

**Intercreditor Agreement**  
Section 232

**U.S. Department of Housing  
and Urban Development**  
Office of Residential  
Care Facilities

OMB Approval No. 2502-0605  
(exp. 03/31/2018)

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3 **Public reporting** burden for this collection of information is estimated to average 1.5 hours. This includes the time for collecting,  
4 reviewing, and reporting the data. The information is being collected to obtain the supportive documentation which must be  
5 submitted to HUD for approval, and is necessary to ensure that viable projects are developed and maintained. The Department will  
6 use this information to determine if properties meet HUD requirements with respect to development, operation and/or asset  
7 management, as well as ensuring the continued marketability of the properties. This agency may not collect this information, and  
8 you are not required to complete this form unless it displays a currently valid OMB control number.

9  
10 **Warning:** Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in a matter within the jurisdiction of  
11 the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions.  
12

13 THIS INTERCREDITOR AGREEMENT (this “**Agreement**”) is entered into as of  
14 \_\_\_\_\_, 20\_\_\_\_, by and among (i) \_\_\_\_\_ a  
15 \_\_\_\_\_, (*if applicable, add the following or similar language,*  
16 *as appropriate:* acting individually as lender and as agent acting on behalf of all lenders who are  
17 parties from time to time under the AR Loan Agreement,]“**AR Lender**”), (ii)  
18 \_\_\_\_\_, a \_\_\_\_\_, (“**FHA Lender**”), (iii)  
19 \_\_\_\_\_, a \_\_\_\_\_ (“**Owner**”), and (iv)  
20 \_\_\_\_\_ [*Operator, Master Tenant, and/or whomever receives the AR*  
21 *Financing and holds AR Lender Priority Collateral*], a \_\_\_\_\_  
22 (“**Operator**”). AR Lender, FHA Lender, Owner and Operator are referred to in this Agreement  
23 individually as a “**Party**” and collectively as the “**Parties**”.

24  
25 WHEREAS, Operator has entered into that certain [*name of Operating Lease, Sub-lease,*  
26 *or Owner-Operator Agreement*] with [\_\_\_\_\_] with respect to the Facility (the  
27 “**Owner-Operator Agreement**”), and Operator further entered into a Security Agreement for  
28 the benefit of FHA Lender (the “**Operator Security Agreement**”), which security agreement  
29 grants a security interest in certain collateral of the Operator which includes the AR Lender  
30 Priority Collateral, and entered into a Regulatory Agreement for the benefit of HUD (the  
31 “**Operator Regulatory Agreement**”); and  
32

33 WHEREAS, AR Lender has made or may in the future make loans and/or extensions of  
34 credit to or for the benefit of the Operator, secured by certain collateral of the Operator, which  
35 includes the AR Lender Priority Collateral; and  
36

37 WHEREAS, FHA Lender has made or may in the future make loans and/or extensions of  
38 credit to or for the benefit of Owner secured by the Facility operated by the Operator or to or for  
39 the benefit of Operator secured by certain assets of the Operator; and  
40

41 WHEREAS, AR Lender and FHA Lender have agreed upon AR Lender’s and FHA  
42 Lender’s respective rights in and to the AR Lender Priority Collateral and FHA Lender Priority  
43 Collateral which agreements and understandings are set forth below. In the event of a conflict  
44 between the terms of this Agreement and the terms of the AR Loan Documents, or the FHA-  
45 Insured Loan Documents, the terms of this Agreement shall govern and control;

46  
47 NOW, THEREFORE, in consideration of the mutual covenants set forth below, and  
48 intending to be legally bound, the Parties hereto hereby agree as follows:  
49

50 **1. DEFINITIONS**

51 All terms used herein which are not specifically defined shall have the meanings  
52 provided in Article 9 of the Uniform Commercial Code as in effect in the State of (*Insert*  
53 *property jurisdiction*) \_\_\_\_\_ from time to time (the “UCC”). In addition to the terms defined  
54 elsewhere in this Agreement, the following terms shall have the following meanings when used  
55 in this Agreement.  
56

57 **1.1 “Accounts”** shall mean all right, title and interest of Operator in and to  
58 the following, in each case arising from Operator’s operation of the Facility in the  
59 ordinary course of Operator’s business: (a) all rights to payment of a monetary obligation,  
60 whether or not earned by performance, including, but not limited to, accounts receivable,  
61 health-care insurance receivables, Medicaid and Medicare receivables, Veterans  
62 Administration receivables, or other governmental receivables, private patient  
63 receivables, and HMO receivables, (b) payment intangibles, (c) guaranties, letter-of-  
64 credit rights and other supporting obligations relating to the property described in clauses  
65 (a) and (b); and (d) all of the proceeds of the property described in clauses (a), (b) and (c).  
66 Notwithstanding the foregoing, “Accounts” do not include insurance proceeds,  
67 commercial tort claims, or accounts arising from the sale of Operator’s equipment,  
68 inventory or other goods, other than accounts arising from the sale of Operator’s  
69 inventory in the ordinary course of Operator’s business; provided that “Accounts” shall  
70 include any Approved Business Interruption Insurance Proceeds. For purposes herein  
71 “Approved Business Interruption Insurance Proceeds” include the proceeds of  
72 business interruption insurance payable to Operator to the extent such proceeds support  
73 continued funding of the AR Loan, provided, however, that “Approved Business  
74 Interruption Insurance Proceeds” shall not include rent loss coverage payable to the FHA  
75 Lender.

76 **1.2 “Advances”** shall mean advances under the revolving loan facility  
77 provided for in the AR Loan Documents.  
78

79 **1.3 “AR Lender Priority Collateral”** shall mean all right, title and interest of  
80 Operator in and to the following: (a) all Accounts arising from the delivery of goods and  
81 rendering of services by Operator prior to the Cut-Off Time and the proceeds thereof; (b)  
82 all Deposit Accounts and the proceeds thereof; and (c) all Accounts arising after the Cut-  
83 Off Time and the proceeds thereof solely to the extent of (and in the amount of)  
84 Protective Advances made after the Cut-Off Time in accordance with the terms of this  
85 Agreement provided that the collateral should be prioritized in accordance with Section  
86 2.1.  
87

88 **1.4 “AR Loan”** shall mean a revolving loan (including any amounts  
89 contemplated as letter of credit obligations) made by AR Lender to Operator pursuant to  
90 the AR Loan Agreement. Notwithstanding anything else in the AR Loan Documents,  
91 unless otherwise specifically approved in writing by FHA Lender and HUD, the AR Loan

92 shall exclude any term loan facility, equipment loan facility and any indebtedness,  
93 liability or obligations arising under a guarantee, except to the extent that the obligations  
94 guaranteed consist solely of AR Loan Obligations and such guarantors waive subrogation  
95 and similar rights until the FHA-Insured Loan is Paid in Full.  
96

97 **1.5 “AR Loan Agreement”** shall mean that certain [*Revolving Credit and*  
98 *Security Agreement (enter proper name of document)*], dated as of  
99 [\_\_\_\_\_], by and among AR Lender, as lender, and Operator [*add where*  
100 *applicable: and the operators of the Other Facilities*], as borrower, [*add where*  
101 *applicable: and \_\_\_\_\_, as Borrower Representative*] as amended, restated,  
102 supplemented or otherwise modified from time to time in accordance with the terms of  
103 this Agreement.  
104

105 **1.6 “AR Loan Documents”** shall mean any and all promissory notes, security  
106 agreements and any and all other documents evidencing or securing the AR Loan as  
107 identified on Schedule 1 attached hereto, in each case, as amended, restated,  
108 supplemented or otherwise modified from time to time in accordance with the terms of  
109 this Agreement, provided that, for purposes of this Agreement, this Agreement shall not  
110 be considered an AR Loan Document.  
111

112 **1.7 “AR Loan Obligations”** shall mean the AR Loan and all other  
113 indebtedness, liabilities and obligations owing to AR Lender under the AR Loan  
114 Documents (including without limitation any Over-line Advances and/or Allowable  
115 Over-Advances, as permitted pursuant to Section 2.7, and Protective Advances),  
116 provided, however, that notwithstanding anything to the contrary set forth in the AR  
117 Loan Documents, “**AR Loan Obligations**” shall exclude any and all indebtedness,  
118 liabilities and obligations that are not directly related to the benefit of the Facilities or the  
119 Other Facilities, or the financing thereof. Notwithstanding the foregoing, the AR Loan  
120 Obligations shall also include the following: [*insert any specific obligation requested by*  
121 *AR Lender and approved by ORCF, provided such inclusion is consistent with HUD*  
122 *Program Obligations or a waiver of such HUD Program Obligations has been obtained*].  
123 Notwithstanding anything to the contrary in the AR Loan Documents or this Agreement,  
124 this Agreement shall not be deemed an “AR Loan Obligation.”  
125

126 **1.8 “Availability”** means [*insert “Revolving Loan Availability” or other*  
127 *appropriate defined term*] as defined in the AR Loan Agreement.  
128

129 **1.9 “Business Day”** shall mean any day other than a Saturday, a Sunday, or  
130 any day that banks in [*insert AR Lender’s Jurisdiction*] \_\_\_\_\_ or [*insert*  
131 *Property Jurisdiction if different from AR Lender’s Jurisdiction*] \_\_\_\_\_ are  
132 required or permitted by law to close.  
133

134 **1.10 “Ceased Funding”** means, with respect to the Cut-Off Time, either of the  
135 following events: (i) AR Lender (including any co-lenders pursuant to the AR Loan  
136 Documents) has received a request for an Advance under the AR Loan Agreement for  
137 which there is sufficient Availability and a period of thirty (30) calendar days has elapsed

138 since the date of such request, during which time such Advance is not made or (ii) AR  
139 Lender has notified Operator and/or FHA Lender in writing that it has determined to  
140 permanently cease making further Advances (at least with respect to the Facility) under  
141 the AR Loan Agreement.  
142

143 **1.11 “Cut-Off Time”** shall mean, unless subsequently extended in writing by  
144 FHA Lender with HUD consent, such time indicated in the written notice (“**Cut-Off**  
145 **Time Notice**”) that may be given by the FHA Lender to the AR Lender following the  
146 occurrence of an FHA-Insured Loan Triggering Event or an AR Loan Triggering Event,  
147 which Cut-Off Time Notice must be: (a) in the form set forth in Exhibit A and  
148 designating the Facility as to which the Cut-Off Time applies and (b) given pursuant to  
149 Section 4.5. Unless the AR Lender has Ceased Funding, the Cut-Off Time shall be no  
150 earlier than thirty (30) calendar days after the Cut-Off Time Notice has been given (as set  
151 forth in Section 4.5) by FHA Lender to AR Lender. If the AR Lender has Ceased  
152 Funding, the Cut-Off Time may be concurrent with the date on which Ceased Funding  
153 occurred, even if the Cut-Off Time Notice is delivered thereafter.  
154

155 **1.12 “Deposit Accounts”** shall mean any deposit account (a) holding proceeds  
156 of any Accounts, (b) holding any cash of the Operator, (c) into which Advances are  
157 funded (d) for which a deposit account control agreement in favor of the AR Lender and  
158 approved by HUD, has been entered into, or (e) to the extent permitted by applicable law,  
159 for which a deposit account services and instructions agreement or similar agreement,  
160 approved by HUD, has been entered into, but excluding all payment accounts (if any)  
161 established for the payment of amounts due to Owner pursuant to the Owner-Operator  
162 Agreement.  
163

164 **1.13 “Facility”** shall mean that certain [*type of facility, e.g., nursing home*]  
165 located at [\_\_\_\_\_] and commonly known as  
166 [\_\_\_\_\_].  
167

168 **1.14 “FHA Lender Priority Collateral”** shall mean any and all property  
169 (whether real, personal or mixed, tangible or intangible) in which FHA Lender and/or  
170 HUD is granted liens, encumbrances, security interests and other rights pursuant to any of  
171 the FHA-Insured Loan Documents, except for the AR Lender Priority Collateral, it being  
172 understood that FHA Lender and/or HUD has an “all assets” security interest on the  
173 assets of Operator including but not limited to (i) the skilled nursing facility licenses and  
174 any other healthcare or long term care licenses for the Facility, (ii) all Medicare and  
175 Medicaid/state/county provider agreements for the Facility, (iii) the certificates of need  
176 for the Facility, (iv) the Owner-Operator Agreement and (v) Operator’s furniture,  
177 fixtures, equipment, software and inventory directly related to such Facility.  
178

179 **1.15 “FHA-Insured Loan(s)”** shall mean the mortgage loan(s) made by FHA  
180 Lender and insured or held by HUD with respect to the Facility.  
181

182 **1.16 “FHA-Insured Loan Documents”** shall mean, with respect to the FHA-  
183 Insured Loan, any and all promissory notes, deeds of trust, mortgages, regulatory

184 agreements, security agreements and any and all other documents required by FHA  
185 Lender and/or HUD as identified on Schedule 2 attached hereto in connection with such  
186 FHA-Insured Loan, in each case, as amended, restated, supplemented or otherwise  
187 modified from time to time, provided that this Agreement shall not be considered a FHA-  
188 Insured Loan Document for purposes of this Agreement.

189  
190 **1.17 “FHA-Insured Loan Obligations”** shall mean the FHA-Insured Loan and  
191 all other indebtedness, liabilities and obligations owing to FHA Lender and/or HUD  
192 under the FHA-Insured Loan Documents.

193  
194 **1.18 “HUD”** shall mean the U.S. Secretary of Housing and Urban Development  
195 or any successor agency.

196  
197 **1.19 “Maximum Commitment Amount”** shall mean \$\_\_\_\_\_ [insert  
198 maximum AR Lender revolving loan commitment amount, inclusive of any contemplated  
199 letter of credit amounts, approved by HUD’s Office of Residential Care Facilities  
200 (ORCF)].

201  
202 **1.20 “Other Facilities”** means any other healthcare facilities financed by the  
203 AR Loan, in any case financed by a mortgage loan made by a HUD-approved lender and  
204 insured or held by HUD, which facilities are described on Schedule 3 (as such list of  
205 Other Facilities may be modified from time to time with the consent of HUD, AR Lender  
206 and FHA Lender).

207  
208 **1.21 “Paid in Full”** shall mean the final indefeasible payment in full of all AR  
209 Loan Obligations or FHA-Insured Loan Obligations, as applicable, and the termination of  
210 the AR Loan Documents and the FHA-Insured Loan Documents, as applicable; provided,  
211 however, that a reduction in the outstanding balance due under the AR Loan Documents  
212 to zero shall not mean that the AR Loan Obligations have been “Paid in Full” unless and  
213 until, all commitments of the AR Lender to lend under the AR Loan Documents have  
214 been terminated. With respect to any AR Loan Obligations under the AR Loan  
215 Documents consisting of contingent obligations under letters of credit, final payment is  
216 considered the setting apart of cash sufficient to discharge such AR Loan Obligations in  
217 an account for the exclusive benefit of AR Lender.

218  
219 **1.22 “Possession Date”** shall mean, with respect to the Facility, the earlier of  
220 the date upon which (a) FHA Lender, or its nominee, has taken actual physical possession  
221 and control of the Facility, whether by foreclosure, deed in lieu of foreclosure,  
222 appointment of a receiver or other legal process, or (b) FHA Lender, or its nominee, has  
223 begun the operation and management of the Facility.

224  
225 **1.23 “Protective Advances”** shall mean amounts advanced by AR Lender  
226 following the Cut-Off Time and prior to the Possession Date that the AR Lender deems  
227 reasonably necessary to preserve and protect the AR Lender Priority Collateral and  
228 written notice of which is given to FHA Lender within five (5) Business Days after the  
229 subject advance is made, provided, however, that failure to provide such notice within

230 five Business Days shall not affect the inclusion of Accounts arising after the Cut-Off  
231 Time as AR Lender Priority Collateral, as described more fully in the definition of AR  
232 Lender Priority Collateral.

233  
234 **1.24 “Triggering Event”** shall mean an FHA-Insured Loan Triggering Event  
235 or an AR Loan Triggering Event. An **“FHA-Insured Loan Triggering Event”** shall  
236 mean any of (i) a payment default under the FHA-Insured Loan Documents, (ii)  
237 acceleration by FHA Lender of the sums due under the FHA-Insured Loan Documents,  
238 (iii) an Event of Default (as defined in any of the FHA-Insured Loan Documents) has  
239 occurred, or (iv) an event of default under the Owner-Operator Agreement has occurred.  
240 An **“AR Loan Triggering Event”** shall mean any event which results in AR Lender  
241 having Ceased Funding or accelerating the AR Loan Obligations (provided, however,  
242 that any acceleration that occurs automatically pursuant to the terms of the AR Loan  
243 Agreement shall not be an AR Loan Triggering Event if such acceleration is timely  
244 waived, cured, unwound or otherwise disregarded by the AR Lender who continues to  
245 fund).

## 246 247 **2. PRIORITIES**

### 248 249 **2.1 AR Lender Priority.**

250 (a) AR Lender and FHA Lender agree that, as between AR Lender and FHA  
251 Lender, subject to Section 2.1(b), at all times, whether before, during or after the pendency of  
252 any bankruptcy, reorganization or other insolvency proceeding, and notwithstanding the taking  
253 of possession of, or other exercise of rights in respect of the FHA Lender Priority Collateral (or  
254 any portion thereof) or the priorities that ordinarily would result under the Uniform Commercial  
255 Code as enacted in each and every applicable jurisdiction, and as amended from time to time,  
256 and other applicable law for the order of granting or perfecting of any security interests referred  
257 to herein, AR Lender shall have a first and prior security interest in, upon and to the AR Lender  
258 Priority Collateral to secure the AR Loan Obligations; and FHA Lender hereby subordinates to  
259 AR Lender’s security interest FHA Lender’s security interest in the AR Lender Priority  
260 Collateral. FHA Lender shall abide by the standstill provisions set forth below in Section 2.3(a).  
261 FHA Lender, Owner, [insert Master Tenant, if Master Lease involved] and Operator agree, that,  
262 in the event AR Lender seeks to enforce any of its remedies under the AR Loan Documents, AR  
263 Lender may have reasonable access to the Facility for any inspection and copying of the books  
264 and records of Operator relating to the AR Lender Priority Collateral and the FHA Lender  
265 Priority Collateral, provided that AR Lender shall promptly repair any damage to the Facility  
266 caused by AR Lender or its agents resulting from such inspection and copying. AR Lender  
267 agrees that, notwithstanding anything in the AR Loan Documents to the contrary: (i) AR Lender  
268 may not require Operator to deliver the books and records of Operator to AR Lender; and (ii) AR  
269 Lender’s rights to inspect and copy Operator’s books and records shall be limited to those rights  
270 set forth in the preceding sentence.

271 (b) Without limiting the foregoing, following the occurrence of a Triggering  
272 Event, FHA Lender may deliver to AR Lender a Cut-Off Time Notice. Notwithstanding the  
273 occurrence of a Cut-Off Time, the AR Lender shall have a first and prior security interest in the  
274 AR Lender Priority Collateral, and FHA Lender shall have a subordinate lien in the AR Lender  
275 Priority Collateral, until the AR Loan Obligations are Paid in Full. Any Accounts arising from

276 the delivery of goods and rendering of services by Operator at the Facility after the Cut-Off Time  
277 Notice, but prior to the Cut-Off Time, shall be AR Lender Priority Collateral notwithstanding the  
278 collection of the same after the Cut-Off Time. For the avoidance of doubt, FHA Lender shall  
279 have a first and prior security interest in any Accounts arising from the delivery of goods and  
280 rendering of services by Operator at the Facility on or after the Cut-Off Time with respect to the  
281 Facility (except to the extent AR Lender makes Protective Advances), and such Accounts shall  
282 be considered FHA Lender Priority Collateral and not AR Lender Priority Collateral. From and  
283 after the Cut-Off Time, all amounts received by AR Lender on account of the AR Lender  
284 Priority Collateral shall be applied solely to the AR Loan Obligations. Nothing herein shall  
285 prevent AR Lender from collecting the full amount of the AR Loan Obligations from any  
286 guarantors thereof and/or from collateral other than the AR Lender Priority Collateral and/or the  
287 FHA Lender Priority Collateral.

288 (c) If AR Lender's security interest (as now or in the future existing) in the  
289 AR Lender Priority Collateral becomes, in whole or in part, for any reason, unperfected or is  
290 judicially or administratively determined to be unenforceable, in whole or in part, or is voided, in  
291 whole or in part, and as a result thereof, a creditor subordinate to AR Lender would have or  
292 would be entitled to claim, priority over the FHA Lender in the AR Lender Priority Collateral,  
293 nothing in this Agreement is intended or shall be construed as a subordination by FHA Lender to  
294 such other creditor.

295 (d) Notwithstanding anything else in this Agreement AR Loan Obligations  
296 shall not include indemnity obligations relating to any breach of this Agreement or relating to  
297 any dispute between AR Lender and FHA Lender or HUD.

298 (e) AR Lender agrees to exercise any rights of setoff against funds on deposit  
299 in Deposit Accounts maintained with AR Lender for application to AR Loan Obligations  
300 consistently with the priorities and provisions established under this Agreement.

301

## 302 **2.2 FHA Lender Priority.**

303 (a) AR Lender and FHA Lender agree that, as between AR Lender and FHA  
304 Lender, subject to Section 2.2(b), at all times, whether before, during or after the pendency of  
305 any bankruptcy, reorganization or other insolvency proceeding, and notwithstanding the taking  
306 of possession of, or other exercise of rights in respect of, the AR Lender Priority Collateral (or  
307 any portion thereof) or the priorities that ordinarily would result under the Uniform Commercial  
308 Code as enacted in each and every applicable jurisdiction, and as amended from time to time,  
309 and other applicable law for the order of granting or perfecting of any security interests referred  
310 to herein, FHA Lender shall have a first and prior security interest in, upon and to the FHA  
311 Lender Priority Collateral; and AR Lender hereby subordinates to FHA Lender AR Lender's  
312 security interest, if any, in the FHA Lender Priority Collateral to secure the FHA-Insured Loan.  
313 AR Lender shall abide by the standstill provisions set forth below in Section 2.3(b). Promptly  
314 upon execution of this Agreement, AR Lender agrees to cause itself to be removed from any  
315 insurance policy and insurance certificate that has any designation of AR Lender as (a) loss  
316 payee or lender's loss payee on any insurance with respect to any FHA Lender Priority Collateral  
317 upon which AR Lender does not have a subordinate lien as permitted by this Agreement and (b)  
318 primary loss payee or primary lender's loss payee on any insurance with respect to any FHA  
319 Lender Priority Collateral upon which AR Lender has a subordinate lien permitted under this  
320 Agreement.

321 (b) If FHA Lender’s security interest (as now or in the future existing) in the  
322 FHA Lender Priority Collateral becomes, in whole or in part, for any reason, unperfected or is  
323 judicially or administratively determined to be unenforceable, in whole or in part, or is voided, in  
324 whole or in part, and as a result thereof, a creditor subordinate to FHA Lender would have or  
325 would be entitled to claim, priority over AR Lender in the FHA Lender Priority Collateral,  
326 nothing in this Agreement is intended or shall be construed as a subordination by AR Lender to  
327 such other creditor. Notwithstanding the foregoing, FHA Lender shall have a first priority  
328 security interest in the FHA Lender Priority Collateral applicable to the corresponding Facility,  
329 provided however, AR Lender shall have the ability to utilize the FHA Lender Priority Collateral  
330 solely to the extent necessary to exercise any of AR Lender’s rights and/or remedies (including  
331 without limitation billing and collecting the Operator’s accounts receivable and other assets  
332 comprising AR Lender Priority Collateral) under the AR Loan Documents.

333 (c) FHA Lender acknowledges that one or more of the Other Facilities, if any,  
334 may be subject to loans made by other HUD-approved lenders and insured or held by HUD. The  
335 AR Loan may provide financing for and may be secured by collateral pertaining to any or all of  
336 the Other Facilities. This Agreement is intended to set forth the priorities, rights, and  
337 responsibilities of FHA Lender vis-à-vis AR Lender, only, and shall not affect priorities of the  
338 FHA-Lender vis-a-vis any other lender of any Other Facilities.

339

340 **2.3 Standstill; Possession Date.**

341 (a) Until the AR Loan Obligations have been Paid in Full, FHA Lender and  
342 Owner [insert “and Master Tenant” if a Master Lease is involved] shall not exercise any  
343 remedies with regard to the AR Lender Priority Collateral (including without limitation any  
344 remedies in conflict with Section 2.9(c) below which includes, without limitation, notifying  
345 account debtors to redirect payment for such AR Lender Priority Collateral, changing or  
346 attempting to change any direction of payment or remittance instructions to account debtors for  
347 such AR Lender Priority Collateral to any deposit accounts other than those Deposit Accounts  
348 into which Accounts have been paid historically, or any combination of the foregoing); *provided*  
349 *however*, that after a Triggering Event, the foregoing shall not prohibit the FHA Lender from (i)  
350 taking any action against the Operator with respect to any FHA Lender Priority Collateral (so  
351 long as such action does not compromise the AR Lender’s ability to bill and/or collect the AR  
352 Lender Priority Collateral), (ii) terminating an Owner-Operator Agreement, (iii) commencing an  
353 action for possession or for collection of rent or other monetary amounts due under such Owner-  
354 Operator Agreement or for specific enforcement of an Operator’s covenants under such Owner-  
355 Operator Agreement, so long as such actions do not comprise the exercise of a remedy with  
356 regard to AR Lender Priority Collateral, or (iv) pursuing the remedies specified in the definition  
357 of “Possession Date,” (v) taking steps to appoint a receiver or (vi) contacting the necessary  
358 authorities, which may include account debtors, to begin the process of transferring the license  
359 and/or any other necessary permits or approvals, and the assignment of the provider agreements  
360 from the incumbent Operator to a new operator.

361 (b) Until the FHA-Insured Loan Obligations have been Paid in Full, subject to  
362 AR Lender’s right to access the FHA Lender Priority Collateral set forth in Section 2.1 above,  
363 AR Lender shall not affirmatively exercise any remedies with regard to the FHA Lender Priority  
364 Collateral.

365 (c) Without limiting the foregoing, FHA Lender shall deliver to AR Lender  
366 ten (10) Business Days’ prior written notice of the commencement of any action or undertaking



367 to take physical possession, control or management of the Facility (the “**Possession Date**  
368 **Notice**”). If a Cut-Off Time Notice has previously been issued, the Possession Date Notice shall  
369 have no effect on the Cut-Off Time. If no previous Cut-Off Time Notice has been issued, the  
370 Possession Date Notice shall serve as a Cut-Off Time Notice. If a Possession Date Notice is  
371 serving as Cut-Off Time Notice, notwithstanding the fact that FHA Lender or its designee may  
372 take physical possession, control or management of a Facility upon providing ten (10) Business  
373 Days’ notice to AR Lender, AR Lender shall have rights to and be entitled to the collections of  
374 all Accounts arising from the delivery of goods or rendering of services at the Facility for the  
375 period beginning on the date of the Possession Date Notice and continuing until the thirtieth  
376 (30th) day following a Possession Date Notice, without regard to whether such Accounts were  
377 generated in the name of Operator or in the name of any temporary or permanent replacement  
378 operator, manager or receiver.

379 (d) Without limiting any of its rights hereunder or under the AR Loan  
380 Documents, at any time after receiving a Cut-Off Time Notice or a Possession Date Notice, AR  
381 Lender shall have the right to cease making Advances. Irrespective of whether or not AR Lender  
382 makes any Advances (including Protective Advances) after receiving the Cut-Off Time Notice, it  
383 shall retain a first priority lien on all AR Lender Priority Collateral.

384 (e) Except as may be expressly set forth herein, including but not limited to in  
385 Section 2.6(b) hereof, FHA Lender, Owner, and Operator hereby agree that any AR Lender  
386 Priority Collateral and proceeds thereof, which may come into the possession of FHA Lender or  
387 Owner or Operator will be held in trust for AR Lender, and FHA Lender and Owner shall turn  
388 over any AR Lender Priority Collateral and/or proceeds thereof to AR Lender, in the same form  
389 as received with any necessary endorsements, promptly upon receipt, until all of the AR Loan  
390 Obligations have been Paid in Full. Any replacement operator or receiver who commences  
391 operating the Facility shall agree in writing to abide by the provisions of this Section 2.3(e) to the  
392 extent it, or its new lender, if any, comes into possession of any AR Lender Priority Collateral,  
393 provided, however, failure to secure such written agreement shall not subject FHA Lender to any  
394 liability nor affect the subordination and lien priorities set forth in this Agreement.

395 (f) Any FHA Lender Priority Collateral that may come into the possession of  
396 AR Lender, Operator or Owner will be held in trust by AR Lender, Operator or Owner (as  
397 applicable), for FHA Lender, and such recipient shall turn over any FHA Lender Priority  
398 Collateral so received to FHA Lender in the same form as received, with any necessary  
399 endorsements, promptly upon receipt, until the FHA-Insured Loan Obligations have been Paid in  
400 Full in accordance with the terms of this Agreement. Any replacement operator or receiver who  
401 commences operating the Facility shall agree in writing to abide by the provisions of this Section  
402 2.3(f) to the extent it, or its new lender, if any, comes into possession of any FHA Lender  
403 Priority Collateral.

404

#### 405 **2.4 No Contest.**

406 (a) FHA Lender agrees that it will not make any assertion or claim in any  
407 action, suit or proceeding of any nature whatsoever in any way challenging the priority, validity  
408 or effectiveness of the liens and security interests granted to AR Lender with respect to the AR  
409 Lender Priority Collateral *provided that*, nothing in this Section 2.4(a) shall prevent FHA Lender  
410 from taking all appropriate steps to protect and preserve its priority in the circumstances  
411 contemplated in Section 2.1(b). FHA Lender further agrees that, subject to Section 2.1(b), AR  
412 Lender’s lien and security interest in the AR Lender Priority Collateral shall at all times, while

413 AR Loan Obligations are owing from Operator to AR Lender, be superior and prior to the liens  
414 and security interests granted to the FHA Lender in such AR Lender Priority Collateral,  
415 irrespective of the time, order or method of attachment or perfection of AR Lender's and the  
416 FHA Lender's liens and security interests, or the filing of financing statements, or the taking of  
417 possession of the FHA Lender Priority Collateral, or any portion thereof.

418 (b) AR Lender agrees that it will not make any assertion or claim in any  
419 action, suit or proceeding of any nature whatsoever in any way challenging the priority, validity  
420 or effectiveness of the liens and security interests granted to FHA Lender with respect to the  
421 FHA Lender Priority Collateral; *provided that*, nothing in this Section 2.4(b) shall prevent AR  
422 Lender from taking all appropriate steps to protect and preserve its priority in the circumstances  
423 contemplated in Section 2.2(b). AR Lender further agrees that FHA Lender's lien and security  
424 interest in the FHA Lender Priority Collateral shall at all times while any indebtedness or  
425 obligations under the FHA-Insured Loan Documents are owing from the Owner to the FHA  
426 Lender, be superior and prior to the liens and security interests granted to AR Lender in such  
427 FHA Lender Priority Collateral, irrespective of the time, order or method of attachment or  
428 perfection of the FHA Lender's liens and security interests, or the filing of financing statements  
429 or the taking of possession of the AR Lender Priority Collateral, or any portion thereof.

430 (c) AR Lender waives, in respect of FHA Lender, any and all rights under any  
431 theory of marshalling or ordering of the disposition of collateral and accordingly, AR Lender  
432 agrees that FHA Lender may (i) proceed directly against any collateral in which FHA Lender has  
433 a lien or security interest (subject to the terms of this Agreement) and/or any guarantor of the  
434 FHA-Insured Loan Obligations in any particular order and (ii) release, surrender, substitute or  
435 exchange any collateral and/or any guarantor at any time without affecting the agreements set  
436 forth in this Agreement. FHA Lender waives, in respect of AR Lender, any and all rights under  
437 any theory of marshalling or ordering of the disposition of collateral and accordingly, FHA  
438 Lender agrees that AR Lender may (A) proceed directly against any collateral in which AR  
439 Lender has a lien or security interest (subject to the terms of this Agreement) and/or any  
440 guarantor of the AR Loan Obligations in any particular order and (B) release, surrender,  
441 substitute or exchange any collateral and/or any guarantor at any time without affecting the  
442 agreements set forth in this Agreement.

443

## 444 **2.5 Releases; Bailee for Perfection.**

445 (a) Notwithstanding anything to the contrary contained herein or in any of the  
446 FHA-Insured Loan Documents, the Operator Security Agreement or the Owner-Operator  
447 Agreement (or any sublease thereof), but subject to Section 2.5(b) below, FHA Lender agrees  
448 that in the event any AR Lender Priority Collateral (but not the AR Loan) is sold, transferred or  
449 conveyed or otherwise disposed of in conjunction with the exercise of AR Lender's remedies  
450 against Operator under the AR Loan Documents, the FHA Lender shall release all of its rights to  
451 and interests in such AR Lender Priority Collateral. Nothing in this Section 2.5(a) shall require  
452 any release of the FHA Lender Priority Collateral. FHA Lender shall execute such release  
453 documents as AR Lender may reasonably request to effectuate the terms of this Section 2.5(a).  
454 Notwithstanding anything to the contrary contained herein or in any of the AR Loan Documents,  
455 but subject to Section 2.5(b), AR Lender agrees that in the event any FHA Lender Priority  
456 Collateral (but not the FHA-Insured Loan) is sold, transferred or conveyed or otherwise disposed  
457 of in conjunction with the exercise of FHA Lender's remedies under the FHA-Insured Loan  
458 Documents, AR Lender shall release all of its rights to and interests in (if any) such FHA Lender

459 Priority Collateral and such property shall be transferred free and clear of all liens and security  
460 interests in favor of AR Lender. Nothing in this Section 2.5(a) shall require any release of the  
461 AR Lender Priority Collateral. AR Lender shall execute such release documents as FHA Lender  
462 may reasonably request to effectuate the terms of this Section 2.5(a).

463 (b) Notwithstanding the foregoing, to the extent that the proceeds of any sale  
464 of AR Lender Priority Collateral exceed the amount necessary to pay and satisfy in full the AR  
465 Loan Obligations, such excess shall be delivered to FHA Lender (to the extent that FHA Lender  
466 is otherwise entitled thereto in accordance with the FHA-Insured Loan Documents and/or  
467 applicable law) for application by FHA Lender pursuant to the FHA-Insured Loan Documents.  
468 To the extent that the proceeds of any sale of FHA Lender Priority Collateral exceed the amount  
469 necessary to pay and satisfy the FHA-Insured Loan Obligations in full, such excess shall be  
470 delivered to AR Lender (to the extent that AR Lender has a security interest in the FHA Lender  
471 Priority Collateral and is otherwise entitled thereto in accordance with the AR Loan Documents  
472 and/or applicable law) for application by AR Lender pursuant to the AR Loan Documents.

473 (c) In the event FHA Lender or its nominee purchases any AR Lender Priority  
474 Collateral (which it shall have no obligation to purchase), AR Lender agrees that upon receipt of  
475 the purchase price (i) all such AR Lender Priority Collateral so sold, and all liens or security  
476 interests therein, and all proceeds thereof, shall be deemed to be held by AR Lender as agent for  
477 the purchaser until effectively transferred to such purchaser's ownership and control, (ii) AR  
478 Lender shall continue to receive such AR Lender Priority Collateral and proceeds thereof in  
479 existing lockbox or controlled deposit accounts until such purchaser has made alternative  
480 collection and deposit arrangements (which it shall arrange within thirty (30) days), and (iii) AR  
481 Lender shall remit all collections of such purchased AR Lender Priority Collateral in the same  
482 manner as provided in Section 2.6.

483 (d) With respect to any AR Lender Priority Collateral and/or FHA Lender  
484 Priority Collateral that FHA Lender cannot perfect a security interest in by filing a financing  
485 statement, and with respect to which AR Lender has perfected a security interest, AR Lender  
486 shall be deemed to be holding such AR Lender Priority Collateral and/or FHA Lender Priority  
487 Collateral as representative and bailee for FHA Lender for the purposes of perfection of FHA  
488 Lender's liens thereon or therein under the Uniform Commercial Code as in effect in each  
489 applicable jurisdiction, and as amended from time to time; provided, however, that the failure of  
490 AR Lender to hold any such collateral shall not subject such AR Lender to any liability nor  
491 affect the subordination and lien priorities set forth in this Agreement.

492                   **2.6     Return of Payments**

493                   (a)     AR Lender agrees that, upon the AR Loan Obligations being Paid in Full,  
494 any AR Lender Priority Collateral and the proceeds thereof which may come into AR Lender’s  
495 possession will be held by it in trust for FHA Lender and it shall turn over any such AR Lender  
496 Priority Collateral and/or proceeds thereof to FHA Lender (or, at FHA Lender’s direction, to a  
497 new lender who has entered into an intercreditor agreement with FHA Lender), in the same form  
498 as received with any necessary endorsements or in an amount equal to the proceeds received,  
499 promptly upon receipt.

500                   (b)     FHA Lender agrees that upon the FHA-Insured Loan Obligations being  
501 Paid in Full, except to the extent the FHA-Insured Loan Obligations are Paid in Full with the  
502 proceeds of replacement mortgage financing by a new lender that has entered into an  
503 intercreditor agreement with AR Lender, any FHA Lender Priority Collateral securing the AR  
504 Loan Obligations and proceeds thereof, which may come into FHA Lender’s possession, will be  
505 held by it in trust for AR Lender and it shall turn over any such FHA Lender Priority Collateral  
506 and/or proceeds thereof to AR Lender, in the same form as received with any necessary  
507 endorsements or in an amount equal to the proceeds received, promptly upon receipt.

508  
509                   **2.7     AR Loan Documents; Over-line Advances; Allowable Over-Advances;**  
510 **Collateralization.**

511                   (a)     AR Lender represents and warrants that as of the date hereof Schedule 1  
512 sets forth a list of the material documents evidencing or securing the AR Loan(s) and that true,  
513 correct and complete copies of the documents listed thereon have been provided to FHA Lender  
514 and its counsel.

515                   (b)     Notwithstanding anything else in this Agreement or the AR Loan  
516 Documents, AR Lender shall not make Over-line Advances without prior written consent of  
517 FHA Lender and HUD (provided that HUD may be deemed to have given consent as set forth  
518 below in this Section 2.7(b)), except for Protective Advances. **“Over-line Advance”** means an  
519 Advance in excess of the Maximum Commitment Amount. Upon the written request by AR  
520 Lender to FHA Lender to make an Over-line Advance, FHA Lender shall promptly (within two  
521 (2) Business Days) make such request of HUD and HUD will make commercially reasonable  
522 efforts to respond within ten (10) Business Days to any written request for consent to an Over-  
523 line Advance if such request is sent to the Director of HUD’s Office of Residential Care  
524 Facilities (or successor office) and supported by a documented collateral analysis provided by  
525 the AR Lender showing sufficient eligible collateral so as to not exceed the borrowing base  
526 formula set forth in the AR Loan Documents; provided, however, that if HUD fails to respond  
527 within ten (10) Business Days of receiving such request from FHA Lender, such failure to  
528 respond shall be deemed to be a consent to the making of such Over-line Advance.

529                   (c)     Notwithstanding anything else in this Agreement or the AR Loan  
530 Documents, AR Lender shall not make any Over-Advance, other than Allowable Over-  
531 Advances, without prior written consent of FHA Lender and HUD.

532                   (i)     **“Over-Advance”** means any Advances made by AR Lender  
533 pursuant to the AR Loan Documents in excess of the borrowing base formula provisions  
534 set forth in the AR Loan Documents.

535  
536                   (ii)    **“Allowable Over-Advances”** shall mean one or more Over-  
537 Advances which: (1) are advanced by AR Lender solely to be used by Operator for

538 working capital purposes and/or to pay for costs and expenses incurred by the Operator  
539 relating to the operation of the Facility or Other Facilities (including, but not limited to  
540 payroll and related expenses, food and other dietary goods, pharmaceuticals, rent due  
541 pursuant to the Owner-Operator Agreement (if any), debt service on the FHA-Insured  
542 Loan Documents, or other amounts due pursuant to the Owner-Operator Agreement  
543 and/or FHA-Insured Loan Documents), (2) are due within 180 days; and (3) are  
544 accompanied by documentation (which documentation may include an amendment to the  
545 AR Loan Documents or letter to the Operator) dictating the amount and duration/due date  
546 of such Over-Advance and documentation (which may be from the Operator) indicating  
547 why such Over-Advance is necessary, provided that AR Lender gives notice pursuant to  
548 Section 4.5 of this Agreement to FHA Lender within five (5) Business Days of such  
549 Over-Advance and any extension of such Over-Advance; and provided further that  
550 failure by AR Lender to provide notice (or any required accompanying documentation) to  
551 FHA Lender within 5 Business Days shall not subject AR Lender to any liability  
552 hereunder nor affect the subordination and lien priorities set forth in this Agreement, and  
553 shall not cause any Over-Advance to not constitute an “Allowable Over-Advance”  
554 hereunder. FHA Lender will give HUD notice of any notice of an Over-Advance it  
555 receives. In no event shall the due date for an Allowable Over-Advance be extended  
556 beyond 180 days from the making of the Over-Advance without prior written consent  
557 from FHA Lender, provided that FHA Lender shall not provide consent without receiving  
558 HUD consent.

559 (d) Until the AR Loan Obligations are Paid in Full, without the prior written  
560 consent of FHA Lender, AR Lender shall not amend, restate, supplement or otherwise modify  
561 the AR Loan Documents in any way which, and AR Lender shall not take any action which, (i)  
562 results in the creation of any lien, security interest or other encumbrance in any collateral related  
563 to the Facility other than the security interests and liens in existence as of the date of this  
564 Agreement pursuant to the AR Loan Documents listed on Schedule 1, (ii) conflicts in any way  
565 with this Agreement, (iii) adds a term loan facility, equipment loan facility, or any additional  
566 credit facility other than the revolving loan facility and letter of credit subfacility set forth in the  
567 AR Loan Documents in existence as of the date of this Agreement, (iv) amends the definition of  
568 “Obligations” set forth in the AR Loan Agreement on the date hereof, or (v) materially and  
569 adversely affects the rights or interests of FHA Lender.

570 (e) For the avoidance of doubt, but without limiting in any way the agreement  
571 of AR Lender set forth in subsection (d) immediately above, FHA Lender agrees that its consent  
572 shall not be required for any amendment or modification of any AR Loan Documents that  
573 increases the amount of the AR Loan in connection with the joinder of a co-borrower thereunder  
574 that is an operator of a nursing and/or assisted living facility that is encumbered by a mortgage  
575 loan held or insured by HUD; it being agreed and understood that, such joinder must be  
576 approved by HUD.

577 (f) AR Lender agrees to provide FHA Lender with true, correct and complete  
578 copies of any AR Loan Documents, including any amendments thereto, upon written request  
579 from FHA Lender. Operator shall provide copies of any and all amendments to the AR Loan  
580 Documents to FHA Lender prior to the effective date of any amendment. Nothing in this  
581 paragraph shall limit any Operator obligations to receive any necessary consents pursuant to the  
582 FHA-Insured Loan Documents.

583 (g) Notwithstanding anything to the contrary in this Agreement or the FHA-  
584 Insured Loan Documents, it is hereby agreed that, without further approval by FHA Lender or  
585 HUD: *[INSERT CHANGES/AMENDMENTS TO MATERIAL TERMS, IF ANY, THAT ORCF*  
586 *HAS PRE-APPROVED AND AGREED DO NOT REQUIRE FURTHER HUD CONSENT. FOR*  
587 *EXAMPLE: ]*

588 (i) The AR Loan may be extended, for an additional period or periods, but  
589 not beyond *[insert date approved by ORCF]*, and provided that any such extension must  
590 be on the same terms and conditions except as set forth in subdivision (ii) hereof, if  
591 applicable;

592 (ii) *[If interest rate change parameters are also approved by ORCF add*  
593 *the following]* Each such extension may be accompanied by an interest rate change, but  
594 solely within the following parameters: *[insert parameters approved by ORCF]*;

595 (iii) A modification or extension entered into in accordance with this  
596 Section 2.7(g) shall not be deemed to violate the requirement in the Operator Regulatory  
597 Agreement to obtain prior HUD consent to such modification; *provided that*, nothing  
598 herein shall be deemed to waive or limit the requirement to obtain such prior consent for  
599 any other modification of a Material Term (as defined in the Operator Regulatory  
600 Agreement) or any other extensions or interest rate change except as set forth in this  
601 Section 2.7(g).

602 (h) **“Cross-Collateralization between HUD Projects and AR Loan”:**

603 *[Insert ONE of the following three choices, as applicable, and intentionally omit the other two]*

604 (i) *[Alternative 1]* The parties acknowledge that, pursuant to the AR Loan  
605 Documents, the Operator and each operator of the Other Facilities is jointly and severally  
606 liable for repayment of the AR loan and that the operator collateral related to the Facility  
607 and each of the Other Facilities secures the AR Loan; i.e. that the operator collateral  
608 regarding the Facility and each of the Other Facilities are cross-collateralized to secure  
609 the AR Loan. Such cross-collateralization has been approved by HUD.

610 (ii) *[Alternative 2]* *[Describe any alternative arrangement approved by*  
611 *HUD. For example, if any operator’s access to AR loan is expressly limited to a*  
612 *particular dollar amount, then the extent of cross-collateralization against such operator*  
613 *may be required to be similarly limited]*

614 (iii) *[Alternative 3]* *[If the HUD projects are not cross-collateralized*  
615 *insert “Not Applicable”]*

616 (i) **“Use of HUD projects to Pay or Collateralize Non-HUD Affiliated**  
617 **Obligations Not Permitted”** Notwithstanding anything to the contrary in the AR Loan  
618 Documents, unless approved by HUD and set forth in Section 1.7 hereof, AR Lender agrees that  
619 AR Lender shall not use or apply any income of or property of any project with an FHA-Insured  
620 Loan to pay or collateralize any Non-HUD Affiliated Obligations. For purposes hereof, **“Non-**  
621 **HUD Affiliated Obligations”** shall include any mortgage loan, term loan, line of credit,  
622 accounts receivable financing loan, or other credit arrangement from AR Lender (including any  
623 syndicate lenders) or its affiliates, to parties that are affiliated with the Operator, the operators of  
624 the Other Facilities, the owners of the Facility or Other Facilities, or the Master Tenant.

625 (j) AR Lender certifies and agrees that (i) the AR Loan Documents do not,  
626 and shall not, include any Non-HUD Affiliated Obligations as part of the AR Loan Obligations,  
627 and shall not amend its documents to include any such terms at any time without express,  
628 specific prior HUD written approval, and (ii) neither the Operator, nor the operators of the Other

629 Facilities, nor any Owner or Master Tenant of the Facility or the Other Facilities (A) are or at  
630 any time shall become obligors or guarantors of any such Non-HUD Affiliated Obligations or  
631 (B) have granted or shall grant any liens or security interests to secure such Non-HUD Affiliated  
632 Obligations.

633 (k) **“Use of Non-HUD project collateral to Secure HUD AR line”**

634 Notwithstanding anything to the contrary in the AR Loan Documents, AR Lender agrees that, if  
635 and to the extent that non-HUD project collateral secures the AR Loan or any guarantee thereof,  
636 the costs of entering into, negotiating, administering and enforcing the documents evidencing  
637 such non-HUD collateral, including any protective advances thereunder, shall not be charged to  
638 the AR Loan or to the Operator or operators of the Other Facilities.

639

640 **2.8 FHA-Insured Loan Documents.** FHA Lender represents and warrants  
641 that as of the date hereof, Schedule 2 sets forth a list of certain material documents evidencing or  
642 securing the FHA-Insured Loan(s) and that true, correct and complete copies of the documents  
643 listed thereon have been provided to AR Lender and its counsel. FHA Lender agrees to provide  
644 AR Lender with true, correct and complete copies of any FHA-Insured Loan Documents,  
645 including any amendments thereto, upon written request from AR Lender.

646

647 **2.9 Deposit Account Control Agreements; Lien Releases.**

648 (a) To the extent required by HUD, any deposit accounts into which the  
649 proceeds of Accounts are deposited, shall be subject to deposit account control agreements  
650 and/or deposit account instructions and services agreements, with each depository bank  
651 maintaining such deposit accounts (each, a “**Depository Bank**”) on terms approved by HUD.

652 (b) Upon the AR Loan Obligations being Paid in Full, AR Lender agrees to  
653 promptly notify the FHA Lender of such event, and AR Lender further agrees that it will execute  
654 any and all such termination statements or releases as may be necessary to release any lien on the  
655 Operator’s assets, including but not limited to the termination of (or, if FHA Lender and AR  
656 Lender are both a party to the same such agreement, release of AR Lender from) any deposit  
657 account control agreement, provider account agreement, blocked account agreement or lockbox  
658 agreement with any depository bank of Operator which holds or receives Operator’s Accounts.  
659 In the event any Party to this Agreement that has been Paid in Full fails to file any required  
660 releases and/or termination statements within ten (10) Business Days of the other Party’s timely  
661 demand therefor, the requesting Party hereby is authorized to file a copy of this Agreement in  
662 any appropriate UCC financing office as conclusive evidence of such (non-complying) Party’s  
663 release of its security interest in the AR Lender Priority Collateral, and any third Party shall be  
664 entitled to rely upon the filing of this Agreement as a full and complete release of such Party’s  
665 security interest.

666 (c) Until the AR Loan Obligations are Paid in Full, AR Lender will have the  
667 exclusive authority to exercise control (unless prohibited by law) over the Deposit Accounts and  
668 to provide appropriate instructions to the applicable Depository Bank. At such time that the AR  
669 Loan Obligations are Paid in Full, FHA Lender will have the exclusive authority to exercise  
670 control (unless prohibited by law) over the Deposit Accounts and to provide appropriate  
671 instructions to the applicable Depository Bank, and AR Lender will take all necessary steps to  
672 effectuate the foregoing, including, but not limited to, providing appropriate instructions to the  
673 applicable Depository Bank or terminating any deposit account control agreement, provider  
674 account agreement, blocked account agreement or lockbox agreement with any depository bank

675 of Operator which holds or receives Operator’s Accounts. After a Cut-Off Time, the parties  
676 agree to coordinate the timing of instructions given to residents and third-party payors that  
677 identify new deposit accounts into which payments should be made. Without limiting anything  
678 set forth in Section 2.3(a), each of the parties to this Agreement hereby agrees to cooperate and  
679 work in good faith with each other in order to effectively and efficiently bill, invoice and collect  
680 all Accounts due from Operator’s account debtors and to promptly turn over any proceeds of  
681 Accounts to the party entitled to such proceeds.  
682

### 683 3. REPRESENTATIONS; COVENANTS

684  
685 **3.1** Operator operates the Facility. Operator has granted or will grant a  
686 security interest in its Accounts and certain other assets to FHA Lender and HUD (collectively,  
687 the “**Senior Secured Parties**”) pursuant to the Operator Security Agreement in connection with  
688 one or more FHA-Insured Loans provided to Owner.  
689

690 **3.2** AR Lender consents to the Operator Security Agreement and the liens  
691 granted in favor of the Senior Secured Parties notwithstanding any contrary provisions of the AR  
692 Loan Documents. This Intercreditor Agreement sets forth the relative priorities of AR Lender  
693 and the Senior Secured Parties in and to the assets of Operator.  
694

695 **3.3** Subject to the provisions of Section 3.4 below, the Parties acknowledge  
696 that funds received by Operator from AR Lender (“**AR Loan Advances**”) shall be utilized (i)  
697 first, to pay current debt service obligations of Operator to AR Lender with respect to the  
698 Facility, (ii) second, to pay Operator’s costs of operations with respect to the Facility including,  
699 but not limited to, rent and all other payment obligations due under the Owner-Operator  
700 Agreement, payroll and payroll taxes, ordinary maintenance and repairs and management and  
701 consulting fees to unaffiliated management agents or consultants (“**Current Operating Costs**”);  
702 (iii) third, provided that no Event of Default exists under the Owner-Operator Agreement or  
703 FHA-Insured Loan Documents, to pay management and consulting fees to affiliated management  
704 agents and (iv) after the payment of Current Operating Costs, and consulting fees to affiliated  
705 management agents, subject to applicable restrictions, if any, in the AR Loan Documents and the  
706 Operator Regulatory Agreement, AR Loan Advances may be distributed to Operator’s  
707 shareholders, partners, members or owners, as the case may be. [The parties acknowledge that  
708 such utilization of Advances may include and is subject to the Master Tenant’s rights to  
709 reallocate rent payments and the Operator’s obligations pursuant to that certain Cross-Default  
710 Guaranty entered into by Operator relating to the Facility (“**Cross-Default Guaranty**”) and that  
711 such reallocated rent payments or payments pursuant to the Cross-Default Guaranty shall be  
712 deemed Current Operating Costs for purposes of this Agreement.] Notwithstanding anything to  
713 the contrary herein (but subject to any limitations in the AR Loan Documents and the Operator  
714 Regulatory Agreement), any distributions made by Operator to Operator’s shareholders, partners,  
715 members or owners, as the case may be, shall be permitted to the extent, and only to the extent,  
716 allowed by that certain Operator Regulatory Agreement executed by Operator in connection with  
717 the Facility. AR Lender makes no representations or covenants with respect to Operator’s  
718 compliance with the terms of this Section 3.3.  
719



720 *[The terms of this Section 3.4 are not standardized and are meant to be revised by the Closing*  
721 *Attorney, with ORCF Closer consent, as agreed to by all parties to reflect the deal-specific*  
722 *circumstances and agreements. Some common provisions are suggested below.]*

723  
724 3.4 **AR Loan Advances Payment Structure.**

725  
726 (a) **Control of Operator’s Deposit Accounts.** Operator, FHA Lender and AR  
727 Lender agree and certify to the existence of deposit account control agreements or like  
728 agreements relating to Operator’s deposit accounts: *[Describe deal-specific arrangement as to*  
729 *who has primary control of Operator’s deposit accounts.]*

730 (b) **AR Lender funds AR Loan Advances.** Operator, FHA Lender and AR  
731 Lender agree that no later than the [eighth (8<sup>th</sup>)] day of each calendar month (*provided that if*  
732 *such day is not a Business Day then on the immediately preceding Business Day*), [upon written  
733 request from Operator in accordance with the AR Loan Agreement, AR Lender shall disburse [,  
734 by wire transfer of immediately available funds as an Advance (to the extent of *[Availability]*) to  
735 [the account of FHA Lender designated in writing by Operator to AR Lender] [a payment  
736 account designated in writing by Operator and from which FHA Lender will either receive an  
737 automatic wire or access via the automated clearinghouse system], an amount equal to the  
738 Current Impositions, as defined below, as designated in writing to AR Lender by FHA Lender,  
739 provided, however, that any Advance made pursuant to this subsection (b) shall be subject to the  
740 restrictions set forth in subsection (d) below.

741 (c) **“Current Impositions”** equals the sum of: [(i) the aggregate rent payable  
742 under the Owner-Operator Agreement for such month, [including any reallocated rent payments  
743 pursuant to the Master Lease and/or any payments due pursuant to the Cross-Default Guaranty]],  
744 [(ii) taxes and insurance due and owing with respect to the Owner-Operator Agreement for such  
745 month,] [and] [(iii) deposits to reserves required under the Owner-Operator Agreement.]

746 (d) AR Lender agrees that it shall make the Advance as described in  
747 subsection (b) above unless (i) there is not sufficient *[Availability]*, or (ii) a default or event of  
748 default shall exist or be continuing under the AR Loan Agreement, or (iii) Operator fails to  
749 satisfy all conditions precedent thereto as set forth in the AR Loan Documents. After payment of  
750 the Current Impositions and subject to applicable restrictions in the AR Loan Documents, any  
751 remaining Advances may be made as directed by Operator. *[Operator agrees to promptly, but in*  
752 *no event later than the eighth (8<sup>th</sup>) day of each calendar month (or the immediately preceding*  
753 *Business Day if such day is not a Business Day), notify FHA Lender and Owner in accordance*  
754 *with Section 4.5 if there is not sufficient Availability for AR Lender to make the disbursement set*  
755 *forth in this Section 3.4].*

756 (e) **Use of AR Loan Advances to satisfy FHA-Insured Loan Current**  
757 **Impositions.** *[The parties acknowledge that AR Loan Advances shall first be used to pay Current*  
758 *Impositions.]* [FHA Lender shall receive by automatic debit or FHA Lender shall have a right to  
759 withdraw from the account to which the AR Loan Advances are made] amounts at least equal to  
760 the Current Impositions. FHA Lender agrees to apply amounts received on account of Current  
761 Impositions toward payment of Owner’s monthly debt service obligations under the FHA-  
762 Insured Loan and to fund applicable escrow and reserve requirements, with the balance  
763 remaining of the payment so collected, if any, to be remitted by FHA Lender to [Owner]  
764 *[promptly] [within two (2) Business Days]* after receipt by FHA Lender.]

766 (f) Notwithstanding anything in this Agreement (whether express or implied)  
767 to the contrary, Senior Secured Parties, Operator and Owner acknowledge and agree that (i) AR  
768 Lender shall have no liability to any Senior Secured Parties, Operator or Owner for computation  
769 or verification of the Current Impositions nor the actual use of proceeds of AR Loan by  
770 Operator, and (ii) none of Senior Secured Parties nor Owner shall be deemed to be a third party  
771 beneficiary of any financing relationship between Operator and AR Lender, and Senior Secured  
772 Parties and Owner hereby expressly waive and relinquish their respective rights to claim  
773 otherwise. Notwithstanding anything herein (whether express or implied) to the contrary, to the  
774 extent FHA Lender receives Current Impositions or the proceeds thereof, FHA Lender shall be  
775 entitled to retain the same and shall not be required to hold the same in trust or to disgorge the  
776 same to AR Lender, irrespective of whether the same constitutes proceeds of AR Lender Priority  
777 Collateral. Notwithstanding the foregoing, FHA Lender agrees that in the event AR Lender  
778 notifies FHA Lender that Current Impositions are being paid improperly with AR Lender  
779 Priority Collateral and not in the manner set forth in this Section 3.4, FHA Lender agrees to hold  
780 any such improperly paid amounts received thereafter in trust for AR Lender as AR Lender  
781 Priority Collateral.

782  
783 (g) The signatures of Owner [*insert “, Master Tenant” if Master Lease*  
784 *involved*] and Operator below shall confirm their respective agreement to the collection, payment  
785 and disbursement of the amounts set forth herein.

786  
787 3.5 Except as set forth herein, Operator certifies that there are no proposed  
788 agreements, arrangements, understandings or transactions (side deals) outside of the AR Loan  
789 Documents that utilize the Accounts of Operator as security for any other obligations. Operator  
790 agrees that Operator shall not be a guarantor or party to any other accounts receivable financing  
791 agreement without the consent of FHA Lender and HUD.

792  
793 3.6 Except as set forth herein or as otherwise disclosed to and approved by  
794 HUD in writing, (a) AR Lender and Operator certify and agree that there are no existing or  
795 proposed agreements, arrangements, understandings or transactions that involve the Facility (side  
796 deals) between (i) Operator, [*insert “, Master Tenant” if Master Lease involved*], Owner, or any  
797 owner, master tenant, or operator of any of the Other Facilities, or officers, members, managers,  
798 directors, stockholders, partners, or other interest holders, employees or affiliates, or any member  
799 of their respective immediate families, and/or the parent entity of Operator, Master Tenant,  
800 Owner, or any owner, master tenant, or operator of any of the Other Facilities, and (ii) AR  
801 Lender; (b) FHA Lender and Operator certify and agree that there are no existing or proposed  
802 agreements, arrangements, understandings or transactions that involve the Facility (side deals)  
803 between (i) Operator (or any of Operator’s officers, members, managers, directors, stockholders,  
804 partners, or other interest holders, employees or affiliates, or any member of their respective  
805 immediate families, and/or its parent entity), and (ii) FHA Lender; and (c) AR Lender and  
806 Operator certify that, notwithstanding anything else in the AR Loan Documents, neither the AR  
807 Lender Priority Collateral nor the FHA Lender Priority Collateral shall secure any obligations to  
808 the AR Lender, or any of its affiliates (including any lender under the AR Loan Documents),  
809 relating to projects other than the Facility or Other Facilities. AR Lender and Operator certify  
810 and agree that any and all provisions in the AR Loan Documents that would entitle AR Lender to  
811 declare a default under the AR Loan as a result of defaults under other agreements by Operator

812 or affiliates of Operator (“**Cross-Defaults**”) are set forth on Exhibit B hereto, The Cross-  
813 Defaults have been disclosed to and approved by HUD.

814

815

#### 816 4. MISCELLANEOUS

817

818 **4.1 Beneficiaries.** This Agreement is entered into solely for the benefit of AR  
819 Lender, FHA Lender, HUD, and their respective successors and assigns, and neither Operator,  
820 Owner nor any other persons or entities whatsoever, including but not limited to any third party  
821 assignee, investor, incidental beneficiary or any creditor of Operator or Owner (other than HUD),  
822 shall have any right, benefit, priority or interest under or because of the existence of this  
823 Agreement.

824 **4.2 Amendment.** This Agreement contains the entire understanding of the  
825 Parties with respect to the subject matter hereof, and shall not be modified, amended or  
826 terminated orally but only in writing signed by AR Lender, FHA Lender, Owner and Operator.

827

828 **4.3 Bankruptcy Financing.** In the event of the commencement of a  
829 bankruptcy, insolvency or similar type of proceeding filed by or against the Operator  
830 (“**Proceeding**”), AR Lender shall have the non-exclusive option (in its sole and absolute  
831 discretion) to continue to provide financing (on terms acceptable to AR Lender) to the trustee,  
832 other fiduciary or to the Operator as a debtor-in-possession, if AR Lender deems such financing  
833 to be in its best interests. The subordination and lien priority provisions of this Agreement shall  
834 continue to apply to all AR Lender Priority Collateral arising upon the commencement and  
835 during the pendency of such Proceeding without regard as to whether a Cut-Off Time has  
836 occurred prior to the commencement of such Proceeding, so that AR Lender shall have a prior  
837 lien on all AR Lender Priority Collateral, created before and during such Proceeding (to the  
838 extent AR Lender provides such financing during the Proceeding or to the extent Operator is  
839 granted the right to use, sell, or otherwise dispose of cash collateral during any such Proceeding),  
840 to secure the AR Loans, whether advanced before or during such Proceeding.

#### 841 **4.4 Relative Rights; Cure Rights; Certain Notice Obligations of FHA** 842 **Lender and AR Lender.**

843 (a) This Agreement is entered into solely for the purposes set forth herein, and  
844 except as expressly provided herein, neither AR Lender nor FHA Lender assumes any other  
845 duties or responsibilities to the other regarding the financial condition of Operator, Owner or any  
846 other party, or regarding any of Operator’s property, or regarding any other circumstance bearing  
847 upon the risk of nonpayment of the obligations of Operator or Owner under any of the  
848 agreements referred to herein. Each of AR Lender and FHA Lender shall be responsible for  
849 managing its financial relationships with Operator and Owner, and neither shall be deemed to be  
850 the agent of the other for any purpose.

851 (b) AR Lender and the FHA Lender agree to notify the other of any notice of  
852 a “Notice Event” given to their respective borrower under any of the AR Loan Documents or any  
853 of the FHA-Insured Loan Documents as applicable; provided, that the failure to provide such  
854 notice shall not subject such Party to any liability nor affect the subordination and lien priorities  
855 set forth in this Agreement. AR Lender and the FHA Lender shall have the right (but not the  
856 obligation) to cure any payment default under the other Party’s documents within ten (10) days  
857 after notice thereof. A “**Notice Event**” for purposes of this Section shall mean (i) with regard to

858 FHA Lender and the FHA-Insured Loan Documents, a default by the borrower thereunder  
859 triggering FHA Lender's commencement of assignment to HUD of the FHA-Insured Loan, an  
860 acceleration of the FHA-Insured Loan, a foreclosure, or an action for the appointment of a  
861 receiver or similar remedy, including any FHA-Insured Loan Triggering Event; (ii) with regard  
862 to AR Lender and AR Loan Documents, any event which results in AR Lender having Ceased  
863 Funding or accelerating the AR Loan Obligations or the AR Loan Obligations accelerating  
864 automatically in accordance with the terms of the AR Loan Documents, including any AR Loan  
865 Triggering Event; or (iii) with regard to AR Lender and the AR Loan Documents, if there is  
866 insufficient Availability to fund the Current Impositions (as defined above in Section 3.4), at  
867 least with respect to the Facility.

868  
869 **4.5 Notices.** Any notice or service of process given, or required to be given,  
870 pursuant hereto and in connection herewith, including without limitation any notice of any Cut-  
871 Off Time, shall be in writing and shall be deemed to be properly given: (a) when personally  
872 delivered; (b) the first or second Business Day after the notice is deposited with a nationally  
873 recognized overnight courier service with arrangements made for payment of charges for next or  
874 second Business Day delivery, respectively; or (c) two Business Days after the date sent by  
875 certified mail return receipt requested, in each case addressed to the Party for whom it is  
876 intended at its address hereinafter set forth or such address as subsequently provided to all  
877 Parties in writing.

878 If to AR Lender to: \_\_\_\_\_  
879 \_\_\_\_\_  
880 \_\_\_\_\_  
881 Attn: \_\_\_\_\_  
882 Telephone: (\_\_\_\_) \_\_\_\_\_  
883 Facsimile: (\_\_\_\_) \_\_\_\_\_  
884  
885 With copies to: \_\_\_\_\_  
886 \_\_\_\_\_  
887 \_\_\_\_\_  
888 Attn: \_\_\_\_\_  
889 Telephone: (\_\_\_\_) \_\_\_\_\_  
890 Facsimile: (\_\_\_\_) \_\_\_\_\_  
891  
892 If to FHA Lender to: \_\_\_\_\_  
893 \_\_\_\_\_  
894 \_\_\_\_\_  
895 Attn: \_\_\_\_\_  
896 Telephone: (\_\_\_\_) \_\_\_\_\_  
897 Facsimile: (\_\_\_\_) \_\_\_\_\_  
898  
899 With copies to: \_\_\_\_\_  
900 \_\_\_\_\_  
901 \_\_\_\_\_  
902 Attn: \_\_\_\_\_  
903 Telephone: (\_\_\_\_) \_\_\_\_\_  
904 Facsimile: (\_\_\_\_) \_\_\_\_\_  
905  
906 If to Owner to: \_\_\_\_\_  
907 \_\_\_\_\_  
908 \_\_\_\_\_  
909 Attn: \_\_\_\_\_  
910 Telephone: (\_\_\_\_) \_\_\_\_\_  
911 Facsimile: (\_\_\_\_) \_\_\_\_\_  
912  
913 With copies to: \_\_\_\_\_  
914 \_\_\_\_\_  
915 \_\_\_\_\_  
916 Attn: \_\_\_\_\_  
917 Telephone: (\_\_\_\_) \_\_\_\_\_  
918 Facsimile: (\_\_\_\_) \_\_\_\_\_  
919

920 If to Operator to: \_\_\_\_\_  
921 \_\_\_\_\_  
922 \_\_\_\_\_  
923 Attn: \_\_\_\_\_  
924 Telephone: (\_\_\_\_) \_\_\_\_\_  
925 Facsimile: (\_\_\_\_) \_\_\_\_\_  
926

927 With copies to: \_\_\_\_\_  
928 \_\_\_\_\_  
929 \_\_\_\_\_  
930 Attn: \_\_\_\_\_  
931 Telephone: (\_\_\_\_) \_\_\_\_\_  
932 Facsimile: (\_\_\_\_) \_\_\_\_\_  
933  
934

935 **4.6 Counterparts; Facsimile Signatures.** This Agreement may be executed  
936 in any number of counterparts, each of which shall be deemed to be an original, and all of which  
937 together constitute one and the same agreement. Signature transmitted by facsimile or other  
938 electronic means shall bind the Parties hereto.  
939

940 **4.7 Authorization.** Each individual signatory hereto represents and warrants  
941 that he or she is duly authorized to execute this Agreement on behalf of his or her principal and  
942 that he or she executes the Agreement in such capacity and not as a Party. [OPTIONAL: *If AR*  
943 *Loan is syndicated or participated, and the AR Loan Documents are unclear about agent's*  
944 *ability to bind other lenders or whether any lenders or participants may have an identity of*  
945 *interest with Operator, field counsel may request additional reasonable assurances here.]  
946*

947 **4.8 Successors and Assigns.** This Agreement shall be binding upon the  
948 Parties hereto and their legal representatives, successors and assigns, provided, however, that  
949 each of the parties hereto further agrees to provide the other party with written notice of any such  
950 assignment of the AR Loan and/or the FHA-Insured Loan Documents, respectively. Each of the  
951 parties hereto agrees not to assign their rights to the AR Loan and/or the FHA-Insured Loan  
952 Documents to Operator or any affiliate of Operator.  
953

954 **4.9 Governing Law.** This Agreement and all matters arising out of or related  
955 to this Agreement shall be deemed to have been made under, and shall be governed and  
956 construed in all respects by, the substantive laws of the State of [enter property or organizational  
957 jurisdiction] \_\_\_\_\_ without regard to principles of conflicts of laws.  
958

959 **4.10 Jurisdiction and Venue.** FHA Lender and AR Lender hereby irrevocably  
960 consent to the nonexclusive jurisdiction of the State and Federal Courts located in the State of  
961 [enter property or organizational jurisdiction] \_\_\_\_\_ in any and all actions and proceedings  
962 arising under or in connection with this Agreement.

963 **4.11 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY**  
964 **WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO A JURY TRIAL IN**  
965 **CONNECTION WITH ANY LITIGATION COMMENCED BY OR AGAINST ANY**

966 **OTHER PARTY(IES) WITH RESPECT TO THE RIGHTS AND OBLIGATIONS SET**  
967 **FORTH HEREIN.**

968  
969 **4.12 Severability.** If a court of competent jurisdiction in a final determination  
970 deems any provision of this Agreement invalid, prohibited or unenforceable, such invalidity,  
971 prohibition or unenforceability shall apply only to such provision and only to the extent of such  
972 invalidity, prohibition or unenforceability, and shall not render this Agreement or any other  
973 provision of this Agreement wholly or partially invalid, prohibited or unenforceable.

974  
975 **4.13 Headings.** The paragraph headings used in this Agreement are for  
976 convenience only and shall not affect the interpretation of any of the previous hereof. The  
977 statements set forth in the Recital paragraphs are incorporated herein by reference.

978  
979 **4.14 Entire Agreement.** This Agreement is the entire agreement among the  
980 Parties regarding the subject matter of this Agreement.  
981

982 IN WITNESS WHEREOF, the undersigned have executed this Agreement the day and  
983 year first above written.

984  
985 **AR LENDER:**  
986 *[insert appropriate signature block]*

987  
988  
989 **FHA LENDER:**  
990 *[insert appropriate signature block]*

991  
992  
993 **OPERATOR:**  
994 *[insert appropriate signature block]*

995  
996  
997 **OWNER:**  
998 *[insert appropriate signature block]*

999  
1000  
1001 **MASTER TENANT:**  
1002 *[insert appropriate signature block]*

1003  
1004



1005  
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1019

**Schedule 1  
AR Loan Documents**

**Schedule 2  
FHA-Insured Loan Documents**

**Schedule 3  
List of Other Facilities  
(other facilities financed by the AR Loan)**

**Exhibit A**  
**Form of Cut-Off Time Notice**

1020 \_\_\_\_\_, 20\_\_  
1021 \_\_\_\_\_  
1022 \_\_\_\_\_

1023 \_\_\_\_\_  
1024 Attn: \_\_\_\_\_

1025  
1026 Re: Intercreditor Agreement Dated as of \_\_\_\_\_, 20\_\_ by and among \_\_\_\_\_  
1027 ("AR Lender"), \_\_\_\_\_ ("FHA Lender"), \_\_\_\_\_ ("Owner")  
1028 and \_\_\_\_\_ ("Operator") (the "Intercreditor Agreement")  
1029

1030 Ladies and Gentlemen:

1031  
1032 This letter constitutes the Cut-Off Time Notice described in the Intercreditor Agreement.  
1033 All capitalized terms used, and not otherwise defined, herein shall have the meanings provided  
1034 for in the Intercreditor Agreement.

1035  
1036 Please be advised that:  
1037  an FHA-Insured Loan Triggering Event has occurred as a result of  
1038 \_\_\_\_\_,  
1039 and notice of such FHA-Insured Loan Triggering Event [is provided by this notice] **OR** [has  
1040 been provided on \_\_\_\_\_].

1041  
1042  an AR Loan Triggering Event has occurred as a result of  
1043 \_\_\_\_\_,  
1044 and notice of such AR Loan Triggering Event was received on \_\_\_\_\_.

1045  
1046  Ceased Funding has occurred as of \_\_\_\_\_.

1047  
1048 This Cut-Off Time Notice applies to the following Facility(ies) and FHA-Insured Loan Nos.:  
1049 \_\_\_\_\_

1050  
1051 In accordance with Section [1.11] of the Intercreditor Agreement the Cut-Off Time shall be  
1052 deemed to occur as of \_\_\_\_ [a.m./p.m.], \_\_\_\_\_ time, on \_\_\_\_\_, 20\_\_,  
1053 unless **extended by HUD [which date and time may be concurrent with, or at any time after, the**  
1054 **date when Ceased Funding occurs (even if this notice results in retroactive designation of such**  
1055 **Cut-Off Time), but no sooner than 30 days after notice of an FHA-Insured Loan Triggering**  
1056 **Event or AR Loan Triggering Event]**.

1057  
1058 All provisions of the Intercreditor Agreement applicable after the Cut-Off Time shall  
1059 govern the future relationship of AR Lender, FHA Lender, HUD, Owner, and Operator under the  
1060 Intercreditor Agreement with respect to the Facility(ies) identified in this Cut-Off Time Notice.  
1061 Please contact the undersigned at \_\_\_\_\_ if you have any questions.

1062  
1063 Sincerely,  
1064 \_\_\_\_\_  
1065 By: \_\_\_\_\_  
1066 cc: \_\_\_\_\_ Name: \_\_\_\_\_

