee”) and the Consultation Parties copies of all Bids

received by the Debtor; *provided* that the U.S. Trustee and the Consultation Parties must treat such Bids and any related information as confidential and shall not publicly disclose such information without the written consent of the Debtor and the applicable bidder.

X. Break-Up Fee and Expense Reimbursement.

Except as otherwise set forth in the Bidding Procedures Order or the Stalking Horse APA, no person or entity, shall be entitled to any expense reimbursement, breakup fees, “topping,” termination, or other similar fee or payment, and by submitting a bid, such person or entity is deemed to have waived its right to request or to file with this Court any request for expense reimbursement or any fee of any nature, whether by virtue of Bankruptcy Code section 503(b) or otherwise.

XI. Auction.

Other than as expressly set forth herein, if the Debtor receives more than one Qualified Bid for the Assets by the Bid Deadline, the Debtor shall conduct an Auction to determine the Successful Bidder (or Back-Up Bidder, as applicable) in its reasonable business judgment, in consultation with the Consultation Parties, in accordance with the Auction Procedures (defined below). If the Debtor does not receive a Qualified Bid other than the Stalking Horse Bid by the applicable Bid Deadline, the Debtor will not conduct an Auction.

If the Debtor determines, in consultation with the Consultation Parties, that it received no Qualified Bids other than the Stalking Horse Bid, then the Auction will not occur, and the Stalking Horse Bid will be deemed the Successful Bid for the Assets. The Debtor shall file a notice with the Court within one (1) business day of making such a determination.

The Auction, if necessary, shall commence on January 13, 2026, at 10:00 a.m., prevailing Central Time, or such other time or other place as the Debtor determines in consultation with the Consultation Parties.

The Auction will be conducted in accordance with the following procedures (the “Auction Procedures”):

- a. only Qualified Bidders may participate in or make subsequent Bids at the Auction;
- b. only the Debtor, Qualified Bidders, the Consultation Parties, the U.S. Trustee, and such parties’ representatives, bondholders and advisors may attend the Auction; *provided* that Qualified Bidders may appear through a duly authorized representative (other than their counsel) bearing a valid and enforceable power of attorney or other written proof evidencing their ability to bind the applicable Qualified Bidder, which document(s) shall be delivered to the Debtor prior to the commencement of the Auction;
- c. the Debtor, with the assistance of its advisors, shall direct and preside over any Auction;

- d. at the commencement of the Auction, the Debtor may announce modified or additional procedures for conducting the Auction and related rules governing the Auction, including time periods available to all Qualified Bidders to submit successive Bid(s), or otherwise modify the Bidding Procedures, in each case in consultation with the Consultation Parties;
- e. bidding shall begin with the Starting Bid;
- f. subsequent Bids (each, an “Overbid”) may only be made at the Auction and shall initially be at least a \$100,000 increase in cash, cash equivalents, or other such consideration that the Debtor, in its reasonable business judgment deem equivalent (including the right of the Bond Trustee to Credit Bid any remaining amounts of its secured claim in accordance with these Bidding Procedures) over the previous Bid; *provided, however*, that the Initial Overbid must provide for aggregate cash consideration of not less than One Hundred Five Million Dollars (\$105,000,000) to ensure there is sufficient cash to equal to or exceed the Stalking Horse Bidder’s Purchase Price and cover the Break-Up Fee and the maximum Reimbursement Amount;
- g. each Qualified Bidder will be permitted a reasonable time to respond to previous Bids at the Auction, as determined by the Debtor;
- h. during the course of the Auction, the Debtor shall, after submission of each Overbid, promptly inform each Qualified Bidder of the terms of such Overbid and inform each Qualified Bidder whether such Overbid reflects, in the Debtor’s view and in consultation with the Consultation Parties, the then highest or otherwise best Bid for the Assets;
- i. the Auction will be transcribed to ensure an accurate recording of the bidding at the Auction;
- j. each Qualified Bidder will be required to confirm on the record that it has not engaged, and will not engage, in any collusion with respect to the bidding or any Transaction(s). For the avoidance of doubt, this requirement does not restrict Qualified Bidder(s) from working with other Qualified Bidder(s) with the Debtor’s prior written consent;
- k. each Qualified Bidder will be required to confirm on the record that its Bid is a good faith, *bona fide* offer and it intends to consummate the Transaction(s) if selected as the Successful Bid in accordance with these Bidding Procedures (as may be modified in accordance herewith at the Auction);
- l. subject to the Debtor’s fiduciary obligations, including as set forth herein, the Debtor will not consider Bids made after the Auction has been closed;
- m. the Debtor, in its reasonable business judgment in consultation with the Consultation Parties, may (i) determine which Qualified Bid is the highest or otherwise best offer, (ii) reject, at any time before entry of an order of the Court

approving a Successful Bid, any Bid that the Debtor determines is (A) inadequate or insufficient, (B) not in conformity with the requirements of the Bankruptcy Code, the Bidding Procedures, or the terms and conditions of the Transaction(s), or (C) contrary to the best interests of the Debtor, its estate, creditors, and other stakeholders, and (iii) impose such other terms and conditions upon Qualified Bidders as the Debtor determines to be in the best interests of the Debtor's estate in this Chapter 11 Case;

- n. the Debtor has the right to request any additional information that will allow the Debtor to make a reasonable determination as to a Qualified Bidder's financial and other capabilities to consummate the transactions contemplated by their proposal and any further information that the Debtor believes is reasonably necessary to clarify and evaluate any Bid made by a Qualified Bidder during the Auction;
- o. the Debtor reserves the right, in its reasonable business judgment and in consultation with the Consultation Parties, to adjourn the Auction one or more times to, among other things, (i) facilitate discussions between the Debtor and Qualified Bidders, (ii) allow Qualified Bidders the opportunity to consider how they wish to proceed, and (iii) provide Qualified Bidders the opportunity to provide the Debtor with such additional evidence as the Debtor, in its reasonable business judgment, may require that the Qualified Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed transaction at the prevailing amount;
- p. notwithstanding anything herein to the contrary, the Debtor, in consultation with the Consultation Parties, may at any time choose to adjourn the Auction by announcement at the Auction. The Debtor shall promptly file notice of such adjournment with the Court; and
- q. the Debtor, in consultation with the Consultation Parties, reserves the right to further amend, waive, or otherwise modify the Auction Procedures at any time, provided that the Debtor may not (i) modify the consultation or consent rights of the Consultation Parties, (ii) reduce or modify the Initial Overbid requirements, or (iii) abridge the rights of the Bond Trustee to credit bid.

For the avoidance of doubt, nothing in the Auction Procedures will prevent the Debtor from exercising its fiduciary duties under applicable law (as reasonably determined in good faith by the Debtor, in consultation with its advisors).

XII. Acceptance of the Successful Bid.

The Auction shall continue until (a) there is only one Qualified Bid that the Debtor determines, in its reasonable business judgment and in consultation with the Consultation Parties, and in a manner consistent with the exercise of its fiduciary duties and outlined below in further detail, is the Successful Bid, and (b) the Debtor determines, in its reasonable business judgment and in consultation with the Consultation Parties that further bidding is unlikely to result in a

different Successful Bid or Successful Bids that would be reasonably acceptable to the Debtor, at which point, the Auction will be closed.

When determining the highest or otherwise best Qualified Bid, as compared to other Qualified Bids, the Debtor may consider the following factors in addition to any other factors that the Debtor deems appropriate: (a) the likelihood of the Qualified Bidder's ability to close a transaction and the timing thereof; (b) the net economic effect of any changes to the value to be received by the Debtor's estate from the transaction contemplated by the Bid Documents; (c) the Debtor's regulatory requirements; (d) the tax consequences of such Qualified Bid; (e) the certainty of a Qualified Bid leading to a confirmed chapter 11 plan; (f) operating history, including financial performance and any material survey issues, any investigations, or corporate integrity agreements related to the Qualified Bidder's operations; and (g) any other consideration that may impact the Debtor's stakeholders.

The Qualified Bidder that submits a Successful Bid will be deemed a successful bidder (the "Successful Bidder") with respect to the Assets. The Debtor shall file notice of the Successful Bid and the Successful Bidder with the Court within two business days after conclusion of the Auction. Following conclusion of the Auction (if any) and selection of a Successful Bidder, the Debtor shall present the results of the Auction (if any) at the Sale Hearing and shall seek Court approval to enter into a binding purchase agreement with the Successful Bidder on the terms of the Successful Bid.

Notwithstanding anything to the contrary in these Bidding Procedures, nothing in these Bidding Procedures shall require the board of directors, board of managers, or such similar governing body of the Debtor to take or refrain from taking any action, with respect to the Bidding Procedures or the Auction, to the extent such persons or entities determine, in good faith, in consultation with its advisors, that taking or refraining from taking such actions is required by applicable law or fiduciary obligations; *provided, however*, that after the conclusion of the Auction, the Debtor shall not, and shall direct its affiliates and representatives not to, directly or indirectly (i) submit, solicit, initiate, encourage or discuss any proposal or offer from any Person or enter into any agreement or accept any offer relating to or consummate any purchase or sale of any Purchased Assets (as defined in the Stalking Horse APA), other than the purchase and sale of inventory in the ordinary course of business, or any similar transaction or business combination involving the Facility or the Purchased Assets (each as defined in the Stalking Horse APA) or (ii) furnish any information with respect to, assist or participate in or facilitate in any other manner any effort or attempt by any person to do or seek to do any of the foregoing.

Within one business day of the selection of the Successful Bidder, such Successful Bidder shall make a cash deposit, in addition to its Good Faith Deposit, in an amount calculated on the basis of the increased aggregate purchase price, submitted by wire transfer of immediately available funds to an escrow account to be identified and established by the Debtor pursuant to a customary and reasonable escrow agreement. Each Successful Bidder and the Debtor shall, as soon as reasonably practicable, complete and sign all agreements, contracts, instruments, or other documents evidencing and containing the terms upon which each such Successful Bid was made.

XIII. Designation of Back-Up Bidder.

The party submitting the Back-Up Bid to purchase the Assets (the “Back-Up Bidder”) will be determined by the Debtor, in consultation with the Consultation Parties, at the conclusion of the Auction and will be announced at that time to all the Qualified Bidders participating in the Auction. The Debtor’s selection of a Back-Up Bid shall be deemed final, and the Debtor shall not accept any further bids or offers to submit a bid after such selection; *provided* that, nothing in these Bidding Procedures shall require the board of directors, board of managers, or such similar governing body of the Debtor to take or refrain from taking any action that the Debtor determined in good faith, in consultation with its advisors, would be inconsistent with applicable law or its fiduciary obligations. The Debtor will be authorized, but not required, to consummate the Transaction with the Back-Up Bidder without further order of the Court, so long as such Back-Up Bid shall have been approved in connection with the Court’s approval of the Successful Bid, or subject to Court approval if not.

If for any reason a Successful Bidder fails to consummate the purchase of such Assets within the time permitted, then the Back-Up Bidder will automatically be deemed to have submitted the Successful Bid for such Assets, and the Back-Up Bidder shall be deemed a Successful Bidder for the Assets and shall be required to consummate the Transaction with the Debtor as soon as is reasonably practicable without further order of the Court, upon twenty-four (24) hours’ advance notice filed with the Court. To the extent any objections are raised and remain unresolved, the Court may schedule a hearing on an expedited basis to adjudicate such objection.

The Back-Up Bid shall remain open and irrevocable until the earliest to occur of (a) ninety (90) days following the hearing to consider the applicable order approving the Transaction(s) (the “Sale Order”), (b) consummation of the Transaction with the Successful Bidder at an Auction, and (c) the release of such Back-Up Bid by the Debtor in writing (the “Back-Up Termination Date”).

XIV. Approval of the Transaction(s).

A hearing to consider approval of each Transaction(s) (the “Sale Hearing”), is currently scheduled to take place on [January 22, 2026, at 10:00 a.m.], prevailing Central Time, before the Honorable Michelle V. Larson, at the United States Bankruptcy Court for the Northern District of Texas, Earle Cabell Federal Building, 1100 Commerce Street, 14th Floor, Courtroom 2, Dallas, Texas 75242, or conducted consistent with the procedures established pursuant to the Court’s standing orders.

At the Sale Hearing, certain findings will be sought from the Court regarding the Auction, including, among other things, that: (a) the Auction was conducted, and the Successful Bidder was selected, in accordance with the Bidding Procedures; (b) the Auction was fair in substance and procedure; (c) the Successful Bid was a Qualified Bid as defined in the Bidding Procedures; and (d) consummation of the Transaction as contemplated by the Successful Bid in the Auction will provide the highest or otherwise best offer for the applicable Assets and is in the best interests of the Debtor and its estate. **The Sale Hearing may be continued to a later date by the Debtor, in consultation with the Consultation Parties, by sending notice to creditors and other parties in interest prior to, or making an announcement at, the Sale Hearing. No further notice of**

any such continuance will be required to be provided to any party (including the Stalking Horse Bidder, if any).

Objections to the Transaction and the Sale Order must: (a) be in writing and specify the nature of such objection; (b) comply with the Bankruptcy Code, Bankruptcy Rules, Local Rules, and all orders of the Court; and (c) be filed with the Court and served so as to be actually received by the Bid Notice Parties and counsel to the DIP Lenders by [January 20, 2026, at 4:00 p.m.], prevailing Central Time.

XV. Return of Good Faith Deposit.

The Good Faith Deposit of the Successful Bidder will, upon consummation of the Successful Bid, become property of the Debtor's estate and be credited to the portion of such Successful Bidder's applicable Purchase Price.

If the Successful Bidder (or Back-Up Bidder, if applicable), fails to consummate the Successful Bid (or Back-Up Bid, if applicable), then the Good Faith Deposit of such Successful Bidder (or Back-Up Bidder, if applicable) will be irrevocably forfeited to the Debtor and shall be retained by the Debtor as liquidated damages, in addition to any and all rights, remedies, or causes of action that may be available to the Debtor.

The Good Faith Deposits of any unsuccessful Qualified Bidders (except for any Back-Up Bidder and the Stalking Horse Bidder) will be returned within five (5) business days after entry of the Sale Order of the Transaction or upon the permanent withdrawal of the applicable proposed Transaction.

The Good Faith Deposit(s) of any Back-Up Bidder, if any, will be returned to such Back-Up Bidder no later than five (5) business days of the Back-Up Termination Date.

The return of any Good Faith Deposits of the Stalking Horse Bidder will be subject to the terms of the applicable Stalking Horse APA. All such Good Faith Deposits shall be held in escrow and at no time shall be deemed property of the Debtor's estate absent further order of the Court.

XVI. Reservation of Rights.

The Debtor shall, in consultation with the Consultation Parties, be entitled to modify these Bidding Procedures in its reasonable business judgment and in a manner consistent with the exercise of its fiduciary duties, in any manner that will best promote the goals of the bidding process or the Bidding Procedures, or impose, at or before the Auction (if held), additional customary terms and conditions on the sale of the applicable Assets, including, without limitation: (a) extending the deadlines set forth in the Bidding Procedures; (b) adjourning the Auction; (c) adding procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction (if held); (d) canceling the Auction; (e) rejecting any or all Bids or Qualified Bids; and (f) adjusting the applicable minimum Overbid increment.

Notwithstanding anything to the contrary herein, the Debtor may not (a) modify the consultation or consent rights of the Consultation Parties, (b) reduce or modify the Initial Overbid

requirements, (c) modify deadlines in the Stalking Horse APA; or (d) abridge the rights of the Bond Trustee to credit bid.

All parties expressly reserve all of their rights (and do not waive any such rights) to seek Court relief with regard to the Auction, the Bidding Procedures, the Transaction(s), and any related items (including, if necessary, to seek an extension of the Bid Deadline).

XVII. Consent to Jurisdiction.

All Qualified Bidders at the Auction shall be deemed to have consented to the core jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction, the Sale, the Transaction and the construction and enforcement of these Bidding Procedures, any written indications of interest, Preliminary Bid Documents, the Bids, the Bid Documents, and any and all other agreements entered into in connection with any proposed Transaction, as applicable, and consented to the entry of a final order or judgment in any way related to these Bidding Procedures, the bid process, the Auction, the Sale Hearing, or the construction and enforcement of any agreement or any other document relating to the Sale any Transaction if it is determined that the Court would lack Article III jurisdiction to enter such a final order or judgment absent the consent of the parties.

Any parties raising a dispute relating to these Bidding Procedures must request that such dispute be heard by the Court on an expedited basis.

Schedule 1

Auction Notice

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

In re:	)	
	)	Chapter 11
	)	
BUCKINGHAM SENIOR LIVING COMMUNITY, INC.¹	)	Case No. 25-80595 (MVL)
	)	
Debtor.	)	
	)	

NOTICE OF SALE BY AUCTION AND SALE HEARING

PLEASE TAKE NOTICE that on [____], the United States Bankruptcy Court for the Northern District of Texas (the “Court”) entered the *Order (I) Approving Bidding Procedures and Bid Protections, (II) Approving the Debtor’s Entry Into the Stalking Horse APA, (III) Scheduling Certain Dates and Deadlines, (IV) Approving the Form and Manner of Notice Thereof, and (V) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases* [Docket No. [__]] (the “Bidding Procedures Order”)]² in this Chapter 11 Case of the above-captioned debtor and debtor in possession (the “Debtor”).

PLEASE TAKE FURTHER NOTICE that the Debtor is soliciting offers for the purchase of substantially all or a portion of the Assets consistent with the bidding procedures (the “Bidding Procedures”) approved by the Court pursuant to the Bidding Procedures Order. **All interested bidders should carefully read the Bidding Procedures and Bidding Procedures Order.** To the extent that there are any inconsistencies between this notice and the Bidding Procedures or Bidding Procedures Order, the Bidding Procedures or Bidding Procedures Order, as applicable, shall govern in all respects.

PLEASE TAKE FURTHER NOTICE that, if the Debtor receives qualified competing bids within the requirements and time frame specified by the Bidding Procedures, the Debtor will conduct an auction, if any (the “Auction”), of the Assets **on [January 20, 2026, at 10:00 a.m.], prevailing Central Time,** at the offices of the proposed counsel to the Debtor: McDermott Will & Schulte, LLP, 2801 N. Harwood Street, Suite 2600, Dallas, Texas 75201-1574.

PLEASE TAKE FURTHER NOTICE that only the Debtor, Qualified Bidders, the U.S. Trustee, the Consultation Parties, and any other parties as the Debtor may determine to include in its reasonable discretion, in each case, along with its representatives and advisors, shall be entitled to attend the Auction, and only Qualified Bidders will be entitled to make Overbids at the Auction.

¹ The last four digits of the Debtor’s federal tax identification number are 7872. The location of the Debtor’s principal place of business and the service address for the Debtor is 8580 Woodway Drive, Houston, Texas 77063.

² Capitalized terms used but not defined in this notice have the meanings given to them in the Bidding Procedures Order.

All interested or potentially affected parties should carefully read the Bidding Procedures and the Bidding Procedures Order.

PLEASE TAKE FURTHER NOTICE that the Debtor will seek approval of the Transaction(s) at a hearing scheduled to commence on or before **[January 22, 2026, at 10:00 a.m.], prevailing Central Time**, (the “Sale Hearing”) before the Honorable Michelle V. Larson, at the United States Bankruptcy Court for the Northern District of Texas, Earle Cabell Federal Building, 1100 Commerce Street, 14th Floor, Courtroom 2, Dallas, Texas 75242, or conducted consistent with the procedures established pursuant to the Court’s standing orders.

PLEASE TAKE FURTHER NOTICE that the deadline to object to consummation or approval of the Transaction(s) is **[January 9, 2026, at 4:00 p.m.], prevailing Central Time** (the “Sale Objection Deadline”).

PLEASE TAKE FURTHER NOTICE that the deadline to object to the proposed Cure Costs or assumption and assignment of any proposed Executory Contracts or Unexpired Lease is **[January 9, 2026, at 4:00 p.m.], prevailing Central Time** (the “Cure Objection Deadline”).

PLEASE TAKE FURTHER NOTICE that the deadline to object to the identity of the Successful Bidder (other than the Stalking Horse Bidder) or adequate assurance of future performance by the Successful Bidder is **January 20, 2026, at 4:00 p.m., prevailing Central Time** (the “Post-Auction Objection Deadline”).

PLEASE TAKE FURTHER NOTICE that all objections must: (a) be in writing; (b) conform to the applicable provisions of the Bankruptcy Rules and the Local Rules; and (c) state with particularity the legal and factual bases for the objection and the specific grounds therefor; and (d) be filed with the Court and served so as to be **actually received on or before the applicable deadlines listed above** by the following parties via email: (a) Buckingham Senior Living Community, Inc., c/o Implex Advisors, LLC, 8350 N. Central Expressway Suite 1900-105, Dallas, TX 75206 (Attn: Stuart Walker (swalker@implexadvisors.com) and Matt Lupton (mlupton@implexadvisors.com)); (b) proposed counsel to the Debtor, McDermott Will & Schulte LLP, 2501 North Harwood Street, Suite 1900, Dallas, TX 75201 (Attn: Marcus A. Helt (mhelt@mwe.com), and 1180 Peachtree St. NE, Suite 3350, Atlanta, GA 30309 (Attn: Daniel M. Simon (dsimon@mwe.com)), and One Vanderbilt Avenue, New York, NY 10017 (Attn: Darren Azman (dazman@mwe.com) and Natalie Rowles (nrowles@mwe.com)); (c) the Debtor’s proposed investment banker, Raymond James & Associates, Inc., 300 Four Falls, Suite 400, 300 Conshohocken State Road, W. Conshohocken, PA 19428 (Attn: David Fields (David.Fields@RaymondJames.com)) and 880 Carillion Parkway, Floor 3, St. Petersburg, FL 33716 (Attn: Max Moilanen (Maxwell.Moilanen@RaymondJames.com)); and (iv) counsel to the DIP Lender, Mintz Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, MA 02111 (Attn: Daniel S. Bleck (DSBleck@mintz.com) and Eric Blythe (ERBlythe@mintz.com)).

CONSEQUENCES OF FAILING TO TIMELY MAKE AN OBJECTION

ANY PARTY OR ENTITY WHO FAILS TO TIMELY MAKE AN OBJECTION TO THE SALE OR TRANSACTION, AS APPLICABLE, ON OR BEFORE THE SALE

OBJECTION DEADLINE OR THE POST-AUCTION DEADLINE, AS APPLICABLE, IN ACCORDANCE WITH THE BIDDING PROCEDURES ORDER SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE SALE, INCLUDING WITH RESPECT TO THE TRANSFER OF THE APPLICABLE DEBTOR'S ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS, EXCEPT AS MAY BE SET FORTH IN THE APPLICABLE PURCHASE AGREEMENT.

Dated: [____], 2025
Dallas, Texas

MCDERMOTT WILL & SCHULTE LLP

/s/_____
Marcus A. Helt (TX 24052187)
2801 N. Harwood Street, Suite 2600
Dallas, Texas 75201
Telephone: (214) 295-8000
Facsimile: (972) 232-3098
Email: mhelt@mwe.com

- and -

Daniel M. Simon (*pro hac vice* pending)
1180 Peachtree St. NE, Suite 3350
Atlanta, Georgia 30309
Telephone: (404) 260-8535
Facsimile: (404) 393-5260
Email: dsimon@mwe.com

- and -

Darren Azman (*pro hac vice* pending)
Natalie Rowles (*pro hac vice* pending)
One Vanderbilt Avenue
New York, New York 10017
Telephone: (212) 547-5400
Facsimile: (212) 547-5444
Email: dazman@mwe.com
nrowles@mwe.com

*Proposed Counsel for the Debtor and
Debtor in Possession*

Exhibit 2

Stalking Horse APA

Exhibit 3

Contract Assumption Notice

MCDERMOTT WILL & SCHULTE LLP

Marcus A. Helt (TX 24052187)
2801 N. Harwood Street, Suite 2600
Dallas, Texas 75201-1574
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MCDERMOTT WILL & SCHULTE LLP

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*Proposed Counsel for the Debtor and
Debtor in Possession*

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

In re:

**BUCKINGHAM SENIOR LIVING
COMMUNITY, INC.¹**

Debtor.

)
) Chapter 11
)
) Case No. 25-80595 (MVL)
)
)
) Related to Docket No. ____
)

**NOTICE TO CONTRACT PARTIES TO POTENTIALLY
ASSUMED EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

YOU ARE RECEIVING THIS NOTICE BECAUSE YOU
OR ONE OF YOUR AFFILIATES ARE A COUNTERPARTY TO AN
EXECUTORY CONTRACT OR UNEXPIRED LEASE WITH
THE DEBTOR AS SET FORTH ON **SCHEDULE 1** ATTACHED HERETO.

PLEASE TAKE NOTICE that on [____], the United States Bankruptcy Court for the Northern District of Texas (the “Court”) entered the *Order (I) Approving Bidding Procedures and Bid Protections (II) Approving the Debtor’s Entry into the Stalking Horse APA, (III)*

¹ The last four digits of the Debtor’s federal tax identification number are 7872. The location of the Debtor’s principal place of business and the service address for the Debtor is 8580 Woodway Drive, Houston, Texas 77063.

Scheduling Certain Dates and Deadlines, (IV) Approving the Form and Manner of Notice Thereof, and (V) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases [Docket No. []] (the “Bidding Procedures Order”)² in the chapter 11 case of the above-captioned debtor and debtor in possession (the “Debtor”).

PLEASE TAKE FURTHER NOTICE that, pursuant to the Bidding Procedures and the terms of any Successful Bid, the Debtor may assume and assign to the Successful Bidder the Executory Contracts and Unexpired Leases listed on **Schedule 1** to which you are a counterparty, upon approval of the Transaction. The Debtor has conducted a review of its books and records and has determined that the Cure Costs for unpaid monetary obligations under such Executory Contract or Unexpired Lease is as set forth on **Schedule 1**.

PLEASE TAKE FURTHER NOTICE that if you disagree with the proposed Cure Costs, your objection must: (a) be in writing; (b) comply with the applicable provisions of the Bankruptcy Rules, the Local Rules, and any order governing the administration of this chapter 11 case; (c) state with specificity the nature of the objection and, if the objection pertains to the proposed Cure Costs; (d) state the correct Cure Costs alleged to be owed to the objecting contract counterparty, together with any applicable and appropriate documentation in support thereof; and (e) be filed with the Court and served and **actually received no later than []** (**prevailing Central Time**) (the “**Cure Objection Deadline**”) by the Court and the following parties: (i) Buckingham Senior Living Community, Inc., c/o Implex Advisors, LLC, 8350 N. Central Expressway Suite 1900-105, Dallas, TX 75206 (Attn: Stuart Walker (swalker@implexadvisors.com) and Matt Lupton (mlupton@implexadvisors.com)); proposed counsel to the Debtor, McDermott Will & Schulte LLP, 2501 North Harwood Street, Suite 1900, Dallas, TX 75201 (Attn: Marcus A. Helt (mhelt@mwe.com), and 1180 Peachtree St. NE, Suite 3350, Atlanta, GA 30309 (Attn: Daniel M. Simon (dsimon@mwe.com)), and One Vanderbilt Avenue, New York, NY 10017 (Attn: Darren Azman (dazman@mwe.com) and Natalie Rowles (nrowles@mwe.com)); (iii) counsel to the Bond Trustee, Mintz Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, MA 02111 (Attn: Daniel S. Bleck (DSBleck@mintz.com) and Poonam Patidar (PPatidar@mintz.com)); (iv) the Office of the United States Trustee for Region 6, 1100 Commerce Street, Room 976, Dallas, TX 75242; *provided* that the Debtor may modify the Cure Objection Deadline by filing a notice of such modification on the Court’s docket.

PLEASE TAKE FURTHER NOTICE that if no objection to (a) the Cure Costs or (b) the proposed assignment and assumption of any Executory Contract or Unexpired Lease is filed by the Cure Objection Deadline, then (a) you will be deemed to have stipulated that the Cure Costs as determined by the Debtor is correct and (b) you will be forever barred, estopped, and enjoined from asserting any additional Cure Costs are due under the Executory Contract or Unexpired Lease.

PLEASE TAKE FURTHER NOTICE that any objection to the proposed assumption and assignment of an Executory Contract or Unexpired Lease or related Cure Costs in connection with the Successful Bid that otherwise complies with these procedures yet remains unresolved as

² Capitalized terms used but not defined in this notice have the meanings given to them in the Bidding Procedures Order.

of the commencement of the Sale Hearing, shall be heard at a later date as may be fixed by the Court.

PLEASE THAT FURTHER NOTICE that, notwithstanding anything herein, the mere listing of any Executory Contract or Unexpired Lease on the Contract Assumption Notice or any Supplemental Assumption Notice does not require or guarantee that such Executory Contract or Unexpired Lease will be assumed by the Debtor at any time or assumed and assigned, and all rights of the Debtor and the Successful Bidder with respect to such Executory Contracts and/or Unexpired Leases are reserved. Moreover, the Debtor explicitly reserves the right, in its reasonable discretion, to seek to reject or assume each Executory Contract or Unexpired Lease pursuant to Bankruptcy Code section 365(a) and in accordance with the procedures allowing the Debtor and/or the Successful Bidder, as applicable, to designate any Executory Contract or Unexpired Lease as either rejected or assumed on a post-closing basis.

PLEASE TAKE FURTHER NOTICE that, nothing herein (a) alters in any way the prepetition nature of the Executory Contracts or Unexpired Leases or the validity, priority, or amount of any claims of a counterparty to any Contract against the Debtor that may arise under such Executory Contract or Unexpired Lease, (b) creates a postpetition contract or agreement, or (c) elevates to administrative expense priority any claims of a counterparty to any Executory Contract or Unexpired Lease against the Debtor that may arise under such Executory Contract or Unexpired Lease.

[Signatures on following page]

Dated: [____], 2025
Dallas, Texas

MCDERMOTT WILL & SCHULTE LLP

/s/_____
Marcus A. Helt (TX 24052187)
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- and -

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*Proposed Counsel for the Debtor and
Debtor in Possession*

Schedule 1

Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases

EXHIBIT B

Stalking Horse APA

ASSET PURCHASE AGREEMENT

BY AND BETWEEN

BUCKINGHAM SENIOR LIVING COMMUNITY, INC., A TEXAS NONPROFIT CORPORATION,

AND

FOCUS SH ACQUISITIONS LLC, A DELAWARE LIMITED LIABILITY COMPANY

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the “**Agreement**”) is made and entered into as of November 12, 2025 (the “**Execution Date**”), by and between Focus SH Acquisitions LLC, a Delaware limited liability company, or its nominee (“**Buyer**” or “**Purchaser**”), and Buckingham Senior Living Community, Inc., a Texas nonprofit corporation (the “**Seller**”). Seller and Buyer are sometimes individually referred to as a “**Party**” and collectively as the “**Parties**.”

RECITALS

WHEREAS, the Seller owns and operates a licensed continuing care retirement community with a total of 495 units, comprised of 303 independent living units, 67 licensed assisted living units, 33 licensed memory care units and 92 licensed skilled nursing units (collectively, the “**Facility**”), located on or about 8580 Woodway Drive, Houston, Texas 77063, comprising approximately 23 acres (the “**Premises**”);

WHEREAS, the Seller in its business judgment believes a sale of the Purchased Assets to be in its best interests and the best interests of its creditors, residents and stakeholders (the “**Sale**”);

WHEREAS, it is anticipated that the Seller will file a voluntary petition for relief under the Bankruptcy Code (the “**Chapter 11 Case**”) with the United States Bankruptcy Court for the Northern District of Texas (the “**Bankruptcy Court**”) for the purpose of approving the Sale; and

WHEREAS, Buyer desires to acquire the Purchased Assets and Assumed Contracts on the terms and conditions contained in this Agreement, pursuant to Sections 105, 363, and 365 of the Bankruptcy Code and subject to higher and better bids and entry of the Sale Order and operate the Facility as a senior community with a total of 495 units, comprised of 303 independent living units, 67 licensed assisted living units, 33 licensed memory care units and 92 licensed skilled nursing units that is not operated as a continuing care retirement community.

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

ARTICLE 1

DEFINITIONS

As used herein, the following terms have the meanings set forth below:

- (a) “**Accounts Receivable**” means all accounts receivable, notes receivable, completed work or services that have not been billed, chattel paper, notes and other rights to payment, including without limitation those consisting of all accounts receivable for goods and services rendered to the Residents of the Facility or related to the Business or related to Resident occupancy, which term shall include, without limitation, rent, occupancy fees, out-of-pocket (self-pay) payments and commercial insurance payments, as well as any promissory notes and any other miscellaneous accounts receivable, and any claim, remedy or other right related to any of the foregoing, together with all unpaid financing charges accrued thereon and any payments with respect thereto.
- (b) “**Accrued PTO**” has the meaning set forth in Section 5.10(c).

- (c) “**Action**” means any material action, cause of action, claim, demand, summons, subpoena, proceeding, litigation, arbitration, mediation, suit, or investigation of any nature (whether civil, criminal administrative, regulatory or judicial), or any appeal therefrom or any demand letter threatening the initiation of any of the foregoing, whether at law or at equity.
- (d) “**Affiliate**” means, as to the person in question, any person or entity that directly or indirectly controls, is controlled by or is under common control with, the person or entity in question, where the term “control” means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity whether through ownership of voting securities, by contract or otherwise.
- (e) “**Agreement**” has the meaning set forth in the opening paragraph.
- (f) “**Alternative Transaction**” means if Seller (1) transfers the Facility to any entity other than Buyer, whether by asset sale, change of control, sponsor substitution, equity transaction, merger, credit bid, or any other type of transaction, or (2) keeps the Facility and restructures its debt.
- (g) “**Approvals**” means all consents and approvals from any Governmental Authority, including without limitation any Governmental Authority with regulatory oversight of healthcare organizations, charitable trusts or continuing care retirement communities, which are necessary for the transfer of the Purchased Assets or the operation of the Business as proposed to be operated by Buyer, and including, without limitation, the regulatory licenses, the provider agreement(s), and change in control approvals under applicable Law, all as set forth on Schedule 1(g). .
- (h) “**Assumed Contracts**” means all of the rights and interests of Seller in and to the Contracts that Buyer designates for assumption and assignment on Schedule 5.11(a), including, to the extent assignable, Seller’s Medicare provider agreement(s) and other Third-Party Payor agreements.
- (i) “**Assumed Liabilities**” has the meaning set forth in Section 2.3.
- (j) “**Back-Up Bidder**” has the meaning set forth in Section 5.7(g).
- (k) “**Bankruptcy Code**” means Title 11 of the United States Code entitled “Bankruptcy”, as now and hereafter in effect, or any successor statute.
- (l) “**Bankruptcy Court**” has the meaning set forth in the recitals.
- (m) “**Base Purchase Price**” has the meaning set forth in Section 2.4.
- (n) “**Benevolent Care Residents**” means the seventeen (17) Current Residents who reside at the Facility as of the Execution Date free of charge or at reduced rates pursuant to the Seller’s Benevolent Care Policy.
- (o) “**Bidding Procedures Order**” means the sales procedure order entered by the Bankruptcy Court in the form attached hereto as Exhibit A (and in the event of any changes thereto, such changes must be acceptable to Buyer). The Bidding Procedures Order shall provide, among other things:

- i. The first minimum overbid must be at least One Hundred Five Million Dollars (\$105,000,000) in order to ensure there is sufficient cash to equal to or exceed the cash Purchase Price and cover the Break-up Fee and the maximum Expense Reimbursement;
 - ii. Any qualified bidders (as a prerequisite to qualification) must bid in cash consistent with Buyer's offer and provide (x) a verified deposit that is not less than Two Million Dollars (\$2,000,000) to be paid to the applicable escrow agent and, (y) to the extent not waived by Seller in Seller's sole discretion, proof of readily available funds and/or an irrevocable commitment letter from a reputable financial institution to demonstrate economic wherewithal to fund the required purchase price under an Alternative Transaction; Buyer is entitled to credit bid the Break-Up Fee and Expense Reimbursement at each round of any auction;
 - iii. For the approval of the Break-Up Fee and Expense Reimbursement, which shall constitute and be treated as a super priority administrative expense of the Debtor's estate pursuant to, *inter alia*, Bankruptcy Code sections 105(a), 503(b) and 507, with priority over all expenses of the kind specified in Bankruptcy Code section 503(b) and 507(b).
- (p) "**Bill of Sale**" means a Bill of Sale and Assignment and Assumption Agreement substantially in the form attached hereto as **Exhibit B**.
 - (q) "**Bond Trustee**" means UMB Bank, N.A., as bond trustee with respect to the New Hope Cultural Education Facilities Finance Corporation Retirement Facility Revenues Bonds (Buckingham Senior Living Community, Inc. Project), Series 2021A-1, Series 2021A-2 (Federally Taxable) and Series 2021B for the benefit of Seller, or any successor thereto.
 - (r) "**Books and Records**" means the books and records of Seller relating to the Purchased Assets or Business, including all records relating to Former Residents and Current Residents (including emails pertaining to patient care of the same), and past and current employees or other personnel of the Business, to the extent assignment thereof is not prohibited by applicable law; provided, however, that "Books and Records" shall not include any Excluded Asset nor the originals of Seller's minute books, stock books or Tax returns.
 - (s) "**Break-Up Fee**" means the amount equal to Three Million Five Hundred Thousand Dollars (\$3,500,000).
 - (t) "**Bring Down Certificate**" has the meaning set forth in Section 5.8(c).
 - (u) "**Broker**" means Raymond James & Associates, Inc.
 - (v) "**Business**" has the meaning set forth in Section 2.1.
 - (w) "**Business Day**" means any day other than any Saturday, Sunday or legal holiday in Houston, Texas.
 - (x) "**Business Transaction**" has the meaning set forth in Section 8.22.
 - (y) "**Buyer**" has the meaning set forth in the opening paragraph.

- (z) “**Buyer’s Representatives**” has the meaning set forth in Section 5.1(a).
- (aa) “**Casualty Event**” has the meaning set forth in Section 2.7.
- (bb) “**Chapter 11 Case**” has the meaning set forth in the Recitals.
- (cc) “**Closing**” has the meaning set forth in Section 2.5.
- (dd) “**Closing Date**” has the meaning set forth in Section 2.5.
- (ee) “**COBRA**” means Part 6 of Subtitle B of Title I of the Employee Retirement Income Security Act of 1974, as amended, and all regulations or rules issued thereunder, Section 4980B of the Code and any similar state or local Law.
- (ff) “**Contemplated Transactions**” means the transactions contemplated by this Agreement, the Related Agreements, the Chapter 11 Case, and any other instruments, certificates, and deliveries hereunder and thereunder.
- (gg) “**Contract**” means agreements, contracts, commitments, personal property leases, real property leases, and other arrangements to which Seller is a party.
- (hh) “**Cure Amounts**” means any and all cure and reinstatement costs or expenses that are required to be paid under Sections 365(b)(1)(A) and (B) of the Bankruptcy Code in connection with the assumption and assignment of the Assumed Contracts; *provided, that* they do not include (i) post-petition ordinary course amounts incurred by Debtor during the Chapter 11 Case, which shall be paid by Seller according to the ordinary course covenant set forth in Section 5.16, and (ii) pursuant to Section 2.3, any cure amount required to assume the provider agreement(s), in the unlikely event any such amount is asserted rather than Buyer taking subject to provider agreement obligations pursuant to typical Department of Justice language in the Sale Order.
- (ii) “**Current Resident**” means a natural person who is a resident of the Facility as of the Closing Date.
- (jj) “**Deposit**” has the meaning set forth in Section 2.4(a).
- (kk) “**Designation Deadline**” has the meaning set forth in Section 5.10(a).
- (ll) “**Disclosure Update**” has the meaning set forth in Section 5.19.
- (mm) “**Effective Time**” has the meaning set forth in Section 2.5.
- (nn) “**Eligibility Period**” has the meaning set forth in Section 5.17(b)(v).
- (oo) “**Eligible Current Resident**” has the meaning set forth in Section 5.17(b).
- (pp) “**Employees**” has the meaning set forth in Section 5.10(a).
- (qq) “**Employee Benefit Plan**” means each material bonus, commission, deferred compensation, severance pay, salary continuation, benefits continuation, retention agreement, retention plan, change of control, retention benefit, pension, profit sharing, retirement, insurance, incentive compensation, stock option, tuition, tuition

reimbursement, dependent care assistance, legal assistance, fringe benefit (cash or non-cash), disability, medical, health, dental, hearing, death, life, death benefit, other retiree benefits, accidental death or dismemberment, vacation, holiday, sick leave, insurance, workers' compensation, welfare plan, supplemental unemployment or other fringe benefit plan, fund, program, policy, arrangement or practice, or any other "employee benefit plan," as defined in Section 3(3) of ERISA (determined without regard to whether such plan is subject to ERISA), and any "nonqualified deferred compensation plan" as defined in Section 409A of the Code that is maintained, sponsored, or contributed or required to be contributed to by Seller or any of its ERISA Affiliates or for which they could be liable for (directly or indirectly) with respect to any of their respective current or former employees, officers, directors or consultants employed or providing services or the dependents or beneficiaries thereof.

(rr) **"Entrance Fee Escrow Agent"** means Regions Bank.

(ss) **"Entrance Fee Escrow Addendums"** means the Entrance Fee Escrow Deposit Agreements between Seller and select Residents, setting forth the terms and conditions for the return of the Entrance Fee Escrow Deposits of such Residents, and Seller's rights in any funds in any escrow agreement(s) related thereto.

(tt) **"Entrance Fee Escrow Agreement"** means that certain Escrow Agreement dated May 21, 2025 among Entrance Fee Escrow Agent, Seller and Trustee.

(uu) **"Entrance Fee Escrow Deposits"** means the amounts paid under Entrance Fee Escrow Agreements and held in escrow by Entrance Fee Escrow Agent.

(vv) **"Entrance Fee Obligations"** means all obligations to pay amounts owed or provide credits, discounts or waivers to Residents pursuant to the Residency Agreements or otherwise, including any refund obligations, obligations for future reduced rental rates upon change of resident acuity, obligations related to entrance fee deposits and reservation deposits, and obligations for future lifecare and skilled nursing benefits. For the avoidance of doubt, notwithstanding anything else herein or in the Related Agreements, all Entrance Fee Obligations are Excluded Liabilities.

(ww) **"Equipment"** means the equipment owned by Seller and used in the Business, including the equipment identified on Schedule 1(ww).

(xx) **"ERISA"** shall mean the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

(yy) **"ERISA Affiliate"** shall mean, with respect to any Person, each entity, trade or business that is, along with such Person, part of the controlled group of corporations, trades or businesses under common control within the meaning of Sections 414(b), (c), (m) or (o) of the Code, or that is a member of the same "controlled group" with such Person pursuant to Section 4001(a)(14) of ERISA.

(zz) **"Escrow Agreement"** means that certain Escrow Agreement entered into as of the Execution Date, by and among the Title Company, Buyer and Seller.

(aaa) **"ESIGN Act"** has the meaning set forth in Section 8.9.

- (bbb) “**Excluded Assets**” has the meaning set forth in Section 2.2.
- (ccc) “**Excluded Liabilities**” has the meaning set forth in Section 2.3.
- (ddd) “**Execution Date**” has the meaning set forth in the opening paragraph.
- (eee) “**Facility**” has the meaning set forth in the recitals.
- (fff) “**Final Order**” means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as to which the time for appeal, Petition for Certiorari or move for reargument or re-hearing has expired, and as to which no appeal, Petition for Certiorari, or other proceeding for re-argument or re-hearing shall then be pending, or as to which any appeal, Petition for Certiorari, re-argument or re-hearing shall have been waived in writing, in form and substance reasonably satisfactory to the Seller and the Buyer, or in the event that an appeal, Writ of Certiorari or re-argument or re-hearing thereof has been sought, such order of the Bankruptcy Court, or other court of competent jurisdiction, shall have been determined by the highest Court to which such order was approved, or no stay pending appeal is in effect regarding such appeal, or certiorari, reargument or re-hearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, Petition for Certiorari or move for re-argument or re-hearing shall have expired; provided however, that the possibility that a motion under Section 502(i) of the Bankruptcy Code, Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous bankruptcy applicable law or applicable state court rules of civil procedure, may be, but have not been, filed with respect to such order shall not cause such order not to be a Final Order.
- (ggg) “**Financial Statements**” has the meaning set forth in Section 3.9(a).
- (hhh) “**Former Resident**” means any natural person who was a resident of the Facility prior to the Closing Date but is not a resident of the Facility as of the Closing Date, including any person who has an outstanding claim with respect to any Residency Agreement.
- (iii) “**Governmental Authority**” means the Bankruptcy Court, any tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision.
- (jjj) “**Government Health Program**” means any federal health care program as defined in 42 U.S.C. § 1320a-7b(f), including, but not limited to, (i) Titles XVIII and XIX of the Social Security Act and Title XXI of the Social Security Act, (ii) the health care programs offered by the U.S. Department of Veterans Affairs, (iii) the Civilian Health and Medical Program of Uniformed Services and TRICARE programs, and (iv) similar successor programs that are funded, in whole or in part, by the government of the United States.
- (kkk) “**Healthcare Discount Program**” means the program to be adopted by Buyer following Closing pursuant to which Buyer shall make an aggregate value of Seven Hundred Fifty Thousand (\$750,000.00) Dollars available following Closing in the form of credits to Current Residents whose Residency Agreement with Seller provided a Life Care Benefit, but only to those Current Residents who sign New Residency Agreements with Buyer.

(lll) Reserved.

(mmm) “**Inventory**” means all supplies, inventory, consumables, perishable and nonperishable food products, and other similar tangible property used in the operation of the Facility.

(nnn) “**Knowledge of Seller**” or “**Knowledge**” shall mean the actual knowledge of Phil Jacob, the Facility’s Executive Director after reasonable inquiry .

(ooo) “**Lien**” means any encumbrance, security interest, pledge, mortgage, lien, charge, indenture, adverse claim of ownership or use, or restriction on transfer (such as a right of first refusal or other similar right).

(ppp) “**Master Trustee**” means UMB Bank, N.A., as master trustee under that certain Master Trust Indenture dated as of November 1, 2021 between the Master Trustee and Seller.

(qqq) “**Material Adverse Effect**” shall mean any fact, circumstance, effect, change, or event, other than the Chapter 11 Case, that is materially adverse to the business, financial condition or prospects of the Facility, the Premises or the Business; provided, however, that “Material Adverse Effect” shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (a) general business or economic conditions, (b) national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the United States, or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States, (c) earthquake, tornado, hurricane, flood or other natural disaster except to the extent that such event results in material damage to the Purchased Assets, (d) changes in GAAP, (e) any action required or permitted by this Agreement or any action taken (or omitted to be taken) with the written consent of or at the written request of Buyer, (f) any effect resulting from the public announcement of this Agreement, compliance with terms of this Agreement or consummation of the Contemplated Transactions, (g) any failure by the Business to meet any internal or published projections, forecasts or revenue or earnings predictions (provided that the underlying cause for such failure may be considered), (h) any existing event, occurrence or circumstance with respect to which the Buyer has Knowledge as of the execution of this Agreement (provided that such existing event, occurrence or circumstance has not worsened since the date hereof so that it constitutes a Material Adverse Effect), and (j) the filing of the Chapter 11 Case and any event or occurrence attributable to the filing of the Chapter 11 Case; other than with respect to the foregoing clauses (a), (b), (c), and (d), if such fact, circumstance, effect, change, or event has a disproportionately adverse effect on the Facility, the Premises or the Business relative to other businesses operating in the industry in which the Facility operates.

(rrr) “**Material Contract**” has the meaning set forth in Section 3.15.

(sss) “**Monetary Liens**” has the meaning set forth in Section 5.12(b).

(ttt) “**New Residency Agreements**” has the meaning set forth in Section 5.17(a).

(uuu) “**Offer Employees**” has the meaning set forth in Section 5.10(a).

(vvv) “**Outside Closing Date**” has the meaning set forth in Section 2.5.

(www) “**Party**” and “**Parties**” have the meanings set forth in the opening paragraph.

(xxx) “**Payment Period**” has the meaning set forth in Section 5.17(d)(i).

(yyy) “**Permits**” means, to the extent transferrable, all material licenses, permits (including occupancy permits), certificates, registrations, approvals, franchises, consents and other authorizations of Seller obtained from or filed with a Governmental Authority and used in connection with the Business, all as set forth on Schedule 3.3.

(zzz) “**Permitted Liens**” means (i) statutory Liens for Taxes, assessments or other governmental charges not yet due and payable (to the extent included in prorations hereunder), (ii) Liens which are expressly assumed or consented to by Buyer herein (including, without limitation, any liens included in the Assumed Liabilities), (iii) Liens which are created by Buyer, (iv) those matters that become Permitted Liens in accordance with Section 5.12 of this Agreement, (v) statutory Liens (including materialmen’s, warehousemen’s, mechanic’s, repairmen’s, landlord’s and other similar Liens) that have not yet come due (to the extent that Buyer receives a credit for each at Closing or Seller has provided adequate reserves for each which will be available for payment of any such amounts regardless of the bankruptcy), and (vi) those matters of record identified on the Title Pro Forma set forth in Exhibit E, which is hereby incorporated by reference, and those matters shown on that certain ALTA/NSPS Land Title Survey prepared by Troy Dee for Golden Land Surveying, as agent for GRS Group, an NV5 Company dated 10/15/2025 as GRS Project No. 25-77659.1.

(aaaa) “**Person**” means any natural person, corporation, limited liability company, general partnership, limited partnership, sole proprietorship, trust, union, association, Governmental Authority or other business organization.

(bbbb) “**Petition Date**” means the date on which Seller initiates the Chapter 11 Case.

(cccc) “**PTO**” means unused but accrued vacation, holiday, personal pay, sick pay or other paid time off.

(dddd) “**Premises**” has the meaning set forth in the recitals and includes Seller’s fee interest in any and all land, buildings, structures, improvements, fixtures or other interest in real property which is owned by Seller and used in the Business.

(eeee) “**Purchase Price**” has the meaning set forth in Section 2.4.

(ffff) “**Purchased Assets**” has the meaning set forth in Section 2.1.

(gggg) “**Reimbursement Amount**” means an amount not to exceed Three Hundred Fifty Thousand Dollars (\$350,000) of reasonable and documented expenses actually incurred and paid for by Buyer prior to the conclusion of the auction.

(hhhh) “**Related Agreements**” means Bill of Sale and the Warranty Deed.

(iiii) “**Rent Rebate Funds**” has the meaning set forth in Section 5.17(d)(i).

(jjjj) “**Rent Rebate Payment Program Release**” has the meaning set forth in Section 5.17(b)(iv).

(kkkk) “**Rent Roll**” has the meaning set forth in Section 3.17.

(llll) “**Reservation Deposits**” means the amounts paid under a reservation agreement by any prospective resident who has not yet established occupancy at the Facility and held in escrow by Reservation Deposit Escrow Agent.

(mmmm) “**Reservation Deposit Escrow Agent**” means Regions Bank.

(nnnn) “**Reservation Deposit Escrow Agreement**” means that certain Escrow Agreement among Reservation Deposit Escrow Agent and Seller.

(oooo) “**Residency Agreements**” means the residency agreements, leases and other occupancy agreements of the Residents, including to the extent there are any continuing obligations to any party thereto, the continuing care contracts executed between Seller and each Resident detailing the residential and other rights and obligations of the Resident and the rights and obligations of Seller, including without limitation lifecare obligations and Entrance Fee Obligations. For the avoidance of doubt, Residency Agreements include all agreements with Residents under which Seller currently owes or will owe contractual obligations to such Residents (whether such obligation has already triggered or will trigger in the future), and further, all Residency Agreements are Excluded Liabilities and are not Assumed Contracts under this Agreement, as Buyer intends to offer new occupancy contracts to Current Residents.

(pppp) “**Resident**” means each Former Resident and Current Resident.

(qqqq) “**Restricted Parties**” has the meaning set forth in Section 5.18.

(rrrr) “**Sale**” has the meaning set forth in the recitals.

(ssss) “**Sale Order**” means an order to be entered by the Bankruptcy Court authorizing and approving the Contemplated Transactions pursuant to Sections 363 and 365 of the Bankruptcy Code, including the sale of the Purchased Assets to Buyer, in the form attached hereto as Exhibit D (and in the event of any changes thereto, such changes must be acceptable to Buyer). The Sale Order shall provide, among other things, that:

- i. this Agreement is valid and enforceable;
- ii. this Agreement and the Contemplated Transactions are approved and the Seller is authorized and directed to consummate the Contemplated Transactions;
- iii. on the Closing Date, the Purchased Assets shall be sold to the Purchaser free and clear of any and all Liens (except for Permitted Liens), including successor liabilities and any liens granted during the Chapter 11 Case;
- iv. on the Closing Date, the Assumed Contracts shall be assumed by and assigned to Buyer pursuant to Section 365 of the Bankruptcy Code and Buyer shall be responsible for paying the Cure Amounts due;
- v. all persons and entities, including, governmental, tax and regulatory authorities, lenders, trade and other creditors holding interests or claims of any kind or nature whatsoever against any of the Sellers or their assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or noncontingent, liquidated or unliquidated, and/or senior or subordinated), arising under or out of, in connection

with or in any way relating to Seller, the Purchased Assets, or the operations of Seller prior to Closing shall have no claims against Buyer, its affiliates, successors or assigns, property or the Purchased Assets related to such interests or claims, including, without limitation, any Entrance Fee Obligations, pre-existing obligations to Residents, provider agreement liabilities (provided that provider agreement liabilities will be handled pursuant to Section 2.3), or provider taxes, or privilege taxes, howsoever designated, subject solely to rights of parties or individuals for claims arising out of Assumed Liabilities;

vi. the Bankruptcy Court finds that (a) Buyer is a good faith purchaser under, and is entitled to the protections of, Section 363(m) of the Bankruptcy Code, (b) Buyer is not a successor to Seller, and (c) the sale of the Purchased Assets contemplated hereby did not involve any improper conduct, including collusion, and cannot be avoided under grounds set forth under Section 363(n) of the Bankruptcy Code;

vii. the Bankruptcy Court retains jurisdiction to resolve any controversy or dispute arising out of or relating to this Agreement or any breach thereof;

viii. in the event Seller consummates an Alternative Transaction and Buyer has not committed a uncured breach or default under this Agreement (following any notice and the time for cure as provided herein), Buyer is entitled to (a) the return of its Deposit and (b) payment of the Break-Up Fee and Expense Reimbursement, which shall be allowed as an administrative claim pursuant to Sections 503(b), 507(a)(2), and 507(b) of the Bankruptcy Code and shall be paid to Buyer by Seller immediately following the closing of the Alternative Transaction; and

ix. the sale of the Purchased Assets is not stayed pending the expiration of fourteen (14) days from the date of entry of the Sale Order.

(tttt) “**Sale Process**” has the meaning set forth in the Bidding Procedures Order.

(uuuu) “**Schedule of Employees**” has the meaning set forth in Section 5.10(b).

(vvvv) Reserved.

(www) “**Seller**” has the meaning set forth in the opening paragraph.

(xxxx) “**Seller’s Accounts Receivable**” has the meaning set forth in Section 2.2(c).

(yyyy) “**Stimulus Relief Funds**” means any grant payments, stimulus payments, retroactive rate adjustments, credits (including tax credits) and any and all other payments and support paid with respect to the Facility in relation to COVID-19 relief efforts, as well as other funds related to the Coronavirus Aid, Relief and Economic Security Act, Paycheck Protection Program, CMS Accelerated and Advance Payments and any other state or federal law providing for stimulus funding related to the COVID-19 pandemic.

(zzzz) “**Successful Bidder**” has the meaning set forth in Section 5.7(g).

(aaaaa) “**Taxes**” means any and all taxes, fees, levies, duties, import charges and other charges imposed by any taxing authority, together with any related interest, penalties or other additions thereto, or additional amounts imposed by any taxing authority, and without

limiting the generality of the foregoing, shall include net income alternative tax, gross income, gross receipts, sales, use, ad valorem, value added, profits, license, transfer, recording, escheat, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, windfall profit, environmental, custom, duty, or other tax, governmental fee or other like assessment or charge of any kind whatsoever.

(bbbbb) “**Tail Insurance**” has the meaning set forth in Section 5.15.

(ccccc) “**TDI**” has the meaning set forth in Section 5.4.

(ddddd) “**Third-Party Payor**” means any Person, whether an employer, third party administrator or insurer/managed care plan or Government Authority that pays, or is responsible for paying for a patient on the basis of a contractual relationship with the patient or a member of his or her family or an employment relationship.

(eeee) “**Title Commitment**” means that Commitment for Title Insurance (T-7) effective as of September 16, 2025, at 7:00 A.M., produced by First American Title Insurance Company, as underwriter for the Title Company.

(fffff) “**Title Company**” means Tower Abstract Services, LLC.

(ggggg) “**Title Objection Notice**” has the meaning set forth in Section 5.12(b).

(hhhhh) “**Title Pro Forma**” means the title policy proforma for an Owner’s Policy of Title Insurance (T-1) to be issued by the Title Company in favor of Buyer in the same form and substance as Exhibit E.

(iiii) “**Title Update**” has the meaning set forth in Section 5.12(a).

(jjjjj) “**Transferred Employees**” has the meaning set forth in Section 5.10(a).

(kkkkk) “**Trustee**” means, collectively, the Bond Trustee and the Master Trustee.

(lllll) “**WARN Act**” means the federal Worker Adjustment and Retraining Notification Act or any other comparable state or local law.

ARTICLE 2

PURCHASE AND SALE OF ASSETS

2.1 Sale of Assets to Buyer. Upon the terms and subject to the conditions contained in this Agreement, at the Closing, Seller shall sell, assign, transfer, deliver and convey to Buyer, and Buyer shall purchase, acquire and accept from Seller, free and clear of all Liens except Permitted Liens and in accordance with Sections 105, 363 and 365 and other applicable provisions of the Bankruptcy Code, all of Seller’s right, title and interest in and to the assets owned by Seller or used in the Seller’s operation of the Facility (the “**Business**”) including, but not limited to, the following (collectively, the “**Purchased Assets**”), but excluding the Excluded Assets:

(a) insurable fee simple title to the Premises, and all other rights, title and interest of Seller in and to the parcel(s) of real property on which the Facility is located;

(b) fee simple title in and to all buildings, structures, facilities, amenities, driveways, walkways, parking lots and other improvements located on the Premises;

(c) the Facility (including keys and passcodes) and the fixtures and improvements thereon;

(d) to the extent not Inventory, all tangible personal property owned by Seller (including all furniture, fixtures and Equipment, vans, tractors, motorized vehicles, computers, keys, machinery, manufactured and purchased parts, food supplies, central supplies, medical supplies and equipment, housekeeping supplies and office supplies other than such Inventory and other supplies that are disposed of in the ordinary course of business prior to the Closing Date);

(e) the Books and Records;

(f) the Assumed Contracts;

(g) the Inventory;

(h) to the extent transferable under applicable law, the Permits;

(i) all proprietary manuals, forms, regulations, policies and procedures of Seller used in connection with the Facility;

(j) all intellectual property, including any trademarks, trade secrets and the like;

(k) general intangibles and community specific intellectual property, including domain names listed in Schedule 3.12, as well as the names “Buckingham” and related logos and marketing materials;

(l) personnel records for Transferred Employees (including, without limitation, all employee background checks, disciplinary records, employment applications, W-4’s and I-9’s) to the extent the transfer of such records is not prohibited by applicable law; and

(m) any and all other items of tangible and intangible personal property and assets required for or used in the operation of the Facility or the Business owned by the Seller.

2.2 Excluded Assets. The Parties acknowledge that Seller shall not sell, assign, transfer or convey to Buyer, and Buyer shall not purchase, acquire or accept from Seller, the assets consisting of the following (all such assets, the “**Excluded Assets**”):

(a) all Residency Agreements, including all Entrance Fee Obligations;

(b) all cash and cash equivalents;

(c) the Accounts Receivable with respect to services provided prior to the Effective Time or otherwise with respect to the Facility which relate to periods ending before the Closing (the “**Seller’s Accounts Receivable**”);

(d) all Contracts that are not Assumed Contracts;

(e) the operating checking account;

- (f) the Purchase Price and all rights under this Agreement;
- (g) all claims and causes of action;
- (h) all insurance policies of Seller, any prepaid insurance premiums and any rights or claims or proceeds arising from such policies, except those assigned to Buyer under Section 2.7 of this Agreement, and except any residual of the workers' compensation policy collateral following liquidation of claims;
- (i) all Tax refunds, rebates and overpayments related to Seller's operation of the Business through the Closing Date, including but not limited to any employee retention credits;
- (j) all (i) corporate seals, corporate organizational records, minute books, charter documents, record books and stock transfer books pertaining to Seller, (ii) taxpayer identification numbers, income Tax Returns, income Tax information and income Tax records of Seller, (iii) accounting and financial records which pertain exclusively to the Excluded Assets, and (iv) such other files, books and records, which pertain exclusively to the Excluded Assets or to the formation, existence or capitalization of Seller or of any other Person;
- (k) any records which Seller is legally required to retain in its possession and any records prepared in anticipation of or in connection with or otherwise related to the negotiation, execution or performance under this Agreement or related exclusively to Excluded Assets or Excluded Liabilities (as hereinafter defined); provided that any records related to Excluded Liabilities that pertain to the operations of the Facility or Business prior to the Closing (including Resident records) that Buyer needs to continue to operate the Facility shall not be excluded;
- (l) all equipment and tangible property of Seller not located at the Facility (other than Books and Records) that is not related to or used in the Business, as set out on Schedule 2.2(l);
- (m) all personal property owned by Current Residents;
- (n) personnel records for employees of the Facility who are not Transferred Employees and, to the extent the transfer of such records (whether directly or by means of a sale) to Buyer or its affiliates is prohibited by applicable law, for Transferred Employees; provided that Buyer shall be entitled to copies of any such excluded employee and Transferred Employee records pursuant to Section 5.1;
- (o) board designated, restricted and trustee-held or other escrowed funds (such as the debt service reserves, self-insurance trusts, and assets and investments restricted as to use), donor restricted assets, beneficial interests in charitable trusts and accrued earnings on all of the foregoing, as set out on Schedule 2.2(o);
- (p) all reserves and funds held by the Trustee, if any, as set out on Schedule 2.2(p);
- (q) all Employee Benefits Plans and all trust agreements, services agreements, and assets attributable thereto;
- (r) Seller's attorney-client and work-product privileges; and
- (s) Seller's license to operate as a continuing care retirement community.

2.3 Assumed Liabilities and Excluded Liabilities. Upon the terms and subject to the conditions contained in this Agreement, at the Closing, Buyer shall assume or otherwise be responsible for (collectively, the “**Assumed Liabilities**”), which amounts shall be in addition to the Purchase Price, only the following assumed liabilities:

(a) All rights and all obligations under Assumed Contracts from and after the Effective Time, plus the Cure Amounts; and

(b) all liabilities and obligations relating to the other Purchased Assets accruing or arising after, and solely relating to operation for the Facility after, the Effective Time.

Seller shall retain and use commercially reasonable efforts to make provision for, in the ordinary course of business or via resolution of the Chapter 11 Case, all liabilities and obligations of Seller other than the Assumed Liabilities.

Except for the Assumed Liabilities assumed by Buyer hereunder, Buyer shall not assume and shall not be liable for any debts, liabilities or obligations of Seller and with respect to the operation of the Facility and the Business arising or relating to the period prior to the Effective Time, whether or not accrued, fixed, contingent or otherwise, whether known or unknown, and whether or not recorded on the books and records of Business, Seller or any of its Affiliates, agents, or management companies (collectively, the “**Excluded Liabilities**”) including, but not limited to, any (i) liabilities, fees or expenses of the Facility or Premises that accrue, arise or relate to the period prior to the Effective Time (other than the Cure Amounts for Assumed Contracts), (ii) liabilities or obligations of Seller to its creditors, Residents, board of directors, shareholders, members or owners, (iii) liabilities, obligations, debt, loans (including intercompany loans or debt) owed to any Affiliates of Seller or management companies, (iv) liabilities or obligations of Seller with respect to any Contracts that are not Assumed Contracts, (v) liabilities related to acts, events or transactions occurring with respect to the Purchased Assets, Facility, Premises, Business, or Seller prior to the Effective Time (other than the Cure Amounts for Assumed Contracts), (vi) liabilities or obligations of Seller for any federal, state, county or local Taxes applicable to or assessed against the Purchased Assets, Business, Facility, Premises or Seller for any period, (vii) liabilities and obligations with respect to any Stimulus Relief Funds received by Seller, (viii) any governmental Actions, recoupments or violations attributable to the ownership or operation of the Facility or Premises prior to the Effective Time, (ix) liabilities or obligations with respect to employees which have accrued or were incurred prior to the Effective Time (including but not limited to any liability relating to payroll, FICA Taxes, vacation, sick leave, workers’ compensation, unemployment benefits, pension benefits, employee stock option or profit-sharing plans, health care plans or benefits, or any other employee plans or benefits of any kind for Seller’s employees, spouses, dependents or contractors or former employees, spouses, dependents or contractors or both) or (x) liabilities or obligations to Residents, including, without limitation, related in any way to Entrance Fee Obligations or to Residency Agreements with Seller.

2.4 Purchase Price. The aggregate Purchase Price for the Acquired Assets and the assumption of the Assumed Liabilities shall be One Hundred Twelve Million Seven Hundred Fifty Thousand (\$112,750,000.00) consisting of the following: (i) One Hundred Million Dollars (\$100,000,000) (the “**Base Purchase Price**”), plus (ii) the Rent Rebate Funds, plus (iii) the cost of the Healthcare Discount Program (collectively, the “**Purchase Price**”). The Base Purchase Price shall be adjusted in accordance with Section 2.5(f), and payable by wire transfer of immediately available funds as follows:

(a) Within two (2) Business Days of the Execution Date, a cash amount equal to Two Million (\$2,000,000.00) Dollars (the “**Deposit**”) shall be deposited in escrow by Buyer with the Title Company; and

(b) At the Closing, Buyer shall pay to Seller, to an account designated in writing by Seller at least two (2) Business Days prior to Closing, a cash amount equal to the Base Purchase Price, *minus* the Deposit, and Buyer shall direct the Title Company to release and transfer the Deposit to Seller to such account at Closing.

2.5 Closing.

(a) Subject to the terms of this Agreement, the closing of the Contemplated Transactions (the “**Closing**”) shall take place as soon as possible and in any event no later than seven (7) Business Days following the satisfaction or waiver of the conditions to Closing set forth in ARTICLE 6 (the date on which the Closing occurs, the “**Closing Date**”), but in no event later than one hundred twenty one (121) days following entry of the Sale Order (the “**Outside Closing Date**”) (unless otherwise mutually agreed by the Parties). The Closing shall be conducted remotely via an exchange of documents, with original documents, as required by the Title Company in order to effectuate the transfer of the Facility and Premises, deposited with the Title Company, and funds in escrow with the Title Company. The Contemplated Transactions shall take place pursuant to, and in accordance with, the terms and conditions hereof. The Closing shall be effective as of 12:01 a.m. Central Time on the Closing Date or such other date and time as the parties may agree in writing (the “**Effective Time**”).

(b) At the Closing, Seller shall pay all (i) title search costs and base title premiums of the owner’s policy of title insurance, (ii) all sales and use Taxes and registration, documentary, stamp, real estate, transfer, recording and similar Taxes, if any, incident to the transfer of the Purchased Assets and consummation of the transactions contemplated hereby, (iii) the costs of obtaining and recording any documents to release Liens on the Premises which Seller is expressly obligated to release hereunder, (iv) the Broker’s commission and all other professional and legal fees owed to any advisor engaged by Seller as it relates to the Sale, (iii) one-half of the escrow fees charged by Title Company, and (iv) all other charges incurred by Seller in connection with this Agreement (including, without limitation, the fees and expense of Seller’s attorneys and other consultants).

(c) At the Closing, Buyer shall pay the following costs in connection with the consummation of the Closing: (i) (ii) if Buyer chooses in its sole discretion to have Seller acquire Tail Insurance, the premium and any fees for such Tail Insurance, (iii) the costs of any customary endorsements to the owner’s policy of title insurance (including extended coverage); (iv) title premiums for any lender’s policies of title insurance requested by Buyer and any endorsements to lender’s policies of title insurance; (v) one-half of the escrow fees charged by Title Company, and (vi) all other charges incurred by Buyer in connection with this Agreement (including, without limitation, the fees and expense of Buyer’s attorneys and other consultants).

(d) At the Closing, the Parties will execute and deliver the Related Agreements.

(e) At the Closing, the Parties will execute and deliver a closing settlement statement (the “**Closing Statement**”) reflecting the Purchase Price and all adjustments, prorations, credits and closing costs contemplated herein, as mutually approved by the parties. For the avoidance of doubt, the items prorated in the Closing Statement shall not include Accounts Receivable allocated pursuant to Section 5.14 (provided that rent and payments for periods crossing over the Closing shall be prorated as in this Section 2.5) Seller shall provide to Buyer at least seven (7) Business Days prior to Closing an initial draft of the Closing Statement, reflecting Seller’s calculation of the adjustments, prorations and credits to be set forth on the Closing Statement together with all backup and supporting materials relating thereto, and the Parties shall work in good faith to reach an agreement on such items by the Closing Date.

(f) Except as otherwise set forth in this Agreement, the Parties shall use their commercially reasonable efforts to prorate in good faith at Closing all items, as applicable, of income and expense, including rents, service fees, utility charges, bed Taxes, personal property or real property Taxes, ad valorem Taxes or other similar Taxes, prepaid rents, lease payments, other income and ancillary revenue related to the Purchased Assets or with respect to the Business (but not Excluded Assets and Excluded Liabilities) as of the Closing Date. All such prorations will be prorated between Seller and Buyer as of the Closing Date based on the number of days of the applicable period that each Party owns the Purchased Assets. Utility charges which are not metered and read shall be estimated based on prior charges, and shall be re-prorated upon receipt of statements therefor. All credits, prorations and adjustments set forth herein (including pursuant to this Section 2.5(f)) shall be set forth on the Closing Statement mutually agreeable to the Parties, and any such amounts that may become due shall be paid at Closing. A post-Closing reconciliation of prorated items shall be made by Buyer and Seller within sixty (60) days after Closing, and any amounts due at that time shall be promptly forwarded to the respective party in a lump sum payment. Notwithstanding anything herein to the contrary, neither party shall have any obligation to the other under this Section 2.5(f) after one hundred twenty (120) days after Closing.

2.6 Purchase Price Allocation. For Tax purposes only, including documentary and stamp Taxes associated with recording of the deed, Buyer and Seller have allocated the Purchase Price (together with Assumed Liabilities properly included, if any) among the Purchased Assets in accordance with the Allocation Schedule attached hereto; provided, however, that such allocation shall not be binding on any Party for any other purpose. Such allocation shall be consistent with Section 1060 of the Internal Revenue Code and the Treasury Regulations thereunder. Buyer and Seller covenant and agree that all filings with Governmental Authorities regarding Taxes will be consistent with such allocation. Buyer shall be entitled to deduct and withhold from any amounts payable pursuant to this Agreement such amount as it is required to deduct and withhold with respect to the making of such payment under the Internal Revenue Code or other applicable tax Law; provided that in the event that Buyer intends to deduct or withhold any Taxes pursuant to the foregoing, Buyer shall at least five (5) days prior to withholding first notify Seller of its intent to deduct or withhold and provide an explanation of the legal requirement for such deduction or withholding, and the Parties shall cooperate in good faith to mitigate or eliminate such Taxes to the extent permitted under applicable tax law. Any such amounts that are deducted or withheld shall be treated as having been paid to the Person in respect of which such deduction and withholding was made.

2.7 Casualty; Condemnation. If prior to the Closing part of the Purchased Assets is condemned, materially damaged or destroyed (whether by fire, theft, or other casualty event) or Seller experiences a material business interruption or loss of a key component of the Facility (collectively, a “**Casualty Event**”), Seller shall immediately notify Buyer of such Casualty Event. In the event that such Casualty Event (a) is reasonably estimated to exceed One Million Five Hundred Thousand Dollars (\$1,500,000); (b) materially disrupts operations of the Facility for at least three (3) months; (c) adversely affects the value of the Premises by more than \$1,500,000; (d) materially and adversely impairs access to the Premises and reasonable alternate access to the Premises is not possible; or (e) results in the Premises no longer being in compliance with zoning requirements and a reasonable alternative is not possible, then Buyer shall have the option to: (x) terminate this Agreement by written notice delivered to Seller within ten (10) days after Buyer’s receipt of notice of such Casualty Event, in which case the Deposit shall be returned to Buyer and the Parties shall have no further obligations hereunder or (y) proceed with the Closing without abatement of the Purchase Price, in which case at and after Closing (i) all insurance proceeds and condemnation awards/settlements relating to such Casualty Event shall be deemed to have been absolutely and irrevocably assigned to and be payable directly to Buyer less any amounts reasonably expended by Seller prior to Closing for partial restoration for which Buyer has provided prior written consent, (ii) Buyer shall have the right to conduct all settlement proceedings with respect to such insurance claims, (iii) Seller shall deliver to Buyer through escrow an unconditional assignment of all such insurance proceeds, and (iv) Buyer shall receive a credit against the Purchase Price in the amount equal to the deductible amount due under Seller’s

insurance policy to the extent such deductible has not been paid by the Seller. For the avoidance of doubt, to the extent the damage is One Million Five Hundred Thousand Dollars (\$1,500,000) or less, Buyer shall be required to proceed with the Closing and the provisions of subclause (y) of the immediately preceding sentence shall apply.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF SELLER

In order to induce Buyer to enter into this Agreement, Seller makes the representations and warranties set forth below which are true, correct and complete on the date hereof and shall be true, correct and complete as of the Closing.

3.1 **Organization.** Seller is a nonprofit corporation duly incorporated, validly existing, and in good standing under the laws of the State of Texas, with full power and authority to own, lease, and operate the Business and the applicable Purchased Assets and to carry on the Business as and where such assets are now owned or leased and the Business is now conducted, as applicable, subject to the Chapter 11 Case. Seller has full power, authority and capacity to execute and deliver this Agreement and, subject to the entry of the Bidding Procedures Order, to execute and deliver the Related Agreements and to perform its obligations hereunder and thereunder and to consummate the Contemplated Transactions.

3.2 **Execution and Delivery.** Subject to the Approvals, this Agreement has been duly and validly executed and delivered by Seller and constitutes, and upon the execution and delivery by Seller of the Related Agreements, the Related Agreements shall constitute, legal, valid and binding obligations of Seller enforceable against Seller in accordance with their terms, subject to the bankruptcy, insolvency, creditor rights and equitable remedies.

3.3 **Permits.** (a) The Facility is duly licensed in accordance with the applicable laws of the State of Texas, and (b) all other ancillary departments or services located at, or operated solely for the benefit of, the Facility that are required by Law to be separately licensed are duly licensed by the appropriate Governmental Authority. Seller has all Permits which are needed or required by applicable law to operate its business related to or affecting the Facility or for Seller to operate any ancillary services related thereto, each as currently conducted. Schedule 3.3 is a true, complete and accurate list of all material Permits owned or held by or issued to Seller relating to the ownership or operation of the Facility or the Purchased Assets and such Permits constitute all material Permits necessary for the conduct of the Business and operation of the Facility as currently conducted, all of which are in full force and effect.

3.4 **Litigation Proceedings; Judgments.** Schedule 3.4 is an accurate list of all pending Actions with respect to the Facility and the Purchased Assets. Except as set forth on Schedule 3.4, there are no Actions pending or to the Knowledge of Seller threatened against or related to Seller, the Facility or the Purchased Assets, at law or in equity. There are no judgments presently outstanding and unsatisfied against the Facility, the Business, Seller or any of the Purchased Assets. Except as set forth on Schedule 3.4, Seller has not received any written notice or written claim of any tort, breach of contract or violation of any applicable order, or an investigation thereof with respect to its ownership or operation of the Facility or the Business.

3.5 **Employee Relations.** Seller is in compliance in all material respects with all applicable laws and contracts respecting employment and employment practices, labor relations, terms and conditions of employment, and timely payment of wages for all hours worked by Employees. Except as set forth on Schedule 3.5(a), Seller has no Knowledge of any complaints before or claims brought by a Governmental Authority, whether threatened or asserted, regarding employment discrimination, harassment or unlawful

practices, safety or other employment-related charges or complaints, wage and hour claims, unemployment compensation claims, workers' compensation claims or the like. Seller is not a party to any collective bargaining agreement with any labor union or similar organization with respect to Employees, nor does Seller have Knowledge of any such organization which represents or claims to represent, or have Knowledge of any pending or threatened attempt to organize or represent, any of the Employees or intends to organize any of Seller's employees. Except as set forth on Schedule 3.5(b), neither Seller nor any of its ERISA Affiliates maintains, sponsors, administers or contributes to (or is required to sponsor, maintain, administer or contribute to), or has in the last six (6) years maintained, sponsored or contributed to, or has any liability (contingent or otherwise) under or with respect to, (i) any employee benefit plan subject to Section 412 or Section 430 of the Code or Title IV of ERISA, (ii) any multiemployer plan (as defined in Section 3(37) of ERISA), (iii) any multiple employer plan (within the meaning of Section 210 of ERISA or Section 413(c) of the Code) that is or has been subject to Section 4063 or 4064 of ERISA or (iv) any pension plan.

3.6 Compliance. Except as set forth on Schedule 3.6, Seller is in compliance in all material respects with all applicable statutes, rules, and regulations, including applicable healthcare laws and regulations, of each Governmental Authority having jurisdiction over Seller and the Purchased Assets and the operations of the Facility and the Purchased Assets.

3.7 Broker. Except for the engagement of the Broker, whose fee shall be paid by Seller from the proceeds of the sale at Closing, neither Seller nor any of its Affiliates has incurred any liability for any fee or commission to any broker, finder, investment banker or other intermediary in connection with the Contemplated Transactions that would result in any liability, fee, expense or obligation being imposed on Buyer.

3.8 Environmental Matters. Except as set forth on Schedule 3.8, (i) to the Knowledge of Seller, there are no material environmental liabilities on or affecting any of the Premises of the Facility, (ii) Seller has at all times owned and operated the Facility and the Premises and conducted the Business and, during the period that Seller owned the Facility and the Premises and any third party operated any such Business, such third party operated the Business, in each case, in compliance in all material respects with all applicable environmental laws and permits required thereunder or issued pursuant thereto; and (iii) there are no proceedings pending or, to the Knowledge of Seller, threatened before any Governmental Authority relating to the Facility or Premises alleging violations of environmental laws, or claiming material remediation obligations under applicable environmental laws, and Seller has not received any written notice of any alleged or actual violation or non-compliance with any environmental law or of non-compliance with the terms or conditions of any environmental permits, arising from, based upon, associated with or related to the Facility or Premises or the ownership or operation thereof.

3.9 Financial Information.

(a) Seller has made available to Buyer the following financial statements and financial information to Buyer (the "**Financial Statements**"): (i) audited financial statements of the Business for fiscal years ended December 31, 2024 and December 31, 2023; and (ii) income statements, balance sheets and statements of stockholders equity and cash flow as of and for the seven (7) month period ended July 31, 2025.

(b) The Financial Statements are true, correct and complete in all material respects and have been prepared in accordance with generally accepted accounting principles, applied on a consistent basis throughout the periods indicated except (a) to the extent deviations from such accounting principles and their consistent application may be indicated in the notes thereto and (b) that the unaudited financial statements may not include required footnote disclosures or reflect normal year-end adjustments. The

Financial Statements present fairly, in all material respects, the financial condition of the Business as of the respective dates they were prepared and the results of the operations of the Business for the periods therein indicated.

3.10 Real Property.

(a) Schedule 3.10 contains an accurate and complete legal description, street address and tax parcel identification number for the Premises. Seller holds good, insurable and valid fee simple title to all of the Premises and shall convey the Premises in accordance with the Sale Order free and clear of all Liens other than the Permitted Liens. Seller does not lease any portion of the Premises as a tenant or subtenant.

(b) Except as set forth on Schedule 3.10(b), Seller has not received written notice from any Governmental Authority of (and otherwise has no Knowledge of): (i) any pending or threatened condemnation proceedings affecting the Premises, or any part thereof; (ii) asserting or alleging any violations or potential violations of any applicable laws (including zoning and land use ordinances, building codes, environmental law or regulation, seismic codes and similar requirements) with respect to the Premises, or any part thereof, which have not heretofore been cured; or (iii) any pending or threatened proceedings, nor any claims or actions against Seller or the Premises, relating to the ownership, lease, use or occupancy of such Premises or any portion thereof which is reasonably likely to result in a material change in the condition of the Premises or the ownership or operation of the Premises. Seller has not received any written notice of any pending zoning or other land use change affecting the Premises.

(c) Seller has not received written notice that Seller is in material violation of a condition or agreement contained in any easement, restrictive covenant or any similar instrument or agreement affecting any of the Premises in any material respect.

(d) Seller has not received written notice of and to Seller's Knowledge there are no threatened or contemplated rezoning or other land use actions affecting or which will affect the Premises. To Seller's Knowledge, there are no condemnation or eminent domain proceedings pending, or, to the Knowledge of Seller, threatened against the Premises or any part thereof, or access thereto, and Seller has not received written notice of the desire of any Governmental Authority or other governmental entity take or use the Premises or any part thereof. Between the Execution Date and the Closing, Seller will give Buyer prompt written notice of any actual or any proposed increase in property taxes or condemnation of any part of the Premises of which Seller receives written notice from a Governmental Authority or obtains Knowledge.

3.11 Insurance. Schedule 3.11 sets forth an accurate and complete list of all insurance policies or self-insurance funds maintained by Seller or its representatives or agents with respect to the Facility and Seller as of the Execution Date covering the ownership and operation of the Business, indicating the types of insurance, policy numbers, terms, identity of insurers and amounts and coverages (including applicable deductibles), and including all charitable funds, self-insurance trusts, and similar items listed under Section 2.2(o). Schedule 3.11 attaches available certificates of insurance for all insurance policies listed on Schedule 3.11. Seller shall maintain at their current levels all insurance policies and self-insurance funds with respect to the Business, Facility and Seller up until and through the Closing Date.

3.12 Intellectual Property. Seller owns or has the right to use all intellectual property used in connection with the ownership or operation of the Facility. Schedule 3.12 lists all of the registered intellectual property, applications for registration of intellectual property, and material unregistered trademarks owned by Seller. Except as set forth on Schedule 3.12, to Seller's Knowledge, the conduct of the Business does not infringe or otherwise violate any intellectual property or other proprietary rights of

any other Person, and there is no action pending or, to the Knowledge of Seller, threatened, alleging any such infringement or violation or challenging Seller's rights in or to any of its intellectual property.

3.13 Tax Matters. In each case, solely to the extent relating to the Purchased Assets:

(a) All Taxes due and owing by Seller (whether or not shown on any tax return) have been timely paid when due (taking into account any applicable extensions), including all Taxes with respect to the Facility or the Premises.

(b) There are no liens relating to Taxes on any of the Purchased Assets other than liens for Taxes not yet due and payable.

(c) Proper and accurate amounts have been withheld for Employees in compliance with the payroll tax and other withholding provisions of all applicable laws, and all of such amounts have been timely remitted to the proper taxing authority.

(d) Seller has timely filed all tax returns required to be filed by it (all of which are true, complete and correct in all material respects). Seller has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a tax assessment or deficiency, which currently remains in effect. Seller is not currently the beneficiary of any extension of time within which to file any tax return.

(e) No deficiencies for Taxes have been claimed, proposed or assessed by any Governmental Authority for which Seller may have any liability or which may attach to the Purchased Assets. There are no pending or, to Seller's Knowledge, threatened proceedings for or relating to any liability in respect of Taxes for which Seller may have any liability or which may attach to the Purchased Assets. There are no matters under discussion by Seller with any Governmental Authority with respect to Taxes that may result in an additional amount of Taxes for which Seller may have any liability or which may attach to the Purchased Assets. No Governmental Authority has notified Seller that it has conducted an audit of any Taxes that may be due and owing by Seller or as the result of the Business audited by Seller, which currently remains outstanding or unresolved.

3.14 Health Care Representations.

(a) The Facility is a continuing care retirement community, duly licensed as required under applicable laws of the State of Texas. The Facility is duly licensed as required under applicable laws of the State of Texas to operate an assisted living facility, memory care facility, and skilled nursing facility (collectively, the "**Healthcare Permits**"). Until Closing, the Healthcare Permits shall remain in full force and effect, without restriction, curtailment, or condition, and without change to the number of type of units as are operating at the Facility provided that the Buyer agrees that Seller and Facility will take appropriate steps to terminate its continuing care retirement community Permit at or prior to Closing. No material Healthcare Permit is provisional, probationary, or restricted in any way by a Governmental Authority, except as set forth on Schedule 3.14(a).

(b) Except as disclosed on Schedule 3.14(b), at the time this Agreement is signed and as of the Closing Date, there are no outstanding inspections or surveys by an applicable Governmental Authority or plans of correction with respect to any Healthcare Permit held by the Facility nor has Seller been cited in the past two years by an applicable Governmental Authority in connection with such inspections or surveys for (1) substandard quality of care to Residents, or (2) any deficiency rising to an "I" or "J" level scope and severity or higher or an Immediate Jeopardy. To the extent any material deficiencies were reported in writing to the Seller during a Healthcare Permit survey by the appropriate Governmental

Authority in the last two years, Seller has corrected such deficiencies as of the Closing Date or has proposed a plan of correction which as of the Closing Date has been accepted or is reasonably anticipated to be accepted, such that the Facility has or is reasonably anticipated to be deemed to have returned to substantial compliance prior to the Closing Date in the ordinary course of the survey process. To Seller's Knowledge, the Facility meets all applicable Life safety Code requirements in all material respects and does not have any current waivers in effect related to same. There are no current bans, material sanctions, prohibitions on payment, or admissions limitations in effect with respect to the Facility, nor any Healthcare Permit curtailments in effect with respect to the Facility imposed by an applicable Governmental Authority, and no Action has been taken or recommended in the past two years, nor, to Seller's Knowledge, is there any current basis for any Action, by any Governmental Authority, either to revoke, withdraw or suspend Seller's Permit to own or operate the Facility or to terminate or decertify any participation of the Facility in the Medicare or Medicaid programs, other than with respect to any deficiencies cited in those certain inspections, surveys or plans of correction disclosed on Schedule 3.14(b), which Seller anticipates will be resolved with the applicable Governmental Authority prior to such Governmental Authority's revocation, withdrawal or suspension of the applicable Healthcare Permit or termination or decertification of the Facility from the Medicare or Medicaid programs.

(c) Seller has furnished all written surveys, inspection reports, any waivers of deficiencies, plans of correction, and any similar investigation or examination reports related to any material inspections, investigations, or surveys by any Governmental Authority related to a Healthcare Permit during the eighteen (18) month period preceding the Execution Date.

(d) No director or officer of Seller, nor to Seller's Knowledge any employee or Person who provides professional services under agreements with Seller or for the benefit of the Business, acting alone or together, has directly or indirectly, engaged in any activities which are prohibited under federal Medicare and Medicaid statutes, 42 U.S.C. Sections 1320a-7, 1320a-7(a) and 1320a-7b, or the regulations promulgated pursuant to such statutes or related state or local statutes or regulations or which are prohibited by rules of professional conduct, including, without limitation: (1) given or taken any remuneration, rebates, payments, commissions, or promotional allowances to any customer, supplier, physician, or governmental employee with whom Sellers had done business; or (2) knowingly and willfully made any false statement of material fact in any application for any benefit or payment.

(e) Seller has not received, within the last three (3) years, any written notice of the commencement of any Action by or before any Governmental Authority and, to Seller's Knowledge, there is no threatened proceeding, investigation, or action alleging Seller's non-compliance under federal Medicare and Medicaid statutes, 42 U.S.C. Sections 1320a-7, 1320a-7(a), 1320a-7b, 1395nn and 1396b, the False Claims Act, or the regulations promulgated pursuant to such statutes or related state statutes or regulations (including any Qui Tam matter). Seller has not received, within the last three (3) years, written notice from any Governmental Authority that with respect to the Facility it has been charged with or implicated in any violation of any state or federal statute or regulation involving false, fraudulent or abusive practices relating to its participation in Government Health Programs, including but not limited to false or fraudulent billing practices. The Facility is currently certified or enrolled, as applicable, to participate in any material Third-Party Payor programs from which the Facility receives revenues, including, but not limited to, Medicare and Medicaid. No material Third-Party Payor program has threatened in writing or, to Seller's Knowledge, intends to terminate, cancel, modify or adversely amend its provider agreement with Seller prior to Closing or within the twelve (12) month period following the Closing Date (except as expressly contemplated hereunder in connection with the consummation of the transactions hereunder). To Seller's Knowledge, no validation review or program integrity review (including any recovery audit contract review) related to the Facility, the Business, or the consummation of the Contemplated Transactions, has been conducted by any Governmental Authority in connection with the Government Health Programs or any other material Third-Party Payor programs since December 31, 2022, and to the

Knowledge of Seller, no such reviews are pending or threatened against Seller with respect to the Facility, the Business, or the consummation of the Contemplated Transactions.

(f) To Seller's Knowledge, all billing practices of Seller with respect to the Facility and the Business to all Government Health Programs and Third-Party Payors, have been in compliance in all material respects with all applicable laws and the applicable requirements of the Government Health Programs and Third-Party Payors. Except as disclosed on Schedule 3.14(f), Sellers have no material reimbursement or payment rate appeals, disputes or contested positions currently pending or threatened before any Governmental Authority or any administrator of any Third-Party Payor program with respect to the Facility involving amounts in excess of \$50,000.00 in the aggregate.

(g) Neither Seller nor the Facility, nor to Seller's Knowledge, any owner, officer, director, partner, agent, managing employee or Person with a "direct or indirect ownership interest" (as that phrase is defined in 42 C.F.R. §1001.1001) in the Facility, is a party to, or bound by, any order, individual integrity agreement, corporate integrity agreement, corporate compliance agreement, deferred prosecution agreement, or other formal or informal agreement with any Governmental Authority concerning noncompliance with Medicare, Medicaid, HIPAA, the HITECH Act or any other federal or state healthcare laws and regulations. Neither the Seller nor the Facility has made any voluntary disclosure to the Office of Inspector General, CMS, any Medicare Administrative Contractor, Medicaid program or other Governmental Authority relating to any potential, alleged or actual violation of Medicare or Medicaid regulations.

(h) The licensed unit capacity of the Facility includes 303 independent living units, 67 licensed assisted living units, 33 licensed memory care units and 92 licensed skilled nursing units.

(i) To Seller's Knowledge, there are no currently pending Actions, appeals, adjustments, audits, challenges, inquiries, investigations, claim reviews, recoupments or other Actions with respect to any such billings, claims or other filings.

3.15 Material Contracts; Provider Agreements. As of the Execution Date, true, correct and complete copies of all Material Contracts (as defined below) have been made available to Buyer. Each Material Contract was entered into at arm's length and subject to entry of the Sale Order and payment of all Cure Amounts, each Material Contract is in full force and effect, is fully assignable without the consent of any Person, and is valid, binding and enforceable in accordance with its terms as to such Seller and, to Sellers' Knowledge, the other parties to the Material Contract. Schedule 3.15(a) contains a list of all material Contracts to which Seller is a party (other than Residency Agreements) (the "**Material Contracts**"):

- (a) for which Seller's annual spend is greater than \$50,000.00;
- (b) involving commitments to others to make capital expenditures or purchases or sales in excess of \$50,000.00;
- (c) that consist of written employment, consulting, contractor, confidentiality, non-competition, severance or termination agreements as to employees, individual consultants or other individual service providers, in each case, material to the Business;
- (d) with a Governmental Authority;
- (e) for the lease by Seller of any of the Premises;

(f) for the lease of any machinery, equipment and other tangible property leased to Seller which are used at the Facility; and

(g) that are Third Party Payor provider agreements of Seller with respect to the Business, including all managed care contracts.

3.16 Absence of Certain Changes or Events. Except as set forth on Schedule 3.16, since January 1, 2025 through the Execution Date, neither the Facility nor Seller have:

(a) Suffered any Material Adverse Effect;

(b) Entered into any Material Contract;

(c) Other than in the ordinary course of business, consistent with past practices, offered options to or granted any increase in the compensation or benefits provided or to be provided to or payable or to become payable by Seller to any of its officers or to any of Seller's employees (except compensation granted to new employees who were hired in the ordinary course of business on an arm's length basis on substantially similar terms to existing employees with comparable duties and experience);

(d) Sold, transferred or otherwise disposed of, or agreed to sell, transfer or otherwise dispose of, any assets related to or connected with the Facility having a fair market value at the time of sale, transfer or disposition of \$50,000.00 or more in the aggregate, except in the ordinary course of business;

(e) cancelled, or agreed to cancel, any debts or claims held by the Facility in the amount of \$100,000.00 or more in the aggregate;

(f) Made any material physical alterations or capital expenditures to the Premises, except for work which has already been approved and is known to Buyer prior to the Execution Date;

(g) Made any change in any method of accounting or accounting practice relating to the Facility; or

(h) Made any material changes to the operations of the Facility.

3.17 Rent Roll. Schedule 3.17(a) sets forth the current rent roll with respect to the Facility, which rent roll lists all Residency Agreements in effect as of the date of such rent roll, the unit occupied by such Current Resident, and the amounts payable under such current Residency Agreements (the "**Rent Roll**"). Seller has made available to Buyer complete copies of all Residency Agreements. Schedule 3.17(b) sets forth a current list of (1) all the Entrance Fees paid by or owed to a Current Resident, including contract and plan type, and (2) all Entrance Fee Deposits held in escrow listed by Current Resident, including contract and plan type.

3.18 Stimulus Relief Funds. Schedule 3.18 sets forth a true, complete and correct list of the type and the amount of all Stimulus Relief Funds received by Seller, including the amount of such Stimulus Relief Funds that have not yet been expended by Seller as of the Execution Date, if any. As used herein, "**Stimulus Relief Funds**" means any grant payments, stimulus payments, retroactive rate adjustments, credits (including tax credits) and any and all other payments and support paid with respect to the Facility in relation to COVID-19 relief efforts, as well as other funds related to the Coronavirus Aid, Relief and Economic Security Act, Paycheck Protection Program, CMS Accelerated and Advance Payments and any other state or federal law providing for stimulus funding related to the COVID-19 pandemic. Seller has

received full forgiveness with respect to any loan obtained through any Stimulus Relief Funds and Seller has no outstanding liabilities or obligations related to any Stimulus Relief Funds.

3.19 No Other Representation or Warranty. Except for the representations and warranties contained in this ARTICLE 3 (including the related portions of the Schedules), Seller has not made and does not make any other express or implied representation or warranty, either written or oral, on behalf of or with respect to Seller, the Purchased Assets, the Premises, the Facility or the Business, including any representation or warranty arising from statute or otherwise in law.

3.20 Expiration of Representations and Warranties. Except for claims arising out of or related to fraud, the representations and warranties of Seller contained in this ARTICLE 3 shall expire upon and shall not survive the Closing for any purpose whatsoever.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF BUYER

In order to induce Seller to enter into this Agreement, Buyer makes the representations and warranties set forth below which are true, correct and complete on the date hereof and shall be true, correct and complete as of the Closing.

4.1 Organization. Buyer is a limited liability company duly incorporated, validly existing, and in good standing under the laws of the State of Delaware, with, subject to the Approvals, full power and authority to own, lease, and operate its business. Buyer has full power, authority and capacity to execute and deliver this Agreement and the Related Agreements and to perform its obligations hereunder and thereunder and to consummate the Contemplated Transactions.

4.2 Execution and Delivery. This Agreement has been duly and validly executed and delivered by Buyer and constitutes and, upon the execution and delivery by Buyer of the Related Agreements, the Related Agreements shall constitute, legal, valid and binding obligations of Buyer enforceable against Buyer in accordance with their terms.

4.3 Governmental Approvals and Filings. Except for the Approvals, no consent, approval or action of, filing with or notice to any Governmental Authority on the part of Buyer is required in connection with the execution, delivery and performance of this Agreement or any of the Related Agreements or the consummation of the Contemplated Transactions.

4.4 Broker; No Financing Contingency. Neither Buyer nor any of its Affiliates has incurred any liability for any fee or commission to any broker, finder, investment banker or other intermediary in connection with the Contemplated Transactions that would result in any liability, fee, expense or obligation being imposed on Seller. Buyer acknowledges and agrees that notwithstanding anything to the contrary contained herein, its obligation to consummate the transactions contemplated hereby is not subject to a financing contingency in favor of Buyer or any of its Affiliates.

4.5 Fitness for Obtaining Permits and Approvals. Buyer has no knowledge of any material fact or other information related to Buyer or any of its Affiliates which could be reasonably expected to have an adverse impact on Buyer's ability to obtain the Permits or Approvals.

4.6 Disclaimers. Prior to its execution of this Agreement, Buyer has conducted an independent investigation and verification of the current condition and affairs of the Business and the Purchased Assets, including the condition, the cash flow and the prospects of the Purchased Assets and Assumed Liabilities.

In making its decision to execute this Agreement and to acquire the Purchased Assets and assume the Assumed Liabilities, Buyer has relied and will rely solely upon the results of such independent investigation and verification and the terms and conditions of this Agreement. Buyer expressly acknowledges and warrants that Buyer is accepting the Purchased Assets on the Closing Date in an “AS IS” “WHERE IS” “WITH ALL FAULTS CONDITION” and all latent or patent defects, with regard to all aspects of the Purchased Assets without warranty or representation of any kind by Seller or any of Seller’s managers, members, officers, directors, employees, partners, agents, representatives, beneficiaries, attorneys, subsidiaries, Affiliates, contractors, subcontractors, successors and assigns, except as otherwise set forth in ARTICLE 3. BUYER ACKNOWLEDGES THAT, EXCEPT AS OTHERWISE PROVIDED FOR IN THE REPRESENTATIONS AND WARRANTIES IN ARTICLE 3 OF THIS AGREEMENT, SELLER MAKES NO REPRESENTATIONS, WARRANTIES, OR GUARANTEES WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO: ANY MATTER RELATED TO THE PURCHASED ASSETS (INCLUDING, WITHOUT LIMITATION, INCOME TO BE DERIVED FROM OR EXPENSES TO BE INCURRED IN CONNECTION WITH THE PURCHASED ASSETS; THE PHYSICAL CONDITION OF THE PURCHASED ASSETS; THE PRESENCE OR ABSENCE OF ANY HAZARDOUS MATERIALS IN, ON OR ABOUT THE PURCHASED ASSETS OR ANY OTHER MATTER RELATED TO THE ENVIRONMENTAL CONDITION OF THE PURCHASED ASSETS; THE HABITABILITY OF THE PURCHASED ASSETS; THE ZONING OF THE PURCHASED ASSETS; THE POSSIBILITY OF DEVELOPING OR USING THE PURCHASED ASSETS IN THE MANNER CONTEMPLATED BY BUYER OR OBTAINING ANY CONSENTS, APPROVALS, PERMITS, AUTHORIZATIONS OR ENTITLEMENTS IN CONNECTION THEREWITH; THE VALUE OF THE PURCHASED ASSETS; THE MERCHANTABILITY OR FITNESS OF THE PURCHASED ASSETS FOR ANY PARTICULAR PURPOSE OR USE; THE ACCURACY, COMPLETENESS, OWNERSHIP OR TRANSFERABILITY OF ANY DOCUMENTS OR OTHER MATERIALS FURNISHED TO BUYER WITH RESPECT TO THE PURCHASED ASSETS (OR ANY PORTION THEREOF); OR ANY OTHER MATTER OR THING RELATED TO THE PURCHASED ASSETS). BUYER ACKNOWLEDGES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES IN ARTICLE 3 OF THIS AGREEMENT, BUYER HAS NOT RELIED, AND IS NOT RELYING, UPON ANY INFORMATION, DOCUMENT, SALES BROCHURES OR OTHER LITERATURE, MAPS OR SKETCHES, PROJECTIONS, PRO FORMAS, STATEMENTS, REPRESENTATIONS, GUARANTEES OR WARRANTIES (WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, OR MATERIAL OR IMMATERIAL) THAT MAY HAVE BEEN GIVEN BY OR MADE BY OR ON BEHALF OF SELLER.

ARTICLE 5

COVENANTS

5.1 Access.

(a) Until the Closing, Seller shall afford Buyer and its counsel, accountants, environmental consultants, engineers, appraisers and other authorized representatives (collectively, “**Buyer’s Representatives**”) reasonable access to the Facility and the Premises during normal business hours upon forty-eight (48) hours’ prior telephonic or electronic receipt of notice, including, but not limited to, the roof, all FF&E, and the heating and cooling systems, all Books and Records, including, but not limited to, financial data and records, operating data and other information requested, including the Financial Statements, audits, inspection reports, plans of correction with respect to licensing surveys, current room rates (including dates and amounts of increases), census data, payroll information, employment agreements, personnel policies, and all contracts, agreements, correspondence files and other documents relating to the Facility. Seller shall be entitled to have a representative present during Buyer’s scheduled visits to the Facility. Seller shall furnish Buyer with such additional financial data, operating data and other information, Survey Reports, census information, in each case of or and other similar

information relating to the Purchased Assets, the Assumed Liabilities or the Business, as Buyer may from time to time reasonably request. Any access by Buyer or Buyer's designees to the Premises or to any of Seller's Books and Records, and other data relating to the operation of the Business shall be in compliance with HIPAA and other state privacy laws, as applicable. Notwithstanding anything to the contrary herein, nothing in this Section 5.1 shall require Seller to make available to Buyer or Buyer's Representatives anything that is subject to attorney-client or other privilege, and Buyer's access shall not unreasonably interfere with Seller's operation of the Business, the Facility or the Premises nor with any care or treatment being provided to Residents, and Residents shall be afforded privacy and not be disturbed within their residence while Buyer or Buyer's designees are on the premises.

(b) Prior to the date hereof, Buyer performed a Phase I environmental site assessment of the Premises, and, solely with the prior written consent of Seller (such consent not to be unreasonably withheld, conditioned, or delayed), Buyer may perform a Phase II environmental site assessment or any environmental testing or sampling at the Premises.

(c) Prior to any entry by Buyer or Buyer's agents and designees on the Property to conduct the inspections and tests described above, Buyer shall obtain and maintain, or shall cause Buyer's agents and designees to obtain and maintain, at Buyer's or Buyer's agent's and designee's sole cost and expense, and shall deliver to Seller evidence thereof (in the form of a copy of a certificate evidencing such insurance policy), commercial general liability insurance, from an insurer reasonably acceptable to Seller, in the amount of One Million Dollars (\$1,000,000.00) combined single limit for personal injury and property damage per occurrence (which may be accomplished with umbrella or excess liability coverage), such policy to name each of the Trustee, Seller and Seller's property manager as additional insured parties, which insurance shall provide coverage against any claim for personal liability or property damage resulting from such inspections and tests by Buyer or Buyer's agents and designees. Buyer shall indemnify and hold Seller, its officers, shareholders, partners, members, directors, and employees harmless from and against any and all damages caused by the activities of Buyer and its agents and designees on the Property other than damages for economic loss, loss of profits, diminution in value, or any other consequential damages and except to the extent (i) arising from the mere discovery of existing conditions or (ii) caused by the negligence or willful misconduct of Seller or its agents or employees. Seller may have a representative present during any and all examinations, inspections, tenant interviews and studies on the Property.

5.2 Access to Books and Records Following Closing; Transfer of Records. From and after the Closing, each Party shall afford, for a period ending on the later of (a) three (3) years from the Closing Date or (b) the liquidation or dissolution of Seller, the other Party, and its Affiliates reasonable access, during normal business hours and upon reasonable prior notice, to the books, records and other data relating to the operation of the Business prior to the Closing (including any clinical, Resident and employee records constituting Excluded Assets) in its possession to the extent that such access may be reasonably required by the requesting Party in connection with (i) the preparation of Tax returns, (ii) the determination or enforcement of rights and obligations under this Agreement, (iii) compliance with the requirements of any Governmental Authority, (iv) in connection with any threatened or actual legal proceeding, (v) in connection with any audit of the Business for any pre-Closing period or (vi) for the operation of the Business. Notwithstanding anything to the contrary contained herein, nothing in this Agreement shall obligate the Parties to share any information covered by the attorney client privilege, work product doctrine or other similar privilege. During such period neither Party shall dispose of or destroy any books, records or other data relating to the operation of the Business prior to the Closing unless such Party gives the other Party thirty (30) days' prior written notice thereof and the option to retain such books, records or other data. Further, Buyer shall maintain all records including healthcare records for the periods required by law. On the Closing Date, Seller shall deliver to Buyer the originals or copies of all of the Books and Records and other records constituting part of the Purchased Assets, including Resident medical and financial records

and employee records, by leaving all such records maintained in paper forms at the Facility or transferring all such records maintained electronically to Buyer's systems.

5.3 Cooperation; Approvals. Subject to the terms and conditions herein provided, the Parties shall use reasonable best efforts to bring about the satisfaction as soon as practicable of all the conditions necessary to effect the consummation of the Contemplated Transactions.

5.4 Regulatory Filings. As promptly as practicable and not later than ten (10) Business Days of entry of the Sale Order, Buyer shall file all applications and documents which are reasonably necessary to obtain the Approvals of each applicable Governmental Authority, as may be appropriate in connection with the Contemplated Transactions and Buyer shall provide to Seller proof of such submission promptly after such filing, upon request, which may be redacted to protect confidential information of Buyer; provided that, because the Facility will be a rental community upon the Closing, the Parties acknowledge that Buyer does not anticipate receiving licensure from the Texas Department of Insurance ("TDI") as an entrance fee continuing care retirement community, and therefore Seller shall be responsible, with the full cooperation of Buyer, for handling any notices or filings necessary with TDI. Buyer agrees to cooperate with Seller in the termination of the license from the TDI including participating in one or more joint meetings with TDI to discuss the transaction and determination that no license is required post-Closing. Buyer and Seller shall use commercially reasonable efforts to prosecute all applications and take such other actions which are or may be reasonable and appropriate in connection therewith. Buyer and Seller agree to act in good faith and use commercially reasonable efforts to cooperate with each other and to provide, to the extent permitted by Law, such information and communications to each other or to any Governmental Authority as may be reasonably requested in order to obtain the required Approvals to consummate the Contemplated Transactions. Unless prohibited by applicable law, between the date hereof and the Closing Date, Buyer and Seller will, and will cause their counsel to, supply each other copies of all material written correspondence and filings by them or their Affiliates with any Governmental Authority or staff members thereof, with respect to the Approvals, which may be redacted as necessary to comply with contractual arrangements, applicable law or by Order of the Bankruptcy Court, and as necessary to address reasonable attorney-client or other privilege or confidentiality concerns, and will notify each other of any material conversations with any Governmental Authority with respect to the Approvals. Upon request, Buyer and Seller shall provide each other and the Trustee with status updates as to the application process. Seller and Trustee will maintain in confidence all documents provided pursuant to this Section 5.4, unless public disclosure is required by applicable law, or is otherwise made to a Governmental Authority, in which case, to the extent practicable, the Parties will use their commercially reasonable efforts to reach mutual agreement prior to making such disclosure. Buyer specifically agrees that nothing herein shall restrict or limit Seller from having ordinary course communications not primarily regarding the Contemplated Transactions with applicable Governmental Authorities in regards to the regulation of the ongoing Business. Notwithstanding anything herein to the contrary, Seller is not restricted from meeting with or having discussions with TDI or the Texas Attorney General without the participation of Buyer as it relates to the license issued by the Texas Department of Insurance to Seller. As promptly as practicable and not later than ten (10) Business Days of entry of the Sale Order, Seller shall notify TDI that it is surrendering its Operating Certificate as an entrance fee continuing care facility effective on Closing.

5.5 Cost Reports.

(a) Seller shall prepare the final Medicare Cost Reports covering its operation of the Business through the Effective Time which such final Cost Report is required to be filed by applicable law under the terms of the Medicare program, and provide the same to Buyer, along with such supporting documentation reasonably requested by Buyer, for its review and consent (such consent not to unreasonably withheld) at least ten (10) days prior to filing with its fiscal intermediary. Buyer shall make available, in a timely and reasonable manner, to Seller any information and records that are in Buyer's possession and that

are reasonably necessary, as determined by Seller in its reasonable discretion, for Seller to prepare the Seller's final Medicare Cost Reports. Buyer shall forward to Seller any and all correspondence relating to the Seller's Medicare Cost Reports within ten (10) Business Days after receipt by Buyer. To the extent that Seller requires the assistance of Buyer to effectuate its rights hereunder, including with respect to any ongoing appeals or litigation in connection with any Cost Reports that require involvement of Buyer, Buyer will cooperate as reasonably requested by Seller and at Seller's cost and expense. Buyer shall remit to Seller any Seller Medicare Cost Report settlements promptly (but no later than ten (10) Business Days) after receipt by Buyer. Seller shall retain the right to appeal any Medicare determinations relating to Seller Medicare Cost Report settlements.

(b) Buyer shall timely prepare and file with CMS and the appropriate state agency for the Facility, its initial Cost Report for the fiscal year commencing with the fiscal year in which the Closing Date occurs. (In the highly unlikely event that Seller receives any correspondence related to Buyer's cost reports, or any settlements, Seller will remit them to Buyer promptly, but in no event later than ten (10) Business Days after receipt).

5.6 Further Assurances; Cooperation.

(a) Subject to the terms and conditions of this Agreement, at any time or from time to time after the Closing, at Buyer's reasonable request and at the requesting party's sole cost and expense, each Party will execute and deliver to the other Party such other instruments of sale, transfer, conveyance and assignment, provide such materials and information and take such other actions as either Party may reasonably deem necessary or desirable in order more effectively to transfer, convey and assign to Buyer, and to confirm Buyer's title to, all of the Purchased Assets and to effect the assumption by Buyer of the Assumed Liabilities.

(b) To the extent that any Purchased Asset or Assumed Liability is not assignable or transferable without the consent of another Person and such consent requirement is not made unenforceable by the Bankruptcy Code, this Agreement will not constitute an assignment or transfer thereof, an attempted assignment or transfer thereof, or an agreement to effect such an assignment or transfer, if such assignment or transfer, attempted assignment or transfer, or agreement would constitute a breach thereof. Seller will use commercially reasonable efforts to obtain the consent of such other Person to the assignment or transfer of any such Purchased Asset or Assumed Liability to Buyer in all such cases, and Buyer will reasonably cooperate with Seller in Seller's efforts to obtain such consents. For purposes of clarification, in no event will Seller or Buyer (other than Buyer's obligation for Cure Costs) be required to pay any money or other consideration, or permit (without the prior written consent of Buyer) the amendment or modification of any material term or provision of any Assumed Contract or transferred Permit. Notwithstanding the foregoing, except to the extent it constitutes an Approval under Section 6.2(f), failure to obtain any such consent will not give rise to Buyer's ability not to consummate the Contemplated Transactions or any breach by Seller of this Agreement. Without limiting the generality of the foregoing, the beneficial interest in and to the Purchased Assets and Assumed Liabilities, as applicable, to the fullest extent permitted by the relevant Purchased Assets and Assumed Liabilities and applicable law, will pass to Buyer at the Effective Time.

5.7 Bankruptcy Matters.

(a) Seller and Buyer acknowledge that this Agreement and the Contemplated Transactions are subject to the Sale Process described in the Bidding Procedures Order and approval by the Bankruptcy Court and, as applicable, entry of the Sale Order.

(b) Seller and Buyer agree to use commercially reasonable efforts to cooperate, assist and consult with each other to obtain the issuance and entry of the Bidding Procedures Order and the Sale

Order, including, without limitation, by furnishing affidavits, declarations or other documents or information for filing with the Bankruptcy Court. In the event the Sale Order is appealed (or other challenge is made to the Sale Order), Seller and Buyer agree to use their commercially reasonable efforts to oppose any such appeal or challenge and to avoid the imposition of any stay pending appeal or challenge.

(c) This Agreement and the Contemplated Transactions are subject to Seller's right and ability to consider higher and better competing bids with respect to the Purchased Assets pursuant to the Bidding Procedures Order. Seller shall conduct any auction process in accordance with the Bidding Procedures Order and this Agreement.

(d) No later than November 17, 2025, Seller shall commence the Chapter 11 Case by filing its voluntary petition under chapter 11 of title 11 of the United States Code.

(e) Subject to Seller's obligations to comply with any order of the Bankruptcy Court, Seller and Buyer will promptly make all filings, take all actions and use commercially reasonable efforts to obtain any and all other Approvals and orders necessary or appropriate for consummation of the Contemplated Transactions. Seller shall provide Buyer with drafts of all documents, motions, orders, filings or pleadings that Seller proposes to file with the Bankruptcy Court which relate to this Agreement or the Contemplated Transactions and will, to the extent commercially reasonable, provide Buyer with reasonable opportunity no later than two (2) Business Days prior to review such filings.

(f) Buyer agrees that it will promptly take such actions as are reasonably requested by Seller to assist in obtaining entry of the Sale Order, including furnishing affidavits or other documents or information for filing with the Bankruptcy Court.

(g) Further, if an auction is conducted and Buyer is not the winning bidder for the Purchased Assets because Seller selects another bid as the "highest and best offer" in accordance with the Sale Process (such winning bidder, the "**Successful Bidder**"), Buyer understands that, in accordance with and subject to the Bidding Procedures Order, it shall be required to serve as the back-up bidder if Buyer is the next highest or otherwise next best bidder for the Purchased Assets at the auction (the party that is the next highest or otherwise next best bidder at the auction after the Successful Bidder, the "**Back-Up Bidder**") and, if Buyer is the Back-Up Bidder, Buyer shall be required to keep its bid to consummate the Contemplated Transactions on the terms and conditions set forth in this Agreement (as the same may be improved upon by Buyer in the auction) open and irrevocable until the earlier of (i) sixty (60) days following the selection of the Successful Bidder and (ii) the Outside Closing Date. Following the auction, if the Successful Bidder fails to consummate the applicable Alternative Transaction for whatever reason, then Buyer, if Buyer is at that time the Back-Up Bidder, will be deemed to have the new prevailing bid, and Seller may seek authority to consummate the Contemplated Transactions on the terms and conditions set forth in this Agreement (as the same may be improved upon by Buyer in the auction) with Buyer as the Back-Up Bidder.

(h) In consideration for Buyer having expended time and expense in connection with this Agreement, the negotiation of this Agreement and the identification and quantification of the assets and liabilities of Seller, upon the consummation of any Alternative Transaction, Buyer shall be entitled to the return of the Deposit, and payment of the Break-Up Fee and the Reimbursement Amount, which will be approved pursuant to the Bidding Procedures Order, and which shall be paid in cash, by wire transfer of immediately available funds solely from the proceeds of the Alternative Transaction to an account designated in writing by Buyer to Seller. Seller confirms that it is critical to the process of arranging an orderly sale of the Purchased Assets under the Bidding Procedures Order to proceed by selecting Buyer to enter into this Agreement in order to present the Bankruptcy Court with arrangements for obtaining the highest and best price for the Purchased Assets and that, without Buyer having committed substantial time

and effort to the process, Seller's estate would have to employ a less orderly process and would incur higher costs and risk of attracting lower prices. Seller hereby acknowledges that Buyer would not be willing to enter into this Agreement if Buyer were not entitled to the Break-Up Fee and Reimbursement Amount in the event Buyer does not purchase the Purchased Assets due to the termination of this Agreement as a result of an Alternative Transaction. The Seller further acknowledges that the obligation to pay the Break-Up Fee and the Reimbursement Amount (to the extent due hereunder) shall survive the termination of this Agreement; provided, however, that Buyer shall not be entitled to receive the Break-Up Fee or Reimbursement Amount if Buyer has breached or defaulted under this Agreement and such breach or default is not cured as permitted under this Agreement. The Parties acknowledge and agree that (i) the Parties have negotiated the provisions of this Section 5.7(h), (ii) the payment of the Break-Up Fee and the Reimbursement Amount is an integral part of this Agreement and (iii) in the absence of Seller's obligations to pay the Break-Up Fee and the Reimbursement Amount pursuant to this Section 5.7(h), Buyer would not have entered into this Agreement. Upon the consummation of any Alternative Transaction, the Parties shall instruct the Title Company to refund the Deposit to Buyer, Seller will pay the Break-Up Fee and Reimbursement Amount as set forth in this Section 5.7(h), and the Parties shall be released from all further obligations hereunder.

(i) Seller shall (i) file a motion to approve the bid procedures on the Petition Date, which motion shall seek approval of the Bidding Procedures Order that designates Buyer as the stalking horse bidder, (ii) obtain entry of the Bidding Procedures Order no later than thirty (30) days after the Petition Date, (iii) conduct the auction no later than ninety (90) days following the Petition Date, (iv) obtain entry of the Sale Order no later than one-hundred (100) days following the Petition Date, and (v) use reasonable best efforts to cause the Sale Order shall become a Final Order no later than the one hundred twenty (120) days after the Petition Date.

5.8 Buyer's Closing Deliveries. At the Closing, Buyer shall deliver the following to Seller:

- (a) the Purchase Price, payable and adjusted as provided herein;
- (b) the Related Agreements to which Buyer is a party, duly executed by Buyer;
- (c) a certificate executed as of the Closing Date by a duly authorized representative of Buyer, certifying that the conditions set forth in Section 6.1 have been satisfied (a "**Bring Down Certificate**");
- (d) a certificate of a duly authorized representative of Buyer (i) certifying that attached to such certificate are true and complete copies of Buyer's resolutions of the authorized representative of Buyer, authorizing the execution, delivery and performance of this Agreement and the Related Agreements to which Buyer is a party and the consummation of the Contemplated Transactions, and (ii) certifying as to the incumbency of the officer of Buyer executing this Agreement and the Related Agreements to which Buyer is a party;
- (e) a certificate of good standing for Buyer from the Delaware Secretary of State;
- (f) evidence of receipt (if applicable) of all of the Approvals, or assurances of issuance thereof; and
- (g) all instruments of transfer or assignment, certificates, deeds, bills of sale, evidence of filing or recording and other documents as are reasonably necessary to effectuate the sale of the Purchased Assets or demonstrate the satisfaction of the conditions and compliance with the covenants set forth in this Agreement, including customary documents required in order to effectuate the transfer of the

Facility and Premises which are required by the Title Company for any title policies to be issued by the Title Company to Buyer at Closing.

5.9 Seller's Closing Deliveries. At the Closing, Seller shall deliver the following to Buyer:

(a) the Purchased Assets (to the extent such delivery is not reflected in the Related Agreements);

(b) a duly executed original special warranty deed executed by Seller and acknowledged in recordable form, conveying insurable fee simple title to the Real Property and the Premises, free and clear of all Liens other than Permitted Liens, except as permitted or contemplated by this Agreement, in the form attached hereto as Exhibit C;

(c) the Related Agreements to which Seller is a party, duly executed by Seller;

(d) evidence or reasonable validation that Accrued PTO has been or is being paid to Seller's employees as of Closing;

(e) a Bring Down Certificate (with respect to Section 6.2) on behalf of Seller;

(f) a certified copy of the Sale Order providing the Seller with authority to conduct the transactions hereunder and providing that the Sale is free and clear of Liens;

(g) a certificate of fact for Seller from the Texas Secretary of State;

(h) an updated Rent Roll and updated list of all the Entrance Fee Deposits listed by Resident dated no later than five (5) Business Days prior to the Closing Date;

(i) evidence of receipt (if applicable) of all of the Approvals, or assurances of issuance thereof;

(j) subject to Section 5.15, evidence of the binding of the Tail Insurance;

(k) an updated set of loss run reports related to all insurance policies held by Seller dated no later than thirty (30) days prior to the Closing Date (to be updated again just prior to the Closing Date); and

(l) all instruments of transfer or assignment, certificates, deeds, bills of sale, evidence of filing or recording and other documents as are reasonably necessary to effectuate the sale of the Purchased Assets or demonstrate the satisfaction of the conditions and compliance with the covenants set forth in this Agreement, including customary documents required in order to effectuate the transfer of the Facility and Premises which are requested by Buyer or required by the Title Company for any title policies to be issued by the Title Company to Buyer at Closing.

5.10 Employees.

(a) Immediately prior to the Effective Time, Seller shall terminate all of its employees (the "**Employees**") and, effective as of the Effective Time, Buyer shall, subject to Purchaser's or Purchaser's operator's normal employment screening process (including, without limitation, background check, drug-testing, employment history, workers' compensation status, current working status and similar matters), tender or cause Buyer's operator to tender offers of employment to substantially all of the

Employees; provided, however, Buyer or Buyer's operator will have no obligation to tender offers of employment to any Employees who (a) do not pass Buyer's or Buyer's operator's normal employment screening process, or (b) are on suspension, under parole or the subject of heightened scrutiny for inadequate or inappropriate performance or behavior (or who have an employment history of previously being on suspension, parole or the subject of heightened scrutiny for inadequate or inappropriate performance or behavior, provided that such metrics are part of Buyer's or Buyer's operator's normal employment screening process (those employees to whom Buyer or Buyer's operator makes an offer of employment, the "**Offer Employees**"). For purposes of this Section 5.10(a), "substantially all" means that no more than forty-nine (49) Employees shall fall outside the definition of Offer Employees. After the entry of the Sale Order, Buyer will be entitled to meet with and conduct job interviews with any and all Offer Employees. Offers of employment made by Buyer or Buyer's operator to Employees will be on such terms as Buyer or Buyer's operator shall determine, which terms may not be comparable to the current terms of employment in effect between such Employees and Seller; provided, however, that such terms are sufficiently comparable so as not to constitute a constructive discharge for purposes of the WARN Act. Those Offer Employees who accept such offer of employment and actually become Buyer or Buyer's operator employees on the Closing Date are referred to herein as "**Transferred Employees**".

(b) At least fifteen (15) days prior to the Closing Date, Seller shall provide Buyer with a list of all Employees (the "**Schedule of Employees**"), including, for each listed employee, his or her name, date of hire, job title, full-time/part-time status, exempt/non-exempt status, whether such employee is a member of a union and subject to any collective bargaining agreement, bonus eligibility, commission eligibility, severance entitlement, current compensation paid or payable and status (e.g., leave of absence, disability, layoff, active, temporary).

(c) The Schedule of Employees shall also include a schedule setting forth, for each employee in the Schedule of Employees, the amount of accrued but unused vacation, sick, holiday, personal time-off, paid time off or unused sick time as separate figures (excluding any unused paid time off or unused sick time beyond the applicable hour cap for employees based on seniority provided for in Seller's employee policies, which shall be identified and provided to Buyer, to the extent such information is maintained by Seller) (collectively, "**Accrued PTO**") and the estimated aggregate value of the Accrued PTO. Upon Buyer providing Seller with the list of Offer Employees, Seller shall provide Buyer, no later than ten (10) days prior to the Closing Date, with an updated version of such schedule reflecting the anticipated Accrued PTO amounts (and the value of those anticipated amounts) for the Offer Employees as of the Closing Date. At Closing, Seller shall pay out to all Employees in their final paychecks an amount equal to such Employees' Accrued PTO.

(d) Subject to restrictions under applicable law, Seller agrees to make employment records and other related information reasonably requested by Buyer regarding the employees on the Schedule of Employees available to Buyer between the date of entry of the Sale Order and the Closing Date.

(e) Each of Buyer and Seller agrees that it shall be responsible for any associated liabilities arising under the WARN Act or any comparable state or local laws as a result of such Party's failure to perform its obligations hereunder. Buyer shall deliver to Seller no later than five (5) days prior to the Closing Date (and subject to Buyer's further update at the Closing), an updated schedule of Offer Employees (and which update at the Closing shall include the list of Transferred Employees, to the extent available). Seller shall cooperate with Buyer in providing information reasonably requested by Buyer to facilitate offering employment to Offer Employees and hiring and establishing benefits for Transferred Employees. This Agreement shall not be deemed to create or grant to any Employee, Offer Employee, or Transferred Employee any third-party beneficiary rights or claims or any cause of action of any kind or nature.

(f) At Buyer's sole cost and expense (other than for employee cost-sharing), Buyer shall be responsible for offering Transferred Employees group health plan coverage on and after the Closing Date sufficient to extinguish any rights a Transferred Employee may have to continuation of coverage under any of Seller's group health plans including, but not limited to, COBRA insurance coverage. Buyer shall be responsible for, or shall cause its manager to be responsible for, providing COBRA continuation coverage (within the meaning of Section 4980B of the Code and the Treasury regulations thereunder) to any "M&A qualified beneficiaries" (within the meaning of Section 4980B of the Code and the Treasury regulations thereunder) for the duration of the period to which such individuals are entitled to such coverage. Schedule 5.10(f) lists all of Seller's employees who are beneficiaries of COBRA as of the Execution Date. For the avoidance of doubt, Buyer shall not assume, honor or accept any Employee Benefit Plan and, except as described in this Section 5.10(f) with respect to COBRA obligations, Seller shall be solely responsible for satisfying all obligations (whether arising under federal, state or local law or pursuant to contract) which may arise or which may have arisen on or prior to the Effective Time in connection with the employment by Seller of the Employees or the creation, funding, operation or termination of any of the Employee Benefit Plans.

5.11 Assumed Contracts.

(a) Identification of Assumed Contracts. The Assumed Contracts will be listed on Schedule 5.11(a), which Schedule shall be provided by Buyer, and may be revised by Buyer from time to time prior to the date that is five (5) Business Days prior to Closing (the "**Designation Deadline**") in its sole and absolute discretion. Seller shall assign to Buyer, effective as of the Closing Date, the Assumed Contracts; provided, however, notwithstanding the foregoing, all Assumed Contracts are subject to the assignment procedures to be set forth in the Bidding Procedures Order. Buyer shall have no obligations under any Contracts unless such Contract is an Assumed Contract listed on Schedule 5.11(a). Further, notwithstanding anything else herein, Assumed Contracts shall exclude all Residency Agreements with and liabilities to Residents, whether current or former.

(b) Cure Process. Seller shall assume and assign to Buyer the Assumed Contracts, and Buyer will pay the Cure Amounts. Buyer shall pay, as of such time as is required by the Court in the Sale Order, cash or other acceptable consideration to the third party (or parties) to the applicable Assumed Contract for the Cure Amounts (or obtain waivers with respect thereto) with respect to the Assumed Contracts, and provide any adequate assurance of future performance under the Assumed Contracts at the time required in connection with the Sale Hearing.

5.12 Title and Survey Matters.

(a) Buyer has obtained the Title Commitment from the Title Company and the parties have resolved title objections thereto and agreed upon a final form of the Title Pro Forma set forth in **Exhibit E**; *provided that*, Seller will continue to take such further actions as are consistent with its Title objection response dated October 28, 2025. Prior to the Closing, Buyer may, at its sole cost and expense, order updates or continuations of, and supplements to, the Title Commitment or the Title Pro Forma (each a "**Title Update**") for the Premises, and the costs of such title searches and premiums shall be paid in accordance with Section 2.5(b). Buyer shall instruct Title Company to simultaneously deliver directly to Buyer and Seller copies of the Title Commitment, the Title Pro Forma and each Title Update (including tax and departmental searches) ordered by Buyer or otherwise issued by Title Company and copies of all underlying documentation referenced as an exception in such Title Update as soon as and if reasonably available.

(b) Buyer shall have the right to deliver written notice (each, a "**Title Objection Notice**") to Seller objecting to any items contained in a Title Update which are not Permitted Liens, with

such Title Objection Notice to be delivered prior to the earlier of (i) within ten (10) days after Buyer's receipt of such Title Update and (ii) twenty (20) days prior to the Closing Date. Except for Monetary Liens (defined below), failure of Buyer to provide a Title Objection Notice within such period (or to include any such matters in a timely delivered and valid Title Objection Notice) shall be deemed Buyer's approval of all items contained in such Title Update. All such items that are not objected to by Buyer in a timely delivered and valid Title Objection Notice shall be deemed to be Permitted Liens. Seller shall notify Buyer in writing within seven (7) days after receipt of each Title Objection Notice of whether Seller elects to attempt to remove or cure any such exceptions, and Seller's failure to deliver such notice in a timely manner shall be deemed an election by Seller not to remove or cure such exceptions. If Seller notifies Buyer that Seller has elected to remove or cure any such exceptions, Seller shall use commercially reasonable efforts and expend such amounts as it deems appropriate in its commercially reasonable discretion to remove or cure prior to the Closing any title exceptions that are not Permitted Liens, and to which Buyer properly and timely objects to in the Title Objection Notice (which cure may, at Seller's election, involve causing the Title Company to insure over such exceptions). Notwithstanding anything to the contrary set forth in this Agreement, except for Monetary Liens, Seller shall have no obligation to remove or cure any such exceptions or pay any amounts to cure or remove the same. If Seller notifies Buyer that Seller has elected to remove or cure any such exceptions and the removal or cure cannot be completed by the Closing, but could be removed or cured with additional time, then Seller will execute an undertaking in connection with Closing reasonably satisfactory to Buyer and the Title Company covenanting to remove or cure such exceptions. If Seller notifies Buyer that Seller has elected not to remove or cure any items objected to in the Title Objection Notice (or is deemed to have elected not to remove or cure such exceptions) that are not Permitted Liens, Buyer may notify Seller within ten (10) days after receipt of such notice (or date of deemed election, as applicable) whether Buyer elects to proceed to the Closing, taking title subject to such exceptions, or not to proceed to the Closing. Failure of Buyer to provide such notice in a timely manner shall be deemed an election by Buyer to proceed to the Closing. If Buyer elects not to proceed to the Closing, then this Agreement shall terminate, the Deposit shall be refunded to Buyer and the parties shall have no further obligation hereunder. If Buyer elects (or is deemed to have elected) to take title subject to any such exceptions under this Section 5.12, such exceptions shall become Permitted Liens and the Purchase Price shall not be reduced. Notwithstanding the foregoing, Buyer shall not be required to object to, and Seller shall be required to pay off or otherwise discharge at the Closing, any financing obtained or assumed by Seller and secured by a mortgage, an assignments of leases and rents, subordination agreements, UCC financing or other liens covering the Premises 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 or judgment lien against Seller, and any other similar liens against the Premises that may be cleared through the payment of money (provided, however, Seller shall be entitled to utilize the Purchase Price proceeds to effectuate any or all of the foregoing; all of the foregoing shall be referred to herein as "**Monetary Liens**"). Further, Seller shall satisfy the requirements set forth in Schedule C of the Title Commitment that are reasonably applicable to Seller.

5.13 Medicare; Medicaid; and Other Third-Party Payors. Notwithstanding anything herein to the contrary, the Parties acknowledge and agree that Buyer is not expected to have received as of the Effective Time "tie in" notices or approvals from CMS for the assumption of Seller's Medicare provider agreement and may not have approvals from certain other applicable third party payors with respect to participation in any other applicable government reimbursement program that the Facility participates in. Accordingly, Seller agrees that, unless prohibited by applicable law, Buyer may following the Effective Time (A) bill under Seller's provider numbers and provider agreements for Medicare and any other governmental third party payor program (including Medicaid and managed care contracts), (B) collect Accounts Receivable resulting from such billing under Seller's provider numbers and provider agreements and (C) with respect to Accounts Receivable attributable to the operation of the Facility during the period following the Effective Time, initiate legal proceedings to collect any accounts or monies owed on account of such billing. Buyer shall be allowed to do the foregoing from the Effective Time until CMS and the

applicable CMS Medicare administrative contractor approves Buyer's or its Affiliate's Medicare change of ownership application and issue a tie-in notice and approval letter acknowledging that Buyer (or its Affiliate) may be reimbursed for claims submitted using Buyer's (or such Affiliate's) billing identification information. Seller agrees to reasonably cooperate with Buyer in order for Buyer to complete its Medicare and Medicaid credentialing process as soon as possible, including completing those portions of CMS Form 855A that confirm the change of ownership of the Facility and providing to Buyer or any third-party payor any information that is necessary for such credentialing. Without Buyer's prior written consent (not to be unreasonably withheld, conditioned or delayed), after the Execution Date and until Buyer's Medicare credentialing process has been completed, Seller covenants not to terminate any existing provider agreements with Medicare or other payors (including governmental third party payors) with respect to the Facility. All Accounts Receivable collected in the name of Buyer or its Affiliates or the Facility for services provided by Buyer (or its Affiliates) after the Effective Time shall belong to Buyer (or its Affiliates). Buyer shall, and shall cause each of its Affiliates to, indemnify, defend and hold harmless Seller and Seller Affiliates against, and reimburse Seller and Seller Affiliates for, all liabilities incurred by Seller and any Seller Affiliate in connection with Buyer's use of Seller's Medicare and Medicaid provider agreements under this Section including, without limitation, any penalties, fines, liability or overpayments assessed against Seller in connection with Buyer's operation of and billing activities provided by Buyer pursuant to the provisions of this Section, or otherwise, after the Execution Date and relating to periods after the Execution Date.

5.14 Accounts Receivable.

(a) Seller shall retain whatever right, title and interest it may have in and to all outstanding Seller's Accounts Receivable. Seller shall have the sole authority to bill and collect Seller's Accounts Receivable.

(b) Without limiting the foregoing, payments of Accounts Receivable received by either Party after the Closing Date shall be handled as follows:

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

(ii) If such payments indicate on the accompanying remittance advice, or if Buyer and Seller agree, that such payments relate to the period from and after the Closing Date, they shall be retained by Buyer or forwarded by Seller to Buyer, along with the applicable remittance advice, within ten (10) days after receipt thereof; and

(iii) If the remittance advice indicates or the Parties agree that any payment relates to periods both prior to and on or after the Closing Date, the Party receiving the payment shall forward the amount relating to the other Party's operation of the Business, along with the applicable remittance advice, within ten (10) days after receipt thereof. If the remittance advice does not indicate the period to which a payment relates or whether it is for Buyer or Seller or if there is no accompanying remittance advice, or the payment is not otherwise identifiable using commercially reasonable efforts, such payment shall be applied (i) first, to rent, service fees or other amounts of such payor due and payable to Buyer until paid in full, and (ii) second, to the delinquent rents, service fees or other amounts of such pay attributable to the periods before the Closing Date.

(iv) If the party receiving the funds is not the party entitled to the funds hereunder, such party shall forward such funds to the other party within ten (10) days.

(c) Seller and Buyer agree that, after Closing, they shall hold in trust and shall promptly transfer and deliver to each other, from time to time as and when received by them (but in any event within ten (10) Business Days of such receipt), any cash, checks with appropriate endorsements, or other property that they or Affiliates may receive on or after Closing which properly belongs to the other party hereunder.

(d) Notwithstanding anything to the contrary in this Agreement, as of the Closing Date, Buyer shall have the sole authority to bill and collect Accounts Receivable relating to work performed, goods sold, or services provided by Buyer from or after the Closing Date. For the avoidance of doubt, Buyer shall have read-only access to the bank account into which third-party payor Accounts Receivable are deposited.

5.15 **Tail Insurance.** At or prior to Closing, at Buyer's sole option, Seller shall use commercially reasonable efforts to obtain, and Buyer shall pay for, tail insurance coverage in the amount of its existing liability insurance coverages (or if available, such lesser amount as Buyer may desire in its sole discretion), with coverage extending to claims made during the period of either two (2) or three (3) years after the Closing Date, with respect to Seller's operations at the Facility (the "**Tail Insurance**"), which coverage shall not be cancelable during such two (2) or three (3) year period without Buyer's consent and which insurance, if requested by Buyer, shall name Buyer, Buyer's operator, Buyer's manager and any lender of Buyer as additional insureds thereunder and which insurance, (at Buyer's option, unless the deductible is to be covered by Buyer) shall have no deductible payable by the insured or any additional insureds.

5.16 **Conduct of Business.** From the Execution Date until the Closing Date, except as otherwise contemplated by this Agreement or to the extent Buyer otherwise consents in writing, Seller shall, and shall cause its Affiliates to: (i) conduct the Business in the ordinary course (including without limitation paying post-petition ordinary course amounts due under Assumed Contracts), (ii) make no transfers of any Purchased Assets other than de minimis transfers in the ordinary course, (iii) take no action which could or could reasonably be expected to materially adversely affect the Facility, the Premises or the Business or materially delay the ability of Buyer to obtain any Approvals for the Contemplated Transactions or to perform its covenants under this Agreement, (iv) other than in the ordinary course or for good reason, not evict any Resident at the Facility without Buyer's prior written consent, or (v) take any actions that, if taken prior to the Closing, would be required to be disclosed on Schedule 3.16.

5.17 **Residency Agreements; Current Resident Recovery Program.**

(a) **New Residency Agreements.** Prior to the Closing, Buyer shall offer new residency agreements on a rental basis to all existing Residents (including, for the avoidance of doubt, Independent Living, Assisted Living, Memory Care and Skilled Nursing Residents), in each case, at equivalent base rental rates to such Residents' current monthly service fees under their existing Residency Agreements (the "**New Residency Agreements**"). The New Residency Agreements shall limit any future increases to existing Residents' base rental rates to 5% per annum so long as those existing Residents remain in the Facility in their current acuity and unit. A Resident executing a New Residency Agreement who subsequently moves to a different acuity level or a different unit will pay the current market rate for that new unit, and any future increases of the new base rental rate will be limited to 5% per annum. For the avoidance of doubt, all Benevolent Care Residents shall be offered New Residency Agreements that shall terminate no earlier than six (6) months following the Closing Date; *provided however*, that no additional Benevolent Care Residents shall be admitted to the Facility from the Execution Date through the Closing Date.

(b) **Current Resident Rent Rebate Payment Program.** Buyer shall implement the Current Resident Rent Rebate Payment program described in this Section 5.17 to provide for partial rebates

of rents paid by Eligible Current Residents. In order for a Current Resident to be eligible to participate in the Rent Rebate Payment program described in this Section 5.17(b) (an “**Eligible Current Resident**”), such Current Resident shall, during the Eligibility Period:

(i) have an entrance fee Residency Agreement in effect with the Seller immediately prior to Closing pursuant to which a refund of their original entrance fee is or will be due, which is not repaid to them by Seller;

(ii) not be delinquent on any rents previously owed to the Facility;

(iii) prior to the Closing, execute a New Residency Agreement with Buyer for the same unit, level of acuity and the same base service fee or rental rate as such Current Resident is currently paying immediately prior to the Closing Date, with such New Residency Agreement to become effective upon the Closing;

(iv) execute a release (a “**Rent Rebate Payment Program Release**”) of all liabilities in favor of current members of the Board of Directors and current officers of Seller, Greystone Management Services Company, LLC, any trustee, the Trustee, any bondholder, Buyer and any of Buyer’s affiliates and subsidiaries, and the respective representatives and agents of the foregoing, on a form reasonably acceptable to Buyer; and

(v) not leave the Facility through the end of the last day of the month that is the twenty-fifth (25th) month following the Closing Date (the “**Eligibility Period**”); *provided, however*, if a Current Resident passes away prior to the close of the Eligibility Period but maintained residence at the Facility until their death, this Section 5.17(b)(v) shall not apply to such Current Resident and any recovery which such Current Resident would otherwise be eligible for herein shall be paid to the estate of such Eligible Current Resident.

(c) Former Residents. Notwithstanding anything to the contrary in this Agreement, Buyer shall have no responsibility for any obligations or liabilities, including, without limitation, obligations related to entrance fees, deposits or move-in fees, to Former Residents or with respect to Residency Agreements of Former Residents.

(d) Recovery Payment Terms. As consideration for Buyer’s purchase of the Purchased Assets, the Eligible Current Residents shall receive a payment as follows:

(i) Buyer shall pay an aggregate amount equal to Twelve Million and No/100 Dollars (\$12,000,000.00) (the “**Rent Rebate Funds**”), amortized and paid out over the twelve-month period beginning in the month following the end of the Eligibility Period (the “**Payment Period**”), to all Eligible Current Residents in an amount equal to their respective pro rata share of the cumulative original entrance fees subject to refund (currently or in the future) paid by all such Eligible Current Residents (and in the case of each Eligible Resident, up to an amount not to exceed such Eligible Current Resident’s Entrance Fee).

(ii) If an Eligible Current Resident vacates the Facility of their own volition during the Payment Period, such Eligible Current Resident shall receive the prorated amount of their pro rata share of the Rent Rebate Funds, and up to an amount not to exceed such Eligible Current Resident’s Entrance Fee.

(iii) Buyer shall make available and provide the Healthcare Discount Program to be implemented by Buyer following Closing, and to be administered by Buyer in its sole discretion.

(e) Entrance Fee Escrow Deposits. Seller will refund the Entrance Fee Escrow Deposits held in escrow to the respective Residents promptly on or after the Closing Date; provided, that no such Resident shall be deemed an Eligible Current Resident under this Section 5.17.

(f) Reservation Deposits. Seller will refund the Reservation Deposits held in escrow to the respective prospective residents promptly on or after the Closing Date.

(g) Security Deposits and Resident Trust Funds. Seller will refund to Residents, or transfer to Buyer for use according to their designated purposes (i.e., as security deposits or for Current Resident snack bar expenses), at Buyer's option, security deposits and resident trust funds held by Seller.

5.18 Non-Solicitation. Seller, for itself and on behalf of its Affiliates (collectively, the "**Restricted Parties**") will not after the Execution Date and for a period of two (2) years after the Closing Date, directly or indirectly, solicit or attempt to solicit for employment any existing Employees, and will not solicit for employment any Transferred Employees or otherwise interfere with the relationship between Buyer, the Facility and any employee thereof; provided, that the foregoing shall not prohibit Seller from soliciting (x) any person who responds to general advertisements, search firms or other recruiting efforts not specifically targeted at the Transferred Employees, or (y) any Transferred Employee who is no longer employed by Buyer (without any solicitation by a Restricted Party in breach of this Section 5.18) . In addition, the Restricted Parties will not after the Execution Date and for a period of two (2) years after the Closing Date, directly or indirectly solicit or attempt to solicit for residency any Current Residents.

5.19 Changes in Representations and Warranties. Throughout the period from the Execution Date through and including the Closing Date, Seller shall give Buyer prompt written notice, including if necessary in the form of a supplement or amendment to the Schedules hereto (a "**Disclosure Update**"), of (a) any representation and warranty made by Seller in this Agreement which Seller hereafter learns was inaccurate or incorrect when originally made, (b) any event, change or occurrence which would make any representation or warranty of Seller inaccurate or incorrect as of the time of such event, change or occurrence, and (c) any event, change or occurrence which would or reasonably may be anticipated to prevent Seller from making the same representations and warranties as set forth herein on and as of the Closing Date. The giving of any such notices or Disclosure Update shall not limit or modify any rights of Buyer hereunder arising in the case of a breach of a representation or warranty or covenant or obligation by Seller.

5.20 Financial Statements. Until the Closing, Seller shall promptly deliver to Buyer copies of all financial reporting delivered to Seller's senior secured lenders.

ARTICLE 6

CONDITIONS TO CLOSING

6.1 Conditions to Obligations of Seller to Close. The obligation of Seller to effect the Closing is subject to the satisfaction prior to or at the Closing of the following conditions (any of which may, in sole discretion of Seller, be waived in whole or in part):

(a) Chapter 11 Case. The Bankruptcy Court shall have entered the Sale Order in the form attached hereto as Exhibit D (with any changes acceptable to the Buyer), which shall not be subject to a stay pending appeal.

(b) Accuracy of Representations and Warranties. The representations and warranties made by Buyer in this Agreement or in any Related Agreement shall be true and correct in all material

respects (other than any representation or warranty which is qualified by materiality, which shall be true and correct in all respects), on the Execution Date and shall be true and correct in all material respects (other than any representation or warranty which is qualified by materiality, which shall be true and correct in all respects), on the Closing Date as though such representations and warranties were made or given on and as of the Closing Date, unless such representations and warranty speaks only as of a specific date in which case it shall be true and correct as of such date.

(c) Observance and Performance. Buyer shall have performed and complied with, in all material respects, all covenants and agreements required by this Agreement to be performed and complied with by it prior to or upon the Closing.

(d) No Legal Actions. No Governmental Authority shall have issued an order, not subsequently vacated, restraining, enjoining or otherwise prohibiting the consummation of the Contemplated Transactions, and no other Action shall be pending which challenge or seek to challenge, or which could prevent or cause the rescission of the consummation of the Contemplated Transactions.

(e) Approvals. Buyer and Seller shall have submitted their respective pre-Closing Approvals.

(f) Deliverables. Buyer shall have delivered to Seller the payments, agreements and instruments set forth in Section 5.8.

6.2 Conditions to Obligation of Buyer to Close. The obligation of Buyer to effect the Closing is subject to the satisfaction prior to or at the Closing of the following conditions (any of which may, in Buyer's sole discretion, be waived in whole or in part):

(a) Chapter 11 Case. The Bankruptcy Court shall have entered the Sale Order attached hereto as **Exhibit D** (with any changes acceptable to the Buyer), which shall not be subject to stay pending appeal.

(b) Accuracy of Representations and Warranties. The representations and warranties made by Seller in this Agreement or in any Related Agreement shall be true and correct in all material respects (other than any representation or warranty which is qualified by materiality, which shall be true and correct in all respects), on the Execution Date and shall be true and correct in all material respects (other than any representation or warranty which is qualified by materiality, which shall be true and correct in all respects), on the Closing Date as though such representations and warranties were made or given on and as of the Closing Date, unless such representations and warranty speaks only as of a specific date in which case it shall be true and correct as of such date.

(c) Observance and Performance. Seller shall have performed and complied with, in all material respects, all covenants and agreements required by this Agreement to be performed and complied with by it prior to or upon the Closing.

(d) No Legal Actions. No Governmental Authority shall have issued an order, not subsequently vacated, restraining, enjoining or otherwise prohibiting the consummation of the Contemplated Transactions, and no other Action shall be pending which challenges or seeks to challenge, or which could prevent or cause the rescission of the consummation of the Contemplated Transactions.

(e) Conveyance of Property. Seller shall have conveyed to Buyer the Purchased Assets, free and clear of all Liens except for Permitted Liens.

(f) Approvals. Buyer and Seller shall have obtained the Approvals and any material Permits, or otherwise have reasonable assurances of issuance thereof, in each case necessary for Buyer to operate the Business.

(g) Deliverables. Seller shall have delivered to Buyer the agreements and instruments set forth in Section 5.9.

(h) Material Adverse Effect. No Material Adverse Effect shall have occurred since the Execution Date.

(i) Title Insurance. The Title Company shall be prepared to issue a title insurance policy based upon the Title Pro Forma consistent with the final form of Exhibit E (including any amendments related to Title Updates).

(j) New Residency Agreements. At least 272 units occupied by paying Residents (who are paying the prevailing rates) across any level of care shall have signed New Residency Agreements with Buyer as of the Closing Date.

ARTICLE 7

TERMINATION

7.1 Termination. This Agreement may be terminated at any time before the Closing by written notice to the applicable Party:

(a) by mutual written agreement of Buyer and Seller;

(b) by either Buyer or Seller, upon written notice to the other Party, if the other Party is in material breach or default of any provision of this Agreement that would give rise to the failure of a condition to Closing under ARTICLE 6, which breach is not cured within ten (10) Business Days after written notice thereof is received, provided, however, that the terminating Party is not in uncured material breach or default of this Agreement; and provided, further, there shall be no right to cure a breach of the milestones set out in Section 5.7(i);

(c) by either Buyer or Seller if the Sale is disapproved by the Bankruptcy Court;

(d) by either Buyer or Seller if any condition to Closing under ARTICLE 6 has not been satisfied by the Outside Closing Date; provided, however, that the terminating Party has not caused such condition to Closing to not be so satisfied;

(e) by either Buyer or Seller, if, prior to Closing, the Sale Order, after being entered by the Bankruptcy Court, has subsequently been reversed, revoked or voided by an order of a court of competent jurisdiction;

(f) by Buyer pursuant to Sections 2.7 or 5.12(b);

(g) by Buyer upon consummation of an Alternative Transaction; or following an auction if Buyer is not the winning Bidder, is not the Back-Up Bidder; or sixty (60) days have expired since Buyer was named the Back-Up Bidder; or the Outside Date has expired since Buyer was named the Back-Up Bidder; provided, in each case, that Buyer has not breached or defaulted under this Agreement and such breach or default is not cured as permitted under this Agreement; or

(h) by Buyer if the Bankruptcy Court enters an Order (i) dismissing the Chapter 11 Case, (ii) converting the Chapter 11 Case to a case under Chapter 7 of the Bankruptcy Code, (iii) directing the appointment of a Chapter 11 trustee or examiner with expanded powers, or (iv) materially amending the terms of the Contemplated Transactions (subject in all respects to, and not in derogation of, Buyer's right to approve the Sale Order and any modifications thereto).

If this Agreement is terminated, each of the Parties shall bear its own costs incurred in connection with the Contemplated Transactions; provided that Buyer shall be entitled to its Break-Up Fee and Expense Reimbursement solely upon the consummation of an Alternative Transaction, as expressly provided herein.

7.2 Remedies.

(a) If there is a pre-Closing breach or pre-Closing default of this Agreement, (i) Seller's sole and exclusive remedy shall be termination and, if applicable, retention of the Deposit as liquidated damages as provided for herein, and (ii) Buyer's remedies shall be either (1) termination and return of the Deposit, and if applicable, and payment of the Break-Up Fee and Reimbursement Amount as provided for herein, or (2) in the event that the Sale Order has been entered and the Closing has not occurred on or prior to the Outside Closing Date due to a failure of Seller to perform, Buyer shall be entitled to the remedy of specific performance against Seller, the subject of this Agreement being unique as a transfer of Real Property; provided, however that if specific performance of this Agreement is not available as a remedy for any reason, then Buyer shall be entitled to pursue any and all rights and remedies under this Agreement, at law or in equity. Buyer shall not be required to provide any bond or other security in connection with any such injunction or order seeking to enforce specifically the terms and provisions of this Agreement.

(b) Immediately upon the occurrence of any termination of this Agreement (other than a termination by Seller pursuant to Section 7.1(b)), the Parties shall instruct the Title Company to refund the Deposit to Buyer. If the termination is by Seller pursuant to Section 7.1(b), the Parties shall instruct the Title Company to release the Deposit, which shall be deemed forfeited by Buyer, to Seller as liquidated damages and as Seller's sole remedy for such default, and the Parties shall be released from all further obligations hereunder, other than the Break-Up Fee and Expense Reimbursement to the extent otherwise provided herein. Any interest earned on the Deposit shall follow the Deposit.

(c) The Parties intend that the forfeiture of the Deposit by Buyer and payment of the Deposit to Seller constitutes compensation, and not a penalty. The Parties acknowledge and agree that if Buyer is in default or breach of this Agreement, it would be impossible to estimate damages as of the Execution Date due to Buyer's default or breach and therefore the Deposit is a reasonable estimate of Seller's anticipated or actual harm that might arise from such a default or breach. The transfer of the Deposit to Seller is Buyer's sole liability and entire obligation and the exclusive remedy for Buyer's pre-Closing default or pre-Closing breach of this Agreement.

(d) Notwithstanding anything to the contrary herein, the representations and warranties in this Agreement and any certificate delivered pursuant hereto by a Party, and all rights and remedies with respect thereto, will terminate at the Closing such that no claim for breach of any representation or warranty may be brought after the Closing with respect thereto and there will be no liability in respect thereof, except that this Section 7.2 shall not limit responsibility for performance of covenants and agreements of the Parties which by their terms contemplate performance in whole or in part after the Closing, and nothing contained in this ARTICLE 7 shall in any way limit or restrict the right of any Party to bring a cause of action based on fraud in the making of another Party's representations and warranties in ARTICLE 3 or ARTICLE 4 of this Agreement. Further, nothing in this Section 7.2 will limit

responsibility of Seller to the Title Company under any gap indemnity or similar affidavit required to be delivered in connection with the issuance of the Title Commitment.

(e) ARTICLE 7 and ARTICLE 8 shall survive any termination of this Agreement.

ARTICLE 8

MISCELLANEOUS

8.1 Expenses. Except as specifically set forth in this Agreement or any Related Agreement (including with regard to the Break-Up Fee and Expense Reimbursement), the Parties shall bear their own expenses, including, without limitation, fees, disbursements and other costs of any attorneys, accountants and other advisors, in connection with this Agreement, the Related Agreements and the Contemplated Transactions. This Section shall not apply, if the Closing does not occur, to any existing or future litigation, if a right to attorneys' fees and expenses otherwise exists.

8.2 Notices. All notices, requests, demands and other communications made in connection with this Agreement shall be in writing and shall be (i) mailed by first-class, registered or certified mail, return receipt requested, postage prepaid, (ii) transmitted by hand delivery, (iii) sent by electronic means or (iv) sent by nationally recognized overnight courier for next Business Day delivery, addressed as follows:

Seller: Buckingham Senior Living Community, Inc.
8580 Woodway Drive
Houston, Texas 77063
Attention:
Email:

With a simultaneous copy to: McDermott Will & Schulte LLP
1180 Peachtree Street, NE
Suite 3350
Atlanta, GA 30309
Attention: Daniel M. Simon
Email: dsimon@mwe.com

- and -

McDermott Will & Schulte LLP
One Vanderbilt Avenue
New York, NY 10017
Attention: Natalie Rowles
Email: nrowles@mwe.com

Buyer: Focus SH Acquisitions LLC
200 West Madison, Suite 2650
Chicago, IL 60606
Attention: Curt Schaller
Email: cschaller@focushp.com

With a simultaneous copy to: Polsinelli
150 N. Riverside Plaza, Suite 3000
Chicago, IL, 60606

Attention: Matt Murer
Email: MMurer@polsinelli.com

and

Polsinelli
501 Commerce Street, Suite 1300
Nashville, TN 37203
Attention: Bobby Guy
Email: BGuy@polsinelli.com

Trustee:

UMB Bank, N.A.
120 Sixth Street South, Suite 1400
Minneapolis, Minnesota 55402
Attention: Julie Becker
Email: Jblecker@umb.com

With a simultaneous copy to:

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
One Financial Center
Boston, Massachusetts 02111
Attention: Daniel S. Bleck and Poonam Patidar
Email: DSbleck@mintz.com
PPatidar@mintz.com

or, in each case, such other address as may be specified in writing to the other parties.

All such notices, requests, demands, waivers and other communications shall be deemed to have been received (w) if by first-class, registered or certified mail, on the fifth (5th) Business Day after the mailing thereof, (x) if by hand delivery, on the day after such delivery, (y) if by electronic means on the date sent by e-mail (so long as no “bounceback” or similar “undeliverable” message is received by the sender thereof) if successfully transmitted prior to 5:00 pm (Central Time) on any Business Day, and on the next Business Day if successfully transmitted after such time or on a non-Business Day and (z) if by nationally recognized overnight courier, on the next Business Day after deposit with such courier.

8.3 Confidentiality. Each Party hereto agrees that the provisions of this Agreement, all understandings, agreements and other arrangements between the Parties, and all other non-public information received from the other Party or otherwise relating to such other Party, the Facility, the Premises or the Business, shall be confidential, and shall not be disclosed or otherwise released to any other Person (other than such Party’s Affiliates) without the written consent of the other Party. Following the Closing, Seller covenants and agrees to, and shall cause its Affiliates to, maintain the confidentiality of the Confidential Information regarding the Facility, the Premises and the Business. The obligations of the Parties hereunder shall not apply to: (i) the extent that the disclosure of information otherwise determined to be confidential is anticipated hereunder or required by applicable law, to be disclosed or filed with the Bankruptcy Court (excepting any information which is disclosed or filed with the Bankruptcy Court in a confidential manner or under seal or other similar legal protection); (ii) the disclosure of confidential information to any financial advisors, legal advisors, other professional advisors, shareholders, investors and lenders (both actual and potential, including the Trustee and the bondholders) of a party who need to know such information in connection with efforts to affect the Closing and who agree to hold confidential such information substantially in accordance with this Section or who are otherwise bound by a duty of confidentiality to such Party, (iii) such disclosures as may be contained in any transaction-specific press release or pre-Closing communications to Residents approved by both Buyer and Seller, each Party

agreeing not to unreasonably withhold, condition or delay its approval, and (iv) the disclosure of confidential information to TDI and other Governmental Authorities necessary to obtain the Approvals (excepting any information which is disclosed or filed in a confidential manner or under seal or other similar legal protection).

8.4 Amendment; Waivers, Etc. No amendment, modification or discharge of this Agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing and duly executed by all Parties. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the Party granting such waiver in any other respect or at any other time.

8.5 Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

8.6 Assignment. Neither this Agreement nor any of the rights or obligations under this Agreement may be assigned by either Party without the prior written consent of the other Party, except that Buyer may assign its rights under this Agreement to one or more Affiliates with three (3) days' notice to Seller. No permitted assignment of this Agreement by a Party will relieve the Party of any of its obligations under this Agreement.

8.7 Parties in Interest. This Agreement and the Related Agreements shall be binding upon and inure solely to the benefit of the Parties and their successors and permitted assigns, and nothing in this Agreement or any Related Agreement, expressed or implied, is intended to confer upon any other Person any rights or remedies of any nature under or by reason of this Agreement or any Related Agreement.

8.8 No Personal Liability. No individual officer, director, employee, manager, Affiliate, agent or representative of any Party shall have personal liability for any of the obligations hereunder or claims of any kind in connection herewith.

8.9 Counterparts; Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed to constitute an original, but all of which shall constitute one and the same instrument, and shall become effective when one or more counterparts have been signed by each of the Parties. Counterparts may be executed by hand or by any electronic signature complying with state or federal law, including the U.S. federal ESIGN Act of 2000, as amended (the "**ESIGN Act**"). Executed counterparts may be delivered via electronic mail or other similar transmission method, and any executed counterpart so delivered shall be valid and effective for all purposes. No Party shall raise the use of any electronic signature that complies with the ESIGN Act (including www.docusign.com), electronic mail or other similar transmission method as a means to deliver a signature to this Agreement or any amendment hereto as a defense to the formation or enforceability of a contract and each Party forever waives any such defense.

8.10 Governing Law. Except to the extent inconsistent with the Bankruptcy Code, this Agreement and the Related Agreements shall be governed by and construed and enforced in accordance with the laws of the State of Texas, without regard to its conflicts of law rules.

8.11 Severability. If any provision of this Agreement is inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever, so long as this Agreement, taken as a whole, still expresses the material intent of the Parties. The invalidity of any one or more phrases,

sentences, clauses, sections or subsections of this Agreement shall not affect the remaining portions of this Agreement.

8.12 Entire Agreement. This Agreement and the Related Agreements constitute the entire agreement between the Parties with respect to the subject matter hereof, and supersede all prior agreements and understandings, both written and oral, between the Parties (including, for the avoidance of doubt, the Letter of Intent effective July 30, 2025, as amended on September 19, 2025 and the Access Agreement dated September 19, 2025, each by and between Seller and Buyer) with respect to the subject matter hereof. There are no warranties, representations or other agreements between the Parties in connection with the subject matter hereof except as set forth specifically herein, or in the Related Agreements.

8.13 No Third-Party Beneficiaries. This Agreement is for the benefit of Seller and Buyer, and nothing in this Agreement or the Related Agreements is intended to confer upon any third parties (including any past, present or future employee, Resident, or vendor or their successors) any rights as a third-party beneficiary or otherwise or any other rights or remedies of any nature or kind whatsoever under or by reason of the Contemplated Transactions, including, without limitation, in the case of employees, any rights of employment, continued employment or any rights under or with respect to any employee benefit, welfare benefit, pension or other fringe benefit plan, fund, program or arrangement.

8.14 Bulk Sales or Transfer Laws. To the extent applicable, Buyer and Seller hereby waive compliance with the provisions of all “bulk sales,” “bulk transfer” and similar applicable Law, it being understood that any liabilities arising out of the failure of the parties to comply with the requirements and provisions of any such law shall be treated as Excluded Liabilities and further, it being understood that this waiver shall not preclude Buyer from making and requiring compliance with a bulk sales filing required in Texas, if any, that is not preempted or excepted as a result of the bankruptcy.

8.15 No Inferences. Inasmuch as this Agreement is the result of negotiations between sophisticated parties of equal bargaining power represented by counsel, no inference in favor of, or against, either Party shall be drawn from the fact that any portion of this Agreement has been drafted by or on behalf of such Party.

8.16 [Reserved.]

8.17 Interpretation. In this Agreement, unless the context otherwise requires: (i) references to this Agreement are references to this Agreement and to the Schedules and Exhibits hereto; (ii) references to Articles and Sections are references to articles and sections of this Agreement; (iii) references to any Party shall include references to its respective successors, its designees, and permitted assigns; (iv) references to a judgment shall include references to any order, writ, injunction, decree, determination or award of any court or tribunal; (v) the terms “hereof,” “herein,” “hereby,” and any derivative or similar words will refer to this entire Agreement; (vi) references to any document (including this Agreement) are references to that document as amended, consolidated, supplemented, novated or replaced by the parties thereof from time to time; (vii) references to any law are references to that law as of the Closing Date, unless the context requires otherwise, and shall also refer to all rules and regulations promulgated thereunder, unless the context requires otherwise; (viii) the word “including” shall mean including without limitation; (ix) references to time are references to Central Standard or Daylight time (as in effect on the applicable day) unless otherwise specified herein; and (x) in the event the time for an act or notice falls on a day that is not a Business Day, the time will automatically be extended to the next Business Day.

8.18 Texas Real Estate Disclosures. Buyer acknowledges that Seller has advised Buyer that it should either obtain abstracts covering the Premises examined by an attorney at Buyer’s selection, or Buyer should be furnished with or obtain title policies in connection with its purchase of the Premises.

(a) Notice Required by § 13.257, Water Code. Pursuant to Section 13.257 of the Texas Water Code, please be advised as follows: “The real property, described above, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property.” Buyer hereby acknowledges receipt of the foregoing notice at or before the execution of this Agreement for the purchase of the Premises described herein.

(b) Notice Regarding Possible Liability Pursuant to § 5.010, Property Code. If for the current ad valorem tax year the taxable value of the Premises is determined by a special appraisal method that allows for the appraisal of the Premises at less than its market value, the person to whom the Premises is transferred may not be allowed to qualify the Premises for that special appraisal in a subsequent tax year and the Premises may then be appraised at its full market value. In addition, the transfer of the Premises or a subsequent change in the use of the Premises may result in the imposition of an additional tax plus interest as a penalty for the transfer of the change in the use of the Premises. The taxable value of the Premises and the applicable method of appraisal for the current tax year is public information and may be obtained from the tax appraisal district established for the county in which the land is located.

(c) Notice Regarding Possible Annexation Pursuant to § 5.011, Property Code. If the Premises is located outside the limits of a municipality, the Premises may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Premises is located within a municipality’s extraterritorial jurisdiction or is likely to be located within a municipality’s extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Premises for further information.

(d) Notice of Mold Remediation. Section 1958.154, Texas Occupations Code requires Seller to provide Buyer a copy of any mold remediation certificate issued for the Premises during the five (5) years preceding the date the Seller sells the Premises. Seller represents and warrants to Buyer that Seller has no knowledge of any such certificate.

(e) NOTICE TO BUYER. Pursuant to Texas Local Government Code Section 212.155 and Houston, Texas Code of Ordinances Section 10-556, Seller hereby gives Buyer notice of any and all deed restrictions that the Premises may be subject to. The Premises in this conveyance is located at 8580 Woodway Drive, Houston, Texas 77063 and the legal description of the property you are acquiring is attached in Schedule 3.10. The Premises may be subject to deed restrictions and the City of Houston is authorized to enforce said deed restrictions. The deed restrictions that affect the Premises of this conveyance can be found in the Real Property Records of Harris County, Texas. Any deed restrictions that restrict the sale, rental, or use of the Premises on the basis of race, color, religion, sex, or national origin are unenforceable, however, the inclusion of such provisions does not render the remainder of the deed restrictions invalid.

8.19 SUBMISSION TO JURISDICTION. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE BANKRUPTCY COURT, AND ANY APPELLATE COURT ARISING THEREFROM, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY OF THE DOCUMENTS ENTERED INTO IN CONNECTION HERewith OR FOR THE RECOGNITION OR

ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH COURT. EACH OF THE PARTIES AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND BINDING ON SUCH PARTY.

8.20 WAIVER OF JURY TRIAL. EACH PARTY TO THIS AGREEMENT HEREBY UNCONDITIONALLY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, ANY OF THE DOCUMENTS RELATED HERETO, ANY DEALINGS BETWEEN THE PARTIES RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT OR ANY RELATED TRANSACTIONS. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE CLOSING OR EARLIER TERMINATION OF THIS AGREEMENT.

8.21 Time of the Essence. Time is of the essence for purposes of this Agreement and the rights and obligations of the Parties hereunder.

8.22 Exclusivity. From July 31, 2025 until the earlier of (a) termination of this Agreement as provided herein and (b) the date of the filing of the Chapter 11 Case, Seller shall not, and shall direct its Affiliates and representatives not to, directly or indirectly, (i) submit, solicit, initiate, encourage or discuss any proposal or offer from any Person (other than Buyer and its Affiliates in connection with the transactions contemplated hereby) or enter into any agreement or accept any offer relating to or consummate any purchase or sale of any Purchased Assets (other than the purchase and sale of Inventory in the ordinary course of business) or any similar transaction or business combination involving the Facility or the Purchased Assets (each of the foregoing transactions, a “**Business Transaction**”), or (ii) furnish any information with respect to, assist or participate in or facilitate in any other manner any effort or attempt by any Person (other than Buyer and its Affiliates) to do or seek to do any of the foregoing. Seller shall notify Buyer if any Person makes any written proposal, offer, inquiry or contact with respect to a Business Transaction during the exclusivity period under this paragraph. Further, upon the earlier of determination that there will not be an auction or if Buyer is the winner at any auction, the obligations of this provision will resurrect upon the close of the auction and continue through the earlier of Closing or termination of this Agreement.

[Signatures Follow on Next Page]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by their duly authorized representatives as of the date first above written.

SELLER:

**BUCKINGHAM SENIOR LIVING COMMUNITY,
INC.**

By: _____
Its: _____

BUYER:

FOCUS SH ACQUISITIONS LLC

By: FOCUS HEALTHCARE PARTNERS,
LLC, its Manager

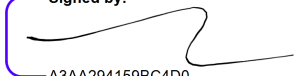


By: Paul Froning
Its: Manager

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by their duly authorized representatives as of the date first above written.

SELLER:

**BUCKINGHAM SENIOR LIVING COMMUNITY,
INC.**

Signed by: 
A3AA204159BC4D0...

By: Mike Wyse
Its: Board Chair

BUYER:

FOCUS SH ACQUISITIONS LLC

By: _____
Its: _____

ALLOCATION SCHEDULE

Cash and Cash Equivalents (Class I)	None
Actively Traded Personal Property (Class II)	\$1,500,000
Accounts Receivable (Class III)	None
Inventory (Class IV)	None
Assets other than Class I, II, III, IV, VI, and VII Assets (Class V)	\$85,000,000
Section 197 Intangibles, Goodwill and Going Concern Value (Class VI and VII)	\$13,500,000

105377174.38

EXHIBIT A

Bidding Procedures Order

(Attached)

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

In re:

**BUCKINGHAM SENIOR LIVING
COMMUNITY, INC.¹**

Debtor.

)
) Chapter 11
)
) Case No. 25-[_____] (____)
)
)
) Related to Docket No. ____
)

**ORDER (I) APPROVING BIDDING
PROCEDURES AND BID PROTECTIONS,
(II) APPROVING THE DEBTOR'S ENTRY INTO
THE STALKING HORSE APA, (III) SCHEDULING
CERTAIN DATES AND DEADLINES, (IV) APPROVING
THE FORM AND MANNER OF NOTICE THEREOF, AND
(V) ESTABLISHING NOTICE AND PROCEDURES FOR THE
ASSUMPTION AND ASSIGNMENT OF CONTRACTS AND LEASES**

Upon the motion (the "Motion")² of the Debtor for entry of an order (this "Order")

(a) authorizing and approving the proposed bidding procedures attached hereto as **Exhibit 1**

¹ The last four digits of the Debtor's federal tax identification number are 7872. The location of the Debtor's principal place of business and the service address for the Debtor is 8580 Woodway Drive, Houston, Texas 77063.

(the “Bidding Procedures”) by which the Debtor will solicit and select the highest or otherwise best offer(s) for the sale (the “Transaction”) of all or substantially all of the Debtor’s assets (the “Assets”); (b) authorizing the Debtor to select Focus SH Acquisitions LLC as the stalking horse bidder for substantially all of the Debtor’s Assets (the “Stalking Horse Bidder” and, the Stalking Horse Bidder’s bid, the “Stalking Horse Bid”) pursuant to that certain Asset Purchase Agreement, dated [____], attached hereto as **Exhibit 2** (as amended, supplemented, or otherwise modified by the parties thereto, the “Stalking Horse APA”); (c) approving the Reimbursement Amount and Break-Up Fee relating to the Stalking Horse Bidder (together, the “Bid Protections”); (d) scheduling certain dates and deadlines in connection with the approval of the Bidding Procedures; (e) approving the manner of notice of an auction or auctions, if any, for the Transaction (the “Auction”) and the hearing to consider approval of each Transaction (the “Sale Hearing”); and (f) approving procedures for the assumption and assignment of certain executory contracts (the “Executory Contracts”) and unexpired leases (the “Unexpired Leases”) in connection with the Transaction, all as more fully set forth in the Motion; and upon consideration of the First Day Declaration and the [____] Declaration; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Order of Reference of Bankruptcy Cases and Proceedings Nunc Pro Tunc* dated August 3, 1984, entered by the United States District Court for the Northern District of Texas; and the matter being a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and venue of this proceeding and the Motion in this District being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court being able to issue a final order consistent with Article III of the United States Constitution; and due and sufficient notice of the Motion having been given

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion or the Bidding Procedures, as applicable.

under the particular circumstances; and the Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the “Hearing”); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Motion is in the best interests of the Debtor, its estate, its creditors, and other parties in interest; and after due deliberation thereon; and good and sufficient cause appearing therefor; it is hereby

ORDERED, ADJUDGED, AND DECREED that:

1. The Motion is granted as set forth herein.
2. The Debtor has articulated good and sufficient reasons for authorizing and approving the Bidding Procedures, which are fair, reasonable, and appropriate under the circumstances and designed to maximize the recovery on, and realizable value of the Debtor’s enterprise, including with respect to the payment of the Bid Protections in accordance with the Stalking Horse APA.
3. The Debtor’s proposed notice of the Motion and the Hearing was (a) appropriate and reasonably calculated to provide all interested parties with timely and proper notice, (b) in compliance with all applicable requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, and (c) adequate and sufficient under the circumstances of the Chapter 11 Case, and no other or further notice is required. A reasonable opportunity to object or be heard regarding the relief granted by this Order has been afforded to all interested persons and entities.
4. All objections to the relief requested in the Motion that have not been withdrawn, waived, or settled prior to or at the Hearing are overruled.

II. Important Dates and Deadlines.

5. The key dates for the sale process are as follows:

Action	Description	Deadline
Contract Assumption Notice	Target date for the Debtor to file a notice of contracts that may be assumed and assigned to any Successful Bidder.	December 19, 2025
Sale Objection Deadline	The deadline by which objections to the Transaction must be made.	January 9, 2026, at 12:00 p.m., prevailing Central Time
Cure Objection Deadline	The deadline by which objections to the proposed assumption and assignment of any Executory Contract or Unexpired Lease or the Cure Costs proposed with respect thereto must be made.	January 9, 2026, at 4:00 p.m., prevailing Central Time
Bid Deadline	The deadline by which all binding Bids must be actually received pursuant to the Bidding Procedures.	January 9, 2026, at 4:00 p.m., prevailing Central Time
Auction (if any)	The date and time of the Auction.	January 13, 2026, at 10:00 a.m., prevailing Central Time (if any)
Notice of Successful Bidder	The deadline by which the Debtor will file on the docket, but not serve, a notice identifying the Successful Bidder, the applicable Successful Bidder, the Assets, and the key terms of the agreement.	Within two (2) business days upon the conclusion of the Auction (if any).
Post-Auction Objection Deadline	The deadline by which objections to the Successful Bidder, if any, or to dispute the ability of the Successful Bidder to provide adequate assurance of future performance with respect to any Executory Contract or Unexpired Lease must be made.	January 20, 2026, at 4:00 p.m., prevailing Central Time
Sale Hearing	The Hearing, if any, before the Court to consider approval of the Successful Bid or Successful Bids, pursuant to which the Debtor and the Successful Bidder or Successful Bidders will consummate the Transaction.	January 22, 2026 at 9:00 a.m., prevailing Central Time (subject to Court availability)

6. **Bid Deadline.** January 9, 2026, at 12:00 p.m., prevailing Central Time, is the deadline by which all Qualified Bids must be **actually received** by the parties specified in the Bidding Procedures (the “**Bid Deadline**”).

7. **Sale Objection Deadline.** Objections to the Transaction, with the exception of objections solely related to the identity of the Successful Bidder other than the Stalking Horse Bidder and adequate assurance of future performance by the Successful Bidder, which must be filed by the Post-Auction Objection Deadline (as defined below), must be made on or before January 9, 2026, at 4:00 p.m., prevailing Central Time (the “Sale Objection Deadline”).

8. **Cure Objection Deadline.** The deadline to object to any Cure Cost or to assumption and assignment on any basis, with the exception of objections solely related to adequate assurance of future performance by a Successful Bidder other than the Stalking Horse Bidder, which must be filed by the Post-Auction Objection Deadline, shall be made on or before January 9, 2026, at 4:00 p.m., prevailing Central Time (the “Cure Objection Deadline”).

9. **Auction.** The date and time of the Auction is January 13, 2026, at 10:00 a.m., prevailing Central Time, which time may be extended by the Debtor, in consultation with the Consultation Parties, upon written notice to the Court. The Auction will be held at the offices of the proposed counsel to the Debtor: McDermott Will & Emery LLP, 2801 N. Harwood Street, Suite 2600, Dallas, Texas 75201-1574, or such other location as may be communicated to the relevant participants. Only the Debtor, the Stalking Horse Bidder, Qualified Bidders, the Consultation Parties, the U.S. Trustee, and such parties’ representatives and advisors (including bondholders), shall be entitled to attend in the Auction; *provided* that Qualified Bidders may appear through a duly authorized representative (other than their counsel) bearing a valid and enforceable power of attorney or other written proof evidencing their ability to bind the applicable Qualified Bidder, which document shall be delivered to the Debtors prior to the commencement of the Auction. Except as otherwise permitted by the Debtors, only Qualified Bidders shall be permitted to bid at the Auction.

10. **Notice of Successful Bidder.** Within two (2) business days of the conclusion of the Auction the Debtors shall file a notice identifying the Successful Bidder, the applicable Successful Bidder, the Assets, and key terms of the agreement (the “Notice of Successful Bidder”).

11. **Post-Auction Objection Deadline.** Objections to the Notice of Successful Bidder related solely to the identity of the Successful Bidder (other than the Stalking Horse Bidder) or the ability of the Successful Bidder to provide adequate assurance of future performance with respect to any Executory Contract or Unexpired Lease, if any, must be made on or before January 20, 2026, at 4:00 p.m., prevailing Central Time (the “Post-Auction Objection Deadline”).

12. **Failure to Object.** If any party fails to timely file with the Court and serve an objection by the Sale Objection Deadline or Post-Auction Objection Deadline, as applicable, or otherwise abide by the procedures set forth in the Bidding Procedures regarding an objection to the Transaction, such party shall be barred from asserting, at the Sale Hearing or otherwise, any objection to the relief requested in the Motion or to the consummation and performance of the Transaction, including the transfer of the Assets to the Successful Bidder, free and clear of all liens, claims, interests, and encumbrances pursuant to Bankruptcy Code section 363(f), and shall be deemed to “consent” for the purposes of Bankruptcy Code section 363(f).

13. **Sale Hearing.** January 22, 2026 at 9:00 a.m., prevailing Central Time, or as soon thereafter as the Debtors may be heard, is the date and time for the hearing for the Court to consider the Successful Bid or Successful Bids, if needed (the “Sale Hearing”). The Sale Hearing may be adjourned by announcement in open Court or on the Court’s calendar without any further notice required.

III. Stalking Horse Bid and Bid Protections.

14. Focus SH Acquisitions, LLC shall be the Stalking Horse Bidder for the Debtor's Assets.

15. The Stalking Horse APA is the result of extensive, good-faith, arm's-length negotiations. If an Alternative Transaction occurs, subject to the terms of the Stalking Horse APA, the Debtor will (a) reimburse the Stalking Horse Bidder's reasonable and documented expenses incurred and paid for prior to the Auction in an amount not to exceed \$350,000 (the "Reimbursement Amount"), and (b) pay the Stalking Horse Bidder an additional \$3,500,000 in (the "Break-Up Fee" and together with the Reimbursement Amount, the "Bid Protections"); *provided, however*, that the Bid Protections shall be paid solely from proceeds of such Alternative Transaction. In the event the Debtor consummates an Alternative Transaction, subject to the terms of the Stalking Horse APA, the Bid Protections shall constitute a superpriority administrative expense of the Debtor's estate pursuant to Bankruptcy Code sections 105(a), 503(b) and 507, with priority over all expenses of the kind specified in Bankruptcy Code section 503(b) and 507(b). The Debtor and Bond Trustee acknowledge that the obligation to pay the Bid Protections shall survive termination of the Stalking Horse APA and shall have super-priority administrative status against the Debtor and its estate. "Alternative Transaction" as used in this Order shall have the meaning ascribed to it under the Stalking Horse APA.

16. Any Bid Protections paid pursuant to the Stalking Horse APA will be allowed and paid without any further order of this Court.

17. No person or entity, other than the Stalking Horse Bidder, shall be entitled to any expense reimbursement, breakup fees, "topping," termination, or other similar fee or payment, and by submitting a bid, such person or entity is deemed to have waived their right to request or to file

with this Court any request for expense reimbursement or any fee of any nature, whether by virtue of Bankruptcy Code section 503(b) or otherwise

IV. Auction, Bidding Procedures, Auction Notice, and Related Relief.

18. The Bidding Procedures, substantially in the form attached hereto as **Exhibit 1**, including the Auction Notice attached to the Bidding Procedures as **Schedule 1**, are incorporated herein and are hereby approved in their entirety, and the Bidding Procedures shall govern the submission, receipt, and analysis of all Bids relating to any proposed Transaction(s). Any party desiring to submit a Bid shall comply with the Bidding Procedures and this Order. The Debtor is authorized to take any and all actions necessary or appropriate to implement the Bidding Procedures. Subject to the terms of the Bidding Procedures, the Debtor, in consultation with the Consultation Parties, may modify the Bidding Procedures as necessary or appropriate to maximize value for its estate except as expressly prohibited by this Order.

19. Pursuant to the Bidding Procedures, the Debtor, in its reasonable business judgment, in consultation with the Consultation Parties, may (a) determine which Qualified Bid is the highest or otherwise best offer, (b) reject, at any time before entry of an order of the Court approving a Successful Bid, any Bid that the Debtor determines is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bidding Procedures, or the terms and conditions of the Transaction, or (iii) contrary to the best interests of the Debtor, its estate, its creditors, and other stakeholders, and (c) impose such other terms and conditions upon Qualified Bidders as the Debtor determines to be in the best interests of the Debtor's estate in this Chapter 11 Case. For the avoidance of doubt, the Stalking Horse Bidder is deemed a Qualified Bidder.

20. If the Debtor determines, in consultation with the Consultation Parties, not to conduct an Auction, then the Debtor shall file a notice with the Court of such determination within one business day of the making of such determination by the Debtor.

21. Any deposit (including any Good Faith Deposit) provided by a Qualified Bidder shall be held in escrow by the Debtor or its agent and shall not become property of the Debtor's bankruptcy estate unless and until released from escrow to the Debtor pursuant to the terms of the applicable escrow agreement, the Bidding Procedures, or an order of this Court, as applicable.

22. Within two (2) business days following the entry of this Order, the Debtor will cause the Auction Notice to be served upon: (a) the U.S. Trustee; (b) the Internal Revenue Service; (c) the United States Attorney for the Northern District of Texas; (d) the Attorney General for the State of Texas; (e) the Texas Department of Insurance; (f) the State Comptroller of Public Accounts; (g) the Centers for Medicare and Medicaid Services; (h) the Attorneys General for the states in which the Debtor conducts business; (i) the parties included on the Debtor's list of their 30 largest unsecured creditors; (j) counsel for any statutory committee appointed in this Chapter 11 Case; (k) counsel to the Bond Trustee; (l) counsel to the proposed DIP Lenders; (m) counsel to Focus SH Acquisition LLC, (n) all known holders of liens, encumbrances, and other claims secured by the Assets; and (o) all parties entitled to notice pursuant to Bankruptcy Rule 2002.

23. Within five (5) business days after entry of this Order, the Debtor shall place a publication version of the Auction Notice in *The New York Times* (National Edition), the *Wall Street Journal*, or *USA Today*, and post it on to the Debtor's restructuring website at <https://dm.epiq11.com/Buckingham>. Such notice shall be deemed sufficient and proper notice of the Transaction with respect to known interested parties.

24. Pursuant to the Bidding Procedures, each bidder participating in the Auction must (a) acknowledge in writing that it has not engaged in any collusion with respect to any Bids or the Transaction, and (b) agree not to engage in any collusion with respect to any Bids, the Auction, or the Transaction.

25. The Auction shall be transcribed or videotaped.

V. Assumption and Assignment Procedures.

26. The procedures set forth below regarding the assumption and assignment of any Executory Contracts and Unexpired Leases proposed to be assumed by the Debtor pursuant to Bankruptcy Code section 365(b) and assigned to the Successful Bidder, if any, pursuant to Bankruptcy Code section 365(f) in connection with the Transaction (the “Assumption and Assignment Procedures”) are hereby approved to the extent set forth herein.

27. The Assumption and Assignment Procedures shall govern the assumption and assignment of all of the Debtor’s Executory Contracts and Unexpired Leases to be assumed and assigned in connection with the Transaction under the Stalking Horse APA, and any marked versions thereof, subject to the payment of any amount necessary to satisfy all defaults and actual pecuniary loss to the counterparty resulting from such defaults including, but not limited to, all claims, demands, charges, rights to refunds, and monetary and non-monetary obligations that the relevant counterparty can assert under an Executory Contract or Unexpired Lease, whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, liquidated or unliquidated, senior or subordinate, relating to money now owing or owing in the future, arising under or out of, in connection with, or in any way relating to a contract or lease (the foregoing amounts as stated in the Contract Assumption Notice (as defined below), the “Cure Costs”):

- (a) **Notice of Contract Assumption.** On or before December 19, 2025, the Debtor shall file on the docket and serve a notice of contracts that may be

assumed and assigned to any Successful Bidder (the “Contract Assumption Notice”), in substantially the form attached hereto as **Exhibit 3**, via first class mail on the counterparties to the Executory Contracts or Unexpired Leases that may be assumed and assigned in connection with the Transaction(s) (the “Contract Counterparties”). The Contract Assumption Notice, shall inform each recipient of the timing and procedures relating to such assumption and assignment, and, to the extent applicable, (i) the title of the Executory Contract or Unexpired Lease, (ii) the name of the counterparty to the Executory Contract or Unexpired Lease, (iii) Debtor’s good faith estimates of the Cure Costs, if any, required in connection with the Executory Contract or Unexpired Lease, and (iv) the Cure Objection Deadline; *provided, however*, that service of a Contract Assumption Notice does not constitute an admission that any Executory Contracts and Unexpired Leases listed thereon is an executory contract or that such stated Cure Cost constitutes a claim against the Debtor or a right against any Successful Bidder, all rights with respect thereto being expressly reserved. Further, the inclusion of a contract on the Contract Assumption Notice is not a guarantee that such contract ultimately will be assumed and assigned.

- (b) **Cure Costs.** The payment of the applicable Cure Costs by the Successful Bidder shall (i) effect a cure of all defaults existing thereunder, (ii) compensate for any actual pecuniary loss to such counterparty resulting from such default, and (iii) together with the assumption of the ultimately assumed Executory Contract or Unexpired Lease by the Debtor and the assignment of such Executory Contract or Unexpired Lease to the Successful Bidder, constitute adequate assurance of future performance thereof.
- (c) **Supplemental Contract Assumption Notice.** To the extent the Debtor, at any time after the Auction (i) identifies additional Executory Contracts or Unexpired Leases that may be assumed by and assigned to the Successful Bidder, (ii) removes any Executory Contracts or Unexpired Leases from the list attached to the Contract Assumption Notice, (iii) and/or modifies the previously stated Cure Cost associated with any Executory Contract or Unexpired Lease, the Debtor will promptly file with this Court and serve by first-class mail a supplemental notice of contract assumption (a “Supplemental Assumption Notice”) on each of the Contract Counterparties affected by the Supplemental Assumption Notice. Each Supplemental Assumption Notice will include the same information with respect to listed Executory Contracts or Unexpired Leases as was included in the Contract Assumption Notice. Except as otherwise provided in any purchase agreement, a Successful Bidder may designate additional Executory Contracts and Unexpired Leases to be assumed and assigned up to two (2) business days prior to the Closing and may remove Executory Contracts or Unexpired Leases from the list of Executory Contracts and Unexpired Leases up to two (2) business days prior to the Closing. Contract Counterparties shall have fourteen (14) days following service of the

Supplemental Assumption Notice to file an objection to the Supplemental Assumption Notice.

- (d) **Objections.** Objections, if any, to the proposed assumption and assignment or the Cure Cost proposed with respect thereto, must (i) be in writing, (ii) comply with the applicable provisions of the Bankruptcy Rules, and the Local Rules, (iii) state with specificity the nature of the objection and, if the objection pertains to the proposed Cure Cost, state the correct Cure Cost alleged by the objecting counterparty, together with any applicable and appropriate documentation in support thereof, and (iv) be filed with the Court and served upon (A) proposed counsel to the Debtor, (B) counsel to the Stalking Horse Bidder, (C) the Bid Notice Parties (as defined in the Bidding Procedures), and (D) counsel to the Consultation Parties, so as to be **actually received no later than January 9, 2026, at 12:00 p.m., prevailing Central Time (the “Cure Objection Deadline”), or the deadline set forth in a Supplemental Assumption Notice, as applicable.** The Debtor may modify the Cure Objection Deadline and the deadline set forth in a Supplemental Assumption Notice by filing a notice of such modification on the Court’s docket.
- (e) **Deemed Consent of Counterparties.** If no objection to the proposed assumption and assignment or the Cure Cost proposed with respect thereto is timely filed with respect to an Executory Contract or Unexpired Lease: (i) the counterparty to such Executory Contract or Unexpired Lease shall be deemed to have consented to the assumption by the Debtor and assignment to the Successful Bidder of the Executory Contract or Unexpired Lease, and be forever barred from asserting any objection with regard to such assumption and assignment (including, without limitation, with respect to adequate assurance of future performance by the Successful Bidder); (ii) any and all defaults under the Executory Contract or Unexpired Lease and any and all pecuniary losses related thereto shall be deemed cured and compensated pursuant to Bankruptcy Code section 365(b)(1)(A) and (B) upon payment of the Cure Cost set forth in the applicable Contract Assumption Notice or Supplemental Assumption Notice for such Executory Contract or Unexpired Lease; and (iii) the counterparty shall be forever barred from asserting any other claims related to such Executory Contract or Unexpired Lease against the Debtor and its estate or the Successful Bidder, or the property of any of them, that existed prior to the entry of the order resolving the contract objections and the applicable Sale Order.
- (f) **Dispute Resolution.** To the extent that the parties are unable to consensually resolve any objection to a Cure Cost or other objection prior to the commencement of the Sale Hearing, including, without limitation, any dispute with respect to the Cure Costs required to be paid to the applicable counterparty under the Bankruptcy Code sections 365(b)(a)(1)(A) and (B) (any such dispute, a “Cure Dispute”), the Debtor may (i) assume and assign to the Successful Bidder the applicable

Executory Contract or Unexpired Lease prior to the resolution of the Cure Dispute; *provided* that the Successful Bidder shall (A) pay to the applicable counterparty the undisputed portion of the Cure Costs within five business days after entry of the applicable Sale Order and (B) reserve cash in an amount sufficient to pay the disputed portion of the Cure Costs reasonably asserted by the applicable counterparty (or such lesser amount as may be fixed or estimated by the Court or otherwise agreed to by the counterparty and the Debtor), or (ii) adjourn its request to assume the Executory Contract or Unexpired Lease pending resolution of the Cure Dispute (an “Adjourned Cure Dispute”); *provided further* that, to the extent the Adjourned Cure Dispute is resolved or determined unfavorably to the Debtor or Successful Bidder, the Debtor may withdraw the proposed assumption and assignment of the applicable Executory Contract or Unexpired Lease after such determination by filing a notice of withdrawal, which, in the case of a lease, shall be prior to the expiration of the applicable deadline to assume or reject unexpired leases under Bankruptcy Code section 365(d)(4). The Successful Bidder shall file notice of its intention to reserve for the Cure Costs or to adjourn its request for assumption. An Adjourned Cure Dispute may be resolved after the closing date of the applicable Transaction in the Debtor’s discretion.

- (g) **Contract Assumption.** No Executory Contract or Unexpired Lease shall be deemed assumed and assigned pursuant to Bankruptcy Code section 365 until the later of (i) the date the Court has entered an order assuming and assigning such Executory Contract or Unexpired Lease or (ii) the date the Transaction has closed.

28. Any party failing to timely file an objection to the Cure Costs, the proposed assumption and assignment of an Executory Contract or Unexpired Lease listed on the Contract Assumption Notice or a Supplemental Assumption Notice, or the adequate assurance of future performance provided by the Successful Bidder is deemed to have consented to (a) such Cure Cost, (b) the assumption and assignment of such Executory Contract or Unexpired Lease, (c) the related relief requested in the Motion, and (d) the Transaction. Such party shall be forever barred and estopped from objecting to the Cure Costs, the assumption and assignment of the Executory Contract or Unexpired Lease, adequate assurance of future performance, and the relief requested in the Motion, whether or not applicable law excuses such counterparty from accepting performance by, or rendering performance to, the Successful Bidder for purposes of Bankruptcy

Code section 365(c)(1) and from asserting any additional cure or other amounts against the Debtor and the Successful Bidder with respect to such party's Executory Contract or Unexpired Lease.

29. The Debtor shall provide reasonable evidence to each Executory Contract or Unexpired Lease counterparty that the Successful Bidder has the ability to comply with the requirements of adequate assurance of future performance; *provided* that any such evidence that constitutes nonpublic information shall be provided on a confidential basis. All Bidders are deemed to consent to the transmission of such evidence of adequate assurances of future performance on a confidential basis to counsel for the applicable Executory Contract or Unexpired Lease counterparties via email, with such information to be used only for purpose of assessing the applicable Bidder.

30. The inclusion of an Executory Contract or Unexpired Lease in the Contract Assumption Notice or a Supplemental Assumption Notice will not obligate the Debtor to assume any Executory Contract or Unexpired Lease listed thereon or a Successful Bidder to take assignment of such assumed Contract. Only those Executory Contracts and Unexpired Leases that are included on a schedule of assumed and assigned contracts attached to the executed definitive asset purchase agreement with a Successful Bidder (including amendments or modifications to such schedules in accordance with such asset purchase agreement) will be assumed and assigned to the applicable Successful Bidder. No Executory Contract or Unexpired Lease in the Contract Assumption Notice or a Supplemental Assumption Notice shall be assumed other than in connection with (and concurrently with the effectiveness of) the assignment of such Executory Contract or Unexpired Lease to the applicable Successful Bidder.

VI. Miscellaneous.

31. The failure to include or reference a particular provision of the Bidding Procedures in this Order shall not diminish or impair the effectiveness or enforceability of such a provision in the Bidding Procedures.

32. The Debtor, in consultation with the Consultation Parties, may revise the Sale Schedule and modify any of the deadlines set forth herein or provide for additional deadlines within a Sale Schedule without further order of the Court; provided that the Debtor will disclose all applicable deadlines in a notice filed with the Court, including, as applicable, the Auction Notice.

33. The Court, at the request of the Debtor in consultation with the Consultation Parties, may modify the dates of and adjourn any hearing set by this Order. The Debtor may not modify deadlines, milestones and/or requirements set forth under the Stalking Horse APA unless the Stalking Horse bidder, upon request, provides written consent to such modifications.

34. In the event of any inconsistencies between this Order and the Motion and/or the Bidding Procedures, the Bidding Procedures shall govern in all respects.

35. Nothing in the Motion or this Order or the relief granted (including any actions taken or payments made by the Debtor pursuant thereto) shall be construed as (a) an admission as to the validity, priority, or character of any claim or other asserted right or obligation, or a waiver or other limitation on the Debtor's ability to contest the same on any ground permitted by bankruptcy or applicable non-bankruptcy law; (b) a promise or requirement to pay any claim or other obligation; or (c) granting third-party-beneficiary status, bestowing any additional rights on any third party, or being otherwise enforceable by any third party.

36. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a), the Local Rules, and the Complex Case Procedures are satisfied by such notice.

37. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be effective and enforceable immediately upon entry hereof.

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

39. The Debtor is authorized to take all actions necessary to implement the relief granted in this Order.

40. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

END OF ORDER

Prepared and presented by:

/s/ DRAFT

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- and -

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Email: dsimon@mwe.com

- and -

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Natalie Rowles (*pro hac vice* pending)
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nrowles@mwe.com

*Proposed Counsel for the Debtor and
Debtor in Possession*

Exhibit 1

Bidding Procedures

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

In re:

**BUCKINGHAM SENIOR LIVING
COMMUNITY, INC.¹**

Debtor.

)
) Chapter 11
)

) Case No. 25-[_____] (____)
)
)
)

BIDDING PROCEDURES FOR THE SALE OF THE DEBTOR'S ASSETS

On [____], 2025, the above-captioned debtor and debtor in possession (the “Debtor”) filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Northern District of Texas (the “Court”).

On [____], the Court entered the *Order (I) Approving Bidding Procedures and Bid Protections, (II) Approving the Debtor’s Entry Into the Stalking Horse APA, (III) Scheduling Certain Dates and Deadlines, (IV) Approving the Form and Manner of Notice Thereof, and (V) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases* [Docket No. ____] (the “Bidding Procedures Order”),² by which the Court approved the following procedures (the “Bidding Procedures”) setting forth the process by which the Debtor is authorized to solicit bids for and conduct an auction (the “Auction”), if any, and ultimately select a purchaser for the sale of all or substantially all of the Debtor’s assets or any portion thereof (such sale(s), the “Transaction(s)”).

The Bidding Procedures Order also authorized, among other things, the Debtor’s entry into that certain Asset Purchase Agreement, dated [____] (as amended, supplemented, or otherwise modified by the parties thereto, the “Stalking Horse APA”)³ between the Debtor and Focus SH Acquisitions LLC (the “Stalking Horse Bidder” and, the Stalking Horse Bidder’s bid, the “Stalking Horse Bid”), pursuant to which the Stalking Horse Bidder has agreed to acquire substantially all of the Assets (as defined below) of the Debtor and to assume certain liabilities of the Debtor, each as specifically enumerated in the Stalking Horse APA and subject to the terms and conditions set forth therein. The Stalking Horse Bid is subject to higher and better bids in accordance with the terms and conditions of these Bidding Procedures.

¹ The last four digits of the Debtor’s federal tax identification number are 7872. The location of the Debtor’s principal place of business and the service address for the Debtor is 8580 Woodway Drive, Houston, Texas 77063.

² All capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Bidding Procedures Order.

³ A copy of the Stalking Horse APA is attached to the Bidding Procedures Order as Exhibit 2.

Any Transaction(s) will be implemented pursuant to Bankruptcy Code section 363.

Throughout the bidding process, the Debtor, in its business judgment and with the assistance of its advisors, will regularly and timely consult with the following parties (collectively, the “Consultation Parties”): (a) counsel to the Bond Trustee, and (b) counsel to any official committee appointed in the Chapter 11 Case; *provided* that, to the extent that the Bond Trustee submits a Bid (as defined below), including a credit bid (a “Credit Bid”) for any Assets or indicates its intention to submit a Bid, the Bond Trustee shall not be a Consultation Party with respect to the evaluation and qualification of competing Bids for such Assets included in the Bond Trustee’s Bid or with respect to seeking and/or obtaining information about other Bids, but shall remain a Consultation Party for other purposes set forth in the Bidding Procedures and Bidding Procedures Order.

Copies of the Bidding Procedures Order or any other documents in the Debtor’s Chapter 11 Case are available upon request to Epiq by calling (877) 873-9197 (toll free, United States and Canada) or (503) 406-1463 (International) or visiting the Debtor’s restructuring website at <https://dm.epiq11.com/Buckingham>.

I. Key Dates and Deadlines.

The key dates for the Transaction are as follows:

Action	Deadline
Contract Assumption Notice	December 19, 2025
Bid Deadline	January 9, 2026, at 12:00 p.m., prevailing Central Time
Sale Objection Deadline	January 9, 2026, at 4:00 p.m., prevailing Central Time
Cure Objection Deadline	January 9, 2026, at 4:00 p.m., prevailing Central Time
Auction (if any)	January 13, 2026, at 10:00 a.m., prevailing Central Time (if any)
Notice of Successful Bidder	Within two (2) business days upon the conclusion of the Auction (if any)
Post-Auction Objection Deadline	January 20, 2026, at 4:00 p.m., prevailing Central Time
Sale Hearing	January 22, 2026 at 9:00 a.m., prevailing Central Time (subject to Court availability)

II. Assets to be Auctioned.

The Debtor is seeking to sell all of its assets, or any portion thereof, to the person or entity making the most value maximizing bid through the process outlined in these Bidding Procedures. These assets include, but are not limited to, the Debtor's going-concern business, unexpired leases, executory contracts, equipment, inventory, supplies, intellectual property, insurance proceeds, prepaid expenses and deposits, and books and records, in each case, free and clear of all liens, claims, interests, or other encumbrances (collectively, the "Assets").

III. Public Announcement of Auction.

Within two (2) business days after entry of the Bidding Procedures Order, the Debtor shall serve on the parties that received notice of the Motion (a) the Bidding Procedures Order and the Bidding Procedures and (b) a notice setting forth (i) the date, time, and place of the Auction and the hearing to consider the approval of the Transaction(s) and (ii) the deadlines and procedures for objecting to the proposed Transaction(s) in the form attached hereto as **Schedule 1** (the "Auction Notice"). Within three (3) business days after entry of the Bidding Procedures Order, the Debtor shall publish the Auction Notice, with any modifications necessary for ease of publication, on one occasion in *The New York Times* (National Edition), the *Wall Street Journal*, or *USA Today* to provide notice to any other potential interested parties, and (iii) post the Auction Notice on its case website, <https://dm.epiq11.com/Buckingham>.

IV. Potential Bidder Requirements.

To participate in the bidding process or otherwise be considered for any purpose hereunder, including to receive access to due diligence materials, a person or entity interested in purchasing the Assets or part of the Assets (a "Potential Bidder") must deliver or have previously delivered to the Debtor the following preliminary documentation (collectively, the "Preliminary Bid Documents"):

- a. an executed confidentiality agreement (a "Confidentiality Agreement") in form and substance acceptable to the Debtor;
- b. a statement describing which portion of the Assets the Potential Bidder intends to acquire;
- c. information sufficient to establish that the Potential Bidder has or can reasonably obtain the financial capacity to close a purchase of any portion, all, or substantially all of the Assets, the adequacy of which must be acceptable to the Debtor; and
- d. a statement detailing whether the Potential Bidder is partnering with or otherwise working with any other interested party in connection with the potential submission of a joint Bid, the identity of any such party or parties, and a concise description of the nature of such partnership or joint bid to the extent reasonably practicable.

The Debtor, in consultation with its advisors and the Consultation Parties, will determine and notify each Potential Bidder whether such Potential Bidder has submitted adequate documents

so that such Potential Bidder may proceed to conduct due diligence and submit a bid (such Potential Bidder, an “Acceptable Bidder”).

V. Qualified Bid Requirements.

To participate in the Auction, an Acceptable Bidder must deliver to the Debtor and its advisors an irrevocable offer for the purchase of some or all of the Assets (each, a “Bid”), and shall meet the following criteria, in each case, on or prior to the Bid Deadline (as defined below):

- a. **Purchased Assets and Assumed Liabilities:** Each Bid must clearly state the following: (i) the particular Assets, or the portion thereof, identified with reasonable specificity to be purchased and/or liquidated or otherwise disposed of (including, without limitation, estate claims and causes of action); (ii) the liabilities and obligations to be assumed, including any debt and Cure Costs (as defined below) to be assumed; and (iii) any executory contracts (the “Executory Contracts”) and any unexpired leases (the “Unexpired Leases”) to be received by assignment. For the avoidance of doubt, a Bid need not provide for the purchase of any estate claims and causes of action to constitute a Qualified Bid (as defined below);
- b. **Good Faith Deposit:** The Bid must be accompanied by a cash deposit in the amount equal to \$2,000,000 to be held in an interest-bearing escrow account to be identified and established by the Debtor (the “Good Faith Deposit”);
- c. **Purchase Price:** Each Bid must (i) clearly set forth the purchase price to be paid, assuming a purchase of the applicable Assets and any assumption of liabilities (the “Purchase Price”) and (ii) identify separately the cash and non-cash components of the Purchase Price. To be considered a Qualified Bid, a Bid must provide for aggregate cash consideration of not less than One Hundred Five Million Dollars (\$105,000,000) and the Bid must otherwise incorporate higher and better terms than the Stalking Horse Bid, including with respect to the Rent Rebate Funds and Healthcare Discount Program (each as defined in the Stalking Horse APA) (the “Initial Overbid”);
- d. **Sources of Financing:** To the extent that the Bid is not accompanied by evidence of the Acceptable Bidder’s capacity to consummate the Transaction(s) set forth in its Bid with cash on hand, the Bid must include committed financing, documented to the Debtor’s satisfaction, that demonstrates that the Acceptable Bidder has received sufficient debt and/or equity funding commitments to satisfy the Acceptable Bidder’s obligations under the proposed Transaction(s) and other obligations under its Bid. Such funding commitments or other financing must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals, and shall have covenants and conditions acceptable to the Debtor;
- e. **Same or Better Terms; Bid Documents:** Each Bid must include duly executed and non-contingent, where applicable, transaction documents necessary to effectuate the transactions contemplated in the Bid (the “Bid Documents”). The Bid

Documents shall include: (i) a purchase agreement, based on the Stalking Horse APA, duly executed by such bidder, containing only changes to the Stalking Horse APA that are reasonably necessary to effectuate the Bid, (ii) a schedule of contracts and leases to be assumed or rejected to the extent applicable to the Bid, (iii) with respect to the form of purchase agreement, a redline of such agreement marked to reflect the amendments and modifications made to the Stalking Horse APA, (iv) any other material documents integral to such Bid, and (v) a statement from the Acceptable Bidder that (A) it is prepared to enter into and consummate the transactions contemplated in the purchase agreement based on the Stalking Horse APA as soon as reasonably practicable after the conclusion of the Auction, subject to any necessary regulatory approvals, as specified by the Acceptable Bidder (or, if no Auction is held, the Bid Deadline (as defined below)) and (B) the Qualified Bid will be irrevocable (whether or not such Qualified Bid is selected as the highest or otherwise best bid to purchase the applicable Assets (each, a “Successful Bid”) or next highest or otherwise best bid (the “Back-Up Bid”) until the consummation of the Transaction);

- f. **No Qualified Bidder Bid Protections:** A Qualified Bid must include a statement that the Bid does not entitle such Acceptable Bidder to any break-up fee, termination fee, expense reimbursement, or similar type of payment or reimbursement and a waiver of any substantial contribution administrative expense claim under Bankruptcy Code section 503(b) related to bidding for the applicable Assets;
- g. **Employee Obligations:** Each Bid must indicate whether the Acceptable Bidder intends to hire all employees of the Debtor or otherwise indicate its intentions with respect to the employees of the Debtor;
- h. **Authorization:** Each Bid must contain evidence that the Acceptable Bidder has obtained all necessary authorizations or approvals from its shareholders and/or its board of managers or directors, or any other internal and other approvals, as applicable, with respect to the submission of its Bid and the consummation of the transactions contemplated in such Bid;
- i. **Contingencies; No Financing or Diligence Outs:** The Bid must not contain any contingencies for due diligence and inspection or financing of any kind (including any conditions pertaining to financial performance, conditions, or prospects) and all diligence must be completed before the Bid Deadline;
- j. **Identity:** Each Bid must fully disclose the identity of each entity and each entity’s shareholders, partners, investors, or ultimate controlling entities that will be bidding for or purchasing the applicable Assets or otherwise participating in connection with such Bid, including each equity holder or other financial backer of the bidder (including if such bidder is an entity formed for the purpose of consummating the transactions contemplated by such Bid), and the complete terms of any such participation, along with sufficient evidence that the Acceptable Bidder is legally empowered to complete the transactions on the terms contemplated by the parties.

Each Bid must also include contact information for the specific person(s) whom Raymond James & Associates, Inc. ("Raymond James"), proposed investment banker to the Debtors, and McDermott Will & Schulte LLP, proposed counsel to the Debtors, should contact regarding such Bid;

- k. **As-Is, Where-Is:** Each Bid must include a written acknowledgement and representation that the Acceptable Bidder: (i) has had an opportunity to conduct any and all due diligence regarding the Transaction(s) prior to making its offer; (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the assets in making its Bid; (iii) did not rely on or receive from any person or entity (including the Debtor or any of its advisors or representatives) any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied, by operation of law, or otherwise, regarding the completeness of any information provided in connection therewith or the Auction (if any), except as expressly stated in the Acceptable Bidder's asset purchase agreement; and (iv) did not engage in collusive conduct and acted in good faith in submitting its Bid;
- l. **Joint Bids and Merger Proposals:** The Debtor will be authorized to approve joint Bids in its reasonable business judgment, including, but not limited to, any Bids that contemplate acquiring assets through a merger or similar transaction, including if a proposed Bid contemplates additional financing from one or several participating parties, on a case by case basis, so long as such Bid meets the Qualified Bid requirements and the applicable Acceptable Bidders otherwise comply with these Bidding Procedures;
- m. **Qualifications to Operate a Senior Living Community:** Each Bid must provide background on the Acceptable Bidder and its qualifications to operate a senior living community, including:
 - (i) Operating history of the Acceptable Bidder;
 - (ii) The number of senior living communities that the Acceptable Bidder currently operates;
 - (iii) The Acceptable Bidder's ownership structure and corporate organization chart; and
 - (iv) The principal biographies of senior management of the Acceptable Bidder.
- n. **Adequate Assurance of Future Performance:** Each Bid must (i) identify the Executory Contracts and Unexpired Leases to be assumed or assumed and assigned in connection with the proposed Transaction, (ii) provide for the payment of all cure amounts (the "Cure Costs") related to such Executory Contracts and Unexpired Leases by the Acceptable Bidder, (iii) demonstrate, in the Debtor's reasonable business judgment, that the Acceptable Bidder can provide adequate assurance of future performance under all such Executory Contracts and Unexpired

Leases sufficient to satisfy the requirements of Bankruptcy Code sections 365(b)(3) and 365(f)(2)(B), and (iv) provide the following documentation:

- (i) The proposed assignee (the “Proposed Assignee”) and any guarantors, as applicable; and
 - (ii) Financial statements for the calendar or fiscal years ended 2023 and 2024 for the Proposed Assignee and any guarantors, as applicable, and other financial information about the Proposed Assignee to demonstrate its ability to provide adequate assurance of future performance.
- o. **Stalking Horse Bidder is a Qualified Bidder; Credit Bid Protections.** Notwithstanding anything herein, for the avoidance of doubt, the Stalking Horse Bidder is a Qualified Bidder and the Stalking Horse APA is a Qualified Bid. The Stalking Horse Bidder is entitled to credit bid the Break-Up Fee and Expense Reimbursement at each round of any Auction;
- p. **Acknowledgement of Compliance with Bidding Procedures, Bidding Order, Bankruptcy Code, and Non-Bankruptcy Law:** Each Bid must acknowledge that the Acceptable Bidder has complied, and will continue to comply, in all respects with these Bidding Procedures, the Bidding Procedures Order, the Bankruptcy Code, and any applicable non-bankruptcy law;
- q. **No Collusion:** The Acceptable Bidder must (i) acknowledge in writing that it has not engaged in any collusion with respect to any Bids or the Transaction(s), specifying that it did not agree with any Acceptable Bidders or Potential Bidders to control price or otherwise with respect to any of the Assets or the Transaction and processes contemplated by the Bidding Procedures; and (ii) agree not to engage in any collusion with respect to any Bids, the Auction, or the Transaction. The Acceptable Bidder must further indicate if it has or intends to coordinate its bid, or otherwise bid with, any current or former member of the Debtor’s executive management or board of directors. For the avoidance of doubt, this requirement does not restrict Potential Bidder(s) from working with other Potential Bidder(s) with the Debtor’s prior written consent (email being sufficient);
- r. **Good Faith Offer:** The Bid must constitute a good faith, *bona fide* offer to consummate the Transaction;
- s. **Irrevocable:** Each Bid must state that in the event such Bid is chosen as the Back-Up Bid, it shall remain irrevocable until the Back-Up Termination Date (as defined below);
- t. **Back-Up Bid:** Each Bid shall provide that the Acceptable Bidder will serve as a Back-Up Bidder (as defined below) if the Acceptable Bidder’s Bid is the next highest or otherwise best bid with respect to the applicable Assets;
- u. **Regulatory and Third-Party Approvals and Covenants:** A Bid must set forth each regulatory and third-party approval, if any, required for the Acceptable Bidder

to consummate the applicable Transaction(s), the time period within which the Acceptable Bidder expects to receive such regulatory and third-party approvals, and those actions the Acceptable Bidder will take to ensure receipt of such approvals as promptly as possible;

- v. **Expected Closing Date and Time Frame for Closing:** Each Bid must state the Acceptable Bidder's expected date of closing of the Transaction(s) (the "Closing") and must be reasonably likely (based on antitrust or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Successful Bid, within a time frame acceptable to the Debtor, in consultation with the Consultation Parties;
- w. **No Fees:** Each Acceptable Bidder presenting a Bid or Bids will bear its own costs and expenses (including legal fees) in connection with the proposed transaction, and by submitting its Bid(s) is agreeing to disclaim any right to receive any payments or amounts analogous to a break-up fee, expense reimbursement, termination fee, or other similar form of compensation;

For the avoidance of doubt, each Acceptable Bidder by submitting its Bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis, including under Bankruptcy Code section 503(b); *provided* that the Debtor is authorized to provide the Break-Up Fee and Reimbursement Amount to the Stalking Horse Bidder in connection with the Stalking Horse APA;

- x. **Adherence to Bidding Procedures:** By submitting its Bid, each Acceptable Bidder is agreeing to abide by and honor the terms of these Bidding Procedures and agrees not to submit a Bid or seek to reopen the Auction after conclusion of the Auction;
- y. **Consent to Jurisdiction:** The Acceptable Bidder must submit to the jurisdiction of the Court and waive any right to a jury trial in connection with any disputes relating to the Debtor's qualification of Bids, the Auction, the Transaction, and the construction and enforcement of these Bidding Procedures, Preliminary Bid Documents, the Bids, the Bid Documents, and any and all other agreements entered into in connection with any proposed Transaction, the Closing, and any other related matter; and
- z. **Conditions to Closing:** Each Bid must identify with particularity each and every condition to closing, including the Executory Contract and Unexpired Leases for which assumption and assignment is required.

Only Bids fulfilling all of the preceding requirements contained in this section as determined or otherwise waived in the Debtor's reasonable business judgment, in consultation with the Consultation Parties, may be deemed to be qualified bids (the "Qualified Bids"), and only those parties submitting Qualified Bids, in the Debtor's reasonable business judgment, in consultation with the Consultation Parties, may be deemed to be qualified bidders (the "Qualified Bidders"). The Bids received by the Debtor shall be shared with the Consultation Parties that are

not Potential Bidders within a reasonable time after receipt by the Debtor, but in no event no later than twenty-four (24) hours after receipt.

Neither the Debtor nor any of its advisors are making or have at any time made, and no bidder, Potential Bidder, or Acceptable Bidder, including any Qualified Bidder, has relied, is relying, or shall rely on any warranties or representations of any kind or character, express or implied, with respect to the Assets, including, but not limited to, any warranties or representations as to operating history or projections, valuation, governmental approvals, the compliance of the Assets with governmental laws, the truth, accuracy, or completeness of any documents related to the Assets, or any other information provided by or on behalf of the Debtor to a bidder, or any other matter or thing regarding the Assets, except as expressly stated in the Acceptable Bidder's purchase agreement. All bidders must acknowledge and agree that upon closing the Debtor shall sell and transfer to the Successful Bidder and the Successful Bidder shall accept the applicable Assets to the extent expressly provided in the Court's order approving the Transaction. Neither the Debtor nor any of its advisors will be liable for or bound by any express or implied warranties, guaranties, statements, representations, or information pertaining to the Assets or relating thereto that the Debtor, any advisor, or agent representing or purporting to represent the Debtor to whomever might have made or furnished, directly or indirectly, orally or in writing, unless (with respect to the Debtor only) specifically set forth in the Court's order approving the Transaction.

There shall be no communication between or among Potential Bidders and/or Acceptable Bidders, including Qualified Bidders, unless the Debtor's advisors have authorized such communication in writing. The Debtor reserves the right, in its reasonable business judgment, to disqualify any Potential Bidders or Acceptable Bidders that have communications between or amongst themselves without the prior authorization of the Debtor's advisors. For the avoidance of doubt, the joining of Bids between Potential Bidders or Acceptable Bidders may be permitted by the Debtor in its reasonable business judgement, in consultation with the Consultation Parties.

As soon as practicable after the Bid Deadline and in any event prior to the start of the Auction, the Debtor shall determine which Acceptable Bidders are Qualified Bidders and will notify the Acceptable Bidders whether Bids submitted constitute Qualified Bids, which will enable such Qualified Bidders to participate in the Auction. No later than three (3) business days before any Auction begins, the Debtor will provide copies of any such Qualified Bids to the Stalking Horse Bidder and Qualified Bidders, as applicable. Any Bid that is not deemed a Qualified Bid shall not be considered by the Debtor; *provided* that if the Debtor receives a Bid prior to the Bid Deadline that does not satisfy the requirements of a Qualified Bid, the Debtor may provide the Acceptable Bidder with the opportunity and work with the Acceptable Bidder to remedy any deficiencies prior to the Auction.

VI. Right to Credit Bid

Notwithstanding anything to the contrary herein, the Bond Trustee shall be deemed to be a Qualified Bidder and may submit a Credit Bid of all or any portion of the aggregate amount of its secured claims, at any time prior to or during the Auction, and any such Credit Bid will be considered a Qualified Bid (a "Qualified Credit Bid"). Further, (i) no Good Faith Deposit will be required in connection with a Qualified Credit Bid and (ii) no Qualified Credit Bid will serve as the Back-Up Bid without the written consent of the Bond Trustee. No party may challenge the

Bond Trustee's right to credit bid except by objecting to such right prior to the Auction, and any such challenge must be adjudicated prior to the start of the Auction.

VII. Obtaining Due Diligence Access.

Only Acceptable Bidders that have executed a Confidentiality Agreement shall be eligible to receive due diligence information, access to the Debtor's electronic data room, and additional non-public information regarding the Debtor. Beginning on the date the Debtor determines that a party is an Acceptable Bidder and has executed a Confidentiality Agreement, or as soon as reasonably practicable thereafter, the Debtor will provide such Acceptable Bidder with access to an electronic data room and reasonable due diligence information, as requested by such Acceptable Bidder, as soon as reasonably practicable after such request. The Debtor shall post substantially all written due diligence provided to any Acceptable Bidder to the Debtor's electronic data room for the benefit of all Acceptable Bidders, subject to the further provisions below.

Acceptable Bidders will not, directly or indirectly, contact or initiate or engage in discussions in respect of matters relating to the Debtor or a potential transaction with any resident, supplier, or other contractual counterparty of the Debtor without the prior written consent of the Debtor. The due diligence period will end on the Bid Deadline, and subsequent to the Bid Deadline the Debtor shall have no obligation to furnish any due diligence information.

In connection with the provision of due diligence information to Acceptable Bidders, the Debtor shall not furnish any confidential information relating to the Debtor or a potential transaction to any person except an Acceptable Bidder or such Acceptable Bidder's duly authorized representatives to the extent provided in an applicable Confidentiality Agreement.

The Debtor and its advisors shall coordinate all reasonable requests for additional information and due diligence access from Acceptable Bidders; *provided* that the Debtor may decline to provide such information to Acceptable Bidders who, in the Debtor's reasonable business judgment have not established, or who have raised doubt, that such Acceptable Bidders intend in good faith to, or have the capacity to, consummate a Transaction(s). For any Acceptable Bidder who is a competitor of the Debtor or is affiliated with any competitors of the Debtor, or otherwise presents a *bona fide* competitive or strategic concern, the Debtor reserves the right to withhold or modify any diligence materials that the Debtor determines are business-sensitive or otherwise inappropriate for disclosure to such bidder. Neither the Debtor nor its representatives shall be obligated to furnish information of any kind whatsoever to any person that is not determined to be an Acceptable Bidder.

The Debtor shall keep the Consultation Parties reasonably informed of all interested parties that become Acceptable Bidders and the status of their due diligence.

A. Communications with Acceptable Bidders (including Qualified Bidders).

Notwithstanding anything to the contrary in these Bidding Procedures, all substantive direct communications, including any diligence requests, with Acceptable Bidders (including any Qualified Bidders) shall be through Raymond James.

B. Due Diligence from Acceptable Bidders (including Qualified Bidders).

Each Acceptable Bidder (including any Qualified Bidder) shall comply with all reasonable requests for additional information and due diligence access requested by the Debtor or its advisors, regarding the ability of such Acceptable Bidder (including any Qualified Bidder) to consummate its contemplated transaction. Failure by an Acceptable Bidder (including any Qualified Bidder, other than the Stalking Horse Bidder, if any) to comply with such reasonable requests for additional information and due diligence access may be a basis for the Debtor to determine that such bidder is no longer an Acceptable Bidder (including any Qualified Bidder, other than the Stalking Horse Bidder, if any) or that a bid made by such bidder is not a Qualified Bid.

David Fields (David.Fields@RaymondJames.com) and Max Moilanen (Maxwell.Moilanen@RaymondJames.com) at Raymond James & Associates, Inc. shall coordinate all requests for additional information and due diligence access on behalf of the Debtor.

VIII. Bid Deadline.

Binding Bids must be submitted in writing to the following parties (the “Bid Notice Parties”) so as to be **actually received** no later than 12:00 p.m., prevailing Central Time, on January 9, 2026 (the “Bid Deadline”).

- (a) proposed counsel to the Debtor, McDermott Will & Schulte LLP, 2501 North Harwood Street, Suite 1900, Dallas, TX 75201 (Attn: Marcus A. Helt (mhelt@mwe.com)), and 1180 Peachtree St. NE, Suite 3350, Atlanta, GA 30309 (Attn: Daniel M. Simon (dsimon@mwe.com)), and One Vanderbilt Avenue, New York, NY 10017 (Attn: Darren Azman (dazman@mwe.com) and Natalie Rowles (nrowles@mwe.com)); and
- (b) the Debtor’s proposed investment banker, Raymond James & Associates, Inc., 300 Four Falls, Suite 400, 300 Conshohocken State Road, W. Conshohocken, PA 19428 (Attn: David Fields (David.Fields@RaymondJames.com)) and 880 Carillion Parkway, Floor 3, St. Petersburg, FL 33716 (Attn: Max Moilanen (Maxwell.Moilanen@RaymondJames.com)).

The Debtor may extend the Bid Deadline for any reason whatsoever, in its reasonable business judgment and in consultation with the Consultation Parties, for all or certain Acceptable Bidders.

IX. Evaluation of Qualified Bids.

The Debtor shall evaluate Qualified Bids and identify the Qualified Bid that is, in the Debtor’s reasonable business judgment, in consultation with the Consultation Parties, the highest or otherwise best Qualified Bid for any Assets (the “Starting Bid”). The Debtor shall promptly (and in no event later than 24 hours after receipt by the Debtor) provide to the Office of the United States Trustee for Region 6 (the “U.S. Trustee”) and the Consultation Parties copies of all Bids received by the Debtor; *provided* that the U.S. Trustee and the Consultation Parties must treat such

Bids and any related information as confidential and shall not publicly disclose such information without the written consent of the Debtor and the applicable bidder.

X. Break-Up Fee and Expense Reimbursement.

Except as otherwise set forth in the Bidding Procedures Order or the Stalking Horse APA, no person or entity, shall be entitled to any expense reimbursement, breakup fees, “topping,” termination, or other similar fee or payment, and by submitting a bid, such person or entity is deemed to have waived its right to request or to file with this Court any request for expense reimbursement or any fee of any nature, whether by virtue of Bankruptcy Code section 503(b) or otherwise.

XI. Auction.

Other than as expressly set forth herein, if the Debtor receives more than one Qualified Bid for the Assets by the Bid Deadline, the Debtor shall conduct an Auction to determine the Successful Bidder (or Back-Up Bidder, as applicable) in its reasonable business judgment, in consultation with the Consultation Parties, in accordance with the Auction Procedures (defined below). If the Debtor does not receive a Qualified Bid other than the Stalking Horse Bid by the applicable Bid Deadline, the Debtor will not conduct an Auction.

If the Debtor determines, in consultation with the Consultation Parties, that it received no Qualified Bids other than the Stalking Horse Bid, then the Auction will not occur, and the Stalking Horse Bid will be deemed the Successful Bid for the Assets. The Debtor shall file a notice with the Court within one (1) business day of making such a determination.

The Auction, if necessary, shall commence on January 13, 2026, at 10:00 a.m., prevailing Central Time, or such other time or other place as the Debtor determines in consultation with the Consultation Parties.

The Auction will be conducted in accordance with the following procedures (the “Auction Procedures”):

- a. only Qualified Bidders may participate in or make subsequent Bids at the Auction;
- b. only the Debtor, Qualified Bidders, the Consultation Parties, the U.S. Trustee, and such parties’ representatives, bondholders and advisors may attend the Auction; *provided* that Qualified Bidders may appear through a duly authorized representative (other than their counsel) bearing a valid and enforceable power of attorney or other written proof evidencing their ability to bind the applicable Qualified Bidder, which document(s) shall be delivered to the Debtor prior to the commencement of the Auction;
- c. the Debtor, with the assistance of its advisors, shall direct and preside over any Auction;
- d. at the commencement of the Auction, the Debtor may announce modified or additional procedures for conducting the Auction and related rules governing the

Auction, including time periods available to all Qualified Bidders to submit successive Bid(s), or otherwise modify the Bidding Procedures, in each case in consultation with the Consultation Parties;

- e. bidding shall begin with the Starting Bid;
- f. subsequent Bids (each, an “Overbid”) may only be made at the Auction and shall initially be at least a \$100,000 increase in cash, cash equivalents, or other such consideration that the Debtor, in its reasonable business judgment deem equivalent (including the right of the Bond Trustee to Credit Bid any remaining amounts of its secured claim in accordance with these Bidding Procedures) over the previous Bid; *provided, however*, that the Initial Overbid must provide for aggregate cash consideration of not less than One Hundred Five Million Dollars (\$105,000,000) to ensure there is sufficient cash to equal to or exceed the Stalking Horse Bidder’s Purchase Price and cover the Break-Up Fee and the maximum Reimbursement Amount;
- g. each Qualified Bidder will be permitted a reasonable time to respond to previous Bids at the Auction, as determined by the Debtor;
- h. during the course of the Auction, the Debtor shall, after submission of each Overbid, promptly inform each Qualified Bidder of the terms of such Overbid and inform each Qualified Bidder whether such Overbid reflects, in the Debtor’s view and in consultation with the Consultation Parties, the then highest or otherwise best Bid for the Assets;
- i. the Auction will be transcribed to ensure an accurate recording of the bidding at the Auction;
- j. each Qualified Bidder will be required to confirm on the record that it has not engaged, and will not engage, in any collusion with respect to the bidding or any Transaction(s). For the avoidance of doubt, this requirement does not restrict Qualified Bidder(s) from working with other Qualified Bidder(s) with the Debtor’s prior written consent;
- k. each Qualified Bidder will be required to confirm on the record that its Bid is a good faith, *bona fide* offer and it intends to consummate the Transaction(s) if selected as the Successful Bid in accordance with these Bidding Procedures (as may be modified in accordance herewith at the Auction);
- l. subject to the Debtor’s fiduciary obligations, including as set forth herein, the Debtor will not consider Bids made after the Auction has been closed;
- m. the Debtor, in its reasonable business judgment in consultation with the Consultation Parties, may (i) determine which Qualified Bid is the highest or otherwise best offer, (ii) reject, at any time before entry of an order of the Court approving a Successful Bid, any Bid that the Debtor determines is (A) inadequate or insufficient, (B) not in conformity with the requirements of the Bankruptcy

Code, the Bidding Procedures, or the terms and conditions of the Transaction(s), or (C) contrary to the best interests of the Debtor, its estate, creditors, and other stakeholders, and (iii) impose such other terms and conditions upon Qualified Bidders as the Debtor determines to be in the best interests of the Debtor's estate in this Chapter 11 Case;

- n. the Debtor has the right to request any additional information that will allow the Debtor to make a reasonable determination as to a Qualified Bidder's financial and other capabilities to consummate the transactions contemplated by their proposal and any further information that the Debtor believes is reasonably necessary to clarify and evaluate any Bid made by a Qualified Bidder during the Auction;
- o. the Debtor reserves the right, in its reasonable business judgment and in consultation with the Consultation Parties, to adjourn the Auction one or more times to, among other things, (i) facilitate discussions between the Debtor and Qualified Bidders, (ii) allow Qualified Bidders the opportunity to consider how they wish to proceed, and (iii) provide Qualified Bidders the opportunity to provide the Debtor with such additional evidence as the Debtor, in its reasonable business judgment, may require that the Qualified Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed transaction at the prevailing amount;
- p. notwithstanding anything herein to the contrary, the Debtor, in consultation with the Consultation Parties, may at any time choose to adjourn the Auction by announcement at the Auction. The Debtor shall promptly file notice of such adjournment with the Court; and
- q. the Debtor, in consultation with the Consultation Parties, reserves the right to further amend, waive, or otherwise modify the Auction Procedures at any time, provided that the Debtor may not (i) modify the consultation or consent rights of the Consultation Parties, (ii) reduce or modify the Initial Overbid requirements, or (iii) abridge the rights of the Bond Trustee to credit bid.

For the avoidance of doubt, nothing in the Auction Procedures will prevent the Debtor from exercising its fiduciary duties under applicable law (as reasonably determined in good faith by the Debtor, in consultation with its advisors).

XII. Acceptance of the Successful Bid.

The Auction shall continue until (a) there is only one Qualified Bid that the Debtor determines, in its reasonable business judgment and in consultation with the Consultation Parties, and in a manner consistent with the exercise of its fiduciary duties and outlined below in further detail, is the Successful Bid, and (b) the Debtor determines, in its reasonable business judgment and in consultation with the Consultation Parties that further bidding is unlikely to result in a different Successful Bid or Successful Bids that would be reasonably acceptable to the Debtor, at which point, the Auction will be closed.

When determining the highest or otherwise best Qualified Bid, as compared to other Qualified Bids, the Debtor may consider the following factors in addition to any other factors that the Debtor deems appropriate: (a) the likelihood of the Qualified Bidder's ability to close a transaction and the timing thereof; (b) the net economic effect of any changes to the value to be received by the Debtor's estate from the transaction contemplated by the Bid Documents; (c) the Debtor's regulatory requirements; (d) the tax consequences of such Qualified Bid; (e) the certainty of a Qualified Bid leading to a confirmed chapter 11 plan; (f) operating history, including financial performance and any material survey issues, any investigations, or corporate integrity agreements related to the Qualified Bidder's operations; and (g) any other consideration that may impact the Debtor's stakeholders.

The Qualified Bidder that submits a Successful Bid will be deemed a successful bidder (the "Successful Bidder") with respect to the Assets. The Debtor shall file notice of the Successful Bid and the Successful Bidder with the Court within two business days after conclusion of the Auction. Following conclusion of the Auction (if any) and selection of a Successful Bidder, the Debtor shall present the results of the Auction (if any) at the Sale Hearing and shall seek Court approval to enter into a binding purchase agreement with the Successful Bidder on the terms of the Successful Bid.

Notwithstanding anything to the contrary in these Bidding Procedures, nothing in these Bidding Procedures shall require the board of directors, board of managers, or such similar governing body of the Debtor to take or refrain from taking any action, with respect to the Bidding Procedures or the Auction, to the extent such persons or entities determine, in good faith, in consultation with its advisors, that taking or refraining from taking such actions is required by applicable law or fiduciary obligations; *provided, however*, that after the conclusion of the Auction, the Debtor shall not, and shall direct its affiliates and representatives not to, directly or indirectly (i) submit, solicit, initiate, encourage or discuss any proposal or offer from any Person or enter into any agreement or accept any offer relating to or consummate any purchase or sale of any Purchased Assets (as defined in the Stalking Horse APA), other than the purchase and sale of inventory in the ordinary course of business, or any similar transaction or business combination involving the Facility or the Purchased Assets (each as defined in the Stalking Horse APA) or (ii) furnish any information with respect to, assist or participate in or facilitate in any other manner any effort or attempt by any person to do or seek to do any of the foregoing.

Within one business day of the selection of the Successful Bidder, such Successful Bidder shall make a cash deposit, in addition to its Good Faith Deposit, in an amount calculated on the basis of the increased aggregate purchase price, submitted by wire transfer of immediately available funds to an escrow account to be identified and established by the Debtor pursuant to a customary and reasonable escrow agreement. Each Successful Bidder and the Debtor shall, as soon as reasonably practicable, complete and sign all agreements, contracts, instruments, or other documents evidencing and containing the terms upon which each such Successful Bid was made.

XIII. Designation of Back-Up Bidder.

The party submitting the Back-Up Bid to purchase the Assets (the "Back-Up Bidder") will be determined by the Debtor, in consultation with the Consultation Parties, at the conclusion of the Auction and will be announced at that time to all the Qualified Bidders participating in the Auction. The Debtor's selection of a Back-Up Bid shall be deemed final, and the Debtor shall not

accept any further bids or offers to submit a bid after such selection; *provided* that, nothing in these Bidding Procedures shall require the board of directors, board of managers, or such similar governing body of the Debtor to take or refrain from taking any action that the Debtor determined in good faith, in consultation with its advisors, would be inconsistent with applicable law or its fiduciary obligations. The Debtor will be authorized, but not required, to consummate the Transaction with the Back-Up Bidder without further order of the Court, so long as such Back-Up Bid shall have been approved in connection with the Court's approval of the Successful Bid, or subject to Court approval if not.

If for any reason a Successful Bidder fails to consummate the purchase of such Assets within the time permitted, then the Back-Up Bidder will automatically be deemed to have submitted the Successful Bid for such Assets, and the Back-Up Bidder shall be deemed a Successful Bidder for the Assets and shall be required to consummate the Transaction with the Debtor as soon as is reasonably practicable without further order of the Court, upon twenty-four (24) hours' advance notice filed with the Court. To the extent any objections are raised and remain unresolved, the Court may schedule a hearing on an expedited basis to adjudicate such objection.

The Back-Up Bid shall remain open and irrevocable until the earliest to occur of (a) ninety (90) days following the hearing to consider the applicable order approving the Transaction(s) (the "Sale Order"), (b) consummation of the Transaction with the Successful Bidder at an Auction, and (c) the release of such Back-Up Bid by the Debtor in writing (the "Back-Up Termination Date").

XIV. Approval of the Transaction(s).

A hearing to consider approval of each Transaction(s) (the "Sale Hearing"), is currently scheduled to take place on [January 22, 2026, at 10:00 a.m.], prevailing Central Time, before the Honorable [•], at the United States Bankruptcy Court for the Northern District of Texas, Earle Cabell Federal Building, 1100 Commerce Street, 14th Floor, Courtroom [•], Dallas, Texas 75242, or conducted consistent with the procedures established pursuant to the Court's standing orders.

At the Sale Hearing, certain findings will be sought from the Court regarding the Auction, including, among other things, that: (a) the Auction was conducted, and the Successful Bidder was selected, in accordance with the Bidding Procedures; (b) the Auction was fair in substance and procedure; (c) the Successful Bid was a Qualified Bid as defined in the Bidding Procedures; and (d) consummation of the Transaction as contemplated by the Successful Bid in the Auction will provide the highest or otherwise best offer for the applicable Assets and is in the best interests of the Debtor and its estate. **The Sale Hearing may be continued to a later date by the Debtor, in consultation with the Consultation Parties, by sending notice to creditors and other parties in interest prior to, or making an announcement at, the Sale Hearing. No further notice of any such continuance will be required to be provided to any party (including the Stalking Horse Bidder, if any).**

Objections to the Transaction and the Sale Order must: (a) be in writing and specify the nature of such objection; (b) comply with the Bankruptcy Code, Bankruptcy Rules, Local Rules, and all orders of the Court; and (c) be filed with the Court and served so as to be actually received by the Bid Notice Parties and counsel to the DIP Lenders by [January 20, 2026, at 4:00 p.m.], prevailing Central Time.

XV. Return of Good Faith Deposit.

The Good Faith Deposit of the Successful Bidder will, upon consummation of the Successful Bid, become property of the Debtor's estate and be credited to the portion of such Successful Bidder's applicable Purchase Price.

If the Successful Bidder (or Back-Up Bidder, if applicable), fails to consummate the Successful Bid (or Back-Up Bid, if applicable), then the Good Faith Deposit of such Successful Bidder (or Back-Up Bidder, if applicable) will be irrevocably forfeited to the Debtor and shall be retained by the Debtor as liquidated damages, in addition to any and all rights, remedies, or causes of action that may be available to the Debtor.

The Good Faith Deposits of any unsuccessful Qualified Bidders (except for any Back-Up Bidder and the Stalking Horse Bidder) will be returned within five (5) business days after entry of the Sale Order of the Transaction or upon the permanent withdrawal of the applicable proposed Transaction.

The Good Faith Deposit(s) of any Back-Up Bidder, if any, will be returned to such Back-Up Bidder no later than five (5) business days of the Back-Up Termination Date.

The return of any Good Faith Deposits of the Stalking Horse Bidder will be subject to the terms of the applicable Stalking Horse APA. All such Good Faith Deposits shall be held in escrow and at no time shall be deemed property of the Debtor's estate absent further order of the Court.

XVI. Reservation of Rights.

The Debtor shall, in consultation with the Consultation Parties, be entitled to modify these Bidding Procedures in its reasonable business judgment and in a manner consistent with the exercise of its fiduciary duties, in any manner that will best promote the goals of the bidding process or the Bidding Procedures, or impose, at or before the Auction (if held), additional customary terms and conditions on the sale of the applicable Assets, including, without limitation: (a) extending the deadlines set forth in the Bidding Procedures; (b) adjourning the Auction; (c) adding procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction (if held); (d) canceling the Auction; (e) rejecting any or all Bids or Qualified Bids; and (f) adjusting the applicable minimum Overbid increment.

Notwithstanding anything to the contrary herein, the Debtor may not (a) modify the consultation or consent rights of the Consultation Parties, (b) reduce or modify the Initial Overbid requirements, (c) modify deadlines in the Stalking Horse APA; or (d) abridge the rights of the Bond Trustee to credit bid.

All parties expressly reserve all of their rights (and do not waive any such rights) to seek Court relief with regard to the Auction, the Bidding Procedures, the Transaction(s), and any related items (including, if necessary, to seek an extension of the Bid Deadline).

XVII. Consent to Jurisdiction.

All Qualified Bidders at the Auction shall be deemed to have consented to the core jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction, the Sale, the Transaction and the construction and enforcement of these Bidding Procedures, any written indications of interest, Preliminary Bid Documents, the Bids, the Bid Documents, and any and all other agreements entered into in connection with any proposed Transaction, as applicable, and consented to the entry of a final order or judgment in any way related to these Bidding Procedures, the bid process, the Auction, the Sale Hearing, or the construction and enforcement of any agreement or any other document relating to the Sale any Transaction if it is determined that the Court would lack Article III jurisdiction to enter such a final order or judgment absent the consent of the parties.

Any parties raising a dispute relating to these Bidding Procedures must request that such dispute be heard by the Court on an expedited basis.

Schedule 1

Auction Notice

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

In re:	)	
	)	Chapter 11
	)	
BUCKINGHAM SENIOR LIVING COMMUNITY, INC.¹	)	Case No. 25-[_____] (____)
	)	
Debtor.	)	
	)	

NOTICE OF SALE BY AUCTION AND SALE HEARING

PLEASE TAKE NOTICE that on [____], the United States Bankruptcy Court for the Northern District of Texas (the “Court”) entered the *Order (I) Approving Bidding Procedures and Bid Protections, (II) Approving the Debtor’s Entry Into the Stalking Horse APA, (III) Scheduling Certain Dates and Deadlines, (IV) Approving the Form and Manner of Notice Thereof, and (V) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases* [Docket No. [___]] (the “Bidding Procedures Order”)]² in this Chapter 11 Case of the above-captioned debtor and debtor in possession (the “Debtor”).

PLEASE TAKE FURTHER NOTICE that the Debtor is soliciting offers for the purchase of substantially all or a portion of the Assets consistent with the bidding procedures (the “Bidding Procedures”) approved by the Court pursuant to the Bidding Procedures Order. **All interested bidders should carefully read the Bidding Procedures and Bidding Procedures Order.** To the extent that there are any inconsistencies between this notice and the Bidding Procedures or Bidding Procedures Order, the Bidding Procedures or Bidding Procedures Order, as applicable, shall govern in all respects.

PLEASE TAKE FURTHER NOTICE that, if the Debtor receives qualified competing bids within the requirements and time frame specified by the Bidding Procedures, the Debtor will conduct an auction, if any (the “Auction”), of the Assets **on [January 20, 2026, at 10:00 a.m.], prevailing Central Time**, at the offices of the proposed counsel to the Debtor: McDermott Will & Schulte, LLP, 2801 N. Harwood Street, Suite 2600, Dallas, Texas 75201-1574.

PLEASE TAKE FURTHER NOTICE that only the Debtor, Qualified Bidders, the U.S. Trustee, the Consultation Parties, and any other parties as the Debtor may determine to include in its reasonable discretion, in each case, along with its representatives and advisors, shall be entitled to attend the Auction, and only Qualified Bidders will be entitled to make Overbids at the Auction.

¹ The last four digits of the Debtor’s federal tax identification number are 7872. The location of the Debtor’s principal place of business and the service address for the Debtor is 8580 Woodway Drive, Houston, Texas 77063.

² Capitalized terms used but not defined in this notice have the meanings given to them in the Bidding Procedures Order.

All interested or potentially affected parties should carefully read the Bidding Procedures and the Bidding Procedures Order.

PLEASE TAKE FURTHER NOTICE that the Debtor will seek approval of the Transaction(s) at a hearing scheduled to commence on or before **January 22, 2026, at 10:00 a.m., prevailing Central Time**, (the “Sale Hearing”) before the Honorable [____], at the United States Bankruptcy Court for the Northern District of Texas, Earle Cabell Federal Building, 1100 Commerce Street, 14th Floor, Courtroom [____], Dallas, Texas 75242, or conducted consistent with the procedures established pursuant to the Court’s standing orders.

PLEASE TAKE FURTHER NOTICE that the deadline to object to consummation or approval of the Transaction(s) is **January 9, 2026, at 4:00 p.m., prevailing Central Time** (the “Sale Objection Deadline”).

PLEASE TAKE FURTHER NOTICE that the deadline to object to the proposed Cure Costs or assumption and assignment of any proposed Executory Contracts or Unexpired Lease is **January 9, 2026, at 4:00 p.m., prevailing Central Time** (the “Cure Objection Deadline”).

PLEASE TAKE FURTHER NOTICE that the deadline to object to the identity of the Successful Bidder (other than the Stalking Horse Bidder) or adequate assurance of future performance by the Successful Bidder is **January 20, 2026, at 4:00 p.m., prevailing Central Time** (the “Post-Auction Objection Deadline”).

PLEASE TAKE FURTHER NOTICE that all objections must: (a) be in writing; (b) conform to the applicable provisions of the Bankruptcy Rules and the Local Rules; and (c) state with particularity the legal and factual bases for the objection and the specific grounds therefor; and (d) be filed with the Court and served so as to be **actually received on or before the applicable deadlines listed above** by the following parties via email: (a) Buckingham Senior Living Community, Inc., c/o Implex Advisors, LLC, 8350 N. Central Expressway Suite 1900-105, Dallas, TX 75206 (Attn: Stuart Walker (swalker@implexadvisors.com) and Matt Lupton (mlupton@implexadvisors.com)); (b) proposed counsel to the Debtor, McDermott Will & Schulte LLP, 2501 North Harwood Street, Suite 1900, Dallas, TX 75201 (Attn: Marcus A. Helt (mhelt@mwe.com), and 1180 Peachtree St. NE, Suite 3350, Atlanta, GA 30309 (Attn: Daniel M. Simon (dsimon@mwe.com)), and One Vanderbilt Avenue, New York, NY 10017 (Attn: Darren Azman (dazman@mwe.com) and Natalie Rowles (nrowles@mwe.com)); (c) the Debtor’s proposed investment banker, Raymond James & Associates, Inc., 300 Four Falls, Suite 400, 300 Conshohocken State Road, W. Conshohocken, PA 19428 (Attn: David Fields (David.Fields@RaymondJames.com)) and 880 Carillion Parkway, Floor 3, St. Petersburg, FL 33716 (Attn: Max Moilanen (Maxwell.Moilanen@RaymondJames.com)); and (iv) counsel to the DIP Lender, [•], [ADDRESS] (Attn: [•] (Email)).

CONSEQUENCES OF FAILING TO TIMELY MAKE AN OBJECTION

ANY PARTY OR ENTITY WHO FAILS TO TIMELY MAKE AN OBJECTION TO THE SALE OR TRANSACTION, AS APPLICABLE, ON OR BEFORE THE SALE OBJECTION DEADLINE OR THE POST-AUCTION DEADLINE, AS APPLICABLE, IN ACCORDANCE WITH THE BIDDING PROCEDURES ORDER SHALL BE FOREVER

BARRED FROM ASSERTING ANY OBJECTION TO THE SALE, INCLUDING WITH RESPECT TO THE TRANSFER OF THE APPLICABLE DEBTOR'S ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS, EXCEPT AS MAY BE SET FORTH IN THE APPLICABLE PURCHASE AGREEMENT.

Dated: [____], 2025
Dallas, Texas

MCDERMOTT WILL & SCHULTE LLP

/s/ DRAFT

Marcus A. Helt (TX 24052187)
2801 N. Harwood Street, Suite 2600
Dallas, Texas 75201
Telephone: (214) 295-8000
Facsimile: (972) 232-3098
Email: mhelt@mwe.com

- and -

Daniel M. Simon (*pro hac vice* pending)
1180 Peachtree St. NE, Suite 3350
Atlanta, Georgia 30309
Telephone: (404) 260-8535
Facsimile: (404) 393-5260
Email: dsimon@mwe.com

- and -

Darren Azman (*pro hac vice* pending)
Natalie Rowles (*pro hac vice* pending)
One Vanderbilt Avenue
New York, New York 10017
Telephone: (212) 547-5400
Facsimile: (212) 547-5444
Email: dazman@mwe.com
nrowles@mwe.com

*Proposed Counsel for the Debtor and
Debtor in Possession*

Exhibit 2

Stalking Horse APA

ASSET PURCHASE AGREEMENT

BY AND BETWEEN

BUCKINGHAM SENIOR LIVING COMMUNITY, INC., A TEXAS NONPROFIT CORPORATION,

AND

FOCUS SH ACQUISITIONS LLC, A DELAWARE LIMITED LIABILITY COMPANY

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the “**Agreement**”) is made and entered into as of November 12, 2025 (the “**Execution Date**”), by and between Focus SH Acquisitions LLC, a Delaware limited liability company, or its nominee (“**Buyer**” or “**Purchaser**”), and Buckingham Senior Living Community, Inc., a Texas nonprofit corporation (the “**Seller**”). Seller and Buyer are sometimes individually referred to as a “**Party**” and collectively as the “**Parties**.”

RECITALS

WHEREAS, the Seller owns and operates a licensed continuing care retirement community with a total of 495 units, comprised of 303 independent living units, 67 licensed assisted living units, 33 licensed memory care units and 92 licensed skilled nursing units (collectively, the “**Facility**”), located on or about 8580 Woodway Drive, Houston, Texas 77063, comprising approximately 23 acres (the “**Premises**”);

WHEREAS, the Seller in its business judgment believes a sale of the Purchased Assets to be in its best interests and the best interests of its creditors, residents and stakeholders (the “**Sale**”);

WHEREAS, it is anticipated that the Seller will file a voluntary petition for relief under the Bankruptcy Code (the “**Chapter 11 Case**”) with the United States Bankruptcy Court for the Northern District of Texas (the “**Bankruptcy Court**”) for the purpose of approving the Sale; and

WHEREAS, Buyer desires to acquire the Purchased Assets and Assumed Contracts on the terms and conditions contained in this Agreement, pursuant to Sections 105, 363, and 365 of the Bankruptcy Code and subject to higher and better bids and entry of the Sale Order and operate the Facility as a senior community with a total of 495 units, comprised of 303 independent living units, 67 licensed assisted living units, 33 licensed memory care units and 92 licensed skilled nursing units that is not operated as a continuing care retirement community.

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

ARTICLE 1

DEFINITIONS

As used herein, the following terms have the meanings set forth below:

- (a) “**Accounts Receivable**” means all accounts receivable, notes receivable, completed work or services that have not been billed, chattel paper, notes and other rights to payment, including without limitation those consisting of all accounts receivable for goods and services rendered to the Residents of the Facility or related to the Business or related to Resident occupancy, which term shall include, without limitation, rent, occupancy fees, out-of-pocket (self-pay) payments and commercial insurance payments, as well as any promissory notes and any other miscellaneous accounts receivable, and any claim, remedy or other right related to any of the foregoing, together with all unpaid financing charges accrued thereon and any payments with respect thereto.
- (b) “**Accrued PTO**” has the meaning set forth in Section 5.10(c).

- (c) “**Action**” means any material action, cause of action, claim, demand, summons, subpoena, proceeding, litigation, arbitration, mediation, suit, or investigation of any nature (whether civil, criminal administrative, regulatory or judicial), or any appeal therefrom or any demand letter threatening the initiation of any of the foregoing, whether at law or at equity.
- (d) “**Affiliate**” means, as to the person in question, any person or entity that directly or indirectly controls, is controlled by or is under common control with, the person or entity in question, where the term “control” means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity whether through ownership of voting securities, by contract or otherwise.
- (e) “**Agreement**” has the meaning set forth in the opening paragraph.
- (f) “**Alternative Transaction**” means if Seller (1) transfers the Facility to any entity other than Buyer, whether by asset sale, change of control, sponsor substitution, equity transaction, merger, credit bid, or any other type of transaction, or (2) keeps the Facility and restructures its debt.
- (g) “**Approvals**” means all consents and approvals from any Governmental Authority, including without limitation any Governmental Authority with regulatory oversight of healthcare organizations, charitable trusts or continuing care retirement communities, which are necessary for the transfer of the Purchased Assets or the operation of the Business as proposed to be operated by Buyer, and including, without limitation, the regulatory licenses, the provider agreement(s), and change in control approvals under applicable Law, all as set forth on Schedule 1(g). .
- (h) “**Assumed Contracts**” means all of the rights and interests of Seller in and to the Contracts that Buyer designates for assumption and assignment on Schedule 5.11(a), including, to the extent assignable, Seller’s Medicare provider agreement(s) and other Third-Party Payor agreements.
- (i) “**Assumed Liabilities**” has the meaning set forth in Section 2.3.
- (j) “**Back-Up Bidder**” has the meaning set forth in Section 5.7(g).
- (k) “**Bankruptcy Code**” means Title 11 of the United States Code entitled “Bankruptcy”, as now and hereafter in effect, or any successor statute.
- (l) “**Bankruptcy Court**” has the meaning set forth in the recitals.
- (m) “**Base Purchase Price**” has the meaning set forth in Section 2.4.
- (n) “**Benevolent Care Residents**” means the seventeen (17) Current Residents who reside at the Facility as of the Execution Date free of charge or at reduced rates pursuant to the Seller’s Benevolent Care Policy.
- (o) “**Bidding Procedures Order**” means the sales procedure order entered by the Bankruptcy Court in the form attached hereto as Exhibit A (and in the event of any changes thereto, such changes must be acceptable to Buyer). The Bidding Procedures Order shall provide, among other things:

- i. The first minimum overbid must be at least One Hundred Five Million Dollars (\$105,000,000) in order to ensure there is sufficient cash to equal to or exceed the cash Purchase Price and cover the Break-up Fee and the maximum Expense Reimbursement;
 - ii. Any qualified bidders (as a prerequisite to qualification) must bid in cash consistent with Buyer's offer and provide (x) a verified deposit that is not less than Two Million Dollars (\$2,000,000) to be paid to the applicable escrow agent and, (y) to the extent not waived by Seller in Seller's sole discretion, proof of readily available funds and/or an irrevocable commitment letter from a reputable financial institution to demonstrate economic wherewithal to fund the required purchase price under an Alternative Transaction; Buyer is entitled to credit bid the Break-Up Fee and Expense Reimbursement at each round of any auction;
 - iii. For the approval of the Break-Up Fee and Expense Reimbursement, which shall constitute and be treated as a super priority administrative expense of the Debtor's estate pursuant to, *inter alia*, Bankruptcy Code sections 105(a), 503(b) and 507, with priority over all expenses of the kind specified in Bankruptcy Code section 503(b) and 507(b).
- (p) "**Bill of Sale**" means a Bill of Sale and Assignment and Assumption Agreement substantially in the form attached hereto as **Exhibit B**.
 - (q) "**Bond Trustee**" means UMB Bank, N.A., as bond trustee with respect to the New Hope Cultural Education Facilities Finance Corporation Retirement Facility Revenues Bonds (Buckingham Senior Living Community, Inc. Project), Series 2021A-1, Series 2021A-2 (Federally Taxable) and Series 2021B for the benefit of Seller, or any successor thereto.
 - (r) "**Books and Records**" means the books and records of Seller relating to the Purchased Assets or Business, including all records relating to Former Residents and Current Residents (including emails pertaining to patient care of the same), and past and current employees or other personnel of the Business, to the extent assignment thereof is not prohibited by applicable law; provided, however, that "Books and Records" shall not include any Excluded Asset nor the originals of Seller's minute books, stock books or Tax returns.
 - (s) "**Break-Up Fee**" means the amount equal to Three Million Five Hundred Thousand Dollars (\$3,500,000).
 - (t) "**Bring Down Certificate**" has the meaning set forth in Section 5.8(c).
 - (u) "**Broker**" means Raymond James & Associates, Inc.
 - (v) "**Business**" has the meaning set forth in Section 2.1.
 - (w) "**Business Day**" means any day other than any Saturday, Sunday or legal holiday in Houston, Texas.
 - (x) "**Business Transaction**" has the meaning set forth in Section 8.22.
 - (y) "**Buyer**" has the meaning set forth in the opening paragraph.

- (z) “**Buyer’s Representatives**” has the meaning set forth in Section 5.1(a).
- (aa) “**Casualty Event**” has the meaning set forth in Section 2.7.
- (bb) “**Chapter 11 Case**” has the meaning set forth in the Recitals.
- (cc) “**Closing**” has the meaning set forth in Section 2.5.
- (dd) “**Closing Date**” has the meaning set forth in Section 2.5.
- (ee) “**COBRA**” means Part 6 of Subtitle B of Title I of the Employee Retirement Income Security Act of 1974, as amended, and all regulations or rules issued thereunder, Section 4980B of the Code and any similar state or local Law.
- (ff) “**Contemplated Transactions**” means the transactions contemplated by this Agreement, the Related Agreements, the Chapter 11 Case, and any other instruments, certificates, and deliveries hereunder and thereunder.
- (gg) “**Contract**” means agreements, contracts, commitments, personal property leases, real property leases, and other arrangements to which Seller is a party.
- (hh) “**Cure Amounts**” means any and all cure and reinstatement costs or expenses that are required to be paid under Sections 365(b)(1)(A) and (B) of the Bankruptcy Code in connection with the assumption and assignment of the Assumed Contracts; *provided, that* they do not include (i) post-petition ordinary course amounts incurred by Debtor during the Chapter 11 Case, which shall be paid by Seller according to the ordinary course covenant set forth in Section 5.16, and (ii) pursuant to Section 2.3, any cure amount required to assume the provider agreement(s), in the unlikely event any such amount is asserted rather than Buyer taking subject to provider agreement obligations pursuant to typical Department of Justice language in the Sale Order.
- (ii) “**Current Resident**” means a natural person who is a resident of the Facility as of the Closing Date.
- (jj) “**Deposit**” has the meaning set forth in Section 2.4(a).
- (kk) “**Designation Deadline**” has the meaning set forth in Section 5.10(a).
- (ll) “**Disclosure Update**” has the meaning set forth in Section 5.19.
- (mm) “**Effective Time**” has the meaning set forth in Section 2.5.
- (nn) “**Eligibility Period**” has the meaning set forth in Section 5.17(b)(v).
- (oo) “**Eligible Current Resident**” has the meaning set forth in Section 5.17(b).
- (pp) “**Employees**” has the meaning set forth in Section 5.10(a).
- (qq) “**Employee Benefit Plan**” means each material bonus, commission, deferred compensation, severance pay, salary continuation, benefits continuation, retention agreement, retention plan, change of control, retention benefit, pension, profit sharing, retirement, insurance, incentive compensation, stock option, tuition, tuition

reimbursement, dependent care assistance, legal assistance, fringe benefit (cash or non-cash), disability, medical, health, dental, hearing, death, life, death benefit, other retiree benefits, accidental death or dismemberment, vacation, holiday, sick leave, insurance, workers' compensation, welfare plan, supplemental unemployment or other fringe benefit plan, fund, program, policy, arrangement or practice, or any other "employee benefit plan," as defined in Section 3(3) of ERISA (determined without regard to whether such plan is subject to ERISA), and any "nonqualified deferred compensation plan" as defined in Section 409A of the Code that is maintained, sponsored, or contributed or required to be contributed to by Seller or any of its ERISA Affiliates or for which they could be liable for (directly or indirectly) with respect to any of their respective current or former employees, officers, directors or consultants employed or providing services or the dependents or beneficiaries thereof.

(rr) **"Entrance Fee Escrow Agent"** means Regions Bank.

(ss) **"Entrance Fee Escrow Addendums"** means the Entrance Fee Escrow Deposit Agreements between Seller and select Residents, setting forth the terms and conditions for the return of the Entrance Fee Escrow Deposits of such Residents, and Seller's rights in any funds in any escrow agreement(s) related thereto.

(tt) **"Entrance Fee Escrow Agreement"** means that certain Escrow Agreement dated May 21, 2025 among Entrance Fee Escrow Agent, Seller and Trustee.

(uu) **"Entrance Fee Escrow Deposits"** means the amounts paid under Entrance Fee Escrow Agreements and held in escrow by Entrance Fee Escrow Agent.

(vv) **"Entrance Fee Obligations"** means all obligations to pay amounts owed or provide credits, discounts or waivers to Residents pursuant to the Residency Agreements or otherwise, including any refund obligations, obligations for future reduced rental rates upon change of resident acuity, obligations related to entrance fee deposits and reservation deposits, and obligations for future lifecare and skilled nursing benefits. For the avoidance of doubt, notwithstanding anything else herein or in the Related Agreements, all Entrance Fee Obligations are Excluded Liabilities.

(ww) **"Equipment"** means the equipment owned by Seller and used in the Business, including the equipment identified on Schedule 1(ww).

(xx) **"ERISA"** shall mean the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

(yy) **"ERISA Affiliate"** shall mean, with respect to any Person, each entity, trade or business that is, along with such Person, part of the controlled group of corporations, trades or businesses under common control within the meaning of Sections 414(b), (c), (m) or (o) of the Code, or that is a member of the same "controlled group" with such Person pursuant to Section 4001(a)(14) of ERISA.

(zz) **"Escrow Agreement"** means that certain Escrow Agreement entered into as of the Execution Date, by and among the Title Company, Buyer and Seller.

(aaa) **"ESIGN Act"** has the meaning set forth in Section 8.9.

- (bbb) “**Excluded Assets**” has the meaning set forth in Section 2.2.
- (ccc) “**Excluded Liabilities**” has the meaning set forth in Section 2.3.
- (ddd) “**Execution Date**” has the meaning set forth in the opening paragraph.
- (eee) “**Facility**” has the meaning set forth in the recitals.
- (fff) “**Final Order**” means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as to which the time for appeal, Petition for Certiorari or move for reargument or re-hearing has expired, and as to which no appeal, Petition for Certiorari, or other proceeding for re-argument or re-hearing shall then be pending, or as to which any appeal, Petition for Certiorari, re-argument or re-hearing shall have been waived in writing, in form and substance reasonably satisfactory to the Seller and the Buyer, or in the event that an appeal, Writ of Certiorari or re-argument or re-hearing thereof has been sought, such order of the Bankruptcy Court, or other court of competent jurisdiction, shall have been determined by the highest Court to which such order was approved, or no stay pending appeal is in effect regarding such appeal, or certiorari, reargument or re-hearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, Petition for Certiorari or move for re-argument or re-hearing shall have expired; provided however, that the possibility that a motion under Section 502(i) of the Bankruptcy Code, Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous bankruptcy applicable law or applicable state court rules of civil procedure, may be, but have not been, filed with respect to such order shall not cause such order not to be a Final Order.
- (ggg) “**Financial Statements**” has the meaning set forth in Section 3.9(a).
- (hhh) “**Former Resident**” means any natural person who was a resident of the Facility prior to the Closing Date but is not a resident of the Facility as of the Closing Date, including any person who has an outstanding claim with respect to any Residency Agreement.
- (iii) “**Governmental Authority**” means the Bankruptcy Court, any tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision.
- (jjj) “**Government Health Program**” means any federal health care program as defined in 42 U.S.C. § 1320a-7b(f), including, but not limited to, (i) Titles XVIII and XIX of the Social Security Act and Title XXI of the Social Security Act, (ii) the health care programs offered by the U.S. Department of Veterans Affairs, (iii) the Civilian Health and Medical Program of Uniformed Services and TRICARE programs, and (iv) similar successor programs that are funded, in whole or in part, by the government of the United States.
- (kkk) “**Healthcare Discount Program**” means the program to be adopted by Buyer following Closing pursuant to which Buyer shall make an aggregate value of Seven Hundred Fifty Thousand (\$750,000.00) Dollars available following Closing in the form of credits to Current Residents whose Residency Agreement with Seller provided a Life Care Benefit, but only to those Current Residents who sign New Residency Agreements with Buyer.

(lll) Reserved.

(mmm) “**Inventory**” means all supplies, inventory, consumables, perishable and nonperishable food products, and other similar tangible property used in the operation of the Facility.

(nnn) “**Knowledge of Seller**” or “**Knowledge**” shall mean the actual knowledge of Phil Jacob, the Facility’s Executive Director after reasonable inquiry .

(ooo) “**Lien**” means any encumbrance, security interest, pledge, mortgage, lien, charge, indenture, adverse claim of ownership or use, or restriction on transfer (such as a right of first refusal or other similar right).

(ppp) “**Master Trustee**” means UMB Bank, N.A., as master trustee under that certain Master Trust Indenture dated as of November 1, 2021 between the Master Trustee and Seller.

(qqq) “**Material Adverse Effect**” shall mean any fact, circumstance, effect, change, or event, other than the Chapter 11 Case, that is materially adverse to the business, financial condition or prospects of the Facility, the Premises or the Business; provided, however, that “Material Adverse Effect” shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (a) general business or economic conditions, (b) national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the United States, or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States, (c) earthquake, tornado, hurricane, flood or other natural disaster except to the extent that such event results in material damage to the Purchased Assets, (d) changes in GAAP, (e) any action required or permitted by this Agreement or any action taken (or omitted to be taken) with the written consent of or at the written request of Buyer, (f) any effect resulting from the public announcement of this Agreement, compliance with terms of this Agreement or consummation of the Contemplated Transactions, (g) any failure by the Business to meet any internal or published projections, forecasts or revenue or earnings predictions (provided that the underlying cause for such failure may be considered), (h) any existing event, occurrence or circumstance with respect to which the Buyer has Knowledge as of the execution of this Agreement (provided that such existing event, occurrence or circumstance has not worsened since the date hereof so that it constitutes a Material Adverse Effect), and (j) the filing of the Chapter 11 Case and any event or occurrence attributable to the filing of the Chapter 11 Case; other than with respect to the foregoing clauses (a), (b), (c), and (d), if such fact, circumstance, effect, change, or event has a disproportionately adverse effect on the Facility, the Premises or the Business relative to other businesses operating in the industry in which the Facility operates.

(rrr) “**Material Contract**” has the meaning set forth in Section 3.15.

(sss) “**Monetary Liens**” has the meaning set forth in Section 5.12(b).

(ttt) “**New Residency Agreements**” has the meaning set forth in Section 5.17(a).

(uuu) “**Offer Employees**” has the meaning set forth in Section 5.10(a).

(vvv) “**Outside Closing Date**” has the meaning set forth in Section 2.5.

(www) “**Party**” and “**Parties**” have the meanings set forth in the opening paragraph.

(xxx) “**Payment Period**” has the meaning set forth in Section 5.17(d)(i).

(yyy) “**Permits**” means, to the extent transferrable, all material licenses, permits (including occupancy permits), certificates, registrations, approvals, franchises, consents and other authorizations of Seller obtained from or filed with a Governmental Authority and used in connection with the Business, all as set forth on Schedule 3.3.

(zzz) “**Permitted Liens**” means (i) statutory Liens for Taxes, assessments or other governmental charges not yet due and payable (to the extent included in prorations hereunder), (ii) Liens which are expressly assumed or consented to by Buyer herein (including, without limitation, any liens included in the Assumed Liabilities), (iii) Liens which are created by Buyer, (iv) those matters that become Permitted Liens in accordance with Section 5.12 of this Agreement, (v) statutory Liens (including materialmen’s, warehousemen’s, mechanic’s, repairmen’s, landlord’s and other similar Liens) that have not yet come due (to the extent that Buyer receives a credit for each at Closing or Seller has provided adequate reserves for each which will be available for payment of any such amounts regardless of the bankruptcy), and (vi) those matters of record identified on the Title Pro Forma set forth in Exhibit E, which is hereby incorporated by reference, and those matters shown on that certain ALTA/NSPS Land Title Survey prepared by Troy Dee for Golden Land Surveying, as agent for GRS Group, an NV5 Company dated 10/15/2025 as GRS Project No. 25-77659.1.

(aaaa) “**Person**” means any natural person, corporation, limited liability company, general partnership, limited partnership, sole proprietorship, trust, union, association, Governmental Authority or other business organization.

(bbbb) “**Petition Date**” means the date on which Seller initiates the Chapter 11 Case.

(cccc) “**PTO**” means unused but accrued vacation, holiday, personal pay, sick pay or other paid time off.

(dddd) “**Premises**” has the meaning set forth in the recitals and includes Seller’s fee interest in any and all land, buildings, structures, improvements, fixtures or other interest in real property which is owned by Seller and used in the Business.

(eeee) “**Purchase Price**” has the meaning set forth in Section 2.4.

(ffff) “**Purchased Assets**” has the meaning set forth in Section 2.1.

(gggg) “**Reimbursement Amount**” means an amount not to exceed Three Hundred Fifty Thousand Dollars (\$350,000) of reasonable and documented expenses actually incurred and paid for by Buyer prior to the conclusion of the auction.

(hhhh) “**Related Agreements**” means Bill of Sale and the Warranty Deed.

(iiii) “**Rent Rebate Funds**” has the meaning set forth in Section 5.17(d)(i).

(jjjj) “**Rent Rebate Payment Program Release**” has the meaning set forth in Section 5.17(b)(iv).

(kkkk) “**Rent Roll**” has the meaning set forth in Section 3.17.

(llll) “**Reservation Deposits**” means the amounts paid under a reservation agreement by any prospective resident who has not yet established occupancy at the Facility and held in escrow by Reservation Deposit Escrow Agent.

(mmmm) “**Reservation Deposit Escrow Agent**” means Regions Bank.

(nnnn) “**Reservation Deposit Escrow Agreement**” means that certain Escrow Agreement among Reservation Deposit Escrow Agent and Seller.

(oooo) “**Residency Agreements**” means the residency agreements, leases and other occupancy agreements of the Residents, including to the extent there are any continuing obligations to any party thereto, the continuing care contracts executed between Seller and each Resident detailing the residential and other rights and obligations of the Resident and the rights and obligations of Seller, including without limitation lifecare obligations and Entrance Fee Obligations. For the avoidance of doubt, Residency Agreements include all agreements with Residents under which Seller currently owes or will owe contractual obligations to such Residents (whether such obligation has already triggered or will trigger in the future), and further, all Residency Agreements are Excluded Liabilities and are not Assumed Contracts under this Agreement, as Buyer intends to offer new occupancy contracts to Current Residents.

(pppp) “**Resident**” means each Former Resident and Current Resident.

(qqqq) “**Restricted Parties**” has the meaning set forth in Section 5.18.

(rrrr) “**Sale**” has the meaning set forth in the recitals.

(ssss) “**Sale Order**” means an order to be entered by the Bankruptcy Court authorizing and approving the Contemplated Transactions pursuant to Sections 363 and 365 of the Bankruptcy Code, including the sale of the Purchased Assets to Buyer, in the form attached hereto as Exhibit D (and in the event of any changes thereto, such changes must be acceptable to Buyer). The Sale Order shall provide, among other things, that:

- i. this Agreement is valid and enforceable;
- ii. this Agreement and the Contemplated Transactions are approved and the Seller is authorized and directed to consummate the Contemplated Transactions;
- iii. on the Closing Date, the Purchased Assets shall be sold to the Purchaser free and clear of any and all Liens (except for Permitted Liens), including successor liabilities and any liens granted during the Chapter 11 Case;
- iv. on the Closing Date, the Assumed Contracts shall be assumed by and assigned to Buyer pursuant to Section 365 of the Bankruptcy Code and Buyer shall be responsible for paying the Cure Amounts due;
- v. all persons and entities, including, governmental, tax and regulatory authorities, lenders, trade and other creditors holding interests or claims of any kind or nature whatsoever against any of the Sellers or their assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or noncontingent, liquidated or unliquidated, and/or senior or subordinated), arising under or out of, in connection

with or in any way relating to Seller, the Purchased Assets, or the operations of Seller prior to Closing shall have no claims against Buyer, its affiliates, successors or assigns, property or the Purchased Assets related to such interests or claims, including, without limitation, any Entrance Fee Obligations, pre-existing obligations to Residents, provider agreement liabilities (provided that provider agreement liabilities will be handled pursuant to Section 2.3), or provider taxes, or privilege taxes, howsoever designated, subject solely to rights of parties or individuals for claims arising out of Assumed Liabilities;

vi. the Bankruptcy Court finds that (a) Buyer is a good faith purchaser under, and is entitled to the protections of, Section 363(m) of the Bankruptcy Code, (b) Buyer is not a successor to Seller, and (c) the sale of the Purchased Assets contemplated hereby did not involve any improper conduct, including collusion, and cannot be avoided under grounds set forth under Section 363(n) of the Bankruptcy Code;

vii. the Bankruptcy Court retains jurisdiction to resolve any controversy or dispute arising out of or relating to this Agreement or any breach thereof;

viii. in the event Seller consummates an Alternative Transaction and Buyer has not committed a uncured breach or default under this Agreement (following any notice and the time for cure as provided herein), Buyer is entitled to (a) the return of its Deposit and (b) payment of the Break-Up Fee and Expense Reimbursement, which shall be allowed as an administrative claim pursuant to Sections 503(b), 507(a)(2), and 507(b) of the Bankruptcy Code and shall be paid to Buyer by Seller immediately following the closing of the Alternative Transaction; and

ix. the sale of the Purchased Assets is not stayed pending the expiration of fourteen (14) days from the date of entry of the Sale Order.

(tttt) “**Sale Process**” has the meaning set forth in the Bidding Procedures Order.

(uuuu) “**Schedule of Employees**” has the meaning set forth in Section 5.10(b).

(vvvv) Reserved.

(www) “**Seller**” has the meaning set forth in the opening paragraph.

(xxxx) “**Seller’s Accounts Receivable**” has the meaning set forth in Section 2.2(c).

(yyyy) “**Stimulus Relief Funds**” means any grant payments, stimulus payments, retroactive rate adjustments, credits (including tax credits) and any and all other payments and support paid with respect to the Facility in relation to COVID-19 relief efforts, as well as other funds related to the Coronavirus Aid, Relief and Economic Security Act, Paycheck Protection Program, CMS Accelerated and Advance Payments and any other state or federal law providing for stimulus funding related to the COVID-19 pandemic.

(zzzz) “**Successful Bidder**” has the meaning set forth in Section 5.7(g).

(aaaaa) “**Taxes**” means any and all taxes, fees, levies, duties, import charges and other charges imposed by any taxing authority, together with any related interest, penalties or other additions thereto, or additional amounts imposed by any taxing authority, and without

limiting the generality of the foregoing, shall include net income alternative tax, gross income, gross receipts, sales, use, ad valorem, value added, profits, license, transfer, recording, escheat, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, windfall profit, environmental, custom, duty, or other tax, governmental fee or other like assessment or charge of any kind whatsoever.

(bbbbb) “**Tail Insurance**” has the meaning set forth in Section 5.15.

(ccccc) “**TDI**” has the meaning set forth in Section 5.4.

(ddddd) “**Third-Party Payor**” means any Person, whether an employer, third party administrator or insurer/managed care plan or Government Authority that pays, or is responsible for paying for a patient on the basis of a contractual relationship with the patient or a member of his or her family or an employment relationship.

(eeee) “**Title Commitment**” means that Commitment for Title Insurance (T-7) effective as of September 16, 2025, at 7:00 A.M., produced by First American Title Insurance Company, as underwriter for the Title Company.

(fffff) “**Title Company**” means Tower Abstract Services, LLC.

(ggggg) “**Title Objection Notice**” has the meaning set forth in Section 5.12(b).

(hhhhh) “**Title Pro Forma**” means the title policy proforma for an Owner’s Policy of Title Insurance (T-1) to be issued by the Title Company in favor of Buyer in the same form and substance as Exhibit E.

(iiii) “**Title Update**” has the meaning set forth in Section 5.12(a).

(jjjjj) “**Transferred Employees**” has the meaning set forth in Section 5.10(a).

(kkkkk) “**Trustee**” means, collectively, the Bond Trustee and the Master Trustee.

(lllll) “**WARN Act**” means the federal Worker Adjustment and Retraining Notification Act or any other comparable state or local law.

ARTICLE 2

PURCHASE AND SALE OF ASSETS

2.1 Sale of Assets to Buyer. Upon the terms and subject to the conditions contained in this Agreement, at the Closing, Seller shall sell, assign, transfer, deliver and convey to Buyer, and Buyer shall purchase, acquire and accept from Seller, free and clear of all Liens except Permitted Liens and in accordance with Sections 105, 363 and 365 and other applicable provisions of the Bankruptcy Code, all of Seller’s right, title and interest in and to the assets owned by Seller or used in the Seller’s operation of the Facility (the “**Business**”) including, but not limited to, the following (collectively, the “**Purchased Assets**”), but excluding the Excluded Assets:

(a) insurable fee simple title to the Premises, and all other rights, title and interest of Seller in and to the parcel(s) of real property on which the Facility is located;

(b) fee simple title in and to all buildings, structures, facilities, amenities, driveways, walkways, parking lots and other improvements located on the Premises;

(c) the Facility (including keys and passcodes) and the fixtures and improvements thereon;

(d) to the extent not Inventory, all tangible personal property owned by Seller (including all furniture, fixtures and Equipment, vans, tractors, motorized vehicles, computers, keys, machinery, manufactured and purchased parts, food supplies, central supplies, medical supplies and equipment, housekeeping supplies and office supplies other than such Inventory and other supplies that are disposed of in the ordinary course of business prior to the Closing Date);

(e) the Books and Records;

(f) the Assumed Contracts;

(g) the Inventory;

(h) to the extent transferable under applicable law, the Permits;

(i) all proprietary manuals, forms, regulations, policies and procedures of Seller used in connection with the Facility;

(j) all intellectual property, including any trademarks, trade secrets and the like;

(k) general intangibles and community specific intellectual property, including domain names listed in Schedule 3.12, as well as the names “Buckingham” and related logos and marketing materials;

(l) personnel records for Transferred Employees (including, without limitation, all employee background checks, disciplinary records, employment applications, W-4’s and I-9’s) to the extent the transfer of such records is not prohibited by applicable law; and

(m) any and all other items of tangible and intangible personal property and assets required for or used in the operation of the Facility or the Business owned by the Seller.

2.2 Excluded Assets. The Parties acknowledge that Seller shall not sell, assign, transfer or convey to Buyer, and Buyer shall not purchase, acquire or accept from Seller, the assets consisting of the following (all such assets, the “**Excluded Assets**”):

(a) all Residency Agreements, including all Entrance Fee Obligations;

(b) all cash and cash equivalents;

(c) the Accounts Receivable with respect to services provided prior to the Effective Time or otherwise with respect to the Facility which relate to periods ending before the Closing (the “**Seller’s Accounts Receivable**”);

(d) all Contracts that are not Assumed Contracts;

(e) the operating checking account;

- (f) the Purchase Price and all rights under this Agreement;
- (g) all claims and causes of action;
- (h) all insurance policies of Seller, any prepaid insurance premiums and any rights or claims or proceeds arising from such policies, except those assigned to Buyer under Section 2.7 of this Agreement, and except any residual of the workers' compensation policy collateral following liquidation of claims;
- (i) all Tax refunds, rebates and overpayments related to Seller's operation of the Business through the Closing Date, including but not limited to any employee retention credits;
- (j) all (i) corporate seals, corporate organizational records, minute books, charter documents, record books and stock transfer books pertaining to Seller, (ii) taxpayer identification numbers, income Tax Returns, income Tax information and income Tax records of Seller, (iii) accounting and financial records which pertain exclusively to the Excluded Assets, and (iv) such other files, books and records, which pertain exclusively to the Excluded Assets or to the formation, existence or capitalization of Seller or of any other Person;
- (k) any records which Seller is legally required to retain in its possession and any records prepared in anticipation of or in connection with or otherwise related to the negotiation, execution or performance under this Agreement or related exclusively to Excluded Assets or Excluded Liabilities (as hereinafter defined); provided that any records related to Excluded Liabilities that pertain to the operations of the Facility or Business prior to the Closing (including Resident records) that Buyer needs to continue to operate the Facility shall not be excluded;
- (l) all equipment and tangible property of Seller not located at the Facility (other than Books and Records) that is not related to or used in the Business, as set out on Schedule 2.2(l);
- (m) all personal property owned by Current Residents;
- (n) personnel records for employees of the Facility who are not Transferred Employees and, to the extent the transfer of such records (whether directly or by means of a sale) to Buyer or its affiliates is prohibited by applicable law, for Transferred Employees; provided that Buyer shall be entitled to copies of any such excluded employee and Transferred Employee records pursuant to Section 5.1;
- (o) board designated, restricted and trustee-held or other escrowed funds (such as the debt service reserves, self-insurance trusts, and assets and investments restricted as to use), donor restricted assets, beneficial interests in charitable trusts and accrued earnings on all of the foregoing, as set out on Schedule 2.2(o);
- (p) all reserves and funds held by the Trustee, if any, as set out on Schedule 2.2(p);
- (q) all Employee Benefits Plans and all trust agreements, services agreements, and assets attributable thereto;
- (r) Seller's attorney-client and work-product privileges; and
- (s) Seller's license to operate as a continuing care retirement community.

2.3 Assumed Liabilities and Excluded Liabilities. Upon the terms and subject to the conditions contained in this Agreement, at the Closing, Buyer shall assume or otherwise be responsible for (collectively, the “**Assumed Liabilities**”), which amounts shall be in addition to the Purchase Price, only the following assumed liabilities:

(a) All rights and all obligations under Assumed Contracts from and after the Effective Time, plus the Cure Amounts; and

(b) all liabilities and obligations relating to the other Purchased Assets accruing or arising after, and solely relating to operation for the Facility after, the Effective Time.

Seller shall retain and use commercially reasonable efforts to make provision for, in the ordinary course of business or via resolution of the Chapter 11 Case, all liabilities and obligations of Seller other than the Assumed Liabilities.

Except for the Assumed Liabilities assumed by Buyer hereunder, Buyer shall not assume and shall not be liable for any debts, liabilities or obligations of Seller and with respect to the operation of the Facility and the Business arising or relating to the period prior to the Effective Time, whether or not accrued, fixed, contingent or otherwise, whether known or unknown, and whether or not recorded on the books and records of Business, Seller or any of its Affiliates, agents, or management companies (collectively, the “**Excluded Liabilities**”) including, but not limited to, any (i) liabilities, fees or expenses of the Facility or Premises that accrue, arise or relate to the period prior to the Effective Time (other than the Cure Amounts for Assumed Contracts), (ii) liabilities or obligations of Seller to its creditors, Residents, board of directors, shareholders, members or owners, (iii) liabilities, obligations, debt, loans (including intercompany loans or debt) owed to any Affiliates of Seller or management companies, (iv) liabilities or obligations of Seller with respect to any Contracts that are not Assumed Contracts, (v) liabilities related to acts, events or transactions occurring with respect to the Purchased Assets, Facility, Premises, Business, or Seller prior to the Effective Time (other than the Cure Amounts for Assumed Contracts), (vi) liabilities or obligations of Seller for any federal, state, county or local Taxes applicable to or assessed against the Purchased Assets, Business, Facility, Premises or Seller for any period, (vii) liabilities and obligations with respect to any Stimulus Relief Funds received by Seller, (viii) any governmental Actions, recoupments or violations attributable to the ownership or operation of the Facility or Premises prior to the Effective Time, (ix) liabilities or obligations with respect to employees which have accrued or were incurred prior to the Effective Time (including but not limited to any liability relating to payroll, FICA Taxes, vacation, sick leave, workers’ compensation, unemployment benefits, pension benefits, employee stock option or profit-sharing plans, health care plans or benefits, or any other employee plans or benefits of any kind for Seller’s employees, spouses, dependents or contractors or former employees, spouses, dependents or contractors or both) or (x) liabilities or obligations to Residents, including, without limitation, related in any way to Entrance Fee Obligations or to Residency Agreements with Seller.

2.4 Purchase Price. The aggregate Purchase Price for the Acquired Assets and the assumption of the Assumed Liabilities shall be One Hundred Twelve Million Seven Hundred Fifty Thousand (\$112,750,000.00) consisting of the following: (i) One Hundred Million Dollars (\$100,000,000) (the “**Base Purchase Price**”), plus (ii) the Rent Rebate Funds, plus (iii) the cost of the Healthcare Discount Program (collectively, the “**Purchase Price**”). The Base Purchase Price shall be adjusted in accordance with Section 2.5(f), and payable by wire transfer of immediately available funds as follows:

(a) Within two (2) Business Days of the Execution Date, a cash amount equal to Two Million (\$2,000,000.00) Dollars (the “**Deposit**”) shall be deposited in escrow by Buyer with the Title Company; and

(b) At the Closing, Buyer shall pay to Seller, to an account designated in writing by Seller at least two (2) Business Days prior to Closing, a cash amount equal to the Base Purchase Price, *minus* the Deposit, and Buyer shall direct the Title Company to release and transfer the Deposit to Seller to such account at Closing.

2.5 Closing.

(a) Subject to the terms of this Agreement, the closing of the Contemplated Transactions (the “**Closing**”) shall take place as soon as possible and in any event no later than seven (7) Business Days following the satisfaction or waiver of the conditions to Closing set forth in ARTICLE 6 (the date on which the Closing occurs, the “**Closing Date**”), but in no event later than one hundred twenty one (121) days following entry of the Sale Order (the “**Outside Closing Date**”) (unless otherwise mutually agreed by the Parties). The Closing shall be conducted remotely via an exchange of documents, with original documents, as required by the Title Company in order to effectuate the transfer of the Facility and Premises, deposited with the Title Company, and funds in escrow with the Title Company. The Contemplated Transactions shall take place pursuant to, and in accordance with, the terms and conditions hereof. The Closing shall be effective as of 12:01 a.m. Central Time on the Closing Date or such other date and time as the parties may agree in writing (the “**Effective Time**”).

(b) At the Closing, Seller shall pay all (i) title search costs and base title premiums of the owner’s policy of title insurance, (ii) all sales and use Taxes and registration, documentary, stamp, real estate, transfer, recording and similar Taxes, if any, incident to the transfer of the Purchased Assets and consummation of the transactions contemplated hereby, (iii) the costs of obtaining and recording any documents to release Liens on the Premises which Seller is expressly obligated to release hereunder, (iv) the Broker’s commission and all other professional and legal fees owed to any advisor engaged by Seller as it relates to the Sale, (v) one-half of the escrow fees charged by Title Company, and (vi) all other charges incurred by Seller in connection with this Agreement (including, without limitation, the fees and expense of Seller’s attorneys and other consultants).

(c) At the Closing, Buyer shall pay the following costs in connection with the consummation of the Closing: (i) (ii) if Buyer chooses in its sole discretion to have Seller acquire Tail Insurance, the premium and any fees for such Tail Insurance, (iii) the costs of any customary endorsements to the owner’s policy of title insurance (including extended coverage); (iv) title premiums for any lender’s policies of title insurance requested by Buyer and any endorsements to lender’s policies of title insurance; (v) one-half of the escrow fees charged by Title Company, and (vi) all other charges incurred by Buyer in connection with this Agreement (including, without limitation, the fees and expense of Buyer’s attorneys and other consultants).

(d) At the Closing, the Parties will execute and deliver the Related Agreements.

(e) At the Closing, the Parties will execute and deliver a closing settlement statement (the “**Closing Statement**”) reflecting the Purchase Price and all adjustments, prorations, credits and closing costs contemplated herein, as mutually approved by the parties. For the avoidance of doubt, the items prorated in the Closing Statement shall not include Accounts Receivable allocated pursuant to Section 5.14 (provided that rent and payments for periods crossing over the Closing shall be prorated as in this Section 2.5) Seller shall provide to Buyer at least seven (7) Business Days prior to Closing an initial draft of the Closing Statement, reflecting Seller’s calculation of the adjustments, prorations and credits to be set forth on the Closing Statement together with all backup and supporting materials relating thereto, and the Parties shall work in good faith to reach an agreement on such items by the Closing Date.

(f) Except as otherwise set forth in this Agreement, the Parties shall use their commercially reasonable efforts to prorate in good faith at Closing all items, as applicable, of income and expense, including rents, service fees, utility charges, bed Taxes, personal property or real property Taxes, ad valorem Taxes or other similar Taxes, prepaid rents, lease payments, other income and ancillary revenue related to the Purchased Assets or with respect to the Business (but not Excluded Assets and Excluded Liabilities) as of the Closing Date. All such prorations will be prorated between Seller and Buyer as of the Closing Date based on the number of days of the applicable period that each Party owns the Purchased Assets. Utility charges which are not metered and read shall be estimated based on prior charges, and shall be re-prorated upon receipt of statements therefor. All credits, prorations and adjustments set forth herein (including pursuant to this Section 2.5(f)) shall be set forth on the Closing Statement mutually agreeable to the Parties, and any such amounts that may become due shall be paid at Closing. A post-Closing reconciliation of prorated items shall be made by Buyer and Seller within sixty (60) days after Closing, and any amounts due at that time shall be promptly forwarded to the respective party in a lump sum payment. Notwithstanding anything herein to the contrary, neither party shall have any obligation to the other under this Section 2.5(f) after one hundred twenty (120) days after Closing.

2.6 Purchase Price Allocation. For Tax purposes only, including documentary and stamp Taxes associated with recording of the deed, Buyer and Seller have allocated the Purchase Price (together with Assumed Liabilities properly included, if any) among the Purchased Assets in accordance with the Allocation Schedule attached hereto; provided, however, that such allocation shall not be binding on any Party for any other purpose. Such allocation shall be consistent with Section 1060 of the Internal Revenue Code and the Treasury Regulations thereunder. Buyer and Seller covenant and agree that all filings with Governmental Authorities regarding Taxes will be consistent with such allocation. Buyer shall be entitled to deduct and withhold from any amounts payable pursuant to this Agreement such amount as it is required to deduct and withhold with respect to the making of such payment under the Internal Revenue Code or other applicable tax Law; provided that in the event that Buyer intends to deduct or withhold any Taxes pursuant to the foregoing, Buyer shall at least five (5) days prior to withholding first notify Seller of its intent to deduct or withhold and provide an explanation of the legal requirement for such deduction or withholding, and the Parties shall cooperate in good faith to mitigate or eliminate such Taxes to the extent permitted under applicable tax law. Any such amounts that are deducted or withheld shall be treated as having been paid to the Person in respect of which such deduction and withholding was made.

2.7 Casualty; Condemnation. If prior to the Closing part of the Purchased Assets is condemned, materially damaged or destroyed (whether by fire, theft, or other casualty event) or Seller experiences a material business interruption or loss of a key component of the Facility (collectively, a “**Casualty Event**”), Seller shall immediately notify Buyer of such Casualty Event. In the event that such Casualty Event (a) is reasonably estimated to exceed One Million Five Hundred Thousand Dollars (\$1,500,000); (b) materially disrupts operations of the Facility for at least three (3) months; (c) adversely affects the value of the Premises by more than \$1,500,000; (d) materially and adversely impairs access to the Premises and reasonable alternate access to the Premises is not possible; or (e) results in the Premises no longer being in compliance with zoning requirements and a reasonable alternative is not possible, then Buyer shall have the option to: (x) terminate this Agreement by written notice delivered to Seller within ten (10) days after Buyer’s receipt of notice of such Casualty Event, in which case the Deposit shall be returned to Buyer and the Parties shall have no further obligations hereunder or (y) proceed with the Closing without abatement of the Purchase Price, in which case at and after Closing (i) all insurance proceeds and condemnation awards/settlements relating to such Casualty Event shall be deemed to have been absolutely and irrevocably assigned to and be payable directly to Buyer less any amounts reasonably expended by Seller prior to Closing for partial restoration for which Buyer has provided prior written consent, (ii) Buyer shall have the right to conduct all settlement proceedings with respect to such insurance claims, (iii) Seller shall deliver to Buyer through escrow an unconditional assignment of all such insurance proceeds, and (iv) Buyer shall receive a credit against the Purchase Price in the amount equal to the deductible amount due under Seller’s

insurance policy to the extent such deductible has not been paid by the Seller. For the avoidance of doubt, to the extent the damage is One Million Five Hundred Thousand Dollars (\$1,500,000) or less, Buyer shall be required to proceed with the Closing and the provisions of subclause (y) of the immediately preceding sentence shall apply.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF SELLER

In order to induce Buyer to enter into this Agreement, Seller makes the representations and warranties set forth below which are true, correct and complete on the date hereof and shall be true, correct and complete as of the Closing.

3.1 Organization. Seller is a nonprofit corporation duly incorporated, validly existing, and in good standing under the laws of the State of Texas, with full power and authority to own, lease, and operate the Business and the applicable Purchased Assets and to carry on the Business as and where such assets are now owned or leased and the Business is now conducted, as applicable, subject to the Chapter 11 Case. Seller has full power, authority and capacity to execute and deliver this Agreement and, subject to the entry of the Bidding Procedures Order, to execute and deliver the Related Agreements and to perform its obligations hereunder and thereunder and to consummate the Contemplated Transactions.

3.2 Execution and Delivery. Subject to the Approvals, this Agreement has been duly and validly executed and delivered by Seller and constitutes, and upon the execution and delivery by Seller of the Related Agreements, the Related Agreements shall constitute, legal, valid and binding obligations of Seller enforceable against Seller in accordance with their terms, subject to the bankruptcy, insolvency, creditor rights and equitable remedies.

3.3 Permits. (a) The Facility is duly licensed in accordance with the applicable laws of the State of Texas, and (b) all other ancillary departments or services located at, or operated solely for the benefit of, the Facility that are required by Law to be separately licensed are duly licensed by the appropriate Governmental Authority. Seller has all Permits which are needed or required by applicable law to operate its business related to or affecting the Facility or for Seller to operate any ancillary services related thereto, each as currently conducted. Schedule 3.3 is a true, complete and accurate list of all material Permits owned or held by or issued to Seller relating to the ownership or operation of the Facility or the Purchased Assets and such Permits constitute all material Permits necessary for the conduct of the Business and operation of the Facility as currently conducted, all of which are in full force and effect.

3.4 Litigation Proceedings; Judgments. Schedule 3.4 is an accurate list of all pending Actions with respect to the Facility and the Purchased Assets. Except as set forth on Schedule 3.4, there are no Actions pending or to the Knowledge of Seller threatened against or related to Seller, the Facility or the Purchased Assets, at law or in equity. There are no judgments presently outstanding and unsatisfied against the Facility, the Business, Seller or any of the Purchased Assets. Except as set forth on Schedule 3.4, Seller has not received any written notice or written claim of any tort, breach of contract or violation of any applicable order, or an investigation thereof with respect to its ownership or operation of the Facility or the Business.

3.5 Employee Relations. Seller is in compliance in all material respects with all applicable laws and contracts respecting employment and employment practices, labor relations, terms and conditions of employment, and timely payment of wages for all hours worked by Employees. Except as set forth on Schedule 3.5(a), Seller has no Knowledge of any complaints before or claims brought by a Governmental Authority, whether threatened or asserted, regarding employment discrimination, harassment or unlawful

practices, safety or other employment-related charges or complaints, wage and hour claims, unemployment compensation claims, workers' compensation claims or the like. Seller is not a party to any collective bargaining agreement with any labor union or similar organization with respect to Employees, nor does Seller have Knowledge of any such organization which represents or claims to represent, or have Knowledge of any pending or threatened attempt to organize or represent, any of the Employees or intends to organize any of Seller's employees. Except as set forth on Schedule 3.5(b), neither Seller nor any of its ERISA Affiliates maintains, sponsors, administers or contributes to (or is required to sponsor, maintain, administer or contribute to), or has in the last six (6) years maintained, sponsored or contributed to, or has any liability (contingent or otherwise) under or with respect to, (i) any employee benefit plan subject to Section 412 or Section 430 of the Code or Title IV of ERISA, (ii) any multiemployer plan (as defined in Section 3(37) of ERISA), (iii) any multiple employer plan (within the meaning of Section 210 of ERISA or Section 413(c) of the Code) that is or has been subject to Section 4063 or 4064 of ERISA or (iv) any pension plan.

3.6 Compliance. Except as set forth on Schedule 3.6, Seller is in compliance in all material respects with all applicable statutes, rules, and regulations, including applicable healthcare laws and regulations, of each Governmental Authority having jurisdiction over Seller and the Purchased Assets and the operations of the Facility and the Purchased Assets.

3.7 Broker. Except for the engagement of the Broker, whose fee shall be paid by Seller from the proceeds of the sale at Closing, neither Seller nor any of its Affiliates has incurred any liability for any fee or commission to any broker, finder, investment banker or other intermediary in connection with the Contemplated Transactions that would result in any liability, fee, expense or obligation being imposed on Buyer.

3.8 Environmental Matters. Except as set forth on Schedule 3.8, (i) to the Knowledge of Seller, there are no material environmental liabilities on or affecting any of the Premises of the Facility, (ii) Seller has at all times owned and operated the Facility and the Premises and conducted the Business and, during the period that Seller owned the Facility and the Premises and any third party operated any such Business, such third party operated the Business, in each case, in compliance in all material respects with all applicable environmental laws and permits required thereunder or issued pursuant thereto; and (iii) there are no proceedings pending or, to the Knowledge of Seller, threatened before any Governmental Authority relating to the Facility or Premises alleging violations of environmental laws, or claiming material remediation obligations under applicable environmental laws, and Seller has not received any written notice of any alleged or actual violation or non-compliance with any environmental law or of non-compliance with the terms or conditions of any environmental permits, arising from, based upon, associated with or related to the Facility or Premises or the ownership or operation thereof.

3.9 Financial Information.

(a) Seller has made available to Buyer the following financial statements and financial information to Buyer (the "**Financial Statements**"): (i) audited financial statements of the Business for fiscal years ended December 31, 2024 and December 31, 2023; and (ii) income statements, balance sheets and statements of stockholders equity and cash flow as of and for the seven (7) month period ended July 31, 2025.

(b) The Financial Statements are true, correct and complete in all material respects and have been prepared in accordance with generally accepted accounting principles, applied on a consistent basis throughout the periods indicated except (a) to the extent deviations from such accounting principles and their consistent application may be indicated in the notes thereto and (b) that the unaudited financial statements may not include required footnote disclosures or reflect normal year-end adjustments. The

Financial Statements present fairly, in all material respects, the financial condition of the Business as of the respective dates they were prepared and the results of the operations of the Business for the periods therein indicated.

3.10 Real Property.

(a) Schedule 3.10 contains an accurate and complete legal description, street address and tax parcel identification number for the Premises. Seller holds good, insurable and valid fee simple title to all of the Premises and shall convey the Premises in accordance with the Sale Order free and clear of all Liens other than the Permitted Liens. Seller does not lease any portion of the Premises as a tenant or subtenant.

(b) Except as set forth on Schedule 3.10(b), Seller has not received written notice from any Governmental Authority of (and otherwise has no Knowledge of): (i) any pending or threatened condemnation proceedings affecting the Premises, or any part thereof; (ii) asserting or alleging any violations or potential violations of any applicable laws (including zoning and land use ordinances, building codes, environmental law or regulation, seismic codes and similar requirements) with respect to the Premises, or any part thereof, which have not heretofore been cured; or (iii) any pending or threatened proceedings, nor any claims or actions against Seller or the Premises, relating to the ownership, lease, use or occupancy of such Premises or any portion thereof which is reasonably likely to result in a material change in the condition of the Premises or the ownership or operation of the Premises. Seller has not received any written notice of any pending zoning or other land use change affecting the Premises.

(c) Seller has not received written notice that Seller is in material violation of a condition or agreement contained in any easement, restrictive covenant or any similar instrument or agreement affecting any of the Premises in any material respect.

(d) Seller has not received written notice of and to Seller's Knowledge there are no threatened or contemplated rezoning or other land use actions affecting or which will affect the Premises. To Seller's Knowledge, there are no condemnation or eminent domain proceedings pending, or, to the Knowledge of Seller, threatened against the Premises or any part thereof, or access thereto, and Seller has not received written notice of the desire of any Governmental Authority or other governmental entity take or use the Premises or any part thereof. Between the Execution Date and the Closing, Seller will give Buyer prompt written notice of any actual or any proposed increase in property taxes or condemnation of any part of the Premises of which Seller receives written notice from a Governmental Authority or obtains Knowledge.

3.11 Insurance. Schedule 3.11 sets forth an accurate and complete list of all insurance policies or self-insurance funds maintained by Seller or its representatives or agents with respect to the Facility and Seller as of the Execution Date covering the ownership and operation of the Business, indicating the types of insurance, policy numbers, terms, identity of insurers and amounts and coverages (including applicable deductibles), and including all charitable funds, self-insurance trusts, and similar items listed under Section 2.2(o). Schedule 3.11 attaches available certificates of insurance for all insurance policies listed on Schedule 3.11. Seller shall maintain at their current levels all insurance policies and self-insurance funds with respect to the Business, Facility and Seller up until and through the Closing Date.

3.12 Intellectual Property. Seller owns or has the right to use all intellectual property used in connection with the ownership or operation of the Facility. Schedule 3.12 lists all of the registered intellectual property, applications for registration of intellectual property, and material unregistered trademarks owned by Seller. Except as set forth on Schedule 3.12, to Seller's Knowledge, the conduct of the Business does not infringe or otherwise violate any intellectual property or other proprietary rights of

any other Person, and there is no action pending or, to the Knowledge of Seller, threatened, alleging any such infringement or violation or challenging Seller's rights in or to any of its intellectual property.

3.13 Tax Matters. In each case, solely to the extent relating to the Purchased Assets:

(a) All Taxes due and owing by Seller (whether or not shown on any tax return) have been timely paid when due (taking into account any applicable extensions), including all Taxes with respect to the Facility or the Premises.

(b) There are no liens relating to Taxes on any of the Purchased Assets other than liens for Taxes not yet due and payable.

(c) Proper and accurate amounts have been withheld for Employees in compliance with the payroll tax and other withholding provisions of all applicable laws, and all of such amounts have been timely remitted to the proper taxing authority.

(d) Seller has timely filed all tax returns required to be filed by it (all of which are true, complete and correct in all material respects). Seller has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a tax assessment or deficiency, which currently remains in effect. Seller is not currently the beneficiary of any extension of time within which to file any tax return.

(e) No deficiencies for Taxes have been claimed, proposed or assessed by any Governmental Authority for which Seller may have any liability or which may attach to the Purchased Assets. There are no pending or, to Seller's Knowledge, threatened proceedings for or relating to any liability in respect of Taxes for which Seller may have any liability or which may attach to the Purchased Assets. There are no matters under discussion by Seller with any Governmental Authority with respect to Taxes that may result in an additional amount of Taxes for which Seller may have any liability or which may attach to the Purchased Assets. No Governmental Authority has notified Seller that it has conducted an audit of any Taxes that may be due and owing by Seller or as the result of the Business audited by Seller, which currently remains outstanding or unresolved.

3.14 Health Care Representations.

(a) The Facility is a continuing care retirement community, duly licensed as required under applicable laws of the State of Texas. The Facility is duly licensed as required under applicable laws of the State of Texas to operate an assisted living facility, memory care facility, and skilled nursing facility (collectively, the "**Healthcare Permits**"). Until Closing, the Healthcare Permits shall remain in full force and effect, without restriction, curtailment, or condition, and without change to the number of type of units as are operating at the Facility provided that the Buyer agrees that Seller and Facility will take appropriate steps to terminate its continuing care retirement community Permit at or prior to Closing. No material Healthcare Permit is provisional, probationary, or restricted in any way by a Governmental Authority, except as set forth on Schedule 3.14(a).

(b) Except as disclosed on Schedule 3.14(b), at the time this Agreement is signed and as of the Closing Date, there are no outstanding inspections or surveys by an applicable Governmental Authority or plans of correction with respect to any Healthcare Permit held by the Facility nor has Seller been cited in the past two years by an applicable Governmental Authority in connection with such inspections or surveys for (1) substandard quality of care to Residents, or (2) any deficiency rising to an "I" or "J" level scope and severity or higher or an Immediate Jeopardy. To the extent any material deficiencies were reported in writing to the Seller during a Healthcare Permit survey by the appropriate Governmental

Authority in the last two years, Seller has corrected such deficiencies as of the Closing Date or has proposed a plan of correction which as of the Closing Date has been accepted or is reasonably anticipated to be accepted, such that the Facility has or is reasonably anticipated to be deemed to have returned to substantial compliance prior to the Closing Date in the ordinary course of the survey process. To Seller's Knowledge, the Facility meets all applicable Life safety Code requirements in all material respects and does not have any current waivers in effect related to same. There are no current bans, material sanctions, prohibitions on payment, or admissions limitations in effect with respect to the Facility, nor any Healthcare Permit curtailments in effect with respect to the Facility imposed by an applicable Governmental Authority, and no Action has been taken or recommended in the past two years, nor, to Seller's Knowledge, is there any current basis for any Action, by any Governmental Authority, either to revoke, withdraw or suspend Seller's Permit to own or operate the Facility or to terminate or decertify any participation of the Facility in the Medicare or Medicaid programs, other than with respect to any deficiencies cited in those certain inspections, surveys or plans of correction disclosed on Schedule 3.14(b), which Seller anticipates will be resolved with the applicable Governmental Authority prior to such Governmental Authority's revocation, withdrawal or suspension of the applicable Healthcare Permit or termination or decertification of the Facility from the Medicare or Medicaid programs.

(c) Seller has furnished all written surveys, inspection reports, any waivers of deficiencies, plans of correction, and any similar investigation or examination reports related to any material inspections, investigations, or surveys by any Governmental Authority related to a Healthcare Permit during the eighteen (18) month period preceding the Execution Date.

(d) No director or officer of Seller, nor to Seller's Knowledge any employee or Person who provides professional services under agreements with Seller or for the benefit of the Business, acting alone or together, has directly or indirectly, engaged in any activities which are prohibited under federal Medicare and Medicaid statutes, 42 U.S.C. Sections 1320a-7, 1320a-7(a) and 1320a-7b, or the regulations promulgated pursuant to such statutes or related state or local statutes or regulations or which are prohibited by rules of professional conduct, including, without limitation: (1) given or taken any remuneration, rebates, payments, commissions, or promotional allowances to any customer, supplier, physician, or governmental employee with whom Sellers had done business; or (2) knowingly and willfully made any false statement of material fact in any application for any benefit or payment.

(e) Seller has not received, within the last three (3) years, any written notice of the commencement of any Action by or before any Governmental Authority and, to Seller's Knowledge, there is no threatened proceeding, investigation, or action alleging Seller's non-compliance under federal Medicare and Medicaid statutes, 42 U.S.C. Sections 1320a-7, 1320a-7(a), 1320a-7b, 1395nn and 1396b, the False Claims Act, or the regulations promulgated pursuant to such statutes or related state statutes or regulations (including any Qui Tam matter). Seller has not received, within the last three (3) years, written notice from any Governmental Authority that with respect to the Facility it has been charged with or implicated in any violation of any state or federal statute or regulation involving false, fraudulent or abusive practices relating to its participation in Government Health Programs, including but not limited to false or fraudulent billing practices. The Facility is currently certified or enrolled, as applicable, to participate in any material Third-Party Payor programs from which the Facility receives revenues, including, but not limited to, Medicare and Medicaid. No material Third-Party Payor program has threatened in writing or, to Seller's Knowledge, intends to terminate, cancel, modify or adversely amend its provider agreement with Seller prior to Closing or within the twelve (12) month period following the Closing Date (except as expressly contemplated hereunder in connection with the consummation of the transactions hereunder). To Seller's Knowledge, no validation review or program integrity review (including any recovery audit contract review) related to the Facility, the Business, or the consummation of the Contemplated Transactions, has been conducted by any Governmental Authority in connection with the Government Health Programs or any other material Third-Party Payor programs since December 31, 2022, and to the

Knowledge of Seller, no such reviews are pending or threatened against Seller with respect to the Facility, the Business, or the consummation of the Contemplated Transactions.

(f) To Seller's Knowledge, all billing practices of Seller with respect to the Facility and the Business to all Government Health Programs and Third-Party Payors, have been in compliance in all material respects with all applicable laws and the applicable requirements of the Government Health Programs and Third-Party Payors. Except as disclosed on Schedule 3.14(f), Sellers have no material reimbursement or payment rate appeals, disputes or contested positions currently pending or threatened before any Governmental Authority or any administrator of any Third-Party Payor program with respect to the Facility involving amounts in excess of \$50,000.00 in the aggregate.

(g) Neither Seller nor the Facility, nor to Seller's Knowledge, any owner, officer, director, partner, agent, managing employee or Person with a "direct or indirect ownership interest" (as that phrase is defined in 42 C.F.R. §1001.1001) in the Facility, is a party to, or bound by, any order, individual integrity agreement, corporate integrity agreement, corporate compliance agreement, deferred prosecution agreement, or other formal or informal agreement with any Governmental Authority concerning noncompliance with Medicare, Medicaid, HIPAA, the HITECH Act or any other federal or state healthcare laws and regulations. Neither the Seller nor the Facility has made any voluntary disclosure to the Office of Inspector General, CMS, any Medicare Administrative Contractor, Medicaid program or other Governmental Authority relating to any potential, alleged or actual violation of Medicare or Medicaid regulations.

(h) The licensed unit capacity of the Facility includes 303 independent living units, 67 licensed assisted living units, 33 licensed memory care units and 92 licensed skilled nursing units.

(i) To Seller's Knowledge, there are no currently pending Actions, appeals, adjustments, audits, challenges, inquiries, investigations, claim reviews, recoupments or other Actions with respect to any such billings, claims or other filings.

3.15 Material Contracts; Provider Agreements. As of the Execution Date, true, correct and complete copies of all Material Contracts (as defined below) have been made available to Buyer. Each Material Contract was entered into at arm's length and subject to entry of the Sale Order and payment of all Cure Amounts, each Material Contract is in full force and effect, is fully assignable without the consent of any Person, and is valid, binding and enforceable in accordance with its terms as to such Seller and, to Sellers' Knowledge, the other parties to the Material Contract. Schedule 3.15(a) contains a list of all material Contracts to which Seller is a party (other than Residency Agreements) (the "**Material Contracts**"):

- (a) for which Seller's annual spend is greater than \$50,000.00;
- (b) involving commitments to others to make capital expenditures or purchases or sales in excess of \$50,000.00;
- (c) that consist of written employment, consulting, contractor, confidentiality, non-competition, severance or termination agreements as to employees, individual consultants or other individual service providers, in each case, material to the Business;
- (d) with a Governmental Authority;
- (e) for the lease by Seller of any of the Premises;

(f) for the lease of any machinery, equipment and other tangible property leased to Seller which are used at the Facility; and

(g) that are Third Party Payor provider agreements of Seller with respect to the Business, including all managed care contracts.

3.16 Absence of Certain Changes or Events. Except as set forth on Schedule 3.16, since January 1, 2025 through the Execution Date, neither the Facility nor Seller have:

(a) Suffered any Material Adverse Effect;

(b) Entered into any Material Contract;

(c) Other than in the ordinary course of business, consistent with past practices, offered options to or granted any increase in the compensation or benefits provided or to be provided to or payable or to become payable by Seller to any of its officers or to any of Seller's employees (except compensation granted to new employees who were hired in the ordinary course of business on an arm's length basis on substantially similar terms to existing employees with comparable duties and experience);

(d) Sold, transferred or otherwise disposed of, or agreed to sell, transfer or otherwise dispose of, any assets related to or connected with the Facility having a fair market value at the time of sale, transfer or disposition of \$50,000.00 or more in the aggregate, except in the ordinary course of business;

(e) cancelled, or agreed to cancel, any debts or claims held by the Facility in the amount of \$100,000.00 or more in the aggregate;

(f) Made any material physical alterations or capital expenditures to the Premises, except for work which has already been approved and is known to Buyer prior to the Execution Date;

(g) Made any change in any method of accounting or accounting practice relating to the Facility; or

(h) Made any material changes to the operations of the Facility.

3.17 Rent Roll. Schedule 3.17(a) sets forth the current rent roll with respect to the Facility, which rent roll lists all Residency Agreements in effect as of the date of such rent roll, the unit occupied by such Current Resident, and the amounts payable under such current Residency Agreements (the "**Rent Roll**"). Seller has made available to Buyer complete copies of all Residency Agreements. Schedule 3.17(b) sets forth a current list of (1) all the Entrance Fees paid by or owed to a Current Resident, including contract and plan type, and (2) all Entrance Fee Deposits held in escrow listed by Current Resident, including contract and plan type.

3.18 Stimulus Relief Funds. Schedule 3.18 sets forth a true, complete and correct list of the type and the amount of all Stimulus Relief Funds received by Seller, including the amount of such Stimulus Relief Funds that have not yet been expended by Seller as of the Execution Date, if any. As used herein, "**Stimulus Relief Funds**" means any grant payments, stimulus payments, retroactive rate adjustments, credits (including tax credits) and any and all other payments and support paid with respect to the Facility in relation to COVID-19 relief efforts, as well as other funds related to the Coronavirus Aid, Relief and Economic Security Act, Paycheck Protection Program, CMS Accelerated and Advance Payments and any other state or federal law providing for stimulus funding related to the COVID-19 pandemic. Seller has

received full forgiveness with respect to any loan obtained through any Stimulus Relief Funds and Seller has no outstanding liabilities or obligations related to any Stimulus Relief Funds.

3.19 No Other Representation or Warranty. Except for the representations and warranties contained in this ARTICLE 3 (including the related portions of the Schedules), Seller has not made and does not make any other express or implied representation or warranty, either written or oral, on behalf of or with respect to Seller, the Purchased Assets, the Premises, the Facility or the Business, including any representation or warranty arising from statute or otherwise in law.

3.20 Expiration of Representations and Warranties. Except for claims arising out of or related to fraud, the representations and warranties of Seller contained in this ARTICLE 3 shall expire upon and shall not survive the Closing for any purpose whatsoever.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF BUYER

In order to induce Seller to enter into this Agreement, Buyer makes the representations and warranties set forth below which are true, correct and complete on the date hereof and shall be true, correct and complete as of the Closing.

4.1 Organization. Buyer is a limited liability company duly incorporated, validly existing, and in good standing under the laws of the State of Delaware, with, subject to the Approvals, full power and authority to own, lease, and operate its business. Buyer has full power, authority and capacity to execute and deliver this Agreement and the Related Agreements and to perform its obligations hereunder and thereunder and to consummate the Contemplated Transactions.

4.2 Execution and Delivery. This Agreement has been duly and validly executed and delivered by Buyer and constitutes and, upon the execution and delivery by Buyer of the Related Agreements, the Related Agreements shall constitute, legal, valid and binding obligations of Buyer enforceable against Buyer in accordance with their terms.

4.3 Governmental Approvals and Filings. Except for the Approvals, no consent, approval or action of, filing with or notice to any Governmental Authority on the part of Buyer is required in connection with the execution, delivery and performance of this Agreement or any of the Related Agreements or the consummation of the Contemplated Transactions.

4.4 Broker; No Financing Contingency. Neither Buyer nor any of its Affiliates has incurred any liability for any fee or commission to any broker, finder, investment banker or other intermediary in connection with the Contemplated Transactions that would result in any liability, fee, expense or obligation being imposed on Seller. Buyer acknowledges and agrees that notwithstanding anything to the contrary contained herein, its obligation to consummate the transactions contemplated hereby is not subject to a financing contingency in favor of Buyer or any of its Affiliates.

4.5 Fitness for Obtaining Permits and Approvals. Buyer has no knowledge of any material fact or other information related to Buyer or any of its Affiliates which could be reasonably expected to have an adverse impact on Buyer's ability to obtain the Permits or Approvals.

4.6 Disclaimers. Prior to its execution of this Agreement, Buyer has conducted an independent investigation and verification of the current condition and affairs of the Business and the Purchased Assets, including the condition, the cash flow and the prospects of the Purchased Assets and Assumed Liabilities.

In making its decision to execute this Agreement and to acquire the Purchased Assets and assume the Assumed Liabilities, Buyer has relied and will rely solely upon the results of such independent investigation and verification and the terms and conditions of this Agreement. Buyer expressly acknowledges and warrants that Buyer is accepting the Purchased Assets on the Closing Date in an “AS IS” “WHERE IS” “WITH ALL FAULTS CONDITION” and all latent or patent defects, with regard to all aspects of the Purchased Assets without warranty or representation of any kind by Seller or any of Seller’s managers, members, officers, directors, employees, partners, agents, representatives, beneficiaries, attorneys, subsidiaries, Affiliates, contractors, subcontractors, successors and assigns, except as otherwise set forth in ARTICLE 3. BUYER ACKNOWLEDGES THAT, EXCEPT AS OTHERWISE PROVIDED FOR IN THE REPRESENTATIONS AND WARRANTIES IN ARTICLE 3 OF THIS AGREEMENT, SELLER MAKES NO REPRESENTATIONS, WARRANTIES, OR GUARANTEES WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO: ANY MATTER RELATED TO THE PURCHASED ASSETS (INCLUDING, WITHOUT LIMITATION, INCOME TO BE DERIVED FROM OR EXPENSES TO BE INCURRED IN CONNECTION WITH THE PURCHASED ASSETS; THE PHYSICAL CONDITION OF THE PURCHASED ASSETS; THE PRESENCE OR ABSENCE OF ANY HAZARDOUS MATERIALS IN, ON OR ABOUT THE PURCHASED ASSETS OR ANY OTHER MATTER RELATED TO THE ENVIRONMENTAL CONDITION OF THE PURCHASED ASSETS; THE HABITABILITY OF THE PURCHASED ASSETS; THE ZONING OF THE PURCHASED ASSETS; THE POSSIBILITY OF DEVELOPING OR USING THE PURCHASED ASSETS IN THE MANNER CONTEMPLATED BY BUYER OR OBTAINING ANY CONSENTS, APPROVALS, PERMITS, AUTHORIZATIONS OR ENTITLEMENTS IN CONNECTION THEREWITH; THE VALUE OF THE PURCHASED ASSETS; THE MERCHANTABILITY OR FITNESS OF THE PURCHASED ASSETS FOR ANY PARTICULAR PURPOSE OR USE; THE ACCURACY, COMPLETENESS, OWNERSHIP OR TRANSFERABILITY OF ANY DOCUMENTS OR OTHER MATERIALS FURNISHED TO BUYER WITH RESPECT TO THE PURCHASED ASSETS (OR ANY PORTION THEREOF); OR ANY OTHER MATTER OR THING RELATED TO THE PURCHASED ASSETS). BUYER ACKNOWLEDGES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES IN ARTICLE 3 OF THIS AGREEMENT, BUYER HAS NOT RELIED, AND IS NOT RELYING, UPON ANY INFORMATION, DOCUMENT, SALES BROCHURES OR OTHER LITERATURE, MAPS OR SKETCHES, PROJECTIONS, PRO FORMAS, STATEMENTS, REPRESENTATIONS, GUARANTEES OR WARRANTIES (WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, OR MATERIAL OR IMMATERIAL) THAT MAY HAVE BEEN GIVEN BY OR MADE BY OR ON BEHALF OF SELLER.

ARTICLE 5

COVENANTS

5.1 Access.

(a) Until the Closing, Seller shall afford Buyer and its counsel, accountants, environmental consultants, engineers, appraisers and other authorized representatives (collectively, “**Buyer’s Representatives**”) reasonable access to the Facility and the Premises during normal business hours upon forty-eight (48) hours’ prior telephonic or electronic receipt of notice, including, but not limited to, the roof, all FF&E, and the heating and cooling systems, all Books and Records, including, but not limited to, financial data and records, operating data and other information requested, including the Financial Statements, audits, inspection reports, plans of correction with respect to licensing surveys, current room rates (including dates and amounts of increases), census data, payroll information, employment agreements, personnel policies, and all contracts, agreements, correspondence files and other documents relating to the Facility. Seller shall be entitled to have a representative present during Buyer’s scheduled visits to the Facility. Seller shall furnish Buyer with such additional financial data, operating data and other information, Survey Reports, census information, in each case of or and other similar

information relating to the Purchased Assets, the Assumed Liabilities or the Business, as Buyer may from time to time reasonably request. Any access by Buyer or Buyer's designees to the Premises or to any of Seller's Books and Records, and other data relating to the operation of the Business shall be in compliance with HIPAA and other state privacy laws, as applicable. Notwithstanding anything to the contrary herein, nothing in this Section 5.1 shall require Seller to make available to Buyer or Buyer's Representatives anything that is subject to attorney-client or other privilege, and Buyer's access shall not unreasonably interfere with Seller's operation of the Business, the Facility or the Premises nor with any care or treatment being provided to Residents, and Residents shall be afforded privacy and not be disturbed within their residence while Buyer or Buyer's designees are on the premises.

(b) Prior to the date hereof, Buyer performed a Phase I environmental site assessment of the Premises, and, solely with the prior written consent of Seller (such consent not to be unreasonably withheld, conditioned, or delayed), Buyer may perform a Phase II environmental site assessment or any environmental testing or sampling at the Premises.

(c) Prior to any entry by Buyer or Buyer's agents and designees on the Property to conduct the inspections and tests described above, Buyer shall obtain and maintain, or shall cause Buyer's agents and designees to obtain and maintain, at Buyer's or Buyer's agent's and designee's sole cost and expense, and shall deliver to Seller evidence thereof (in the form of a copy of a certificate evidencing such insurance policy), commercial general liability insurance, from an insurer reasonably acceptable to Seller, in the amount of One Million Dollars (\$1,000,000.00) combined single limit for personal injury and property damage per occurrence (which may be accomplished with umbrella or excess liability coverage), such policy to name each of the Trustee, Seller and Seller's property manager as additional insured parties, which insurance shall provide coverage against any claim for personal liability or property damage resulting from such inspections and tests by Buyer or Buyer's agents and designees. Buyer shall indemnify and hold Seller, its officers, shareholders, partners, members, directors, and employees harmless from and against any and all damages caused by the activities of Buyer and its agents and designees on the Property other than damages for economic loss, loss of profits, diminution in value, or any other consequential damages and except to the extent (i) arising from the mere discovery of existing conditions or (ii) caused by the negligence or willful misconduct of Seller or its agents or employees. Seller may have a representative present during any and all examinations, inspections, tenant interviews and studies on the Property.

5.2 Access to Books and Records Following Closing; Transfer of Records. From and after the Closing, each Party shall afford, for a period ending on the later of (a) three (3) years from the Closing Date or (b) the liquidation or dissolution of Seller, the other Party, and its Affiliates reasonable access, during normal business hours and upon reasonable prior notice, to the books, records and other data relating to the operation of the Business prior to the Closing (including any clinical, Resident and employee records constituting Excluded Assets) in its possession to the extent that such access may be reasonably required by the requesting Party in connection with (i) the preparation of Tax returns, (ii) the determination or enforcement of rights and obligations under this Agreement, (iii) compliance with the requirements of any Governmental Authority, (iv) in connection with any threatened or actual legal proceeding, (v) in connection with any audit of the Business for any pre-Closing period or (vi) for the operation of the Business. Notwithstanding anything to the contrary contained herein, nothing in this Agreement shall obligate the Parties to share any information covered by the attorney client privilege, work product doctrine or other similar privilege. During such period neither Party shall dispose of or destroy any books, records or other data relating to the operation of the Business prior to the Closing unless such Party gives the other Party thirty (30) days' prior written notice thereof and the option to retain such books, records or other data. Further, Buyer shall maintain all records including healthcare records for the periods required by law. On the Closing Date, Seller shall deliver to Buyer the originals or copies of all of the Books and Records and other records constituting part of the Purchased Assets, including Resident medical and financial records

and employee records, by leaving all such records maintained in paper forms at the Facility or transferring all such records maintained electronically to Buyer's systems.

5.3 Cooperation; Approvals. Subject to the terms and conditions herein provided, the Parties shall use reasonable best efforts to bring about the satisfaction as soon as practicable of all the conditions necessary to effect the consummation of the Contemplated Transactions.

5.4 Regulatory Filings. As promptly as practicable and not later than ten (10) Business Days of entry of the Sale Order, Buyer shall file all applications and documents which are reasonably necessary to obtain the Approvals of each applicable Governmental Authority, as may be appropriate in connection with the Contemplated Transactions and Buyer shall provide to Seller proof of such submission promptly after such filing, upon request, which may be redacted to protect confidential information of Buyer; provided that, because the Facility will be a rental community upon the Closing, the Parties acknowledge that Buyer does not anticipate receiving licensure from the Texas Department of Insurance ("TDI") as an entrance fee continuing care retirement community, and therefore Seller shall be responsible, with the full cooperation of Buyer, for handling any notices or filings necessary with TDI. Buyer agrees to cooperate with Seller in the termination of the license from the TDI including participating in one or more joint meetings with TDI to discuss the transaction and determination that no license is required post-Closing. Buyer and Seller shall use commercially reasonable efforts to prosecute all applications and take such other actions which are or may be reasonable and appropriate in connection therewith. Buyer and Seller agree to act in good faith and use commercially reasonable efforts to cooperate with each other and to provide, to the extent permitted by Law, such information and communications to each other or to any Governmental Authority as may be reasonably requested in order to obtain the required Approvals to consummate the Contemplated Transactions. Unless prohibited by applicable law, between the date hereof and the Closing Date, Buyer and Seller will, and will cause their counsel to, supply each other copies of all material written correspondence and filings by them or their Affiliates with any Governmental Authority or staff members thereof, with respect to the Approvals, which may be redacted as necessary to comply with contractual arrangements, applicable law or by Order of the Bankruptcy Court, and as necessary to address reasonable attorney-client or other privilege or confidentiality concerns, and will notify each other of any material conversations with any Governmental Authority with respect to the Approvals. Upon request, Buyer and Seller shall provide each other and the Trustee with status updates as to the application process. Seller and Trustee will maintain in confidence all documents provided pursuant to this Section 5.4, unless public disclosure is required by applicable law, or is otherwise made to a Governmental Authority, in which case, to the extent practicable, the Parties will use their commercially reasonable efforts to reach mutual agreement prior to making such disclosure. Buyer specifically agrees that nothing herein shall restrict or limit Seller from having ordinary course communications not primarily regarding the Contemplated Transactions with applicable Governmental Authorities in regards to the regulation of the ongoing Business. Notwithstanding anything herein to the contrary, Seller is not restricted from meeting with or having discussions with TDI or the Texas Attorney General without the participation of Buyer as it relates to the license issued by the Texas Department of Insurance to Seller. As promptly as practicable and not later than ten (10) Business Days of entry of the Sale Order, Seller shall notify TDI that it is surrendering its Operating Certificate as an entrance fee continuing care facility effective on Closing.

5.5 Cost Reports.

(a) Seller shall prepare the final Medicare Cost Reports covering its operation of the Business through the Effective Time which such final Cost Report is required to be filed by applicable law under the terms of the Medicare program, and provide the same to Buyer, along with such supporting documentation reasonably requested by Buyer, for its review and consent (such consent not to unreasonably withheld) at least ten (10) days prior to filing with its fiscal intermediary. Buyer shall make available, in a timely and reasonable manner, to Seller any information and records that are in Buyer's possession and that

are reasonably necessary, as determined by Seller in its reasonable discretion, for Seller to prepare the Seller's final Medicare Cost Reports. Buyer shall forward to Seller any and all correspondence relating to the Seller's Medicare Cost Reports within ten (10) Business Days after receipt by Buyer. To the extent that Seller requires the assistance of Buyer to effectuate its rights hereunder, including with respect to any ongoing appeals or litigation in connection with any Cost Reports that require involvement of Buyer, Buyer will cooperate as reasonably requested by Seller and at Seller's cost and expense. Buyer shall remit to Seller any Seller Medicare Cost Report settlements promptly (but no later than ten (10) Business Days) after receipt by Buyer. Seller shall retain the right to appeal any Medicare determinations relating to Seller Medicare Cost Report settlements.

(b) Buyer shall timely prepare and file with CMS and the appropriate state agency for the Facility, its initial Cost Report for the fiscal year commencing with the fiscal year in which the Closing Date occurs. (In the highly unlikely event that Seller receives any correspondence related to Buyer's cost reports, or any settlements, Seller will remit them to Buyer promptly, but in no event later than ten (10) Business Days after receipt).

5.6 Further Assurances; Cooperation.

(a) Subject to the terms and conditions of this Agreement, at any time or from time to time after the Closing, at Buyer's reasonable request and at the requesting party's sole cost and expense, each Party will execute and deliver to the other Party such other instruments of sale, transfer, conveyance and assignment, provide such materials and information and take such other actions as either Party may reasonably deem necessary or desirable in order more effectively to transfer, convey and assign to Buyer, and to confirm Buyer's title to, all of the Purchased Assets and to effect the assumption by Buyer of the Assumed Liabilities.

(b) To the extent that any Purchased Asset or Assumed Liability is not assignable or transferable without the consent of another Person and such consent requirement is not made unenforceable by the Bankruptcy Code, this Agreement will not constitute an assignment or transfer thereof, an attempted assignment or transfer thereof, or an agreement to effect such an assignment or transfer, if such assignment or transfer, attempted assignment or transfer, or agreement would constitute a breach thereof. Seller will use commercially reasonable efforts to obtain the consent of such other Person to the assignment or transfer of any such Purchased Asset or Assumed Liability to Buyer in all such cases, and Buyer will reasonably cooperate with Seller in Seller's efforts to obtain such consents. For purposes of clarification, in no event will Seller or Buyer (other than Buyer's obligation for Cure Costs) be required to pay any money or other consideration, or permit (without the prior written consent of Buyer) the amendment or modification of any material term or provision of any Assumed Contract or transferred Permit. Notwithstanding the foregoing, except to the extent it constitutes an Approval under Section 6.2(f), failure to obtain any such consent will not give rise to Buyer's ability not to consummate the Contemplated Transactions or any breach by Seller of this Agreement. Without limiting the generality of the foregoing, the beneficial interest in and to the Purchased Assets and Assumed Liabilities, as applicable, to the fullest extent permitted by the relevant Purchased Assets and Assumed Liabilities and applicable law, will pass to Buyer at the Effective Time.

5.7 Bankruptcy Matters.

(a) Seller and Buyer acknowledge that this Agreement and the Contemplated Transactions are subject to the Sale Process described in the Bidding Procedures Order and approval by the Bankruptcy Court and, as applicable, entry of the Sale Order.

(b) Seller and Buyer agree to use commercially reasonable efforts to cooperate, assist and consult with each other to obtain the issuance and entry of the Bidding Procedures Order and the Sale

Order, including, without limitation, by furnishing affidavits, declarations or other documents or information for filing with the Bankruptcy Court. In the event the Sale Order is appealed (or other challenge is made to the Sale Order), Seller and Buyer agree to use their commercially reasonable efforts to oppose any such appeal or challenge and to avoid the imposition of any stay pending appeal or challenge.

(c) This Agreement and the Contemplated Transactions are subject to Seller's right and ability to consider higher and better competing bids with respect to the Purchased Assets pursuant to the Bidding Procedures Order. Seller shall conduct any auction process in accordance with the Bidding Procedures Order and this Agreement.

(d) No later than November 17, 2025, Seller shall commence the Chapter 11 Case by filing its voluntary petition under chapter 11 of title 11 of the United States Code.

(e) Subject to Seller's obligations to comply with any order of the Bankruptcy Court, Seller and Buyer will promptly make all filings, take all actions and use commercially reasonable efforts to obtain any and all other Approvals and orders necessary or appropriate for consummation of the Contemplated Transactions. Seller shall provide Buyer with drafts of all documents, motions, orders, filings or pleadings that Seller proposes to file with the Bankruptcy Court which relate to this Agreement or the Contemplated Transactions and will, to the extent commercially reasonable, provide Buyer with reasonable opportunity no later than two (2) Business Days prior to review such filings.

(f) Buyer agrees that it will promptly take such actions as are reasonably requested by Seller to assist in obtaining entry of the Sale Order, including furnishing affidavits or other documents or information for filing with the Bankruptcy Court.

(g) Further, if an auction is conducted and Buyer is not the winning bidder for the Purchased Assets because Seller selects another bid as the "highest and best offer" in accordance with the Sale Process (such winning bidder, the "**Successful Bidder**"), Buyer understands that, in accordance with and subject to the Bidding Procedures Order, it shall be required to serve as the back-up bidder if Buyer is the next highest or otherwise next best bidder for the Purchased Assets at the auction (the party that is the next highest or otherwise next best bidder at the auction after the Successful Bidder, the "**Back-Up Bidder**") and, if Buyer is the Back-Up Bidder, Buyer shall be required to keep its bid to consummate the Contemplated Transactions on the terms and conditions set forth in this Agreement (as the same may be improved upon by Buyer in the auction) open and irrevocable until the earlier of (i) sixty (60) days following the selection of the Successful Bidder and (ii) the Outside Closing Date. Following the auction, if the Successful Bidder fails to consummate the applicable Alternative Transaction for whatever reason, then Buyer, if Buyer is at that time the Back-Up Bidder, will be deemed to have the new prevailing bid, and Seller may seek authority to consummate the Contemplated Transactions on the terms and conditions set forth in this Agreement (as the same may be improved upon by Buyer in the auction) with Buyer as the Back-Up Bidder.

(h) In consideration for Buyer having expended time and expense in connection with this Agreement, the negotiation of this Agreement and the identification and quantification of the assets and liabilities of Seller, upon the consummation of any Alternative Transaction, Buyer shall be entitled to the return of the Deposit, and payment of the Break-Up Fee and the Reimbursement Amount, which will be approved pursuant to the Bidding Procedures Order, and which shall be paid in cash, by wire transfer of immediately available funds solely from the proceeds of the Alternative Transaction to an account designated in writing by Buyer to Seller. Seller confirms that it is critical to the process of arranging an orderly sale of the Purchased Assets under the Bidding Procedures Order to proceed by selecting Buyer to enter into this Agreement in order to present the Bankruptcy Court with arrangements for obtaining the highest and best price for the Purchased Assets and that, without Buyer having committed substantial time

and effort to the process, Seller's estate would have to employ a less orderly process and would incur higher costs and risk of attracting lower prices. Seller hereby acknowledges that Buyer would not be willing to enter into this Agreement if Buyer were not entitled to the Break-Up Fee and Reimbursement Amount in the event Buyer does not purchase the Purchased Assets due to the termination of this Agreement as a result of an Alternative Transaction. The Seller further acknowledges that the obligation to pay the Break-Up Fee and the Reimbursement Amount (to the extent due hereunder) shall survive the termination of this Agreement; provided, however, that Buyer shall not be entitled to receive the Break-Up Fee or Reimbursement Amount if Buyer has breached or defaulted under this Agreement and such breach or default is not cured as permitted under this Agreement. The Parties acknowledge and agree that (i) the Parties have negotiated the provisions of this Section 5.7(h), (ii) the payment of the Break-Up Fee and the Reimbursement Amount is an integral part of this Agreement and (iii) in the absence of Seller's obligations to pay the Break-Up Fee and the Reimbursement Amount pursuant to this Section 5.7(h), Buyer would not have entered into this Agreement. Upon the consummation of any Alternative Transaction, the Parties shall instruct the Title Company to refund the Deposit to Buyer, Seller will pay the Break-Up Fee and Reimbursement Amount as set forth in this Section 5.7(h), and the Parties shall be released from all further obligations hereunder.

(i) Seller shall (i) file a motion to approve the bid procedures on the Petition Date, which motion shall seek approval of the Bidding Procedures Order that designates Buyer as the stalking horse bidder, (ii) obtain entry of the Bidding Procedures Order no later than thirty (30) days after the Petition Date, (iii) conduct the auction no later than ninety (90) days following the Petition Date, (iv) obtain entry of the Sale Order no later than one-hundred (100) days following the Petition Date, and (v) use reasonable best efforts to cause the Sale Order shall become a Final Order no later than the one hundred twenty (120) days after the Petition Date.

5.8 Buyer's Closing Deliveries. At the Closing, Buyer shall deliver the following to Seller:

- (a) the Purchase Price, payable and adjusted as provided herein;
- (b) the Related Agreements to which Buyer is a party, duly executed by Buyer;
- (c) a certificate executed as of the Closing Date by a duly authorized representative of Buyer, certifying that the conditions set forth in Section 6.1 have been satisfied (a "**Bring Down Certificate**");
- (d) a certificate of a duly authorized representative of Buyer (i) certifying that attached to such certificate are true and complete copies of Buyer's resolutions of the authorized representative of Buyer, authorizing the execution, delivery and performance of this Agreement and the Related Agreements to which Buyer is a party and the consummation of the Contemplated Transactions, and (ii) certifying as to the incumbency of the officer of Buyer executing this Agreement and the Related Agreements to which Buyer is a party;
- (e) a certificate of good standing for Buyer from the Delaware Secretary of State;
- (f) evidence of receipt (if applicable) of all of the Approvals, or assurances of issuance thereof; and
- (g) all instruments of transfer or assignment, certificates, deeds, bills of sale, evidence of filing or recording and other documents as are reasonably necessary to effectuate the sale of the Purchased Assets or demonstrate the satisfaction of the conditions and compliance with the covenants set forth in this Agreement, including customary documents required in order to effectuate the transfer of the

Facility and Premises which are required by the Title Company for any title policies to be issued by the Title Company to Buyer at Closing.

5.9 Seller's Closing Deliveries. At the Closing, Seller shall deliver the following to Buyer:

(a) the Purchased Assets (to the extent such delivery is not reflected in the Related Agreements);

(b) a duly executed original special warranty deed executed by Seller and acknowledged in recordable form, conveying insurable fee simple title to the Real Property and the Premises, free and clear of all Liens other than Permitted Liens, except as permitted or contemplated by this Agreement, in the form attached hereto as Exhibit C;

(c) the Related Agreements to which Seller is a party, duly executed by Seller;

(d) evidence or reasonable validation that Accrued PTO has been or is being paid to Seller's employees as of Closing;

(e) a Bring Down Certificate (with respect to Section 6.2) on behalf of Seller;

(f) a certified copy of the Sale Order providing the Seller with authority to conduct the transactions hereunder and providing that the Sale is free and clear of Liens;

(g) a certificate of fact for Seller from the Texas Secretary of State;

(h) an updated Rent Roll and updated list of all the Entrance Fee Deposits listed by Resident dated no later than five (5) Business Days prior to the Closing Date;

(i) evidence of receipt (if applicable) of all of the Approvals, or assurances of issuance thereof;

(j) subject to Section 5.15, evidence of the binding of the Tail Insurance;

(k) an updated set of loss run reports related to all insurance policies held by Seller dated no later than thirty (30) days prior to the Closing Date (to be updated again just prior to the Closing Date); and

(l) all instruments of transfer or assignment, certificates, deeds, bills of sale, evidence of filing or recording and other documents as are reasonably necessary to effectuate the sale of the Purchased Assets or demonstrate the satisfaction of the conditions and compliance with the covenants set forth in this Agreement, including customary documents required in order to effectuate the transfer of the Facility and Premises which are requested by Buyer or required by the Title Company for any title policies to be issued by the Title Company to Buyer at Closing.

5.10 Employees.

(a) Immediately prior to the Effective Time, Seller shall terminate all of its employees (the "**Employees**") and, effective as of the Effective Time, Buyer shall, subject to Purchaser's or Purchaser's operator's normal employment screening process (including, without limitation, background check, drug-testing, employment history, workers' compensation status, current working status and similar matters), tender or cause Buyer's operator to tender offers of employment to substantially all of the

Employees; provided, however, Buyer or Buyer's operator will have no obligation to tender offers of employment to any Employees who (a) do not pass Buyer's or Buyer's operator's normal employment screening process, or (b) are on suspension, under parole or the subject of heightened scrutiny for inadequate or inappropriate performance or behavior (or who have an employment history of previously being on suspension, parole or the subject of heightened scrutiny for inadequate or inappropriate performance or behavior, provided that such metrics are part of Buyer's or Buyer's operator's normal employment screening process (those employees to whom Buyer or Buyer's operator makes an offer of employment, the "**Offer Employees**"). For purposes of this Section 5.10(a), "substantially all" means that no more than forty-nine (49) Employees shall fall outside the definition of Offer Employees. After the entry of the Sale Order, Buyer will be entitled to meet with and conduct job interviews with any and all Offer Employees. Offers of employment made by Buyer or Buyer's operator to Employees will be on such terms as Buyer or Buyer's operator shall determine, which terms may not be comparable to the current terms of employment in effect between such Employees and Seller; provided, however, that such terms are sufficiently comparable so as not to constitute a constructive discharge for purposes of the WARN Act. Those Offer Employees who accept such offer of employment and actually become Buyer or Buyer's operator employees on the Closing Date are referred to herein as "**Transferred Employees**".

(b) At least fifteen (15) days prior to the Closing Date, Seller shall provide Buyer with a list of all Employees (the "**Schedule of Employees**"), including, for each listed employee, his or her name, date of hire, job title, full-time/part-time status, exempt/non-exempt status, whether such employee is a member of a union and subject to any collective bargaining agreement, bonus eligibility, commission eligibility, severance entitlement, current compensation paid or payable and status (e.g., leave of absence, disability, layoff, active, temporary).

(c) The Schedule of Employees shall also include a schedule setting forth, for each employee in the Schedule of Employees, the amount of accrued but unused vacation, sick, holiday, personal time-off, paid time off or unused sick time as separate figures (excluding any unused paid time off or unused sick time beyond the applicable hour cap for employees based on seniority provided for in Seller's employee policies, which shall be identified and provided to Buyer, to the extent such information is maintained by Seller) (collectively, "**Accrued PTO**") and the estimated aggregate value of the Accrued PTO. Upon Buyer providing Seller with the list of Offer Employees, Seller shall provide Buyer, no later than ten (10) days prior to the Closing Date, with an updated version of such schedule reflecting the anticipated Accrued PTO amounts (and the value of those anticipated amounts) for the Offer Employees as of the Closing Date. At Closing, Seller shall pay out to all Employees in their final paychecks an amount equal to such Employees' Accrued PTO.

(d) Subject to restrictions under applicable law, Seller agrees to make employment records and other related information reasonably requested by Buyer regarding the employees on the Schedule of Employees available to Buyer between the date of entry of the Sale Order and the Closing Date.

(e) Each of Buyer and Seller agrees that it shall be responsible for any associated liabilities arising under the WARN Act or any comparable state or local laws as a result of such Party's failure to perform its obligations hereunder. Buyer shall deliver to Seller no later than five (5) days prior to the Closing Date (and subject to Buyer's further update at the Closing), an updated schedule of Offer Employees (and which update at the Closing shall include the list of Transferred Employees, to the extent available). Seller shall cooperate with Buyer in providing information reasonably requested by Buyer to facilitate offering employment to Offer Employees and hiring and establishing benefits for Transferred Employees. This Agreement shall not be deemed to create or grant to any Employee, Offer Employee, or Transferred Employee any third-party beneficiary rights or claims or any cause of action of any kind or nature.

(f) At Buyer's sole cost and expense (other than for employee cost-sharing), Buyer shall be responsible for offering Transferred Employees group health plan coverage on and after the Closing Date sufficient to extinguish any rights a Transferred Employee may have to continuation of coverage under any of Seller's group health plans including, but not limited to, COBRA insurance coverage. Buyer shall be responsible for, or shall cause its manager to be responsible for, providing COBRA continuation coverage (within the meaning of Section 4980B of the Code and the Treasury regulations thereunder) to any "M&A qualified beneficiaries" (within the meaning of Section 4980B of the Code and the Treasury regulations thereunder) for the duration of the period to which such individuals are entitled to such coverage. Schedule 5.10(f) lists all of Seller's employees who are beneficiaries of COBRA as of the Execution Date. For the avoidance of doubt, Buyer shall not assume, honor or accept any Employee Benefit Plan and, except as described in this Section 5.10(f) with respect to COBRA obligations, Seller shall be solely responsible for satisfying all obligations (whether arising under federal, state or local law or pursuant to contract) which may arise or which may have arisen on or prior to the Effective Time in connection with the employment by Seller of the Employees or the creation, funding, operation or termination of any of the Employee Benefit Plans.

5.11 Assumed Contracts.

(a) Identification of Assumed Contracts. The Assumed Contracts will be listed on Schedule 5.11(a), which Schedule shall be provided by Buyer, and may be revised by Buyer from time to time prior to the date that is five (5) Business Days prior to Closing (the "**Designation Deadline**") in its sole and absolute discretion. Seller shall assign to Buyer, effective as of the Closing Date, the Assumed Contracts; provided, however, notwithstanding the foregoing, all Assumed Contracts are subject to the assignment procedures to be set forth in the Bidding Procedures Order. Buyer shall have no obligations under any Contracts unless such Contract is an Assumed Contract listed on Schedule 5.11(a). Further, notwithstanding anything else herein, Assumed Contracts shall exclude all Residency Agreements with and liabilities to Residents, whether current or former.

(b) Cure Process. Seller shall assume and assign to Buyer the Assumed Contracts, and Buyer will pay the Cure Amounts. Buyer shall pay, as of such time as is required by the Court in the Sale Order, cash or other acceptable consideration to the third party (or parties) to the applicable Assumed Contract for the Cure Amounts (or obtain waivers with respect thereto) with respect to the Assumed Contracts, and provide any adequate assurance of future performance under the Assumed Contracts at the time required in connection with the Sale Hearing.

5.12 Title and Survey Matters.

(a) Buyer has obtained the Title Commitment from the Title Company and the parties have resolved title objections thereto and agreed upon a final form of the Title Pro Forma set forth in **Exhibit E**; *provided that*, Seller will continue to take such further actions as are consistent with its Title objection response dated October 28, 2025. Prior to the Closing, Buyer may, at its sole cost and expense, order updates or continuations of, and supplements to, the Title Commitment or the Title Pro Forma (each a "**Title Update**") for the Premises, and the costs of such title searches and premiums shall be paid in accordance with Section 2.5(b). Buyer shall instruct Title Company to simultaneously deliver directly to Buyer and Seller copies of the Title Commitment, the Title Pro Forma and each Title Update (including tax and departmental searches) ordered by Buyer or otherwise issued by Title Company and copies of all underlying documentation referenced as an exception in such Title Update as soon as and if reasonably available.

(b) Buyer shall have the right to deliver written notice (each, a "**Title Objection Notice**") to Seller objecting to any items contained in a Title Update which are not Permitted Liens, with

such Title Objection Notice to be delivered prior to the earlier of (i) within ten (10) days after Buyer's receipt of such Title Update and (ii) twenty (20) days prior to the Closing Date. Except for Monetary Liens (defined below), failure of Buyer to provide a Title Objection Notice within such period (or to include any such matters in a timely delivered and valid Title Objection Notice) shall be deemed Buyer's approval of all items contained in such Title Update. All such items that are not objected to by Buyer in a timely delivered and valid Title Objection Notice shall be deemed to be Permitted Liens. Seller shall notify Buyer in writing within seven (7) days after receipt of each Title Objection Notice of whether Seller elects to attempt to remove or cure any such exceptions, and Seller's failure to deliver such notice in a timely manner shall be deemed an election by Seller not to remove or cure such exceptions. If Seller notifies Buyer that Seller has elected to remove or cure any such exceptions, Seller shall use commercially reasonable efforts and expend such amounts as it deems appropriate in its commercially reasonable discretion to remove or cure prior to the Closing any title exceptions that are not Permitted Liens, and to which Buyer properly and timely objects to in the Title Objection Notice (which cure may, at Seller's election, involve causing the Title Company to insure over such exceptions). Notwithstanding anything to the contrary set forth in this Agreement, except for Monetary Liens, Seller shall have no obligation to remove or cure any such exceptions or pay any amounts to cure or remove the same. If Seller notifies Buyer that Seller has elected to remove or cure any such exceptions and the removal or cure cannot be completed by the Closing, but could be removed or cured with additional time, then Seller will execute an undertaking in connection with Closing reasonably satisfactory to Buyer and the Title Company covenanting to remove or cure such exceptions. If Seller notifies Buyer that Seller has elected not to remove or cure any items objected to in the Title Objection Notice (or is deemed to have elected not to remove or cure such exceptions) that are not Permitted Liens, Buyer may notify Seller within ten (10) days after receipt of such notice (or date of deemed election, as applicable) whether Buyer elects to proceed to the Closing, taking title subject to such exceptions, or not to proceed to the Closing. Failure of Buyer to provide such notice in a timely manner shall be deemed an election by Buyer to proceed to the Closing. If Buyer elects not to proceed to the Closing, then this Agreement shall terminate, the Deposit shall be refunded to Buyer and the parties shall have no further obligation hereunder. If Buyer elects (or is deemed to have elected) to take title subject to any such exceptions under this Section 5.12, such exceptions shall become Permitted Liens and the Purchase Price shall not be reduced. Notwithstanding the foregoing, Buyer shall not be required to object to, and Seller shall be required to pay off or otherwise discharge at the Closing, any financing obtained or assumed by Seller and secured by a mortgage, an assignments of leases and rents, subordination agreements, UCC financing or other liens covering the Premises 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 or judgment lien against Seller, and any other similar liens against the Premises that may be cleared through the payment of money (provided, however, Seller shall be entitled to utilize the Purchase Price proceeds to effectuate any or all of the foregoing; all of the foregoing shall be referred to herein as "**Monetary Liens**"). Further, Seller shall satisfy the requirements set forth in Schedule C of the Title Commitment that are reasonably applicable to Seller.

5.13 Medicare; Medicaid; and Other Third-Party Payors. Notwithstanding anything herein to the contrary, the Parties acknowledge and agree that Buyer is not expected to have received as of the Effective Time "tie in" notices or approvals from CMS for the assumption of Seller's Medicare provider agreement and may not have approvals from certain other applicable third party payors with respect to participation in any other applicable government reimbursement program that the Facility participates in. Accordingly, Seller agrees that, unless prohibited by applicable law, Buyer may following the Effective Time (A) bill under Seller's provider numbers and provider agreements for Medicare and any other governmental third party payor program (including Medicaid and managed care contracts), (B) collect Accounts Receivable resulting from such billing under Seller's provider numbers and provider agreements and (C) with respect to Accounts Receivable attributable to the operation of the Facility during the period following the Effective Time, initiate legal proceedings to collect any accounts or monies owed on account of such billing. Buyer shall be allowed to do the foregoing from the Effective Time until CMS and the

applicable CMS Medicare administrative contractor approves Buyer's or its Affiliate's Medicare change of ownership application and issue a tie-in notice and approval letter acknowledging that Buyer (or its Affiliate) may be reimbursed for claims submitted using Buyer's (or such Affiliate's) billing identification information. Seller agrees to reasonably cooperate with Buyer in order for Buyer to complete its Medicare and Medicaid credentialing process as soon as possible, including completing those portions of CMS Form 855A that confirm the change of ownership of the Facility and providing to Buyer or any third-party payor any information that is necessary for such credentialing. Without Buyer's prior written consent (not to be unreasonably withheld, conditioned or delayed), after the Execution Date and until Buyer's Medicare credentialing process has been completed, Seller covenants not to terminate any existing provider agreements with Medicare or other payors (including governmental third party payors) with respect to the Facility. All Accounts Receivable collected in the name of Buyer or its Affiliates or the Facility for services provided by Buyer (or its Affiliates) after the Effective Time shall belong to Buyer (or its Affiliates). Buyer shall, and shall cause each of its Affiliates to, indemnify, defend and hold harmless Seller and Seller Affiliates against, and reimburse Seller and Seller Affiliates for, all liabilities incurred by Seller and any Seller Affiliate in connection with Buyer's use of Seller's Medicare and Medicaid provider agreements under this Section including, without limitation, any penalties, fines, liability or overpayments assessed against Seller in connection with Buyer's operation of and billing activities provided by Buyer pursuant to the provisions of this Section, or otherwise, after the Execution Date and relating to periods after the Execution Date.

5.14 Accounts Receivable.

(a) Seller shall retain whatever right, title and interest it may have in and to all outstanding Seller's Accounts Receivable. Seller shall have the sole authority to bill and collect Seller's Accounts Receivable.

(b) Without limiting the foregoing, payments of Accounts Receivable received by either Party after the Closing Date shall be handled as follows:

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

(ii) If such payments indicate on the accompanying remittance advice, or if Buyer and Seller agree, that such payments relate to the period from and after the Closing Date, they shall be retained by Buyer or forwarded by Seller to Buyer, along with the applicable remittance advice, within ten (10) days after receipt thereof; and

(iii) If the remittance advice indicates or the Parties agree that any payment relates to periods both prior to and on or after the Closing Date, the Party receiving the payment shall forward the amount relating to the other Party's operation of the Business, along with the applicable remittance advice, within ten (10) days after receipt thereof. If the remittance advice does not indicate the period to which a payment relates or whether it is for Buyer or Seller or if there is no accompanying remittance advice, or the payment is not otherwise identifiable using commercially reasonable efforts, such payment shall be applied (i) first, to rent, service fees or other amounts of such payor due and payable to Buyer until paid in full, and (ii) second, to the delinquent rents, service fees or other amounts of such pay attributable to the periods before the Closing Date.

(iv) If the party receiving the funds is not the party entitled to the funds hereunder, such party shall forward such funds to the other party within ten (10) days.

(c) Seller and Buyer agree that, after Closing, they shall hold in trust and shall promptly transfer and deliver to each other, from time to time as and when received by them (but in any event within ten (10) Business Days of such receipt), any cash, checks with appropriate endorsements, or other property that they or Affiliates may receive on or after Closing which properly belongs to the other party hereunder.

(d) Notwithstanding anything to the contrary in this Agreement, as of the Closing Date, Buyer shall have the sole authority to bill and collect Accounts Receivable relating to work performed, goods sold, or services provided by Buyer from or after the Closing Date. For the avoidance of doubt, Buyer shall have read-only access to the bank account into which third-party payor Accounts Receivable are deposited.

5.15 **Tail Insurance.** At or prior to Closing, at Buyer's sole option, Seller shall use commercially reasonable efforts to obtain, and Buyer shall pay for, tail insurance coverage in the amount of its existing liability insurance coverages (or if available, such lesser amount as Buyer may desire in its sole discretion), with coverage extending to claims made during the period of either two (2) or three (3) years after the Closing Date, with respect to Seller's operations at the Facility (the "**Tail Insurance**"), which coverage shall not be cancelable during such two (2) or three (3) year period without Buyer's consent and which insurance, if requested by Buyer, shall name Buyer, Buyer's operator, Buyer's manager and any lender of Buyer as additional insureds thereunder and which insurance, (at Buyer's option, unless the deductible is to be covered by Buyer) shall have no deductible payable by the insured or any additional insureds.

5.16 **Conduct of Business.** From the Execution Date until the Closing Date, except as otherwise contemplated by this Agreement or to the extent Buyer otherwise consents in writing, Seller shall, and shall cause its Affiliates to: (i) conduct the Business in the ordinary course (including without limitation paying post-petition ordinary course amounts due under Assumed Contracts), (ii) make no transfers of any Purchased Assets other than de minimis transfers in the ordinary course, (iii) take no action which could or could reasonably be expected to materially adversely affect the Facility, the Premises or the Business or materially delay the ability of Buyer to obtain any Approvals for the Contemplated Transactions or to perform its covenants under this Agreement, (iv) other than in the ordinary course or for good reason, not evict any Resident at the Facility without Buyer's prior written consent, or (v) take any actions that, if taken prior to the Closing, would be required to be disclosed on Schedule 3.16.

5.17 Residency Agreements; Current Resident Recovery Program.

(a) New Residency Agreements. Prior to the Closing, Buyer shall offer new residency agreements on a rental basis to all existing Residents (including, for the avoidance of doubt, Independent Living, Assisted Living, Memory Care and Skilled Nursing Residents), in each case, at equivalent base rental rates to such Residents' current monthly service fees under their existing Residency Agreements (the "**New Residency Agreements**"). The New Residency Agreements shall limit any future increases to existing Residents' base rental rates to 5% per annum so long as those existing Residents remain in the Facility in their current acuity and unit. A Resident executing a New Residency Agreement who subsequently moves to a different acuity level or a different unit will pay the current market rate for that new unit, and any future increases of the new base rental rate will be limited to 5% per annum. For the avoidance of doubt, all Benevolent Care Residents shall be offered New Residency Agreements that shall terminate no earlier than six (6) months following the Closing Date; *provided however*, that no additional Benevolent Care Residents shall be admitted to the Facility from the Execution Date through the Closing Date.

(b) Current Resident Rent Rebate Payment Program. Buyer shall implement the Current Resident Rent Rebate Payment program described in this Section 5.17 to provide for partial rebates

of rents paid by Eligible Current Residents. In order for a Current Resident to be eligible to participate in the Rent Rebate Payment program described in this Section 5.17(b) (an “**Eligible Current Resident**”), such Current Resident shall, during the Eligibility Period:

(i) have an entrance fee Residency Agreement in effect with the Seller immediately prior to Closing pursuant to which a refund of their original entrance fee is or will be due, which is not repaid to them by Seller;

(ii) not be delinquent on any rents previously owed to the Facility;

(iii) prior to the Closing, execute a New Residency Agreement with Buyer for the same unit, level of acuity and the same base service fee or rental rate as such Current Resident is currently paying immediately prior to the Closing Date, with such New Residency Agreement to become effective upon the Closing;

(iv) execute a release (a “**Rent Rebate Payment Program Release**”) of all liabilities in favor of current members of the Board of Directors and current officers of Seller, Greystone Management Services Company, LLC, any trustee, the Trustee, any bondholder, Buyer and any of Buyer’s affiliates and subsidiaries, and the respective representatives and agents of the foregoing, on a form reasonably acceptable to Buyer; and

(v) not leave the Facility through the end of the last day of the month that is the twenty-fifth (25th) month following the Closing Date (the “**Eligibility Period**”); *provided, however*, if a Current Resident passes away prior to the close of the Eligibility Period but maintained residence at the Facility until their death, this Section 5.17(b)(v) shall not apply to such Current Resident and any recovery which such Current Resident would otherwise be eligible for herein shall be paid to the estate of such Eligible Current Resident.

(c) Former Residents. Notwithstanding anything to the contrary in this Agreement, Buyer shall have no responsibility for any obligations or liabilities, including, without limitation, obligations related to entrance fees, deposits or move-in fees, to Former Residents or with respect to Residency Agreements of Former Residents.

(d) Recovery Payment Terms. As consideration for Buyer’s purchase of the Purchased Assets, the Eligible Current Residents shall receive a payment as follows:

(i) Buyer shall pay an aggregate amount equal to Twelve Million and No/100 Dollars (\$12,000,000.00) (the “**Rent Rebate Funds**”), amortized and paid out over the twelve-month period beginning in the month following the end of the Eligibility Period (the “**Payment Period**”), to all Eligible Current Residents in an amount equal to their respective pro rata share of the cumulative original entrance fees subject to refund (currently or in the future) paid by all such Eligible Current Residents (and in the case of each Eligible Resident, up to an amount not to exceed such Eligible Current Resident’s Entrance Fee).

(ii) If an Eligible Current Resident vacates the Facility of their own volition during the Payment Period, such Eligible Current Resident shall receive the prorated amount of their pro rata share of the Rent Rebate Funds, and up to an amount not to exceed such Eligible Current Resident’s Entrance Fee.

(iii) Buyer shall make available and provide the Healthcare Discount Program to be implemented by Buyer following Closing, and to be administered by Buyer in its sole discretion.

(e) Entrance Fee Escrow Deposits. Seller will refund the Entrance Fee Escrow Deposits held in escrow to the respective Residents promptly on or after the Closing Date; provided, that no such Resident shall be deemed an Eligible Current Resident under this Section 5.17.

(f) Reservation Deposits. Seller will refund the Reservation Deposits held in escrow to the respective prospective residents promptly on or after the Closing Date.

(g) Security Deposits and Resident Trust Funds. Seller will refund to Residents, or transfer to Buyer for use according to their designated purposes (i.e., as security deposits or for Current Resident snack bar expenses), at Buyer's option, security deposits and resident trust funds held by Seller.

5.18 Non-Solicitation. Seller, for itself and on behalf of its Affiliates (collectively, the “**Restricted Parties**”) will not after the Execution Date and for a period of two (2) years after the Closing Date, directly or indirectly, solicit or attempt to solicit for employment any existing Employees, and will not solicit for employment any Transferred Employees or otherwise interfere with the relationship between Buyer, the Facility and any employee thereof; provided, that the foregoing shall not prohibit Seller from soliciting (x) any person who responds to general advertisements, search firms or other recruiting efforts not specifically targeted at the Transferred Employees, or (y) any Transferred Employee who is no longer employed by Buyer (without any solicitation by a Restricted Party in breach of this Section 5.18) . In addition, the Restricted Parties will not after the Execution Date and for a period of two (2) years after the Closing Date, directly or indirectly solicit or attempt to solicit for residency any Current Residents.

5.19 Changes in Representations and Warranties. Throughout the period from the Execution Date through and including the Closing Date, Seller shall give Buyer prompt written notice, including if necessary in the form of a supplement or amendment to the Schedules hereto (a “**Disclosure Update**”), of (a) any representation and warranty made by Seller in this Agreement which Seller hereafter learns was inaccurate or incorrect when originally made, (b) any event, change or occurrence which would make any representation or warranty of Seller inaccurate or incorrect as of the time of such event, change or occurrence, and (c) any event, change or occurrence which would or reasonably may be anticipated to prevent Seller from making the same representations and warranties as set forth herein on and as of the Closing Date. The giving of any such notices or Disclosure Update shall not limit or modify any rights of Buyer hereunder arising in the case of a breach of a representation or warranty or covenant or obligation by Seller.

5.20 Financial Statements. Until the Closing, Seller shall promptly deliver to Buyer copies of all financial reporting delivered to Seller's senior secured lenders.

ARTICLE 6

CONDITIONS TO CLOSING

6.1 Conditions to Obligations of Seller to Close. The obligation of Seller to effect the Closing is subject to the satisfaction prior to or at the Closing of the following conditions (any of which may, in sole discretion of Seller, be waived in whole or in part):

(a) Chapter 11 Case. The Bankruptcy Court shall have entered the Sale Order in the form attached hereto as Exhibit D (with any changes acceptable to the Buyer), which shall not be subject to a stay pending appeal.

(b) Accuracy of Representations and Warranties. The representations and warranties made by Buyer in this Agreement or in any Related Agreement shall be true and correct in all material

respects (other than any representation or warranty which is qualified by materiality, which shall be true and correct in all respects), on the Execution Date and shall be true and correct in all material respects (other than any representation or warranty which is qualified by materiality, which shall be true and correct in all respects), on the Closing Date as though such representations and warranties were made or given on and as of the Closing Date, unless such representations and warranty speaks only as of a specific date in which case it shall be true and correct as of such date.

(c) Observance and Performance. Buyer shall have performed and complied with, in all material respects, all covenants and agreements required by this Agreement to be performed and complied with by it prior to or upon the Closing.

(d) No Legal Actions. No Governmental Authority shall have issued an order, not subsequently vacated, restraining, enjoining or otherwise prohibiting the consummation of the Contemplated Transactions, and no other Action shall be pending which challenge or seek to challenge, or which could prevent or cause the rescission of the consummation of the Contemplated Transactions.

(e) Approvals. Buyer and Seller shall have submitted their respective pre-Closing Approvals.

(f) Deliverables. Buyer shall have delivered to Seller the payments, agreements and instruments set forth in Section 5.8.

6.2 Conditions to Obligation of Buyer to Close. The obligation of Buyer to effect the Closing is subject to the satisfaction prior to or at the Closing of the following conditions (any of which may, in Buyer's sole discretion, be waived in whole or in part):

(a) Chapter 11 Case. The Bankruptcy Court shall have entered the Sale Order attached hereto as **Exhibit D** (with any changes acceptable to the Buyer), which shall not be subject to stay pending appeal.

(b) Accuracy of Representations and Warranties. The representations and warranties made by Seller in this Agreement or in any Related Agreement shall be true and correct in all material respects (other than any representation or warranty which is qualified by materiality, which shall be true and correct in all respects), on the Execution Date and shall be true and correct in all material respects (other than any representation or warranty which is qualified by materiality, which shall be true and correct in all respects), on the Closing Date as though such representations and warranties were made or given on and as of the Closing Date, unless such representations and warranty speaks only as of a specific date in which case it shall be true and correct as of such date.

(c) Observance and Performance. Seller shall have performed and complied with, in all material respects, all covenants and agreements required by this Agreement to be performed and complied with by it prior to or upon the Closing.

(d) No Legal Actions. No Governmental Authority shall have issued an order, not subsequently vacated, restraining, enjoining or otherwise prohibiting the consummation of the Contemplated Transactions, and no other Action shall be pending which challenges or seeks to challenge, or which could prevent or cause the rescission of the consummation of the Contemplated Transactions.

(e) Conveyance of Property. Seller shall have conveyed to Buyer the Purchased Assets, free and clear of all Liens except for Permitted Liens.

(f) Approvals. Buyer and Seller shall have obtained the Approvals and any material Permits, or otherwise have reasonable assurances of issuance thereof, in each case necessary for Buyer to operate the Business.

(g) Deliverables. Seller shall have delivered to Buyer the agreements and instruments set forth in Section 5.9.

(h) Material Adverse Effect. No Material Adverse Effect shall have occurred since the Execution Date.

(i) Title Insurance. The Title Company shall be prepared to issue a title insurance policy based upon the Title Pro Forma consistent with the final form of Exhibit E (including any amendments related to Title Updates).

(j) New Residency Agreements. At least 272 units occupied by paying Residents (who are paying the prevailing rates) across any level of care shall have signed New Residency Agreements with Buyer as of the Closing Date.

ARTICLE 7

TERMINATION

7.1 Termination. This Agreement may be terminated at any time before the Closing by written notice to the applicable Party:

(a) by mutual written agreement of Buyer and Seller;

(b) by either Buyer or Seller, upon written notice to the other Party, if the other Party is in material breach or default of any provision of this Agreement that would give rise to the failure of a condition to Closing under ARTICLE 6, which breach is not cured within ten (10) Business Days after written notice thereof is received, provided, however, that the terminating Party is not in uncured material breach or default of this Agreement; and provided, further, there shall be no right to cure a breach of the milestones set out in Section 5.7(i);

(c) by either Buyer or Seller if the Sale is disapproved by the Bankruptcy Court;

(d) by either Buyer or Seller if any condition to Closing under ARTICLE 6 has not been satisfied by the Outside Closing Date; provided, however, that the terminating Party has not caused such condition to Closing to not be so satisfied;

(e) by either Buyer or Seller, if, prior to Closing, the Sale Order, after being entered by the Bankruptcy Court, has subsequently been reversed, revoked or voided by an order of a court of competent jurisdiction;

(f) by Buyer pursuant to Sections 2.7 or 5.12(b);

(g) by Buyer upon consummation of an Alternative Transaction; or following an auction if Buyer is not the winning Bidder, is not the Back-Up Bidder; or sixty (60) days have expired since Buyer was named the Back-Up Bidder; or the Outside Date has expired since Buyer was named the Back-Up Bidder; provided, in each case, that Buyer has not breached or defaulted under this Agreement and such breach or default is not cured as permitted under this Agreement; or

(h) by Buyer if the Bankruptcy Court enters an Order (i) dismissing the Chapter 11 Case, (ii) converting the Chapter 11 Case to a case under Chapter 7 of the Bankruptcy Code, (iii) directing the appointment of a Chapter 11 trustee or examiner with expanded powers, or (iv) materially amending the terms of the Contemplated Transactions (subject in all respects to, and not in derogation of, Buyer's right to approve the Sale Order and any modifications thereto).

If this Agreement is terminated, each of the Parties shall bear its own costs incurred in connection with the Contemplated Transactions; provided that Buyer shall be entitled to its Break-Up Fee and Expense Reimbursement solely upon the consummation of an Alternative Transaction, as expressly provided herein.

7.2 Remedies.

(a) If there is a pre-Closing breach or pre-Closing default of this Agreement, (i) Seller's sole and exclusive remedy shall be termination and, if applicable, retention of the Deposit as liquidated damages as provided for herein, and (ii) Buyer's remedies shall be either (1) termination and return of the Deposit, and if applicable, and payment of the Break-Up Fee and Reimbursement Amount as provided for herein, or (2) in the event that the Sale Order has been entered and the Closing has not occurred on or prior to the Outside Closing Date due to a failure of Seller to perform, Buyer shall be entitled to the remedy of specific performance against Seller, the subject of this Agreement being unique as a transfer of Real Property; provided, however that if specific performance of this Agreement is not available as a remedy for any reason, then Buyer shall be entitled to pursue any and all rights and remedies under this Agreement, at law or in equity. Buyer shall not be required to provide any bond or other security in connection with any such injunction or order seeking to enforce specifically the terms and provisions of this Agreement.

(b) Immediately upon the occurrence of any termination of this Agreement (other than a termination by Seller pursuant to Section 7.1(b)), the Parties shall instruct the Title Company to refund the Deposit to Buyer. If the termination is by Seller pursuant to Section 7.1(b), the Parties shall instruct the Title Company to release the Deposit, which shall be deemed forfeited by Buyer, to Seller as liquidated damages and as Seller's sole remedy for such default, and the Parties shall be released from all further obligations hereunder, other than the Break-Up Fee and Expense Reimbursement to the extent otherwise provided herein. Any interest earned on the Deposit shall follow the Deposit.

(c) The Parties intend that the forfeiture of the Deposit by Buyer and payment of the Deposit to Seller constitutes compensation, and not a penalty. The Parties acknowledge and agree that if Buyer is in default or breach of this Agreement, it would be impossible to estimate damages as of the Execution Date due to Buyer's default or breach and therefore the Deposit is a reasonable estimate of Seller's anticipated or actual harm that might arise from such a default or breach. The transfer of the Deposit to Seller is Buyer's sole liability and entire obligation and the exclusive remedy for Buyer's pre-Closing default or pre-Closing breach of this Agreement.

(d) Notwithstanding anything to the contrary herein, the representations and warranties in this Agreement and any certificate delivered pursuant hereto by a Party, and all rights and remedies with respect thereto, will terminate at the Closing such that no claim for breach of any representation or warranty may be brought after the Closing with respect thereto and there will be no liability in respect thereof, except that this Section 7.2 shall not limit responsibility for performance of covenants and agreements of the Parties which by their terms contemplate performance in whole or in part after the Closing, and nothing contained in this ARTICLE 7 shall in any way limit or restrict the right of any Party to bring a cause of action based on fraud in the making of another Party's representations and warranties in ARTICLE 3 or ARTICLE 4 of this Agreement. Further, nothing in this Section 7.2 will limit

responsibility of Seller to the Title Company under any gap indemnity or similar affidavit required to be delivered in connection with the issuance of the Title Commitment.

(e) ARTICLE 7 and ARTICLE 8 shall survive any termination of this Agreement.

ARTICLE 8

MISCELLANEOUS

8.1 Expenses. Except as specifically set forth in this Agreement or any Related Agreement (including with regard to the Break-Up Fee and Expense Reimbursement), the Parties shall bear their own expenses, including, without limitation, fees, disbursements and other costs of any attorneys, accountants and other advisors, in connection with this Agreement, the Related Agreements and the Contemplated Transactions. This Section shall not apply, if the Closing does not occur, to any existing or future litigation, if a right to attorneys' fees and expenses otherwise exists.

8.2 Notices. All notices, requests, demands and other communications made in connection with this Agreement shall be in writing and shall be (i) mailed by first-class, registered or certified mail, return receipt requested, postage prepaid, (ii) transmitted by hand delivery, (iii) sent by electronic means or (iv) sent by nationally recognized overnight courier for next Business Day delivery, addressed as follows:

Seller: Buckingham Senior Living Community, Inc.
8580 Woodway Drive
Houston, Texas 77063
Attention:
Email:

With a simultaneous copy to: McDermott Will & Schulte LLP
1180 Peachtree Street, NE
Suite 3350
Atlanta, GA 30309
Attention: Daniel M. Simon
Email: dsimon@mwe.com

- and -

McDermott Will & Schulte LLP
One Vanderbilt Avenue
New York, NY 10017
Attention: Natalie Rowles
Email: nrowles@mwe.com

Buyer: Focus SH Acquisitions LLC
200 West Madison, Suite 2650
Chicago, IL 60606
Attention: Curt Schaller
Email: cschaller@focushp.com

With a simultaneous copy to: Polsinelli
150 N. Riverside Plaza, Suite 3000
Chicago, IL, 60606

Attention: Matt Murer
Email: MMurer@polsinelli.com

and

Polsinelli
501 Commerce Street, Suite 1300
Nashville, TN 37203
Attention: Bobby Guy
Email: BGuy@polsinelli.com

Trustee:

UMB Bank, N.A.
120 Sixth Street South, Suite 1400
Minneapolis, Minnesota 55402
Attention: Julie Becker
Email: Jblecker@umb.com

With a simultaneous copy to:

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
One Financial Center
Boston, Massachusetts 02111
Attention: Daniel S. Bleck and Poonam Patidar
Email: DSbleck@mintz.com
PPatidar@mintz.com

or, in each case, such other address as may be specified in writing to the other parties.

All such notices, requests, demands, waivers and other communications shall be deemed to have been received (w) if by first-class, registered or certified mail, on the fifth (5th) Business Day after the mailing thereof, (x) if by hand delivery, on the day after such delivery, (y) if by electronic means on the date sent by e-mail (so long as no “bounceback” or similar “undeliverable” message is received by the sender thereof) if successfully transmitted prior to 5:00 pm (Central Time) on any Business Day, and on the next Business Day if successfully transmitted after such time or on a non-Business Day and (z) if by nationally recognized overnight courier, on the next Business Day after deposit with such courier.

8.3 Confidentiality. Each Party hereto agrees that the provisions of this Agreement, all understandings, agreements and other arrangements between the Parties, and all other non-public information received from the other Party or otherwise relating to such other Party, the Facility, the Premises or the Business, shall be confidential, and shall not be disclosed or otherwise released to any other Person (other than such Party’s Affiliates) without the written consent of the other Party. Following the Closing, Seller covenants and agrees to, and shall cause its Affiliates to, maintain the confidentiality of the Confidential Information regarding the Facility, the Premises and the Business. The obligations of the Parties hereunder shall not apply to: (i) the extent that the disclosure of information otherwise determined to be confidential is anticipated hereunder or required by applicable law, to be disclosed or filed with the Bankruptcy Court (excepting any information which is disclosed or filed with the Bankruptcy Court in a confidential manner or under seal or other similar legal protection); (ii) the disclosure of confidential information to any financial advisors, legal advisors, other professional advisors, shareholders, investors and lenders (both actual and potential, including the Trustee and the bondholders) of a party who need to know such information in connection with efforts to affect the Closing and who agree to hold confidential such information substantially in accordance with this Section or who are otherwise bound by a duty of confidentiality to such Party, (iii) such disclosures as may be contained in any transaction-specific press release or pre-Closing communications to Residents approved by both Buyer and Seller, each Party

agreeing not to unreasonably withhold, condition or delay its approval, and (iv) the disclosure of confidential information to TDI and other Governmental Authorities necessary to obtain the Approvals (excepting any information which is disclosed or filed in a confidential manner or under seal or other similar legal protection).

8.4 Amendment; Waivers, Etc. No amendment, modification or discharge of this Agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing and duly executed by all Parties. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the Party granting such waiver in any other respect or at any other time.

8.5 Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

8.6 Assignment. Neither this Agreement nor any of the rights or obligations under this Agreement may be assigned by either Party without the prior written consent of the other Party, except that Buyer may assign its rights under this Agreement to one or more Affiliates with three (3) days' notice to Seller. No permitted assignment of this Agreement by a Party will relieve the Party of any of its obligations under this Agreement.

8.7 Parties in Interest. This Agreement and the Related Agreements shall be binding upon and inure solely to the benefit of the Parties and their successors and permitted assigns, and nothing in this Agreement or any Related Agreement, expressed or implied, is intended to confer upon any other Person any rights or remedies of any nature under or by reason of this Agreement or any Related Agreement.

8.8 No Personal Liability. No individual officer, director, employee, manager, Affiliate, agent or representative of any Party shall have personal liability for any of the obligations hereunder or claims of any kind in connection herewith.

8.9 Counterparts; Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed to constitute an original, but all of which shall constitute one and the same instrument, and shall become effective when one or more counterparts have been signed by each of the Parties. Counterparts may be executed by hand or by any electronic signature complying with state or federal law, including the U.S. federal ESIGN Act of 2000, as amended (the "**ESIGN Act**"). Executed counterparts may be delivered via electronic mail or other similar transmission method, and any executed counterpart so delivered shall be valid and effective for all purposes. No Party shall raise the use of any electronic signature that complies with the ESIGN Act (including www.docusign.com), electronic mail or other similar transmission method as a means to deliver a signature to this Agreement or any amendment hereto as a defense to the formation or enforceability of a contract and each Party forever waives any such defense.

8.10 Governing Law. Except to the extent inconsistent with the Bankruptcy Code, this Agreement and the Related Agreements shall be governed by and construed and enforced in accordance with the laws of the State of Texas, without regard to its conflicts of law rules.

8.11 Severability. If any provision of this Agreement is inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever, so long as this Agreement, taken as a whole, still expresses the material intent of the Parties. The invalidity of any one or more phrases,

sentences, clauses, sections or subsections of this Agreement shall not affect the remaining portions of this Agreement.

8.12 Entire Agreement. This Agreement and the Related Agreements constitute the entire agreement between the Parties with respect to the subject matter hereof, and supersede all prior agreements and understandings, both written and oral, between the Parties (including, for the avoidance of doubt, the Letter of Intent effective July 30, 2025, as amended on September 19, 2025 and the Access Agreement dated September 19, 2025, each by and between Seller and Buyer) with respect to the subject matter hereof. There are no warranties, representations or other agreements between the Parties in connection with the subject matter hereof except as set forth specifically herein, or in the Related Agreements.

8.13 No Third-Party Beneficiaries. This Agreement is for the benefit of Seller and Buyer, and nothing in this Agreement or the Related Agreements is intended to confer upon any third parties (including any past, present or future employee, Resident, or vendor or their successors) any rights as a third-party beneficiary or otherwise or any other rights or remedies of any nature or kind whatsoever under or by reason of the Contemplated Transactions, including, without limitation, in the case of employees, any rights of employment, continued employment or any rights under or with respect to any employee benefit, welfare benefit, pension or other fringe benefit plan, fund, program or arrangement.

8.14 Bulk Sales or Transfer Laws. To the extent applicable, Buyer and Seller hereby waive compliance with the provisions of all “bulk sales,” “bulk transfer” and similar applicable Law, it being understood that any liabilities arising out of the failure of the parties to comply with the requirements and provisions of any such law shall be treated as Excluded Liabilities and further, it being understood that this waiver shall not preclude Buyer from making and requiring compliance with a bulk sales filing required in Texas, if any, that is not preempted or excepted as a result of the bankruptcy.

8.15 No Inferences. Inasmuch as this Agreement is the result of negotiations between sophisticated parties of equal bargaining power represented by counsel, no inference in favor of, or against, either Party shall be drawn from the fact that any portion of this Agreement has been drafted by or on behalf of such Party.

8.16 [Reserved.]

8.17 Interpretation. In this Agreement, unless the context otherwise requires: (i) references to this Agreement are references to this Agreement and to the Schedules and Exhibits hereto; (ii) references to Articles and Sections are references to articles and sections of this Agreement; (iii) references to any Party shall include references to its respective successors, its designees, and permitted assigns; (iv) references to a judgment shall include references to any order, writ, injunction, decree, determination or award of any court or tribunal; (v) the terms “hereof,” “herein,” “hereby,” and any derivative or similar words will refer to this entire Agreement; (vi) references to any document (including this Agreement) are references to that document as amended, consolidated, supplemented, novated or replaced by the parties thereof from time to time; (vii) references to any law are references to that law as of the Closing Date, unless the context requires otherwise, and shall also refer to all rules and regulations promulgated thereunder, unless the context requires otherwise; (viii) the word “including” shall mean including without limitation; (ix) references to time are references to Central Standard or Daylight time (as in effect on the applicable day) unless otherwise specified herein; and (x) in the event the time for an act or notice falls on a day that is not a Business Day, the time will automatically be extended to the next Business Day.

8.18 Texas Real Estate Disclosures. Buyer acknowledges that Seller has advised Buyer that it should either obtain abstracts covering the Premises examined by an attorney at Buyer’s selection, or Buyer should be furnished with or obtain title policies in connection with its purchase of the Premises.

(a) Notice Required by § 13.257, Water Code. Pursuant to Section 13.257 of the Texas Water Code, please be advised as follows: “The real property, described above, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property.” Buyer hereby acknowledges receipt of the foregoing notice at or before the execution of this Agreement for the purchase of the Premises described herein.

(b) Notice Regarding Possible Liability Pursuant to § 5.010, Property Code. If for the current ad valorem tax year the taxable value of the Premises is determined by a special appraisal method that allows for the appraisal of the Premises at less than its market value, the person to whom the Premises is transferred may not be allowed to qualify the Premises for that special appraisal in a subsequent tax year and the Premises may then be appraised at its full market value. In addition, the transfer of the Premises or a subsequent change in the use of the Premises may result in the imposition of an additional tax plus interest as a penalty for the transfer of the change in the use of the Premises. The taxable value of the Premises and the applicable method of appraisal for the current tax year is public information and may be obtained from the tax appraisal district established for the county in which the land is located.

(c) Notice Regarding Possible Annexation Pursuant to § 5.011, Property Code. If the Premises is located outside the limits of a municipality, the Premises may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Premises is located within a municipality’s extraterritorial jurisdiction or is likely to be located within a municipality’s extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Premises for further information.

(d) Notice of Mold Remediation. Section 1958.154, Texas Occupations Code requires Seller to provide Buyer a copy of any mold remediation certificate issued for the Premises during the five (5) years preceding the date the Seller sells the Premises. Seller represents and warrants to Buyer that Seller has no knowledge of any such certificate.

(e) NOTICE TO BUYER. Pursuant to Texas Local Government Code Section 212.155 and Houston, Texas Code of Ordinances Section 10-556, Seller hereby gives Buyer notice of any and all deed restrictions that the Premises may be subject to. The Premises in this conveyance is located at 8580 Woodway Drive, Houston, Texas 77063 and the legal description of the property you are acquiring is attached in Schedule 3.10. The Premises may be subject to deed restrictions and the City of Houston is authorized to enforce said deed restrictions. The deed restrictions that affect the Premises of this conveyance can be found in the Real Property Records of Harris County, Texas. Any deed restrictions that restrict the sale, rental, or use of the Premises on the basis of race, color, religion, sex, or national origin are unenforceable, however, the inclusion of such provisions does not render the remainder of the deed restrictions invalid.

8.19 SUBMISSION TO JURISDICTION. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE BANKRUPTCY COURT, AND ANY APPELLATE COURT ARISING THEREFROM, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY OF THE DOCUMENTS ENTERED INTO IN CONNECTION HERewith OR FOR THE RECOGNITION OR

ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH COURT. EACH OF THE PARTIES AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND BINDING ON SUCH PARTY.

8.20 WAIVER OF JURY TRIAL. EACH PARTY TO THIS AGREEMENT HEREBY UNCONDITIONALLY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, ANY OF THE DOCUMENTS RELATED HERETO, ANY DEALINGS BETWEEN THE PARTIES RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT OR ANY RELATED TRANSACTIONS. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE CLOSING OR EARLIER TERMINATION OF THIS AGREEMENT.

8.21 Time of the Essence. Time is of the essence for purposes of this Agreement and the rights and obligations of the Parties hereunder.

8.22 Exclusivity. From July 31, 2025 until the earlier of (a) termination of this Agreement as provided herein and (b) the date of the filing of the Chapter 11 Case, Seller shall not, and shall direct its Affiliates and representatives not to, directly or indirectly, (i) submit, solicit, initiate, encourage or discuss any proposal or offer from any Person (other than Buyer and its Affiliates in connection with the transactions contemplated hereby) or enter into any agreement or accept any offer relating to or consummate any purchase or sale of any Purchased Assets (other than the purchase and sale of Inventory in the ordinary course of business) or any similar transaction or business combination involving the Facility or the Purchased Assets (each of the foregoing transactions, a “**Business Transaction**”), or (ii) furnish any information with respect to, assist or participate in or facilitate in any other manner any effort or attempt by any Person (other than Buyer and its Affiliates) to do or seek to do any of the foregoing. Seller shall notify Buyer if any Person makes any written proposal, offer, inquiry or contact with respect to a Business Transaction during the exclusivity period under this paragraph. Further, upon the earlier of determination that there will not be an auction or if Buyer is the winner at any auction, the obligations of this provision will resurrect upon the close of the auction and continue through the earlier of Closing or termination of this Agreement.

[Signatures Follow on Next Page]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by their duly authorized representatives as of the date first above written.

SELLER:

**BUCKINGHAM SENIOR LIVING COMMUNITY,
INC.**

By: _____
Its: _____

BUYER:

FOCUS SH ACQUISITIONS LLC

By: FOCUS HEALTHCARE PARTNERS,
LLC, its Manager

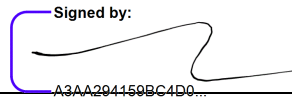


By: Paul Froning
Its: Manager

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by their duly authorized representatives as of the date first above written.

SELLER:

**BUCKINGHAM SENIOR LIVING COMMUNITY,
INC.**

Signed by: 

By: Mike Wyse
Its: Board Chair

BUYER:

FOCUS SH ACQUISITIONS LLC

By: _____
Its: _____

ALLOCATION SCHEDULE

Cash and Cash Equivalents (Class I)	None
Actively Traded Personal Property (Class II)	\$1,500,000
Accounts Receivable (Class III)	None
Inventory (Class IV)	None
Assets other than Class I, II, III, IV, VI, and VII Assets (Class V)	\$85,000,000
Section 197 Intangibles, Goodwill and Going Concern Value (Class VI and VII)	\$13,500,000

105377174.38

Exhibit 3

Contract Assumption Notice

MCDERMOTT WILL & SCHULTE LLP

Marcus A. Helt (TX 24052187)
2801 N. Harwood Street, Suite 2600
Dallas, Texas 75201-1574
Telephone: (214) 295-8000
Facsimile: (972) 232-3098
Email: mhelt@mwe.com

MCDERMOTT WILL & SCHULTE LLP

Daniel M. Simon (*pro hac vice* pending)
1180 Peachtree St. NE, Suite 3350
Atlanta, Georgia 30309
Telephone: (404) 260-8535
Facsimile: (404) 393-5260
Email: dsimon@mwe.com

MCDERMOTT WILL & SCHULTE LLP

Darren Azman (*pro hac vice* pending)
Natalie Rowles (*pro hac vice* pending)
One Vanderbilt Avenue
New York, New York 10017
Telephone: (212) 547-5400
Facsimile: (212) 547-5444
Email: dazman@mwe.com
nrowles@mwe.com

*Proposed Counsel for the Debtor and
Debtor in Possession*

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

In re:

**BUCKINGHAM SENIOR LIVING
COMMUNITY, INC.¹**

Debtor.

)
) Chapter 11
)
) Case No. 25-[_____] (____)
)
)
) Related to Docket No. ____
)

**NOTICE TO CONTRACT PARTIES TO POTENTIALLY
ASSUMED EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

¹ The last four digits of the Debtor's federal tax identification number are 7872. The location of the Debtor's principal place of business and the service address for the Debtor is 8580 Woodway Drive, Houston, Texas 77063.

YOU ARE RECEIVING THIS NOTICE BECAUSE YOU
OR ONE OF YOUR AFFILIATES ARE A COUNTERPARTY TO AN
EXECUTORY CONTRACT OR UNEXPIRED LEASE WITH
THE DEBTOR AS SET FORTH ON **SCHEDULE 1** ATTACHED HERETO.

PLEASE TAKE NOTICE that on [____], the United States Bankruptcy Court for the Northern District of Texas (the “Court”) entered the *Order (I) Approving Bidding Procedures and Bid Protections (II) Approving the Debtor’s Entry into the Stalking Horse APA, (III) Scheduling Certain Dates and Deadlines, (IV) Approving the Form and Manner of Notice Thereof, and (V) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases* [Docket No. [__]] (the “**Bidding Procedures Order**”)² in the chapter 11 case of the above-captioned debtor and debtor in possession (the “Debtor”).

PLEASE TAKE FURTHER NOTICE that, pursuant to the Bidding Procedures and the terms of any Successful Bid, the Debtor **may** assume and assign to the Successful Bidder the Executory Contracts and Unexpired Leases listed on **Schedule 1** to which you are a counterparty, upon approval of the Transaction. The Debtor has conducted a review of its books and records and has determined that the Cure Costs for unpaid monetary obligations under such Executory Contract or Unexpired Lease is as set forth on **Schedule 1**.

PLEASE TAKE FURTHER NOTICE that if you disagree with the proposed Cure Costs, your objection must: (a) be in writing; (b) comply with the applicable provisions of the Bankruptcy Rules, the Local Rules, and any order governing the administration of this chapter 11 case; (c) state with specificity the nature of the objection and, if the objection pertains to the proposed Cure Costs; (d) state the correct Cure Costs alleged to be owed to the objecting contract counterparty, together with any applicable and appropriate documentation in support thereof; and (e) be filed with the Court and served and **actually received no later than [____] (prevailing Central Time) (the “Cure Objection Deadline”)** by the Court and the following parties: (i) Buckingham Senior Living Community, Inc., c/o Implex Advisors, LLC, 8350 N. Central Expressway Suite 1900-105, Dallas, TX 75206 (Attn: Stuart Walker (swalker@implexadvisors.com) and Matt Lupton (mlupton@implexadvisors.com)); proposed counsel to the Debtor, McDermott Will & Schulte LLP, 2501 North Harwood Street, Suite 1900, Dallas, TX 75201 (Attn: Marcus A. Helt (mhelt@mwe.com), and 1180 Peachtree St. NE, Suite 3350, Atlanta, GA 30309 (Attn: Daniel M. Simon (dsimon@mwe.com)), and One Vanderbilt Avenue, New York, NY 10017 (Attn: Darren Azman (dazman@mwe.com) and Natalie Rowles (nrowles@mwe.com)); (iii) counsel to the Bond Trustee, Mintz Levin, Cohn, Ferris, Glovsky and Popeo, P.C., One Financial Center, Boston, MA 02111 (Attn: Daniel S. Bleck (DSBleck@mintz.com) and Poonam Patidar (PPatidar@mintz.com)); (iv) the Office of the United States Trustee for Region 6, 1100 Commerce Street, Room 976, Dallas, TX 75242; *provided* that the Debtor may modify the Cure Objection Deadline by filing a notice of such modification on the Court’s docket.

PLEASE TAKE FURTHER NOTICE that if no objection to (a) the Cure Costs or (b) the proposed assignment and assumption of any Executory Contract or Unexpired Lease is filed by the Cure Objection Deadline, then (a) you will be deemed to have stipulated that the Cure Costs

² Capitalized terms used but not defined in this notice have the meanings given to them in the Bidding Procedures Order.

as determined by the Debtor is correct and (b) you will be forever barred, estopped, and enjoined from asserting any additional Cure Costs are due under the Executory Contract or Unexpired Lease.

PLEASE TAKE FURTHER NOTICE that any objection to the proposed assumption and assignment of an Executory Contract or Unexpired Lease or related Cure Costs in connection with the Successful Bid that otherwise complies with these procedures yet remains unresolved as of the commencement of the Sale Hearing, shall be heard at a later date as may be fixed by the Court.

PLEASE TAKE FURTHER NOTICE that, notwithstanding anything herein, the mere listing of any Executory Contract or Unexpired Lease on the Contract Assumption Notice or any Supplemental Assumption Notice does not require or guarantee that such Executory Contract or Unexpired Lease will be assumed by the Debtor at any time or assumed and assigned, and all rights of the Debtor and the Successful Bidder with respect to such Executory Contracts and/or Unexpired Leases are reserved. Moreover, the Debtor explicitly reserves the right, in its reasonable discretion, to seek to reject or assume each Executory Contract or Unexpired Lease pursuant to Bankruptcy Code section 365(a) and in accordance with the procedures allowing the Debtor and/or the Successful Bidder, as applicable, to designate any Executory Contract or Unexpired Lease as either rejected or assumed on a post-closing basis.

PLEASE TAKE FURTHER NOTICE that, nothing herein (a) alters in any way the prepetition nature of the Executory Contracts or Unexpired Leases or the validity, priority, or amount of any claims of a counterparty to any Contract against the Debtor that may arise under such Executory Contract or Unexpired Lease, (b) creates a postpetition contract or agreement, or (c) elevates to administrative expense priority any claims of a counterparty to any Executory Contract or Unexpired Lease against the Debtor that may arise under such Executory Contract or Unexpired Lease.

[Signatures on following page]

Dated: [____], 2025
Dallas, Texas

MCDERMOTT WILL & SCHULTE LLP

/s/ DRAFT

Marcus A. Helt (TX 24052187)
2801 N. Harwood Street, Suite 2600
Dallas, Texas 75201
Telephone: (214) 295-8000
Facsimile: (972) 232-3098
Email: mhelt@mwe.com

- and -

Daniel M. Simon (*pro hac vice* pending)
1180 Peachtree St. NE, Suite 3350
Atlanta, Georgia 30309
Telephone: (404) 260-8535
Facsimile: (404) 393-5260
Email: dsimon@mwe.com

- and -

Darren Azman (*pro hac vice* pending)
Natalie Rowles (*pro hac vice* pending)
One Vanderbilt Avenue
New York, New York 10017
Telephone: (212) 547-5400
Facsimile: (212) 547-5444
Email: dazman@mwe.com
nrowles@mwe.com

*Proposed Counsel for the Debtor and
Debtor in Possession*

Schedule 1

Schedule of Assumed and Assigned Executory Contracts and Unexpired Leases

EXHIBIT B

Bill of Sale and Assignment and Assumption Agreement

(Attached)

BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT

This Bill of Sale, Assignment and Assumption Agreement (this “**Bill of Sale**”) is entered into as of [●], by and between Focus SH Acquisitions LLC, a Delaware limited liability company (“**Buyer**”) and Buckingham Senior Living Community, Inc., a Texas nonprofit corporation (“**Seller**”), pursuant to that certain Asset Purchase Agreement, dated as of [●], 2025, by and between Seller and Buyer (as amended, restated or otherwise modified from time to time, the “**Purchase Agreement**”). Capitalized terms used but not otherwise defined herein shall have the meanings granted to such terms in the Purchase Agreement.

WHEREAS, under the terms of the Purchase Agreement, Seller has agreed to sell, assign, transfer, convey and deliver to Buyer, and Buyer agreed to purchase from Seller, the Purchased Assets free and clear of all Liens other than Permitted Liens.

NOW, THEREFORE, in consideration of the Purchase Price, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and pursuant to Sections 105, 363 and 365 of the Bankruptcy Code, on the terms and subject to the conditions set forth in this Bill of Sale, the Purchase Agreement and the Sale Order, the parties hereby agree as follows:

1. Transfer and Assignment of Purchased Assets. Effective as of the Closing and pursuant to the terms of the Purchase Agreement, Seller hereby sells, transfers, conveys, assigns and delivers to Buyer, and Buyer hereby purchases, acquires and accepts from Seller, all of Seller’s right, title and interest in, to and under the Purchased Assets, free and clear of all Liens, other than Permitted Liens. Notwithstanding anything in this Bill of Sale to the contrary, nothing in this Bill of Sale will be construed as conveying any right, title or interest in, to or under any of the Excluded Assets.

2. Assumption of Liabilities. Effective as of the Closing and pursuant to the terms of the Purchase Agreement, Buyer hereby assumes and agrees to discharge when due (in accordance with their respective terms and subject to the respective conditions thereof), the Assumed Liabilities. Notwithstanding anything in this Bill of Sale to the contrary, nothing in this Bill of Sale will be construed as Buyer assuming or being obligated to pay, perform or otherwise discharge any Excluded Liabilities.

3. Terms of the Purchase Agreement. The parties hereto acknowledge and agree that this Bill of Sale is entered into pursuant to the Purchase Agreement, to which reference is made for a further statement of the rights and obligations of Seller and Buyer with respect to the Assets and Assumed Liabilities. The representations, warranties, covenants, agreements, and indemnities contained in the Purchase Agreement shall not be superseded hereby but shall remain in full force and effect to the full extent provided therein. In the event of any conflict or inconsistency between the terms of the Purchase Agreement and the terms hereof, the terms of the Purchase Agreement shall govern.

4. Counterparts. This Bill of Sale may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed one and the same agreement. A signed copy of this Bill of Sale delivered by e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Bill of Sale. Signatures by pdf scan or other electronic means shall be as effective as original signatures.

5. Successors and Assigns. This Bill of Sale shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

6. Governing Law. Except to the extent the mandatory provisions of the Bankruptcy Code apply, this Bill of Sale and any claim, controversy, dispute, or cause of action (whether in contract, tort, or otherwise) based upon, arising out of, or relating to this Bill of Sale and the transactions contemplated hereby shall be governed by, and construed in accordance with, the laws of the State of Texas, without giving effect to any choice or conflict of law provision or rule (whether of the State of Texas or any other jurisdiction).

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Bill of Sale as of the date first above written.

SELLER:

**BUCKINGHAM SENIOR LIVING
COMMUNITY, INC.**

By: _____
Its: _____

BUYER:

FOCUS SH ACQUISITIONS LLC,
a Delaware limited liability company

By: _____
Its: _____

EXHIBIT C

Form of Special Warranty Deed

(Attached)

Prepared by and
After recording return to:

Polsinelli PC
7676 Forsyth Blvd., Suite 800
St. Louis, MO 63105
Attention: Scott Smithson, Esq.

(For Recorder's Use Only)

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BUCKINGHAM SENIOR LIVING COMMUNITY, INC., a Texas non-profit corporation ("**Grantor**"), whose address is 8580 Woodway Drive, Houston, Texas 77063, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does GRANT, SELL, AND CONVEY unto [____], a [____] ("**Grantee**"), whose address is _____, those certain tracts or parcels of real estate located at 8580 Woodway Drive, Houston, TX 77063, as more particularly described on **Exhibit A**, attached hereto and incorporated herein for all purposes by this reference, together with: (i) Grantor's right, title and interest in and to any and all improvements located thereon; (ii) Grantor's right, title and interest in and to any and all appurtenances belonging or appertaining thereto, including, but not limited to, any and all appurtenant streets, roads, alleys, easements or rights-of-way affecting said real property and any of Grantor's rights to use same; (iii) Grantor's rights in and to any and all rights of ingress and egress to and from said real property; and (iv) all right, title, and interest of Grantor in and to any and all strips, gores, or pieces of property abutting, bounding, or which are adjacent or contiguous to said real property (whether owned or claimed by deed, limitations or otherwise) (collectively referred to as the "**Property**").

TO HAVE AND TO HOLD the Property unto Grantee, Grantee's heirs, executors, administrators, successors, and assigns, forever, subject, however, only to all matters that a current, accurate survey of the Property would show, together with those matters of record affecting the Property set forth on **Exhibit B**, attached hereto and incorporated herein for all purposes by this

reference, to the extent the same are validly existing and applicable to the Property (hereinafter referred to collectively as the “**Permitted Exceptions**”).

TO HAVE AND TO HOLD the Property, unto Grantee, its successors and assigns, forever; and Grantor does hereby bind itself and its successors, to WARRANT AND FOREVER DEFEND all and singular the Property unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof by, through or under Grantor but not otherwise, subject to the Permitted Exceptions.

Signature page attached.

IN WITNESS WHEREOF, this Special Warranty Deed has been executed by Grantor to be effective as of [_____], 2025.

GRANTOR:

**BUCKINGHAM SENIOR LIVING
COMMUNITY, INC.,** a Texas non-profit
corporation

By: _____

Name: _____

Title: _____

STATE OF TEXAS §

§

COUNTY OF _____ §

This instrument was acknowledged before me on [_____], 2025, by [_____] the [_____] of BUCKINGHAM SENIOR LIVING COMMUNITY, INC., a Texas non-profit corporation, on behalf of said entity.

Notary Public

EXHIBIT A

The Property

Unrestricted Reserve B, Block 1, CREEKSIDE APARTMENTS REPLAT NO. 3. a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Film Code No. 669224 of the Map and/or Plat Records of Harris County, Texas.
BEING ALSO DESCRIBED AS:

PARCEL 1 (17.860 ACRE TRACT OF LAND)

Being a 17.860 acre tract of land situated in the John D. Taylor League, Abstract No. 72, City of Houston, Harris County, Texas, being all of a called 17.6420 acre tract described and recorded under Harris County Clerk's File Number (H.C.C.F. No.) U075454, and also being all of the called 17.86 acre Unrestricted Reserve "A", Buckingham Westport Senior Living Community, a subdivision recorded under Film Code No. 504020 of the Harris County Map Records (H.C.M.R.), said 17.860 acre tract being more particularly described by metes and bounds as follows:

Bearing orientation is based on the recorded plat of Buckingham Westport Senior Living Community, a subdivision recorded under Film Code No. 504020 of the Harris County Map Records.

BEGINNING at a 5/8-inch iron rod found in the north right-of-way line of Woodway Drive, (width varies) as recorded under H.C.C.F. No. S471258, and being the common southerly corner of the Replat of Creekside Apartments, as recorded in Volume 297, Page 1, H.C.M.R., and the herein described 17.860 acre tract;

THENCE, N 01°50'54" W, with the east line of said Replat of Creekside Apartments, same being the west line of said Buckingham Westport Senior Living Community, at a distance of 650.15 feet passing the northeast corner of said Replat of Creekside Apartments from which a found 5/8-inch iron rod bears N 88°07'43" W, 0.35' and continuing a total distance of 818.45 feet to a point in the centerline of Buffalo Bayou;

THENCE, with the meanders of said centerline of Buffalo Bayou, being the northern line of the herein described tract of land the following eleven (11) courses and distances:

1. N 33°35'58" E, a distance of 113.23 feet to a point;
2. N 54°39'44" E, a distance of 68.75 feet to a point;
3. N 49°30'10" E, a distance of 108.14 feet to a point;
4. N 52°53'43" E, a distance of 178.22 feet to a point;
5. N 67°34'49" E, a distance of 98.44 feet to a point;

6. S 76°43'56" E, a distance of 120.81 feet to a point;
7. S 40°45'13" E, a distance of 134.52 feet to a point;
8. S 34°16'37" E, a distance of 141.09 feet to a point;
9. S 39°43'21" E, a distance of 157.63 feet to a point;
10. S 49°47'38" E, a distance of 70.50 feet to a point;
11. S 80°22' 11" E, a distance of 31.51 feet to a point;

THENCE, leaving said centerline of Buffalo Bayou and along the east lines of said Buckingham Westport Senior Living Community the following fourteen (14) courses and distances:

1. S 02°38'02" W, a distance of 102.95 feet to a point for corner;
2. S 87°21 '58" E, a distance of 91.83 feet to a point for corner;
3. S 03°48'42" E, a distance of 31.72 feet to a point for corner;
4. S 13°51 '53" W, a distance of 77.23 feet to a 5/8-inch iron rod with cap stamped BROWN & GAY set for angle point;
5. S 59°39'27" W, a distance of 34.94 feet to a 5/8-inch iron rod with cap stamped BROWN & GAY set for angle point;
6. S 16°39'51" W, a distance of 140.46 feet to a 5/8-inch iron rod with cap stamped BROWN & GAY set for angle point;
7. S 85°09'58" W, a distance of 31.23 feet to a 5/8-inch iron rod with cap stamped BROWN & GAY set for angle point;
8. N 37°31'04" W, a distance of 17.24 feet to a 5/8-inch iron rod with cap stamped BROWN & GAY set for angle point;
9. N 21°08'01" W, a distance of 41.94 feet to a 5/8-inch iron rod found for angle point;
10. S 52°17'38" W, a distance of 160.58 feet to a 5/8-inch iron rod with cap stamped BROWN & GAY set for angle point;
11. S 78°15'36" W, a distance of 140.62 feet to a 5/8-inch iron rod found for angle point;
12. S 35°42'45" E, a distance of 56.91 feet to a 5/8-inch iron rod found for angle point;
13. S 30°52'04" W, a distance of 245.72 feet to a 5/8-inch iron rod found for angle point;

14. S 02°23'56" E, a distance of 30.00 feet to a 5/8-inch iron rod found in the said north right-of-way line of Woodway Drive, same being the southeast corner of herein described 17.860 acre tract;

THENCE, S 87°36'04" W, a distance of 465.74 feet along said north right-of-way line of Woodway Drive to the POINT OF BEGINNING and containing 17.860 acres of land.

This metes and bounds description was prepared in conjunction with an ALTA\ACSM Land Title Survey of a 17.860 acre tract dated September 26, 2003, revised November 3, 2003.

PARCEL 2 (5.9920 ACRE TRACT OF LAND)

Being a tract or parcel containing 5.9920 acres (261,012 square feet) of land situated in the John D. Taylor Survey, Abstract Number 72, Harris County, Texas, and being out of and a portion of Tract 9 as described in the deed to CRVI Westpoint, L.P., recorded under Harris County Clerk's File Number 20070736886 which is all of Creekside Apartments, Second Replat, according to the plat thereof recorded under Film Code Number 385092 of the Harris County Map Records; said 5.9920 acre tract being more particularly described by metes and bounds as follows (bearings stated herein are based on the record bearings of said plat of Creekside Apartments, Second Replat):

BEGINNING at a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set in the north right-of-way line of Woodway Drive (80 feet wide) marking a point on a curve to the left common with the southeast corner of the herein described tract and the southeast corner of said Creekside Apartments, Second Replat, and the southwest corner of Buckingham Westport Senior Living Community according to the plat thereof recorded under Film Code Number 504020 of the Harris County Map Records, from which a 5/8-inch iron rod found in said north right-of-way line marking the southeast corner of said Buckingham Westport Senior Living Community bears North 88°30'58" East 465.75 feet;

THENCE, along said north right-of-way line and said curve to the left having a central angle of 28°49'44", an arc distance of 455.15 feet, 11 radius of 904.58 feet, and a chord which bears South 75°30'06" West, a distance of 450.36 feet to a 5/8-inch Iron rod with plastic cap stamped "TERRA SURVEYING" set marking southwest corner of the herein described tract;

THENCE, crossing the aforesaid Creekside Apartments, Second Replat the following Eight (8) courses and distances:

North 04°55'03" West, a distance of 23.17 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking an angle corner of the herein described tract;

North 60°27'18" West, a distance of 35.85 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking an angle corner of the herein described tract;

North 25°06'13" West, a distance of 18.32 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking an angle corner of the herein described tract;

North 12°33'31" East, a distance of 99.50 feet to an "X" set in concrete marking an angle corner of the herein described tract;

North 16°54'42" East, a distance of 20.00 feet to a Nail set in asphalt marking an angle corner of the herein described tract;

North 16°33'27" East, a distance of 10.00 feet to a Nail set in asphalt marking an angle corner of the herein described tract;

North 53°29'42" West, a distance of 103.42 feet to a Nail set in asphalt marking an angle corner of the herein described tract;

North 00°27'03" West, a distance of 179.81 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set in the south line of the called 4.325 acre Harris County Flood Control District Fee Tract (Buffalo Bayou) as described in the deed recorded under Harris County Clerk's File Number D279004 marking the northwest corner of the herein described tract common with a point on a curve to the left;

THENCE, along the south line of said Harris County Flood Control District Fee Tract (Buffalo Bayou), along said curve to the left having a central angle of 15°57'02", an arc distance of 148.10 feet, a radius of 531.98 feet, and a chord which bears North 62°22'07" East, 147.62 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking the end of said curve;

THENCE, North 54°23'36" East, continuing along said south line of the Harris County Flood Control District Fee Tract (Buffalo Bayou), a distance of 510.15 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set in the east line of the aforesaid Buckingham Westport Senior Living Community marking the northeast corner of the herein described tract from which a found 5/8-inch iron rod bears South 80°59' West, 2.33 feet, and a found 5/8-inch iron rod bears South 65°23'38" West, 1.68 feet;

THENCE, South 00°04'00" West, along said east line of Buckingham Westport Senior Living Community, a distance of 650.15 feet to the POINT OF BEGINNING and containing 5.9920 acres (261,012 square feet) of land. This description is based on the ALTA/ACSM Land Title Survey prepared by Terra Surveying Company, Inc., dated October 09, 2013, TSC Project Number 1617•1320-S.

EXHIBIT B

Permitted Exceptions

1. Any covenants, conditions or restrictions indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin are hereby deleted to the extent such covenants, conditions or restrictions violate 42 USC 3604 {c}. Film Code Nos. [376059], [504020] and [669224], Map and/or Plat Records; County Clerk's File Nos. [U075452], [U456396], [R916986], [T045989], [S486146], [S687060], [T045990], [T045991] and [20140454403] of the Official Public Records of Harris County, Texas.
2. Shortages in area.
3. Homestead or community property or survivorship rights, if any, of any spouse of any Insured.
4. Any titles or rights asserted by anyone, including but not limited to, persons, the public, corporations, governments or other entities, to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or to filled-in lands, or artificial islands, or to statutory water rights, including riparian rights, or to the area extending from the line of mean low tide to the line of vegetation, or the right of access to that area or easement along and across that area.
5. Standby fees, taxes and assessments by any taxing authority for the year 2025, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year.
6. The following matters and all terms of the documents creating or offering evidence of the matters:
 - a. Maintenance Charge/Assessments as provided for in instrument(s) recorded in County Clerk's File Nos. U075452 and U456396, of the Official Public Records of Harris County, Texas. Subordination to the lien of any Mortgage(s) placed upon the Property or any part thereof for the purpose of securing indebtedness incurred to purchase or improve the Primary Property and/or Secondary Property or any part thereof (or refinancing of indebtedness incurred for either of such purposes).
 - b. Maintenance Charge/Assessments as provided for in instrument(s) recorded in County Clerk's File Nos. R916986, S486146, S687060 and T045991, of the Official Public Records of Harris County, Texas. Subordination to the lien of any Mortgage(s) placed upon the Property or any part thereof for the purpose of securing indebtedness incurred to purchase or improve the Property or any part thereof (or refinancing of indebtedness incurred for either of such purposes).
 - c. In addition to restrictive covenants excepted to in Schedule B, Item 1, all other terms, easements, covenants, assessments, liens, and other matters contained in the following instruments: Film Code Nos. 376059, 504020 and 669224, Map and/or Plat Records; County Clerk's File Nos. U075452, U456396, R916986, T045989, S486146, S687060, T045990, T045991 and 20140454403, Official Public Records of Harris County, Texas.
7. Easement: Sanitary Sewer. Recorded: February 27, 1968 in [Volume 7101, Page 301](#), of the Deed Records, Harris County, Texas.
8. Easement: Sanitary Sewer. Recorded: August 09, 1966 in [Volume 6461, Page 386](#), of the Deed Records, Harris County, Texas.
9. Easement: Water Meter. Recorded: April 20, 1972 in County Clerk's File No. [D572245](#), of the Official Public Records, Harris County, Texas.

10. Easement: Electric distribution facilities and natural gas facilities. Recorded: August 11, 2004 in County Clerk's File No. [X835634](#), of the Official Public Records, Harris County, Texas.
11. Easement: Electric distribution and communication facilities. Recorded: September 24, 2004 in County Clerk's File No. [X941633](#), of the Official Public Records, Harris County, Texas
12. Easement: Utility and Fire Lane. Recorded: October 09, 2014 in County Clerk's File No. [20140454403](#), of the Official Public Records, Harris County, Texas.
13. Easement: Broadband Communications. Recorded: March 15, 2017 in County Clerk's File No. RP-[2017-109120](#), of the Official Public Records, Harris County, Texas.
14. Terms, Conditions, provisions, easements, restrictions, reservations and other matters: Document: Declaration of Restrictions and Granting of Easement Recorded: November 11, 1999 in County Clerk's File No. [U075452](#) and Correction Declaration of Restrictions and Granting of Easement Recorded on June 20, 2000 in County Clerk's File No. [U456396](#), of the Official Public records, of Harris County, Texas
15. Terms, Conditions, provisions, easements, restrictions, reservations and other matters: Document: Declaration of Restrictions and Granting of Easement Recorded: May 08, 1996 in County Clerk's File No. [R916986](#) and First Amendment to Declaration of Restrictions and Granting of Easement Recorded on May 28, 1998 in County Clerk's File No. [T045989](#), of the Official Public records, of Harris County, Texas.
16. Terms, Conditions, provisions, easements, restrictions, reservations and other matters: Document: Declaration of Restrictions and Granting of Easement Recorded: June 06, 1997 in County Clerk's File No. [S486146](#) and Re-Recorded Declaration of Restrictions and Granting of Easement Recorded on October 15, 1997 in County Clerk's File No. [S687060](#) and First Amendment to Declaration of Restrictions and Granting of Easement Recorded on May 28, 1998 in County Clerk's File No. [T045990](#), of the Official Public records, of Harris County, Texas.
17. Terms, Conditions, provisions, easements, restrictions, reservations and other matters: Document: Declaration of Restrictions and Granting of Easement Recorded: May 28, 1998 in County Clerk's File No. [T045991](#), of the Official Public records, of Harris County, Texas
18. The terms, conditions and stipulations of that certain letter regarding request for flood variance recorded on July 09, 2015 in County Clerk's File No. [20150301318](#), Official Public Records of Harris County, Texas
19. Notice Regarding: Storm Water Quality Requirements. Recorded in: on May 04, 2015 in County Clerk's File No. [20150187229](#), Official Public Records of Harris County, Texas
20. All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not. There may be leases, grants, exceptions or reservations of mineral interest that are not listed.
21. Terms, conditions, and stipulations of the following City of Houston, Texas ordinance(s) and all revisions amendments thereto: Ordinance No. 85-1878, passed and approved on October 23, 1985, and recorded August 1, 1991, with Instrument No. [N253886](#), Official Public Records, Harris County; Ordinance No. 1999-262, passed and approved March 24, 1999; and Ordinance No. [2015-639](#) passed and approved July 24, 2015.
22. Any titles or rights asserted by anyone, including but not limited to persons, the public, corporations, governments or other entities, to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or to lands beyond the

line of the harbor or bulkhead lines as established or changed by any government, or to filled-in lands, or artificial islands, or to statutory water rights, including riparian rights, or to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across the area. (MORTGAGEE POLICY ONLY)

23. Sanitary sewer easement 10 feet in width granted to City of Houston, by instrument dated August 17, 1967, recorded February 27, 1968 under Harris County Clerk's File No. C664932 (aka [Volume 7101, Page 301] of the Deed Records of Harris County, Texas), as affected by Permission to Build Over City Easement by the City of Houston recorded August 31, 1971 under Harris County Clerk's File No. D405641 (aka [Volume 8578, Page 248] of the Deed Records of Harris County, Texas).
24. Storm sewer and utility easement 20 feet in width as set forth on plat map recorded in [Volume 153, Page 50] of the Map Records of Harris County, Texas, as affected by Permission to Build Over City Easement by the City of Houston recorded August 31, 1971 under Harris County Clerk's File No. D405641 (aka [Volume 8578, Page 248] of the Deed Records of Harris County, Texas), as further affected by consent to encroachment by Houston Lighting and Power Company recorded September 14, 1971 under Harris County Clerk's File No. [D415226].
25. Electric and communication line easement 10 feet in width at and below normal ground level together with an unobstructed aerial easement 20 feet in width from a plane 20 feet above the ground upward adjacent thereto, granted to Houston Lighting & Power Company by instrument recorded November 4, 1971 under County Film Code No. [D453627], Official Public Records of Harris County, Texas.
26. Electric easement granted to CenterPoint Energy Houston Electric, LLC, by instrument dated January 19, 2016, recorded under County Clerk's File No. [RP-2016-60091], Official Public Records of Harris County, Texas.
27. Electric easement granted to CenterPoint Energy Houston Electric, LLC, by instrument dated May 1, 2017, recorded under County Clerk's File No. [RP-2017-196427], Official Public Records of Harris County, Texas.

EXHIBIT D

Sale Order

(Attached)

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

IN RE:

BUCKINGHAM SENIOR LIVING
COMMUNITY, INC.

Debtor.

§ Chapter 11

§

§ Case No. _____

§

§

§ Hon. _____

§

§

**ORDER (I) APPROVING ASSET PURCHASE AGREEMENT BETWEEN
THE DEBTOR AND THE SUCCESSFUL BIDDER; (II) AUTHORIZING THE
SALE OF SUBSTANTIALLY ALL OF THE DEBTOR'S ASSETS FREE AND
CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS, EXCEPT
FOR CERTAIN PERMITTED LIENS AND ASSUMED LIABILITIES;
(III) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT
OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED
LEASES; AND (IV) GRANTING RELATED RELIEF**

This matter coming before the Court on the [*Debtor's Motion for Entry of an Order (I)(A) Approving Bidding Procedures and Bid Protections, (B) Approving the Debtor's Entry into the Stalking Horse APA, (C) Scheduling Certain Dates and Deadlines, (D) Approving the Form and Manner of Notice Thereof, and (E) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases; and (II)(A) Authorizing the Sale of the Assets Free and Clear*

of All Encumbrances and (B) Approving the Assumption and Assignment of the Assumed Contracts, and (III) Granting Related Relief] [Dkt. No. --] (the “**Sale Motion**”) filed by the debtor and debtor-in-possession (the “**Debtor**”) in the above-captioned case (the “**Chapter 11 Case**”), pursuant to sections 105(a), 363, 365, 503(b), and 507(a)(2) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Bankruptcy Code**”), and Rules 2002, 6004, and 6006(a) of the Federal Rules of Bankruptcy Procedure, which requests entry of an order (this “**Sale Order**”) that, *inter alia*, authorizes and approves the (i) Asset Purchase Agreement, among the Debtor and [Focus SH Acquisitions LLC] (the “**Purchaser**”) (as may be amended, modified or supplemented in accordance with its terms, and including all related exhibits and schedules, the “**APA**”) that is attached hereto as **Exhibit 1**;¹ (ii) sale, assignment, transfer, conveyance and delivery (the “**Sale**”) of substantially all of the Debtor’s assets free and clear of all encumbrances, including liens, claims, and interests other than the Permitted Liens and Assumed Liabilities that Purchaser has agreed to assume or permit under the APA or as otherwise set forth in the APA (collectively, the “**Claims and Encumbrances**”); and (iii) assumption and assignment to Purchaser of the Assumed Contracts, in each case, effective as of the Closing on the Closing Date, all as more fully set forth in the Motion; this Court having entered the *Order (I) Approving Bidding Procedures and Bid Protections, (II) Approving the Debtor’s Entry into the Stalking Horse APA, (III) Scheduling Certain Dates and Deadlines, (IV) Approving the Form and Manner of Notice thereof, and (V) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases* [Dkt. No. ---] (the “**Bid Procedures Order**”); the Debtor having conducted a robust marketing process in compliance with the Bid Procedures Order and having entered into the APA with the Purchaser, pursuant to which Purchaser has agreed to, *inter alia*, (i) purchase substantially all of

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the APA.

the Debtor's assets, (the "**Assets**"), for a purchase price of not less than (a) [One Hundred Million Dollars (\$100,000,000) in cash, subject to certain adjustments as set forth under Section 2.5(f) of the APA (the "**Cash Purchase Price**"), (b) an aggregate amount equal to Twelve Million Dollars (\$12,000,000) to be amortized and paid over a twelve-month period of time to Eligible Current Residents (the "**Rent Rebate Funds**") in accordance with the terms of the APA, and (c) provision of credits valued at Seven Hundred Fifty Thousand (\$750,000) to certain residents, as more particularly set forth in the APA (the "**Healthcare Discount Program**" and together with the Cash Purchase Price and Rent Rebate Funds, the "**Purchase Price**") and (ii) assume certain liabilities as set forth in section 2.3 of the APA; and the Debtor having determined that Purchaser submitted the highest and best bid for the Assets; and the Court having conducted a hearing on [January 22, 2026] (the "**Sale Hearing**") to consider the Sale Motion and the proposed Sale upon the terms and conditions set forth in the APA at which time all interested parties were offered an opportunity to be heard; and the Court having approved the terms of the APA and overruled any objections thereto; and all parties in interest having been heard, or having had the opportunity to be heard, regarding entry of this Sale Order and approval of the Sale and APA; the Court having heard statements of counsel and the evidence presented in support of the relief requested in the Sale Motion; it appearing that due and appropriate notice of the Sale Motion and the Sale Hearing having been given; and it appearing that no other notice of the relief granted by this Sale Order need be given; and it further appearing that the legal and factual bases set forth in the Sale Motion and at the Sale Hearing establish just cause for the relief granted herein; and after due deliberation thereon and good and sufficient cause appearing therefor, it is hereby:

FOUND AND DETERMINED THAT:

Jurisdiction, Final Order, and Statutory Predicates

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

B. This Court has jurisdiction to hear and determine the Motion, including the transaction contemplated by the APA, and to grant the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334. Venue of this Chapter 11 Case and the Sale Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

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

D. The bases for the relief requested in the Sale Motion are Bankruptcy Code sections 105(a), 363, 365, 503(b), 507(a)(2), and 541 and Bankruptcy Rules 2002, 6004, and 6006(a), 9007, and 9014.

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

Retention of Jurisdiction

F. It is necessary and appropriate for the Court to retain jurisdiction to, among other things, interpret, implement, and enforce the terms and provisions of this Sale Order and the APA,

including its related documents, all amendments thereto and any waivers and consents thereunder, and to adjudicate, if necessary, any and all disputes involving the Debtor concerning or relating in any way to, or affecting, the Sale or the transactions contemplated in the APA, and related and/or ancillary documents.

Corporate Authority; Consents and Approvals

G. The Debtor has, to the extent necessary or applicable, (a) the full corporate power and authority to execute and deliver the APA and all other documents contemplated thereby, (b) all corporate authority necessary to consummate the transactions contemplated by the APA, and (c) taken all corporate action necessary to authorize and approve the APA and the consummation of the transactions contemplated thereby. No internal consents or approvals, other than those expressly provided for in the APA, are required for the Debtor to consummate the Sale, the APA, or the transactions contemplated thereby, other than regulatory approvals required under Texas and other applicable law.

Notice of Sale, Auction, APA, and Assumption and Assignment of Assumed Contracts

H. Actual written notice of the Sale Motion, the Sale, the Auction, the Sale Hearing, and the transactions contemplated thereby, and a reasonable opportunity to object or be heard with respect to the Sale Motion and the relief requested therein, has been afforded to all known interested entities and parties, including, without limitation, the following entities and parties: (a) the Office of the United States Trustee for the Northern District of Texas (the “**U.S. Trustee**”); (b) the holders of the thirty (30) largest unsecured claims against the Debtor; (d) counsel to UMB Bank, N.A., as Trustee and DIP Lender; (e) counsel to the Stalking Horse Bidder; (f) all other parties who have expressed a written interest in the Assets; (g) all parties who are known or reasonably believed, after reasonable inquiry, to have asserted any lien, encumbrance, claim or interest in the Assets, (h) the Internal Revenue Service; (i) all other state and local taxing

authorities; (j) the Attorney General for the State of Texas; (k) the Securities and Exchange Commission; (l) all other governmental agencies with an interest in the Sale and transactions proposed thereunder; (m) all counterparties to executory contracts (the “**Contract Counterparties**”); (n) [all residents with known claims against the Debtor]; and (o) all parties entitled to notice pursuant to Bankruptcy Rule 2002.

I. In addition, the Debtor has caused notice of the Sale Motion, the Sale, the Auction, and the Sale hearing to be published in [*The New York Times* (National Edition), the *Wall Street Journal*, or *USA Today*]. Such notice was reasonably calculated under the circumstances to reach entities whose identities are not reasonably ascertainable by the Debtor.

J. In accordance with the provisions of the Bid Procedures Order, the Debtor has served notice upon the Contract Counterparties: (a) that the Debtor seeks to assume and assign to the Purchaser the Assumed Contracts on the Closing Date; and (b) of the relevant Cure Amounts (as defined below). Service of such notice was good, sufficient, and appropriate under the circumstances, and no further notice need be given in respect of establishing a Cure Amount for the executory contracts and/or unexpired leases (collectively, the “**Contracts**”). Each of the Contract Counterparties has had an adequate opportunity to object to the Cure Amounts set forth in the notice and to the assumption and assignment to the Purchaser of the applicable Assumed Contracts (including objections related to the adequate assurance of future performance and objections based on whether applicable law excuses the counterparty from accepting performance by, or rendering performance to, the Purchaser (or its designee) for purposes of Bankruptcy Code section 365(c)(1)). All objections, responses, or requests for adequate assurance, if any, have been resolved, overruled, or denied, as applicable.

K. The notice of the Auction and the Sale Hearing provided all creditors and other interested parties with timely and proper notice of the Sale, the Auction, and the Sale Hearing.

L. The Debtor has articulated and established good and sufficient cause and reasons for this Court to grant the relief requested in the Sale Motion regarding the sales process, including, without limitation: (i) determination of final Cure Amounts; and (ii) approval and authorization to serve notice of the Auction and Sale Hearing.

M. As evidenced by the certificates of service [and affidavits of publication] previously filed with the Court, proper, timely, adequate, and sufficient notice of the Sale Motion, the Sale, the Auction, the Sale Hearing, and the transactions contemplated thereby, including, without limitation, the assumption and assignment of the Assumed Contracts to Purchaser, has been provided in accordance with the Bid Procedures Order; Bankruptcy Code sections 105(a), 363, and 365; and Bankruptcy Rules 2002, 6004, 6006, 9007, 9008, and 9014. The notices described therein were good, sufficient, and appropriate under the circumstances, and no other or further notice of the Sale Motion, the Sale, the Auction, the Sale Hearing, or the assumption and assignment of the Assumed Contracts to Purchaser is or shall be required.

N. The disclosures made by the Debtor concerning the Sale Motion, the APA, the Auction, the Sale Hearing, the Sale, and the assumption and assignment of the Assumed Contracts to Purchaser were good, complete, and adequate.

O. A reasonable opportunity to object and be heard with respect to the Sale and the Sale Motion, and the relief requested therein (including, without limitation, the assumption and assignment of the Assumed Contracts to Purchaser and any Cure Amounts relating thereto), has been afforded to all interested persons and entities, including the notice parties.

Auction

P. [The Debtor conducted an Auction on [January 13, 2026] in connection with, and has otherwise complied with in all respects, the Bid Procedures Order. The Auction process set forth in the Bid Procedures Order afforded a full, fair, and reasonable opportunity for any entity to make a higher or otherwise better offer to purchase the Assets. The Auction was duly noticed and a reasonable opportunity has been given to any interested party to make a higher or better offer for the Assets. The Debtor received multiple Qualified Bids. The Auction was transcribed. At the conclusion of the Auction, the Debtor determined in the exercise of its good faith business judgment that the Purchaser submitted the highest and best bid for the Assets and, accordingly, the Debtor announced that the Purchaser was determined to be the Successful Bidder [and _____ was designated as the Backup Bidder]].

Good Faith of Purchaser

Q. As demonstrated by the representations of counsel and other evidence proffered or adduced at the Sale Hearing, the Debtor and its advisors marketed the Assets to secure the highest and best offer, including, without limitation, by affording interest potential purchasers a full and fair opportunity to bid and submit offers for the Assets. The terms and conditions set forth in the APA are fair, adequate, and reasonable, including the amount of the Purchase Price, which is found to constitute reasonably equivalent and fair value.

R. Purchaser is not an “insider” of the Debtor, as that term is defined in Bankruptcy Code section 101(31). No officer, director, manager, or other insider of the Debtor holds any interest in or is otherwise related to Purchaser.

S. The Debtor and Purchaser extensively negotiated the terms and conditions of the APA in good faith and at arm’s length. Purchaser is purchasing the Assets and has entered into the APA in good faith and is a good faith Purchaser within the meaning of Bankruptcy Code section

363(m), and is therefore entitled to the full protection of that provision, and otherwise has proceeded in good faith in all respects in connection with this proceeding in that, *inter alia*: (i) Purchaser recognized that the Debtor was free to deal with any other party interested in purchasing the Assets; (ii) Purchaser agreed to subject its bid to competitive bidding; (iii) all payments to be made by Purchaser and other agreements or arrangements entered into by Purchaser in connection with the Sale have been disclosed; (iv) Purchaser has not violated Bankruptcy Code section 363(n) by any action or inaction; (v) no common identity of directors or controlling stockholders exists between Purchaser and the Debtor; and (vi) the negotiation and execution of the APA was at arm's length and in good faith.

T. Neither the Debtor nor Purchaser have engaged in any conduct that would cause or permit the APA to be avoided under Bankruptcy Code section 363(n). The Debtor and Purchaser were represented by their own respective counsel and other advisors during such arm's length negotiations in connection with the APA and the Sale. Neither the Debtor nor Purchaser has entered into the APA or is consummating the transactions collectively described therein with any fraudulent or improper purpose.

U. No party has objected to the Sale, the APA, or the Auction on the grounds of fraud or collusion.

V. Accordingly, Purchaser is purchasing the Assets in good faith and is a good-faith Purchaser within the meaning of Bankruptcy Code section 363(m). Purchaser is therefore entitled to all protections afforded under Bankruptcy Code section 363(m). Pursuant to Bankruptcy Code section 363(m), if any or all of the provisions of this Sale Order are hereafter reversed, modified, or vacated by a subsequent order of this Court or any other court, such reversal, modification, or vacatur shall not affect the validity and enforceability of any sale, transfer or assignment under the

APA or obligation or right granted pursuant to the terms of this Sale Order, and notwithstanding any reversal, modification or vacatur shall be governed in all respects by the original provisions of this Sale Order or the APA, as the case may be. The consideration provided by the Purchaser for the Assets is fair and reasonable, and the Sale may not be avoided under Bankruptcy Code section 363(n).

Highest and Best Offer

W. As demonstrated by the *Declaration of [Dave Fields] in Support of the Sale Motion* [Dkt. No. ---], the Debtor conducted a sale process in accordance with, and has otherwise complied fully in all respects with, the Bid Procedures Order. The sale process set forth in the Bid Procedures Order afforded a full, fair, and reasonable opportunity for any person or entity to make a higher or otherwise better offer to purchase the Assets. The Auction was duly noticed in a non-collusive, fair, and good-faith manner, and a reasonable opportunity has been given to any interested party to make a higher and better offer for the Assets.

X. The APA constitutes the highest and best offer for the Assets and will provide a greater recovery for the Debtor's estate than would be provided by any other available alternative. The Debtor's determination that the APA constitutes the highest and best offer for the Assets constitutes a valid and sound exercise of the Debtor's business judgment.

Y. The APA represents a fair and reasonable offer to purchase the Assets under the circumstances of the Chapter 11 Case. No other entity or group of entities has offered to purchase the Assets and assume liabilities for greater overall value to the Debtor's estate than Purchaser.

Z. Approval of the Sale Motion and the APA and the consummation of the transactions contemplated thereby are in the best interests of the Debtor's estate, its creditors, and other parties in interest.

AA. The Debtor has demonstrated compelling circumstances and a good, sufficient, prudent and sound business purpose and justification for the Sale prior to a plan of reorganization.

BB. Entry of an order approving the APA and all provisions thereof is a necessary condition precedent to the Purchaser's obligation to consummate the Sale.

No Fraudulent Transfer or Merger

CC. The consideration provided by Purchaser pursuant to the APA (a) is fair and reasonable, (b) is the highest or best offer for the Assets, (c) will provide a greater recovery for all of the Debtor's stakeholders than would be provided by any other practical available alternative, and (d) constitutes reasonably equivalent value (as defined in each of the Uniform Fraudulent Transfer Act, the Uniform Fraudulent Conveyance Act, and Bankruptcy Code section 548).

DD. Purchaser is an independent legal entity separate and distinct from the Debtor. There are no common equity holders, directors, managers or officers. Both Debtor and Purchaser will continue to exist following the Closing. Purchaser is not a mere continuation of the Debtor or its estate, and there is no continuity of enterprise between Purchaser and the Debtor. Purchaser is not holding itself out to the public as a continuation of the Debtor. Purchaser is not a successor to the Debtor or its estate, and the Sale is not a consolidation, merger, or *de facto* merger of Purchaser and the Debtor under applicable non-bankruptcy law.

Validity of Transfer

EE. The consummation of the Sale and other transactions contemplated by the APA do not constitute a fraudulent or avoidable transfer of the Assets under the Bankruptcy Code or under the laws of the United States, any of its states, territories, or possessions, or the District of Columbia. Among other things, the APA was entered into openly and in accordance with the Bankruptcy Code and was not entered into for the purpose of hindering, delaying, or defrauding

creditors. Neither the Debtor nor Purchaser is entering into the transactions contemplated by the APA fraudulently or for the purposes of statutory and common law fraudulent conveyance and fraudulent transfer claims.

FF. The Debtor is the sole and lawful owner of the Assets. Subject to Bankruptcy Code section 363(f) (addressed below), the transfer of the Assets to Purchaser will be, as of the Closing Date, a legal, valid, and effective transfer of the Assets, which transfer vests or will vest Purchaser with all right, title, and interest of the Debtor to the Assets free and clear of any interest in such property of any entity or person (collectively, “**Interests**”) with such Interests attaching to the proceeds of the Sale to the same validity, priority and extent as existed prior to the Closing, including, without limitation: (a) all liens and encumbrances relating to, accruing, or arising at any time prior to the Closing Date, including but not limited to mechanics and other statutory liens (collectively, the “**Liens**”); and (b) all debts arising under, relating to, or in connection with any act of the Debtor or any claims (as defined in Bankruptcy Code section 101(5)), liabilities, obligations, demands, guarantees, options in favor of third parties, rights, contractual commitments, restrictions, interests, and matters of any kind and nature, whether arising prior to or subsequent to the commencement of the Chapter 11 Case, and whether imposed by agreement, understanding, law, equity, or otherwise (collectively, the “**Claims**” and together with Liens and Interests, the “**Encumbrances**”).

GG. For the avoidance of doubt, the terms “Liens” and “Claims,” as used in this Sale Order, include, without limitation, rights with respect to any Liens and Claims:

- (1) that purport to give any party a right of setoff or recoupment against, or a right or option to affect any forfeiture, modification, profit-sharing interest, right of first refusal, purchase or repurchase option, or termination of, any

of the Debtor's or Purchaser's interest in the Assets, or any similar rights;
or

- (2) in respect of taxes, restrictions, rights of first refusal, charges of interest of any kind and nature, if any, and including, without limitation, any restriction of use, voting, transfer, receipt of income, or other exercise of any of the attributes of ownership relating to, accruing, or arising at any time prior to the Closing Date, with the exception of Permitted Liens and Assumed Liabilities that are expressly assumed by Purchaser pursuant to the APA.

Section 363(f) Is Satisfied

HH. The conditions of Bankruptcy Code section 363(f) have been satisfied in full; therefore, the Debtor may sell the Assets free and clear of any Encumbrances other than any Permitted Liens and Assumed Liabilities, subject to the terms contained herein.

II. Purchaser would not have entered into the APA, and would not consummate the transactions contemplated thereby, if the Sale of the Assets to Purchaser and the assumption of any Assumed Liabilities by Purchaser were not free and clear of all Encumbrances, other than Permitted Liens and the Assumed Liabilities, or if Purchaser would, or in the future could, be liable for any of such Encumbrances (other than the Permitted Liens and the Assumed Liabilities). Unless otherwise expressly included in the Permitted Liens or the Assumed Liabilities, or herein, Purchaser shall not be responsible for any Encumbrances against the Debtor, its estate, or any of the Assets, including in respect of the following: (a) any labor or employment agreement; (b) any and all mortgages, deeds of trust, and other security interests, liens, attachments and other encumbrances, including but not limited to mechanics and other statutory liens; (c) intercompany loans and receivables among the Debtor and any of its affiliates (as defined in Bankruptcy Code

section 101(2)); (d) any other environmental, employee, workers' compensation, occupational disease, or unemployment- or temporary disability-related claim, including, without limitation, claims that might otherwise arise under or pursuant to: (i) the Employee Retirement Income Security Act of 1974, as amended; (ii) the Fair Labor Standards Act; (iii) Title VII of the Civil Rights Act of 1964; (iv) the Federal Rehabilitation Act of 1973; (v) the National Labor Relations Act ("NLRA"); (vi) the Worker Adjustment and Retraining Notification Act of 1988; (vii) the Age Discrimination and Employee Act of 1967 and the Age Discrimination in Employment Act, as amended; (viii) the Americans with Disabilities Act of 1990; (ix) the Consolidated Omnibus Budget Reconciliation Act of 1985; (x) state discrimination laws; (xi) the unemployment compensation laws or any other similar state laws; or (xii) any other state or federal benefits or claims relating to any employment with the Debtor or its predecessor, if any; (xiii) Claims or Liens arising under any environmental laws with respect to the Debtor's business, Excluded Liabilities (as defined in the APA), the Assets, the Excluded Assets (as defined in the APA), or any assets owned or operated by the Debtor or any corporate predecessor of the Debtor, at any time prior to the Closing Date; (xiv) any bulk sales or similar law; (xv) any tax statutes or ordinances, including, without limitation, the Internal Revenue Code of 1986, as amended; and (xvi) any statutory or common-law bases for successor liability.

JJ. The Debtor may sell the Assets free and clear of all Encumbrances in such property of any entity subject to the terms of this Sale Order, including, without limitation, any Liens and Claims against the Debtor, its estate, or any of the Assets (other than the Permitted Liens and Assumed Liabilities) because, in each case, one or more of the standards set forth in Bankruptcy Code section 363(f)(1)-(5) has been satisfied. Those holders of Encumbrances in the Assets, including, for the avoidance of doubt, holders of Interests, Liens and Claims against the Debtor,

its estate, or any of the Assets, who did not object, or who withdrew their objections, to the Sale or the Sale Motion are deemed to have consented pursuant to Bankruptcy Code section 363(f)(2). All other holders of Encumbrances (except to the extent that such Encumbrances are Permitted Liens or Assumed Liabilities) are adequately protected by having their Encumbrances, including Interests, if any, in each instance against the Debtor, its estate, or any of the Assets, attached to the proceeds of the sale less reasonable, customary closings costs (the “**Net Proceeds**”) received by the Debtor ultimately attributable to the Assets in which such party alleges an Interest, in the same order of priority, with the same validity, force, and effect that such Interests had prior to the Closing, subject to any claims and defenses the Debtor and its estate may possess with respect thereto. In addition, the Assets can be sold pursuant to Bankruptcy Code sections 363(f)(1), 363(f)(2), 363(f)(3), 363(f)(4) and 363(f)(5), as applicable.

Assumption and Assignment of the Assumed Contracts

KK. The assumption and assignment of the Assumed Contracts, which are set forth on **Exhibit 2** to this Sale Order, pursuant to the terms of this Sale Order and the APA is integral to the Sale and is in the best interest of the Debtor and its estate, its creditors, and all of the parties in interest, and represents the reasonable exercise of sound and prudent business judgment by the Debtor.

LL. Unless otherwise agreed and stated on the record at the Sale Hearing, the respective amounts set forth in the *Notice to Counterparties to Executory Contracts and Unexpired Leases that May Potentially Be Assumed and Assigned and Regarding Cure Amounts with respect thereto* [Dkt. No. ---] (the “**Cure Notice**”) reflects the sole amounts necessary under Bankruptcy Code section 365(b) to cure all monetary defaults and pay all pecuniary losses under the Assumed Contracts (collectively, the “**Cure Amounts**”), and no other amounts are or shall be due or may

be charged by a Contract Counterparty in connection with the assumption by the Debtor in the assignment to Purchaser of the Assumed Contracts.

MM. Pursuant to the terms of the APA, Purchaser shall, to the extent necessary: (a) cure or provide adequate assurance of cure, of any default existing prior to the date hereof with respect to the Assumed Contracts, within the meaning of Bankruptcy Code sections 365(b)(1)(A) and 365(f)(2)(A); and (b) provide adequate assurance of future performance to any Contract Counterparty for any actual pecuniary loss to such party resulting from a default prior to the date hereof with respect to the Assumed Contracts, within the meaning of Bankruptcy Code sections 365(b)(1)(B) and 365(f)(2)(A).

NN. As of the Closing Date, subject only to the payment of the Cure Amounts, as determined in accordance with the procedures identified in the Bid Procedures Order and the APA, each of the Assumed Contracts will be in full force and effect and enforceable by Purchaser against any Contract Counterparty thereto in accordance with its terms and by the Contract Counterparty against the Purchaser; *provided, however*, if the Purchaser fails to satisfy Cure Amounts with respect to any Assumed Contracts on or before thirty (30) days after the Closing Date, such contract(s) may be deemed rejected.

OO. The Debtor has, to the extent necessary, satisfied the requirements of Bankruptcy Code sections 365(b)(1) and 365(f) in connection with the Sale, the assumption and assignment of the Assumed Contracts, and shall upon assignment thereto on the Closing Date, be relieved from any liability for any breach thereof.

PP. Purchaser has demonstrated that it has the financial wherewithal to fully perform and satisfy the obligations under the Assumed Contracts as required by Bankruptcy Code sections 365(b)(1)(C) and 365(f)(2)(B). Pursuant to Bankruptcy Code section 365(f)(2)(B), Purchaser has

provided adequate assurance of future performance of the obligations under the Assumed Contracts.

QQ. Purchaser's promise to pay the Cure Amounts and to perform the obligations under the Assumed Contracts after the Closing Date constitutes adequate assurance of future performance within the meaning of Bankruptcy Code sections 365(b)(1)(C) and 365(f)(2)(B).

Sound Business Purpose for the Sale

RR. Good and sufficient reasons for approval of the APA and the Sale have been articulated. The relief requested in the Sale Motion is in the best interests of the Debtor, its estate, its creditors, and other parties in interest.

SS. The Debtor has demonstrated both (a) good, sufficient, and sound business purposes, reasons and justifications for approving the APA, and (b) compelling circumstances for the Sale outside the ordinary course of business, pursuant to Bankruptcy Code section 363(b).

Compelling Circumstances for the Sale Timing

TT. To maximize the value of the Assets and preserve the viability of the business to which the Assets relate, it is essential that the Sale of the Assets occur within the time constraints set forth in the APA and the [____ [Dkt. No. --] (the "**Final DIP and Cash Collateral Order**"), which provides that the Debtor's failure to meet the deadlines established by the Bid Procedures Order will constitute an event of default]. Time is of the essence in consummating the Sale.

UU. Given all of the circumstances of the Chapter 11 Case and the adequacy and fair value of the Purchase Price under the APA, the proposed Sale of the Assets to Purchaser constitutes a reasonable, prudent, and sound exercise of the Debtor's business judgment and should be approved.

VV. The transactions collectively described in the APA, including consummation of the Sale and the assumption and assignment of the Assumed Contracts, are legal, valid, and properly

authorized under all applicable provisions of the Bankruptcy Code, including, without limitation Bankruptcy Code sections 105(a), 363(b), 363(f), 363(m), and 365, Bankruptcy Rules 6004 and 6005(f), and all of the applicable requirements of such sections and rules have been complied with in all respects. The Debtor's sale process concerning the Assets was conducted in a non-collusive, fair and good faith manner.

WW. The Sale does not constitute a *sub rosa* or *de facto* chapter 11 plan. The Sale does not propose to: (i) impair or restructure existing debt of, or equity interests in, the Debtor; (ii) impair or circumvent voting rights with respect to any future plan proposed by the Debtor; (iii) circumvent chapter 11 plan safeguards, such as those set forth in Bankruptcy Code sections 1125 and 1129; or (iv) classify claims or equity interests, compromise controversies, or extend debt maturities. Accordingly, the Sale neither impermissibly restructures the rights of the Debtor's creditors, nor impermissibly dictates a liquidating chapter 11 plan for the Debtor.

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

General Provisions.

1. **Relief Granted.** The relief requested in the Sale Motion and the transactions contemplated thereby and by the APA are authorized and approved, pursuant to, *inter alia*, Bankruptcy Code sections 105(a), 363(b), and 365(a), for the reasons set forth in and subject to the terms of this Sale Order and on the record of the Sale Hearing, which is incorporated herein as if fully set forth in this Sale Order.

2. **Objections Overruled.** Except as otherwise expressly provided in this Sale Order, all objections to the Sale Motion and the relief requested therein that have not been withdrawn, waived, or settled by announcement to the Court during the Sale Hearing or by stipulation filed with the Court, including, without limitation, any and all reservations of rights included in such

objections or otherwise, are hereby denied and overruled on the merits, with prejudice. Those parties who did not timely object, or withdrew their objections, to the Sale Motion are deemed to have consented to this Sale Order, the Sale, and the APA pursuant to Bankruptcy Code section 363(f)(2) and are enjoined from taking any action against the Purchaser, its affiliates, or any agent of the foregoing to recover any claim which such person or entity may have against the Debtor.

3. **Sale Order and Agreement Binding on All Parties.** This Sale Order and the APA shall be binding in all respects upon all creditors of and holders of equity interests in the Debtor (whether known or unknown), agents, trustees and collateral trustees, holders of Encumbrances in, against, or on the Assets, or any portion thereof, all Contract Counterparties and any other non-Debtor parties to any contracts with the Debtor (whether or not assigned), all successors and assigns of the Debtor, and any subsequent trustees appointed in the Chapter 11 Case or upon a conversion of the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code and shall not be subject to rejection or unwinding. Nothing in any chapter 11 plan confirmed in the Chapter 11 Case, the confirmation order confirming any such chapter 11 plan, any order approving the wind down or dismissal of the Chapter 11 Case or any subsequent case under Chapter 7 of the Bankruptcy Code, or any order entered upon the conversion of the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code or thereafter or otherwise shall vacate, conflict with or derogate from the provisions of the APA or this Sale Order.

Approval of the APA

4. **Agreement Approved.** The APA and all other ancillary documents, and all of the terms and conditions thereof, are hereby approved.

5. **Authorization to Consummate Transactions.** Pursuant to Bankruptcy Code sections 363(b) and (f), the Debtor is authorized to consummate the Sale pursuant to and in accordance with the terms and conditions in the APA and this Sale Order. The Debtor and its

officers, employees, and agents are authorized, empowered, and directed to execute and deliver, and authorized and directed to perform under, consummate and implement, the APA together with the additional instruments and documents that may be reasonably necessary or desirable to implement the APA, including the assumption and assignment to Purchaser of the Assumed Contracts, and to take all further actions as may be (a) reasonably requested by the Purchaser for the purpose of assigning, transferring, granting, conveying and conferring to the Purchaser, or reducing to possession, the Assets; or (b) necessary or appropriate to the performance of the obligations contemplated by the APA, all without further order of the Court. Purchaser shall have no obligation to proceed with the Closing unless and until all conditions precedent to its obligations to do so have been met, satisfied, or waived (in a written document signed by the Purchaser).

Transfer of the Assets

6. **Transfer of the Assets Authorized.** Pursuant to Bankruptcy Code sections 105(a), 363(b), 363(f), and 365 the Debtor, including its officers, employees, and agents, is authorized and directed to (a) take any and all actions necessary or appropriate to perform, consummate, implement, and close the Sale in accordance with the terms and conditions set forth in the APA and this Sale Order, (b) assume and assign any and all Assumed Contracts, and (c) take all further actions and execute and deliver the APA and other related ancillary transaction documents and any and all additional instruments and documents that may be necessary or appropriate to implement the APA and the other related documents and consummate the Sale in accordance with the terms thereof, all without further order of the Court. At Closing, all of the Debtor's right, title, and interest in and to, and possession of, the Assets shall be immediately vested in the Purchaser (or its designee). Such transfer shall constitute a legal, valid, enforceable, and effective transfer of the Assets.

7. **Surrender of Assets by Third Parties.** All persons and entities that are in possession of some or all of the Assets on the Closing Date are directed to surrender possession of such Assets to Purchaser or its assignee at the Closing. On the Closing Date, each of the Debtor's creditors are authorized and directed to execute such documents and take such other actions as may be reasonably necessary to release their Encumbrances in or against the Assets, if any, as such Encumbrances may have been recorded or may otherwise exist with such Encumbrances attaching to the Net Proceeds in the same validity, priority and extent that existed prior to the Closing Date. All persons are hereby forever prohibited and enjoined from taking any action that would adversely affect or interfere with the ability of the Debtor to sell and transfer the Assets to Purchaser in accordance with the terms of the APA and this Sale Order.

8. **Net Proceeds.** All amounts received by the Debtor at Closing shall be paid directly to the DIP Lender and the Trustee, and the Debtor is authorized and directed to pay such amounts directly to the DIP Lender in an amount up the aggregate amount of the DIP Obligations outstanding, and to the Trustee in an amount up to the aggregate amount of the outstanding prepetition and postpetition obligations of the Debtor to the Trustee for indefeasible application by the Trustee to all outstanding obligations owed to the Trustee.

9. **Transfer Free and Clear of Interests, Claims and Liens.** Upon the Debtor's receipt of the Cash Purchase Price, and other than Permitted Liens and Assumed Liabilities specifically set forth in the APA, the transfer of the Assets to Purchaser shall be free and clear of all Encumbrances of any kind or nature whatsoever, including, without limitation, (a) successor or successor-in-interest liability, (b) Claims in respect of the Excluded Liabilities, and (c) any and all Contracts not assumed and assigned to Purchaser pursuant to the terms of the APA, with all such Encumbrances to attach to Net Proceeds with the same validity, force, and effect, and in the same

order of priority, which such Encumbrances now have against the Assets, subject to any rights, claims, and defenses that the Debtor or its estate, as applicable, may possess with respect thereto. If any person or entity that has filed financing statements, mortgages, mechanic's liens, *lis pendens* or other documents or agreements evidencing Encumbrances against or in the Assets shall not have delivered to the Debtor prior to the Closing of the Sale in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction or releases of all Encumbrances that the person or entity has with respect to such Assets, then only with regard to the Assets that are purchased by the Purchaser pursuant to the APA and this Sale Order, the Debtor is hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Assets as attorney in fact pursuant to the terms of this Sale Order, a certified copy of which may be submitted to and must be accepted by, the applicable recording or filing office and accepted as proof of execution by and on behalf of the applicable holder of the Encumbrance to be released thereby.

10. **Legal, Valid, and Marketable Transfer with Permanent Injunction.** The transfer of the Assets to Purchaser pursuant to the APA constitutes a legal, valid, and effective transfer of good and marketable title of the Assets, and vests, or will vest, Purchaser with all right, title, and interest to the Assets, free and clear of all Encumbrances except as otherwise expressly stated as obligations of the Purchaser under the APA. All entities or persons holding Encumbrances of any kind or nature whatsoever against the Debtor or the Assets, the operation of the Assets prior to the Closing Date, the Auction, or the Sale are hereby and forever barred, estopped, and permanently enjoined from asserting against Purchaser, its successors or assigns, its property, or the Assets, any claim, interest or liability existing, accrued, or arising prior to the Closing other than with respect to Permitted Liens or Assumed Liabilities.

11. **Recording Offices and Releases of Encumbrances.** On the Closing Date, this Sale Order shall be construed and shall constitute for any and all purposes a full and complete general assignment, conveyance, and transfer of the Assets or a bill of sale transferring good and marketable title of the Assets to Purchaser subject to the terms hereof and the APA. This Sale Order is and shall be effective as a determination that, on the Closing Date, all Encumbrances of any kind or nature whatsoever existing as to the Assets prior to the Closing Date, other than Permitted Liens and Assumed Liabilities shall have been unconditionally released, discharged, and terminated with such Encumbrances attaching to the Net Proceeds in the same validity, priority and extent that existed prior to the Closing Date, and that the conveyances described herein have been affected. This Sale Order is and shall be binding upon and govern the acts of the Debtor, the Purchaser, all creditors and other parties in interest and all other persons and entities, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, clerks of courts, administrative agencies, governmental departments, secretaries of state, federal and local officials, and all other persons 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 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 APA. 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 APA. A certified copy of this Sale Order may be: (a) filed with the appropriate clerk; (b) recorded with the recorder; and/or (c) filed or recorded with any other governmental

agency to act to cancel any Encumbrances against the Assets, other than the Permitted Liens and Assumed Liabilities.

12. **Cancellation of Third-Party Encumbrances.** If any person or entity that has filed statements or other documents or agreements evidencing Encumbrances on or in all or any portion of the Assets (other than with respect to Permitted Liens or Assumed Liabilities) has not delivered to the Debtor 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 Encumbrances that such person or entity has or may assert with respect to all or a portion of the Assets, the Debtor and Purchaser are authorized to execute and file such statements, instruments, releases and other documents on behalf of such person or entity with respect to the Assets. Notwithstanding the foregoing, the provisions of this Sale Order authorizing the transfer of the Assets free and clear of all Encumbrances (except only for Permitted Liens and Assumed Liabilities) shall be self-executing, and it shall not be, or be deemed, necessary for any person or entity to execute or file releases, termination statements, assignments, consents, or other instruments in order for the provisions of this Sale Order to be implemented.

Assumption and Assignment of Contracts

13. **Authorization to Assume and Assign.** Upon the Closing, the Debtor is authorized and directed, in accordance with Bankruptcy Code sections 105(a), 363, and 365, to assume and assign each of the Assumed Contracts to Purchaser free and clear of all Encumbrances as of the Closing Date. The payment of the applicable Cure Amounts (if any) by Purchaser shall (a) effect a cure or adequate assurance of cure of all defaults existing thereunder as of the date on which the Debtor filed its voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the “**Petition Date**”), and (b) compensate for any actual pecuniary loss to such Contract Counterparty

resulting from such default. Purchaser shall then have assumed the Assumed Contracts without any further pre-assumption duties, financial liabilities or other obligations and, pursuant to Bankruptcy Code section 365(f), the assignment by the Debtor of such Assumed Contracts shall not be a default thereunder. Upon the payment of the relevant Cure Amounts, neither the Debtor nor Purchaser, shall have any further liabilities to the Contract Counterparties, other than Purchaser's obligations under the Assumed Contracts, that accrue and become due and payable on or after the Closing Date. Any agreements regarding Cure Amounts shall be binding as if, and have the same effect as if, the Court had made a final determination of such Cure Amounts pursuant to this Sale Order.

14. **Assignment Requirements Satisfied.** The Debtor has demonstrated that assuming and assigning the Assumed Contracts in connection with the Sale is an exercise of the Debtor's sound business judgment, and that such assumption and assignment is in the best interest of the Debtor's estate. The Assumed Contracts shall be transferred to, and remain in full force and effect for the benefit of, Purchaser, in accordance with their respective terms, notwithstanding (a) any provision in any such Assumed Contract (including provisions of the type described in Bankruptcy Code sections 365(b)(2), (e)(1) and (f)(1)) which prohibits, restricts or conditions such assignment or transfer, or (b) any default by the Debtor prior to Closing under any such Assumed Contract or any disputes between the Debtor and a Contract Counterparty with respect to any such Assumed Contract arising prior to Closing. In particular, any provisions in any Assumed Contract that restrict, prohibit or condition the assignment of such Assumed Contract or allow the Contract Counterparty to such Assumed Contract to terminate, recapture, impose any penalty, condition on renewal or extension or modify any term or condition upon the assignment of such Assumed Contract, constitute unenforceable anti-assignment provisions that are void and of no force and

effect. Additionally, no sections or provisions of the Assumed Contracts that purport to (a) prohibit, restrict or condition the Debtor's assignment of the Assumed Contracts, including, but not limited to, the conditioning of such assignment on the consent of the non-debtor parties to such Assumed Contracts; (b) authorize the termination, cancellation or modification of the Assumed Contracts based on the filing of a bankruptcy case, the financial condition of the Debtor or similar circumstances; or (c) declare a breach or default or otherwise give rise to a right of termination as a result of any change in control in respect of the Debtor, shall have any force and effect, and such provisions constitute unenforceable anti-assignment provisions under Bankruptcy Code section 365(f) and/or are otherwise unenforceable under Bankruptcy Code section 365(e). All other requirements and conditions under Bankruptcy Code sections 363 and 365 for the assumption by the Debtor and assignment to the Purchaser of the Assumed Contracts have been satisfied. Upon the Closing, in accordance with Bankruptcy Code sections 363 and 365, the Purchaser shall be fully and irrevocably vested with all right, title, and interest of the Debtor under the Assumed Contracts.

15. **Consent to Assign.** The Contract Counterparties to each Assumed Contract shall be and hereby are deemed to have consented to such assumption and assignment under Bankruptcy Code section 365(c)(1)(B) or this Court has determined that no such consent is required, and Purchaser shall enjoy all of the rights and benefits under each such Assumed Contract as of the Closing Date without the necessity of obtaining the Contract Counterparty's written consent to the assumption and assignment thereof.

16. **Section 365(k).** Upon the Closing and the payment of the applicable Cure Amount with respect to an Assumed Contract, Purchaser shall be deemed to be substituted for the Debtor as a party to the Assumed Contracts as of the Closing Date and the Debtor and its estate shall be

relieved, pursuant to Bankruptcy Code section 365(k), from any further liability under the Assumed Contracts.

17. **No Default.** Subject to the terms hereof with respect to the Cure Amounts, all defaults or other obligations of the Debtor under the Assumed Contracts arising or accruing prior to the Closing Date have been cured or shall promptly be cured by the Debtor in accordance with the terms hereof and the APA such that Purchaser shall have no liability or obligation with respect to any default or obligation arising or accruing under any Assumed Contract prior to the Closing Date, except to the extent expressly provided in the APA, and except for payment of the Cure Amounts. Each party to an Assumed Contract is forever barred, estopped, and permanently enjoined from asserting against Purchaser or its property or affiliates, or successors and assigns, any breach or default under any Assumed Contract, any claim of lack of consent relating to the assignment thereof, or any counterclaim, defense, setoff, right of recoupment, or any other matter arising prior to the Closing Date for such Assumed Contract or with regard to the assumption and assignment therefore pursuant to the APA or this Sale Order. Upon the payment of the applicable Cure Amount, if any, the Assumed Contracts will remain in full force and effect, and no default shall exist under the Assumed Contracts nor shall there exist any event or condition which, with the passage of time or giving of notice, or both, would constitute such a default.

18. **Adequate Assurance Provided.** The requirements of Bankruptcy Code sections 365(b)(1) and 365(f)(2) are hereby deemed satisfied with respect to the Assumed Contracts based on Purchaser's evidence of its financial condition and wherewithal and without any further action by Purchaser, including but not limited to any other or further deposit. Pursuant to Bankruptcy Code section 365(f), Purchaser has provided adequate assurance of future performance of the obligations under the Assumed Contracts.

19. **Ancillary and Related Agreements.** Assumption of the Assumed Contracts shall include any ancillary or related agreements, or rights appurtenant thereto, pursuant to which the Debtor has rights or licenses granted in connection with or under the Assumed Contracts, so long as such ancillary or related agreements do not create additional obligations of the Debtor or the Purchaser beyond those set out in the Assumed Contracts (unless Purchaser subsequently agrees to such obligations).

20. **No Fees.** There shall be no rent accelerations, assignment fees, increases or any other fees or other charges of any nature whatsoever assessed against or imposed on Purchaser or the Debtor because of the assumption and assignment of the Assumed Contracts.

21. **Injunction.** Pursuant to Bankruptcy Code sections 105(a), 363, and 365, other than the right to payment of the Cure Amounts, if any, all Contract Counterparties are forever barred and permanently enjoined from raising or asserting against the Debtor or Purchaser any assignment fee, default, breach or claim, or pecuniary loss arising under or related to the Assumed Contracts existing as of the Petition Date or any assignment fee or condition to assignment arising by reason of the Closing.

22. **Residency Agreements.** Residency Agreements will be treated in accordance with the terms of the APA, and notwithstanding anything contrary therein or herein, no Residency Agreement will be assigned to Purchaser.

23. **Contract Objections.** Except for a Contract Counterparty who files, or has filed, a timely objection to the Cure amount by **[January 9, 2026], at 4:00 p.m. (Central Time)**, which objection shall be resolved in accordance with the procedures set forth in the Bid Procedures Order (a “**Contract Objection**”), such Contract Counterparty is deemed to have consented to such Cure Amount. Except for a Contract Counterparties who files, or has filed, a timely Contract Objection

to the Debtor's proposed assignment of such Assumed Contracts to the Purchaser, which objection shall be resolved in accordance with the procedures set forth in the Bid Procedures Order, such Contract Counterparty is deemed to have consented to the assumption and assignment, and the Purchaser shall be deemed to have demonstrated adequate assurance of future performance with respect to, such Assumed Contracts pursuant to Bankruptcy Code sections 365(b)(1)(C) and 365(f)(2)(B). The provisions of this Sale Order shall be effective and binding upon the Contract Counterparties to the extent set forth in, and in accordance with, such procedures. Nothing in this Sale Order, the Sale Motion, or in any notice or any other document is, or shall be, deemed an admission by the Debtor that any Assumed Contract is an executory contract or unexpired lease, or must be assumed and assigned pursuant to the APA in order to consummate the Sale.

24. [Reservation of Rights.]

25. **No Further Debtor Liability.** Except as provided in the APA or in this Sale Order, after the Closing, the Debtor and its estate shall have no further liabilities or obligations with respect to any Assumed Liabilities, and all holders of such Claims are forever barred and estopped from asserting such Claims against the Debtor, its successors or assigns, its property, or the Debtor's estate.

26. **No Waiver of Rights.** The failure of the Debtor or Purchaser to enforce, at any time, one or more terms or conditions of any Assumed Contracts shall not be a waiver of any such terms or conditions, or of the Debtor's or Purchaser's rights to enforce every term and condition of the Assumed Contracts.

27. [Resolution with Cure Objection Parties.]

Prohibitions of Actions Against the Purchaser

28. **No Successor Liability.** Upon Closing, Purchaser shall not be deemed (i) a successor to the Debtor, (ii) a party to a de facto merger of Purchaser and the Debtor, or (iii) a mere continuation of the Debtor. Without limiting the generality of the foregoing, Purchaser shall not be liable for any claims against Debtor or any of its predecessors or affiliates, other than as expressly provided for in the APA. Further, except for the Permitted Liens and Assumed Liabilities set forth in the APA, or as otherwise expressly provided for in this Sale Order or the APA, Purchaser shall not have any liability or other obligation of the Debtor arising under or related to any of the Assets for any reason or under any theory, including without limitation, alter ego, *de facto* merger, piercing the corporate veil or any other form of successor liability. Without limiting the generality of the foregoing, and except as otherwise expressly provided herein or in the APA, Purchaser shall not be liable for any Claims against the Debtor or any of its predecessors or affiliates, and Purchaser shall have no successor or vicarious liabilities of any kind or character, including, without limitation, under any theory of antitrust, environmental, successor, or transfer reliability, 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, including, without limitation, liabilities on account of warranties, intercompany loans, receivables among the Debtor and its affiliates, environmental liabilities, and any taxes arising, accruing, or payable under, out of, in connection with, or in any way relating to the operation of any of the Assets prior to the Closing.

29. Other than as expressly set forth in the APA, the Purchaser shall not have any responsibility for (a) any liability or other obligation of the Debtor or related to the Assets or (b) any claims against the Debtor or any of its predecessors or affiliates. Except as expressly

provided in the APA with respect to the Purchaser, the Purchaser shall not have any liability whatsoever with respect to the Debtor's (or its predecessors' or affiliates') respective businesses or operations or the Debtor's (or its predecessors' or affiliates') obligations (as defined herein, "**Successor or Transferee Liability**") based, in whole or in part, directly or indirectly, on any theory of successor or vicarious liability of any kind of character, or based upon any theory of antitrust, environmental, successor, or transferee liability, *de facto* merger or substantial continuity, labor and employment or products liability, whether known or unknown as of the Closing, now existing or hereafter arising, asserted or unasserted, fixed or contingent, liquidated or unliquidated, including, without limitation, liabilities on account of (a) any taxes arising, accruing, or payable under, out of, in connection with, or in any way relating to the Assets or the Assumed Liabilities prior to the Closing or in respect of pre-Closing periods or (b) any plan, agreement, practice, policy, or program, whether written or unwritten, providing for pension, retirement, health, welfare, compensation, or other employee benefits which is or has been sponsored, maintained, or contributed to by the Debtor or with respect to which the Debtor has any liability, whether or not contingent, including, without limitation, any "multiemployer plan" (as defined in Section 3(37) of ERISA) or "pension plan" (as defined in Section 3(2) of ERISA) to which the Debtor has at any time contributed, or had any obligation to contribute. Except to the extent expressly included in the Assumed Liabilities with respect to the Purchaser or as otherwise expressly set forth in the APA, the Purchaser shall not have any liability or obligation under any applicable law, including, without limitation, (a) the WARN Act, 29 U.S.C. §§ 2101 *et seq.*, (b) the Comprehensive Environmental Response Compensation and Liability Act, (c) the Age Discrimination and Employment Act of 1967 (as amended), (d) the Federal Rehabilitation Act of 1973 (as amended), (e) the National Labor Relations Act, 29 U.S.C. §§ 151 *et seq.*, or (f) any

foreign, federal, state, or local labor, employment or environmental law, by virtue of the Purchaser's purchase of the Assets, assumption of the Assumed Liabilities, or hiring of certain employees of the Debtor pursuant to the terms of the APA. Without limiting the foregoing, the Purchaser shall not have any liability or obligation with respect to any environmental liabilities of the Debtor or any environmental liabilities associated with the Assets except to the extent they are Assumed Liabilities set forth in the APA.

30. **Actions Against Purchaser Enjoined.** Except with respect to Permitted Liens, Assumed Contracts, and Assumed Liabilities set forth in the APA, or as otherwise permitted by the APA or this Sale Order, all persons and entities, including, without limitation, all debt security holders, equity security holders, governmental, tax, and regulatory authorities, lenders, trade creditors, litigation claimants, and other creditors, holding Interest of any kind or nature whatsoever against, or in, all or any portion of the Assets, arising under, out of, in connection with, or in any way relating to, the Debtor, the Assets, the operation of the Debtor's business prior to the Closing Date, or the transfer of the Assets to Purchaser, hereby are forever barred, estopped, and permanently enjoined from asserting against Purchaser, or any of its affiliates, successors, or assigns, or their property or the Assets, such persons' or entities' Encumbrances in, against, and/or to the Assets, including, without limitation, the following actions against Purchaser or its affiliates, or their successors, assets, or properties: (a) commencing or continuing in any manner any action or other proceeding; (b) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or other order; (c) creating, perfecting, or enforcing any Lien or other Claim; (d) asserting any set off, right of subrogation, or recoupment of any kind; (e) commencing or continuing any action, in any manner or place, that does not comply or is inconsistent with the provisions of this Sale Order or other orders of this Court, or the APA or actions contemplated or

taken in respect thereof; or (f) revoking, terminating, or failing or refusing to transfer or renew any license, permit, or authorization to operate any of the Assets or conduct any of the business operated with the Assets.

Other Provisions

31. **Licenses.** To the extent subsequently agreed by the parties and to the maximum extent permitted by applicable law, and in accordance with the APA, the Purchaser (or its designee) shall be authorized, as of the Closing, to operate under any license, permit, registration, and governmental authorization or approval (collectively, the “**Licenses**”) of the Debtor with respect to the Assets. To the extent subsequently agreed by the parties and to the extent the Purchaser (or its designee) cannot operate under any Licenses in accordance with the previous sentence, such Licenses shall be in effect while the Purchaser (or its designee), with assistance from the Debtor, works promptly and diligently to apply for and secure all necessary government approvals for new issuance of Licenses to the Purchaser (or its designee). To the extent subsequently agreed by the parties, the Debtor shall, at Purchaser’s sole cost, maintain the Licenses in good standing to the fullest extent allowed by applicable law for the Purchaser’s benefit until equivalent new Licenses are issued to the Purchaser (or its designee).

32. **Effective Immediately.** For cause shown, pursuant to Bankruptcy Rules 6004(g), 6004(h), 6006(d), and 7062(g), this Sale Order shall not be stayed and shall be effective immediately upon entry, and the Debtor and the Purchaser are authorized to close the Sale immediately upon entry of this Sale Order. The Debtor and Purchaser may consummate the APA at any time after entry of this Sale Order by waiving any and all closing conditions set forth in the APA that have not been satisfied and by proceeding to close the Sale without any notice to the Court, any prepetition or postpetition creditor of the Debtor and/or any other party in interest.

33. **Access to Books and Records.** Following the Closing of the Sale, the Purchaser shall have, and the Debtor shall provide, reasonable access to its books and records in accordance with Section 5.2 of the APA.

34. **Bulk Sales Law.** No bulk sales law or any similar law of any state or other jurisdiction applies in any way to the Sale.

35. **Agreement Approved in Entirety.** The failure specifically to include any particular provision of the APA in this Sale Order shall not diminish or impair the effectiveness of such provision, it being the intent of this Court that the APA be authorized and approved in its entirety.

36. **Further Assurances.** From time to time, as and when requested, all parties shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as the requesting party may reasonably deem necessary or desirable to consummate the Sale, including such actions as may be necessary to vest, perfect, or confirm or record or otherwise in the Purchaser its right, title, and interest in and to the Assets.

37. **Modifications to Agreement.** The APA 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, in a writing signed by such parties with notice of such proposed changes to the DIP Lender, the Trustee and any unsecured creditors committee, without further order of this Court, provided that any such modification, amendment or supplement does not have a material adverse effect on the Debtor's estate.

38. **Standing.** The transactions authorized herein shall be of full force and effect, regardless of the Debtor's lack of good standing in any jurisdiction in which the Debtor is formed

or authorized to transact business. Additionally, the Purchaser has standing to take actions as necessary to enforce the terms of this Sale Order, the APA, and any related or ancillary agreements.

39. **Authorization to Effect Order.** The Debtor is authorized to take all actions necessary to effectuate the relief granted pursuant to this Sale Order in accordance with the Sale Motion.

40. **Automatic Stay.** The automatic stay pursuant to Bankruptcy Code section 362 is hereby modified, lifted, and annulled with respect to the Debtor and Purchaser to the extent necessary, without further order of this Court, to (a) allow Purchaser to deliver any notice provided for in the APA, and (b) allow Purchaser to take any and all actions permitted under the APA in accordance with the terms and conditions thereof. The Purchaser shall not be required to seek or obtain relief from the automatic stay under Bankruptcy Code section 362 to enforce any of its remedies under the Agreement or any other Sale-related document.

41. **No Other Bids[/Backup Bid].** Except as set forth immediately below, no further bids or offers for the Assets shall be considered or accepted by the Debtor after the date hereof unless the Sale to Purchaser is not consummated or otherwise does not occur in accordance with the APA or its related documents. [Notwithstanding the foregoing, ____.]

42. **Order to Govern.** To the extent that this Sale Order is inconsistent with any prior order entered or pleading filed in the Chapter 11 Case, the terms of this Sale Order shall govern. To the extent there are any inconsistencies between the terms of this Sale Order and the APA (including all ancillary documents executed in connection therewith), the terms of this Sale Order shall govern.

43. **Non-Severability.** The provisions of this Sale Order are nonseverable and mutually dependent.

44. **Retention of Jurisdiction.** This Court shall retain exclusive jurisdiction with respect to the terms and provisions of this Sale Order and the APA.

45. **Transfer Taxes.** To the fullest extent permissible under applicable law, including, without limitation, Bankruptcy Code section 1146(a), the Sale shall not be taxed under any law imposing a transfer, stamp or similar tax.

46. **Post-Closing Obligations.** The provisions of this Sale Order and the APA and any actions taken pursuant hereto or thereto shall survive entry of any order that may be entered (i) confirming or consummating any plan of reorganization or liquidation of the Debtor; (ii) converting the Debtor's bankruptcy case from chapter 11 to chapter 7; (iii) dismissing the Debtor's bankruptcy case; or (iv) appointing a chapter 11 trustee or examiner, and the terms and provisions of the APA as well as the rights and interests granted pursuant to this Sale Order and the APA shall continue in this chapter 11 case or any superseding case and shall be binding upon the Debtor, Purchaser, and their respective successors and permitted assigns. The post-closing obligations under the APA shall be unaffected and fully preserved, so that any successor, liquidating trust, chapter 7 trustee, or the like shall be obligated and required to comply with all post-Closing duties, including without limitation, further assurances and any obligations under management and, if applicable, lease agreements regardless of the status of this chapter 11 case, without cost to, or the necessity of filing any motion or administrative claim by, Purchaser.

Exhibit 1 to Sale Order

(APA)

Exhibit 2 to Sale Order

(Designated Contracts and Leases)

Assumed Contracts²

Counterparty	Description of Contracts or Leases	Cure Amount

² The presence of a contract or lease on this schedule does not constitute an admission by the Debtor that such contract is an executory contract or such lease in an unexpired lease pursuant to Bankruptcy Code section 365 or any other applicable law, and the Debtor reserves all rights to withdraw any proposed assumption and assignment or to reject any contract or lease at any time before the Closing Date.

EXHIBIT E

Title Pro Forma

(Attached)

FIRST AMERICAN TITLE INSURANCE COMPANY
OWNER'S POLICY OF TITLE INSURANCE T-1
SCHEDULE A

Name and Address of Title Insurance Company:
First American Title Insurance Company
1 First American Way
Santa Ana, CA

File No.: 5263571-F-TX-CP-TA Policy No.: 50268448-0003019e

Address for Reference only: 8580 Woodway Drive, Houston, TX 77063

Amount of Insurance: \$100,000,000.00 Premium: \$238,893.75

Date of Policy: at

- 1. Name of Insured:
Focus SH Acquisitions LLC, or its nominee
- 2. The estate or interest in the Land that is insured by this policy is:
Fee Simple
- 3. Title is insured as vested in:
Focus SH Acquisitions LLC, or its nominee
- 4. The Land referred to in this policy is described as follows:
SEE LEGAL DESCRIPTION ATTACHED HERETO

Kensington Vanguard National Land Services of TX, LLC

By: _____
Authorized Officer or Agent

LEGAL DESCRIPTION

File No.: 5263571-F-TX-CP-TA

Policy No.: 50268448-0003019e

Legal description of the land:

Unrestricted Reserve B, Block 1, CREEKSIDE APARTMENTS REPLAT NO. 3. a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Film Code No. 669224 of the Map and/or Plat Records of Harris County, Texas.

BEING ALSO DESCRIBED AS:

PARCEL 1 (17.860 ACRE TRACT OF LAND)

Being a 17.860 acre tract of land situated in the John D. Taylor League, Abstract No. 72, City of Houston, Harris County, Texas, being all of a called 17.6420 acre tract described and recorded under Harris County Clerk's File Number (H.C.C.F. No.) U075454, and also being all of the called 17.86 acre Unrestricted Reserve "A", Buckingham Westport Senior Living Community, a subdivision recorded under Film Code No. 504020 of the Harris County Map Records (H.C.M.R.), said 17.860 acre tract being more particularly described by metes and bounds as follows:

Bearing orientation is based on the recorded plat of Buckingham Westport Senior Living Community, a subdivision recorded under Film Code No. 504020 of the Harris County Map Records.

BEGINNING at a 5/8-inch iron rod found in the north right-of-way line of Woodway Drive, (width varies) as recorded under H.C.C.F. No. S471258, and being the common southerly corner of the Replat of Creekside Apartments, as recorded in Volume 297, Page 1, H.C.M.R., and the herein described 17.860 acre tract;

THENCE, N 01°50'54" W, with the east line of said Replat of Creekside Apartments, same being the west line of said Buckingham Westport Senior Living Community, at a distance of 650.15 feet passing the northeast corner of said Replat of Creekside Apartments from which a found 5/8-inch iron rod bears N 88°07'43" W, 0.35' and continuing a total distance of 818.45 feet to a point in the centerline of Buffalo Bayou;

THENCE, with the meanders of said centerline of Buffalo Bayou, being the northern line of the herein described tract of land the following eleven (11) courses and distances:

1. N 33°35'58" E, a distance of 113.23 feet to a point;
2. N 54°39'44" E, a distance of 68.75 feet to a point;
3. N 49°30'10" E, a distance of 108.14 feet to a point;
4. N 52°53'43" E, a distance of 178.22 feet to a point;
5. N 67°34'49" E, a distance of 98.44 feet to a point;
6. S 76°43'56" E, a distance of 120.81 feet to a point;
7. S 40°45'13" E, a distance of 134.52 feet to a point;
8. S 34°16'37" E, a distance of 141.09 feet to a point;
9. S 39°43'21" E, a distance of 157.63 feet to a point;
10. S 49°47'38" E, a distance of 70.50 feet to a point;

LEGAL DESCRIPTION

(Continued)

11. S 80°22' 11" E, a distance of 31.51 feet to a point;

THENCE, leaving said centerline of Buffalo Bayou and along the east lines of said Buckingham Westport Senior Living Community the following fourteen (14) courses and distances:

1. S 02°38'02" W, a distance of 102.95 feet to a point for corner;
2. S 87°21 '58" E, a distance of 91.83 feet to a point for corner;
3. S 03°48'42" E, a distance of 31.72 feet to a point for corner;
4. S 13°51 '53" W, a distance of 77.23 feet to a 5/8-inch iron rod with cap stamped BROWN & GAY set for angle point;
5. S 59°39'27" W, a distance of 34.94 feet to a 5/8-inch iron rod with cap stamped BROWN & GAY set for angle point;
6. S 16°39'51" W, a distance of 140.46 feet to a 5/8-inch iron rod with cap stamped BROWN & GAY set for angle point;
7. S 85°09'58" W, a distance of 31.23 feet to a 5/8-inch iron rod with cap stamped BROWN & GAY set for angle point;
8. N 37°31'04" W, a distance of 17.24 feet to a 5/8-inch iron rod with cap stamped BROWN & GAY set for angle point;
9. N 21°08'01" W, a distance of 41.94 feet to a 5/8-inch iron rod found for angle point;
10. S 52°17'38" W, a distance of 160.58 feet to a 5/8-inch iron rod with cap stamped BROWN & GAY set for angle point;
11. S 78°15'36" W, a distance of 140.62 feet to a 5/8-inch iron rod found for angle point;
12. S 35°42'45" E, a distance of 56.91 feet to a 5/8-inch iron rod found for angle point;
13. S 30°52'04" W, a distance of 245.72 feet to a 5/8-inch iron rod found for angle point;
14. S 02°23'56" E, a distance of 30.00 feet to a 5/8-inch iron rod found in the said north right-of-way line of Woodway Drive, same being the southeast corner of hereindescribed 17.860 acre tract;

THENCE, S 87°36'04" W, a distance of 465.74 feet along said north right-of-way line of Woodway Drive to the POINT OF BEGINNING and containing 17.860 acres of land.

This metes and bounds description was prepared in conjunction with an ALTA\ACSM Land Title Survey of a 17.860 acre tract dated September 26, 2003, revised November 3, 2003.

PARCEL 2 (5.9920 ACRE TRACT OF LAND)

Being a tract or parcel containing 5.9920 acres (261,012 square feet) of land situated in the John D. Taylor Survey, Abstract Number 72, Harris County, Texas, and being out of and a portion of Tract 9 as described in the deed to CRVI Westpoint, L.P., recorded under Harris County Clerk's File Number 20070736886 which is all of Creekside Apartments, Second Replat, according to the plat thereof recorded under Film Code Number 385092 of

LEGAL DESCRIPTION

(Continued)

the Harris County Map Records; said 5.9920 acre tract being more particularly described by metes and bounds as follows (bearings stated herein are based on the record bearings of said plat of Creekside Apartments, Second Replat):

BEGINNING at a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set in the north right-of-way line of Woodway Drive (80 feet wide) marking a point on a curve to the left common with the southeast corner of the herein described tract and the southeast corner of said Creekside Apartments, Second Replat, and the southwest corner of Buckingham Westport Senior Living Community according to the plat thereof recorded under Film Code Number 504020 of the Harris County Map Records, from which a 5/8-inch iron rod found in said north right-of-way line marking the southeast corner of said Buckingham Westport Senior Living Community bears North $88^{\circ}30'58''$ East 465.75 feet;

THENCE, along said north right-of-way line and said curve to the left having a central angle of $28^{\circ}49'44''$, an arc distance of 455.15 feet, 11 radius of 904.58 feet, and a chord which bears South $75^{\circ}30'06''$ West, a distance of 450.36 feet to a 5/8-inch Iron rod with plastic cap stamped "TERRA SURVEYING" set marking southwest corner of the herein described tract;

THENCE, crossing the aforesaid Creekside Apartments, Second Replat the following Eight (8) courses and distances:

North $04^{\circ}55'03''$ West, a distance of 23.17 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking an angle corner of the herein described tract;

North $60^{\circ}27'18''$ West, a distance of 35.85 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking an angle corner of the herein described tract;

North $25^{\circ}06'13''$ West, a distance of 18.32 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking an angle corner of the herein described tract;

North $12^{\circ}33'31''$ East, a distance of 99.50 feet to an "X" set in concrete marking an angle corner of the herein described tract;

North $16^{\circ}54'42''$ East, a distance of 20.00 feet to a Nail set in asphalt marking an angle corner of the herein described tract;

North $16^{\circ}33'27''$ East, a distance of 10.00 feet to a Nail set in asphalt marking an angle corner of the herein described tract;

North $53^{\circ}29'42''$ West, a distance of 103.42 feet to a Nail set in asphalt marking an angle corner of the herein described tract;

North $00^{\circ}27'03''$ West, a distance of 179.81 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set in the south line of the called 4.325 acre Harris County Flood Control District Fee Tract (Buffalo Bayou) as described in the deed recorded under Harris County Clerk's File Number D279004 marking the northwest corner of the herein described tract common with a point on a curve to the left;

THENCE, along the south line of said Harris County Flood Control District Fee Tract (Buffalo Bayou), along said curve to the left having a central angle of $15^{\circ}57'02''$, an arc distance of 148.10 feet, a radius of 531.98 feet, and a chord which bears North $62^{\circ}22'07''$ East, 147.62 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking the end of said curve;

LEGAL DESCRIPTION

(Continued)

THENCE, North 54°23'36" East, continuing along said south line of the Harris County Flood Control District Fee Tract (Buffalo Bayou), a distance of 510.15 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set in the east line of the aforesaid Buckingham Westport Senior Living Community marking the northeast corner of the herein described tract from which a found 5/8-inch iron rod bears South 80°59' West, 2.33 feet, and a found 5/8-Inch iron rod bears South 65°23'38" West, 1.68 feet;

THENCE, South 00°04'00" West, along said east line of Buckingham Westport Senior Living Community, a distance of 650.15 feet to the POINT OF BEGINNING and containing 5.9920 acres (261,012 square feet) of land. This description is based on the ALTA/ACSM Land Title Survey prepared by Terra Surveying Company, Inc., dated October 09, 2013, TSC Project Number 1617• 1320-S.

Note: The Company is prohibited from insuring the area of quantity of the land described herein. Any statement in the above legal description of the area of quantity of land is not representation that such area of quantity is correct but is made only for informational and/or identification purpose and does not override Item 2 of Schedule B hereof.

SCHEDULE B

File No.: 5263571-F-TX-CP-TA

Policy No.: 50268448-0003019e

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of the terms and conditions of the leases and easements, if any, shown in Schedule A, and the following matters:

1. The following restrictive covenants of record itemized below (the Company must either insert specific recording data or delete this exception):

Any covenants, conditions or restrictions indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin are hereby deleted to the extent such covenants, conditions or restrictions violate 42 USC 3604 {c}. Film Code Nos. [376059], [504020] and [669224], Map and/or Plat Records; County Clerk's File Nos. [U075452], [U456396], [R916986], [T045989], [S486146], [S687060], [T045990], [T045991] and [20140454403] of the Official Public Records of Harris County, Texas.
2. ~~Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements. Covered Risk 2 (c) is hereby deleted.~~
3. Homestead or community property or survivorship rights, if any, of any spouse of any Insured.
4. Any titles or rights asserted by anyone, including but not limited to, persons, the public, corporations, governments or other entities,
 - (a) to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or
 - (b) to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
 - (c) to filled-in lands, or artificial islands, or
 - (d) to statutory water rights, including riparian rights, or
 - (e) to the area extending from the line of mean low tide to the line of vegetation, or the right of access to that area or easement along and across that area.
5. Standby fees, taxes and assessments by any taxing authority for the year 2025, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year.
6. The following matters and all terms of the documents creating or offering evidence of the matters (The Company must insert matters or delete this exception).
 - a. Maintenance Charge/Assessments as provided for in instrument(s) recorded in County Clerk's File Nos. [U075452](#) and [U456396](#), of the Official Public Records of Harris County, Texas. Subordination to the lien of any Mortgage(s) placed upon the Property or any part thereof for the purpose of securing indebtedness incurred to purchase or improve the Primary Property and/or Secondary Property or any part thereof (or refinancing of indebtedness incurred for either of such purposes).

SCHEDULE B

(Continued)

- b. Maintenance Charge/Assessments as provided for in instrument(s) recorded in County Clerk's File Nos. [R916986](#), [S486146](#), [S687060](#) and [T045991](#), of the Official Public Records of Harris County, Texas. Subordination to the lien of any Mortgage(s) placed upon the Property or any part thereof for the purpose of securing indebtedness incurred to purchase or improve the Property or any part thereof (or refinancing of indebtedness incurred for either of such purposes).
- c. In addition to restrictive covenants excepted to in Schedule B, Item 1, all other terms, easements, covenants, assessments, liens, and other matters contained in the following instruments: Film Code Nos. [376059](#), [504020](#) and [669224](#), Map and/or Plat Records; County Clerk's File Nos. [U075452](#), [U456396](#), [R916986](#), [T045989](#), [S486146](#), [S687060](#), [T045990](#), [T045991](#) and [20140454403](#), Official Public Records of Harris County, Texas.
- d. Intentionally Deleted.
- e. Intentionally Deleted.
- f. Intentionally Deleted.
- g. Intentionally Deleted.
- h. Easement: Sanitary Sewer
Recorded: February 27, 1968 in [Volume 7101, Page 301](#), of the Deed Records, Harris County, Texas.

Which is also referenced on plat recorded Film Code No. [669224](#) of the Map and/or Plat Records of Harris County, Texas.
- i. Easement: Sanitary Sewer
Recorded: August 09, 1966 in [Volume 6461, Page 386](#), of the Deed Records, Harris County, Texas.

Which is also referenced on plat recorded Film Code No. [669224](#) of the Map and/or Plat Records of Harris County, Texas.
- j. Easement: Water Meter
Recorded: April 20, 1972 in County Clerk's File No. [D572245](#), of the Official Public Records, Harris County, Texas.

SCHEDULE B
(Continued)

Which is also referenced on plat recorded Film Code No. [669224](#) of the Map and/or Plat Records of Harris County, Texas.

- k. Easement: Electric distribution facilities and natural gas facilities
Recorded: August 11, 2004 in County Clerk's File No. [X835634](#), of the Official Public Records, Harris County, Texas.

Which is also referenced on plat recorded Film Code No. [669224](#) of the Map and/or Plat Records of Harris County, Texas.

- l. Easement: Electric distribution and communication facilities
Recorded: September 24, 2004 in County Clerk's File No. [X941633](#), of the Official Public Records, Harris County, Texas.

Which is also referenced on plat recorded Film Code No. [669224](#) of the Map and/or Plat Records of Harris County, Texas.

- m. Easement: Utility and Fire Lane
Recorded: October 09, 2014 in County Clerk's File No [20140454403](#), of the Official Public Records, Harris County, Texas.

Which is also referenced on plat recorded Film Code No. [669224](#) of the Map and/or Plat Records of Harris County, Texas.

- n. Easement: Broadband Communications
Recorded: March 15, 2017 in County Clerk's File No. RP-[2017-109120](#), of the Official Public Records, Harris County, Texas.

- o. Intentionally Deleted.

- p. Intentionally Deleted.

- q. Intentionally Deleted.

- r. Terms, Conditions, provisions, easements, restrictions, reservations and other matters:
Document: Declaration of Restrictions and Granting of Easement
Recorded: November 11, 1999 in County Clerk's File No. [U075452](#) and Correction Declaration of Restrictions and Granting of Easement Recorded on June 20, 2000 in County Clerk's File No. [U456396](#), of the Official Public records, of Harris County, Texas.

SCHEDULE B

(Continued)

- s. Terms, Conditions, provisions, easements, restrictions, reservations and other matters:
Document: Declaration of Restrictions and Granting of Easement
Recorded: May 08, 1996 in County Clerk's File No. [R916986](#) and First Amendment to Declaration of Restrictions and Granting of Easement Recorded on May 28, 1998 in County Clerk's File No. [T045989](#), of the Official Public records, of Harris County, Texas.
- t. Terms, Conditions, provisions, easements, restrictions, reservations and other matters:
Document: Declaration of Restrictions and Granting of Easement
Recorded: June 06, 1997 in County Clerk's File No. [S486146](#) and Re-Recorded Declaration of Restrictions and Granting of Easement Recorded on October 15, 1997 in County Clerk's File No. [S687060](#) and First Amendment to Declaration of Restrictions and Granting of Easement Recorded on May 28, 1998 in County Clerk's File No. [T045990](#), of the Official Public records, of Harris County, Texas.
- u. Terms, Conditions, provisions, easements, restrictions, reservations and other matters:
Document: Declaration of Restrictions and Granting of Easement
Recorded: May 28, 1998 in County Clerk's File No. [T045991](#), of the Official Public records, of Harris County, Texas.
- v. Intentionally Deleted.
- w. The terms, conditions and stipulations of that certain letter regarding request for flood variance recorded on July 09, 2015 in County Clerk's File No. [20150301318](#), Official Public Records of Harris County, Texas
- x. Notice Regarding: Storm Water Quality Requirements
Recorded in: on May 04, 2015 in County Clerk's File No. [20150187229](#), Official Public Records of Harris County, Texas
- y. Intentionally Deleted.
- z. All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not. There may be leases, grants, exceptions or reservations of mineral interest that are not listed.
- aa. Terms, conditions, and stipulations of the following City of Houston, Texas ordinance(s) and all revisions amendments thereto: Ordinance No. 85-1878, passed and approved on October 23, 1985, and recorded August 1, 1991, with Instrument No. [N253886](#), Official Public Records, Harris County; Ordinance No. 1999-262, passed and approved March 24, 1999; and Ordinance No. [2015-639](#) passed and approved July 24, 2015.
- ab. Intentionally Deleted.

SCHEDULE B

(Continued)

- ac. Any titles or rights asserted by anyone, including but not limited to persons, the public, corporations, governments or other entities,
 - 1) to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or
 - 2) to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
 - 3) to filled-in lands, or artificial islands, or
 - 4) to statutory water rights, including riparian rights, or
 - 5) to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across the area. (MORTGAGEE POLICY ONLY)
- ad. Sanitary sewer easement 10 feet in width granted to City of Houston, by instrument dated August 17, 1967, recorded February 27, 1968 under Harris County Clerk's File No. C664932 (aka [Volume 7101, Page 301] of the Deed Records of Harris County, Texas), as affected by Permission to Build Over City Easement by the City of Houston recorded August 31, 1971 under Harris County Clerk's File No. D405641 (aka [Volume 8578, Page 248] of the Deed Records of Harris County, Texas).
- ae. Storm sewer and utility easement 20 feet in width as set forth on plat map recorded in [Volume 153, Page 50] of the Map Records of Harris County, Texas, as affected by Permission to Build Over City Easement by the City of Houston recorded August 31, 1971 under Harris County Clerk's File No. D405641 (aka [Volume 8578, Page 248] of the Deed Records of Harris County, Texas), as further affected by consent to encroachment by Houston Lighting and Power Company recorded September 14, 1971 under Harris County Clerk's File No. [D415226].
- af. Electric and communication line easement 10 feet in width at and below normal ground level together with an unobstructed aerial easement 20 feet in width from a plane 20 feet above the ground upward adjacent thereto, granted to Houston Lighting & Power Company by instrument recorded November 4, 1971 under County Film Code No. [D453627], Official Public Records of Harris County, Texas.
- ag. Intentionally Deleted.
- ah. Intentionally Deleted.
- ai. Electric easement granted to CenterPoint Energy Houston Electric, LLC, by instrument dated January 19, 2016, recorded under County Clerk's File No. [RP-2016-60091], Official Public Records of Harris County, Texas.
- aj. Electric easement granted to CenterPoint Energy Houston Electric, LLC, by instrument dated May 1, 2017, recorded under County Clerk's File No. [RP-2017-196427], Official Public Records of Harris County, Texas.
- ak. The Policy is hereby Amended by Deleting Paragraph 14 from the conditions of the Policy.

SCHEDULE B
(Continued)

**RESTRICTIONS, ENCROACHMENTS, MINERALS ENDORSEMENT
OWNER'S POLICY (FORM T-19.1)**

Attached to Policy No. 50268448-0003019e

Issued by

FIRST AMERICAN TITLE INSURANCE COMPANY

1. The insurance provided by this endorsement is subject to the exclusions in Section 5 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For the purposes of this endorsement only:
 - a. "Covenant" means a covenant, condition, limitation or restriction in a document or instrument in effect at Date of Policy.
 - b. "Improvement" means a building, structure, road, walkway, driveway, or curb, affixed to either the Land or adjoining land and that by law constitutes real property, but excluding any crops, landscaping, lawn, shrubbery, or trees.
 - c. "Private Right" means (i) an option to purchase; (ii) a right of first refusal; or (iii) a right of prior approval of a future purchaser or occupant.
3. The Company insures against loss or damage sustained by the Insured by reason of:
 - a. A violation on the Land at Date of Policy of an enforceable Covenant, unless an exception in Schedule B of the policy identifies the violation;
 - b. Enforced removal of an Improvement located on the Land at Date of Policy as a result of a violation, at Date of Policy, of a building setback line shown on a plat of subdivision recorded or filed in the Public Records, unless an exception in Schedule B of the policy identifies the violation;
 - c. A notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation; or
 - d. Enforcement of a Private Right in a Covenant affecting the Title at Date of Policy based on a transfer of Title on or before Date of Policy that causes a loss of the Insured's Title.
4. The Company insures against loss or damage sustained by reason of:
 - a. An encroachment of:
 - i. an Improvement located on the Land, at Date of Policy, onto adjoining land or onto that portion of the Land subject to an easement; or
 - ii. an Improvement located on adjoining land onto the Land at Date of Policy.unless an exception in Schedule B of the policy identifies the encroachment otherwise insured against in Sections 4.a.i. or 4.a.ii.; or
 - b. A final court order or judgment requiring the removal from any land adjoining the Land of an encroachment identified in Schedule B; or

ENDORSEMENT

(Continued)

- c. Damage to an Improvement located on the Land, at Date of Policy that is located on or encroaches onto that portion of the Land subject to an easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved; or
 - d. Damage to an Improvement located on the Land on or after Date of Policy, resulting from the future exercise of a right to use the surface of the Land for the extraction or development of minerals or any other subsurface substances excepted from the description of the Land or excepted in Schedule B.
5. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:
- a. any Covenant contained in an instrument creating a lease;
 - b. any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land;
 - c. except as provided in Paragraph 3.c, any Covenant relating to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances; or
 - d. contamination, explosion, fire, fracturing, vibration, earthquake, or subsidence.
 - e. negligence by a person or an Entity exercising a right to extract or develop minerals or other subsurface substances.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Kensington Vanguard National Land Services of
TX, LLC

By: _____

Authorized Officer or Agent

FORM T-19.2: MINERALS AND SURFACE DAMAGE ENDORSEMENT

Attached to Policy No. 50268448-0003019e

Issued by

FIRST AMERICAN TITLE INSURANCE COMPANY

The Company insures the insured against loss which the insured shall sustain by reason of damage to improvements (excluding lawns, shrubbery, or trees) located on the Land on or after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of coal, lignite, oil, gas or other minerals excepted or excluded on Schedule A, Item 2 or excepted in Schedule B. This endorsement does not insure against loss resulting from subsidence.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Kensington Vanguard National Land Services of
TX, LLC

By: _____

Authorized Officer or Agent

ACCESS ENDORSEMENT T-23

Attached to Policy No. 50268448-0003019e

Issued by

FIRST AMERICAN TITLE INSURANCE COMPANY

The Company insures against loss or damage sustained by the insured if, at Date of Policy: (i) the land does not abut and have both actual vehicular and pedestrian access to and from Woodway Drive or (ii) the street is not physically open.

This endorsement is made a part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Kensington Vanguard National Land Services of
TX, LLC

By: _____

Authorized Officer or Agent