

(2) On petition of a receiver [of a nursing home], the court may:

(i) Allow the receiver to avoid a lease, mortgage, secured transaction, or other contract that the owner [of the nursing home] OR OPERATING ENTITY made if:

1. The person seeking payment under the contract is, or[, ] at the time the contract was made[, ] was, the owner or an affiliate of the owner; and

2. The contract provides for a rent or interest rate substantially exceeding the rent or interest rate that was reasonable when the contract was made; and

(ii) If the receiver is allowed to avoid the contract, set a reasonable rent or interest rate to be paid on any property that is subject to the contract and is needed to continue operation of the nursing home OR COMMUNITY RESIDENTIAL PROGRAM.

(3) The court shall hold a hearing on a petition under this subsection within 15 days after the petition is filed.

(4) Notice of the petition shall be given to all known owners of property that the petition affects:

(i) By the receiver, at least 10 days before the hearing; or

(ii) By publication, if the receiver files with the court a statement that:

1. Is signed and verified by the receiver;

2. States that the owner of the property cannot be found; and

3. Sets forth a substantial account of reasonable, good faith efforts to find the owner and serve process.

(5) The court shall set a rent under this subsection in an amount that is not less than the total current payments of principal and interest required on all mortgages and secured transactions that:

(i) Affect the property under the contract to be avoided; and

(ii) Cannot be avoided under this subsection.