

(6) THE RECEIVER MAY NOT BE REQUIRED TO HONOR ANY LEASE, MORTGAGE OR SECURE TRANSACTION OR OTHER CONTRACTS ENTERED INTO BY THE OWNER OF THE FACILITY IF, UPON PETITION TO THE COURT, THE COURT DETERMINES THAT:

(I) THE PERSON SEEKING PAYMENT UNDER THE AGREEMENT IS THE OWNER OR AN AFFILIATE OF THE OWNER OF THE NURSING HOME OR WAS THE OWNER OR AN AFFILIATE OF THE OWNER AT THE TIME THE AGREEMENT WAS MADE; AND

(II) THE RENTAL PRICE OR RATE OF INTEREST REQUIRED TO BE PAID UNDER THE AGREEMENT WAS SUBSTANTIALLY IN EXCESS OF A REASONABLE RENTAL PRICE OR RATE OF INTEREST AT THE TIME THE CONTRACT WAS EXECUTED.

(7) (I) IF THE RECEIVER IS IN POSSESSION OF REAL ESTATE OR GOODS SUBJECT TO A LEASE, MORTGAGE OR SECURITY INTEREST WHICH THE RECEIVER IS PERMITTED TO AVOID UNDER PARAGRAPH (6) AND IF THE REAL ESTATE OR GOODS ARE NECESSARY FOR THE CONTINUED OPERATION OF THE NURSING HOME, THE RECEIVER MAY APPLY TO THE COURT TO SET A REASONABLE RENTAL PRICE OR RATE OF INTEREST TO BE PAID BY THE RECEIVER DURING THE DURATION OF THE RECEIVERSHIP. THE COURT SHALL HOLD A HEARING NOT LATER THAN 15 DAYS AFTER THE PETITION IS FILED.

(II) ALL KNOWN OWNERS OF THE PROPERTY INVOLVED SHALL RECEIVE NOTICE OF THE PETITION FROM THE RECEIVER AT LEAST 10 DAYS PRIOR TO THE HEARING. WHEN THE WHEREABOUTS OF THE OWNER OR OWNERS OF THE REAL ESTATE OR GOODS IS UNKNOWN AND THE RECEIVER FILES A STATEMENT UNDER OATH SETTING FORTH A SUBSTANTIAL ACCOUNT OF THE EFFORT MADE TO EFFECT SERVICE OF PROCESS WHICH SATISFIES THE COURT THAT REASONABLE EFFORTS TO LOCATE THE OWNER HAVE BEEN MADE IN GOOD FAITH, THE COURT SHALL ORDER SERVICE OF PROCESS BY PUBLICATION.

(III) PAYMENT BY THE RECEIVER OF THE AMOUNT DETERMINED BY THE COURT TO BE REASONABLE IS A DEFENSE TO ANY ACTION AGAINST THE RECEIVER FOR PAYMENT OR FOR POSSESSION OF THE GOODS OR REAL ESTATE SUBJECT TO THE LEASE, SECURITY INTEREST, OR MORTGAGE INVOLVED, BUT THE PAYMENT DOES NOT RELIEVE THE OWNER OF THE NURSING HOME OF ANY LIABILITY FOR THE DIFFERENCE BETWEEN THE AMOUNT PAID BY THE RECEIVER AND THE AMOUNT DUE UNDER THE LEASE, SECURITY INTEREST, OR MORTGAGE INVOLVED.

(IV) NOTWITHSTANDING ANYTHING IN THIS PARAGRAPH TO THE CONTRARY:

1. WHEN A MORTGAGE IS HELD BY A PERSON WHO IS NOT THE OWNER OR AN AFFILIATE OF THE OWNER OF THE NURSING HOME, OR WHEN THE SECURED PARTY IN A SECURED TRANSACTION IS NOT THE OWNER OR AN AFFILIATE OF THE OWNER OF THE NURSING HOME, THE RECEIVER SHALL PAY THE ACTUAL PRINCIPAL AND INTEREST PAYMENTS PAYABLE ON THE MORTGAGE OR SECURED TRANSACTION.