LETTER OF INTENT

State of Tennessee
Health Facilities Commission

502 Deaderick Street, Andrew Jackson Building, 9th Floor, Nashville, TN 37243

www.tn.gov/hsda Phone: 615-741-2364 hsda.staff@tn.gov

LETTER OF INTENT

The Publication of Intent is to be published in Commercial Appeal (Shelby County), Tennessee, on or before 10/15/2026 for one day.

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that Port Royal Retreat Memphis, a/an Nursing Home owned by Hickory Bend TN OPCO, LLC with an ownership type of Limited Liability Company and to be managed by itself intends to file an application for a Certificate of Need for Relocation of ninety-two (92) skilled nursing beds from 1076 Chambliss Road, Memphis, TN to 6551 Knight Arnold Road, Memphis, TN.. The address of the project will be 6551 Knight Arnold Road, Memphis, Shelby, Tennessee, 38115. The estimated project cost will be $12,327,675.

The anticipated date of filing the application is 10/30/2026

The contact person for this project is Attorney William Maddrey who may be reached at Baker Donelson - 2235 Gateway Access Point, Suite 220, Raleigh, North Carolina, 27607 – Contact No. 984-844-7922.

William Maddrey	10/05/2026	wmaddrey@bakerdonelson.com
Signature of Contact	**Date**	**Contact's Email Address**

The Letter of Intent must be received between the first and the fifteenth day of the month. If the last day for filing is a Saturday, Sunday, or State Holiday, filing must occur on the next business day. Applicants seeking simultaneous review must publish between the sixteenth day and the last day of the month of publication by the original applicant.

The published Letter of Intent must contain the following statement pursuant to T.C.A. §68-11-1607 (c)(1). (A) Any healthcare institution wishing to oppose a Certificate of Need application must file a written notice with the Health Facilities Commission no later than fifteen (15) days before the regularly scheduled Health Facilities Commission meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application may file a written objection with the Health Facilities Commission at or prior to the consideration of the application by the Commission, or may appear in person to express opposition. Written notice of opposition may be sent to: Health Facilities Commission, Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 or email at hsda.staff@tn.gov .

State of Tennessee
Health Facilities Commission

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PUBLICATION OF INTENT

The following shall be published in the "Legal Notices" section of the newspaper in a space no smaller than two (2) columns by two (2) inches.

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that Port Royal Retreat Memphis, a/an Nursing Home owned by Hickory Bend TN OPCO, LLC with an ownership type of Limited Liability Company and to be managed by itself intends to file an application for a Certificate of Need for Relocation of ninety-two (92) skilled nursing beds from 1076 Chambliss Road, Memphis, TN to 6551 Knight Arnold Road, Memphis, TN.. The address of the project will be 6551 Knight Arnold Road, Memphis, Shelby, Tennessee, 38115. The estimated project cost will be $12,327,675.

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CRITERIA AND STANDARDS

Item 1N. Criteria #1. Determination of Need

The need for nursing home beds for each county in the state should be determined by applying the following population-based statistical methodology:

Need = .0005 x population 65 and under [748,919] = 374.46
+ 0.012 x population 65-74 [89,856] = 1,078.27
+ 0.060 x population 75-84 [51,191] = 3,071.46
+ 0.150 x population 85 and older [16714] = 2,507.10

Service Area County	Total Population (2028)*	Bed Need**	Total Licensed Beds***	Need
Shelby	906,680.00	7,031.29	3,552	3479.29

*Source: Tennessee Department of Health, Division of Policy Planning and Assessment, https://www.tn.gov/health/health-program-areas/statistics/health-data/population.html
**Source: Tennessee Department of Health, Division of Policy, Planning and Assessement - Nursing Home Bed Need Projections (The above table should be populated based on the most current available report based on the project service area)
***Source: Joint Annual Report for Nursing Homes

ORIGINAL APPLICATION

State of Tennessee
Health Facilities Commission
502 Deaderick Street, Andrew Jackson Building, 9th Floor, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 hsda.staff@tn.gov

CERTIFICATE OF NEED APPLICATION

1A. Name of Facility, Agency, or Institution

Port Royal Retreat Memphis
Name

6551 Knight Arnold Road | Shelby
Street or Route | **County**

Memphis | Tennessee | 38115
City | **State** | **Zip**

https://royalretreatmemphis.com/
Website Address

Note: The facility's name and address **must be** the name and address of the project and **must be** consistent with the Publication of Intent.

2A. Contact Person Available for Responses to Questions

William Maddrey | Attorney
Name | **Title**

Baker Donelson | wmaddrey@bakerdonelson.com
Company Name | **Email Address**

2235 Gateway Access Point, Suite 220
Street or Route

Raleigh | North Carolina | 27607
City | **State** | **Zip**

Representative | 984-844-7922
Association with Owner | **Phone Number**

3A. Proof of Publication

Attach the full page of newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent. (Attachment 3A)

Date LOI was Submitted: 10/05/26

Date LOI was Published: 10/09/26

RESPONSE: See attachment 3A.

4A. Purpose of Review *(Check appropriate box(es) – more than one response may apply)*

- ☐ Establish New Health Care Institution
- ☑ Relocation
- ☐ Change in Bed Complement
- ☐ Addition of a Specialty to an Ambulatory Surgical Treatment Center (ASTC)
- ☐ Initiation of MRI Service
- ☐ MRI Unit Increase
- ☐ Satellite Emergency Department
- ☐ Addition of Therapeutic Catheterization
- ☐ Positron Emission Tomography (PET) Service
- ☐ Initiation of Health Care Service as Defined in §TCA 68-11-1607(3)

Please answer all questions on letter size, white paper, clearly typed and spaced, single sided, in order and sequentially numbered. In answering, please type the question and the response. All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). Attach appropriate documentation as an Appendix at the end of the application and reference the applicable item Number on the attachment, i.e. Attachment 1A, 2A, etc. The last page of the application should be a completed signed and notarized affidavit.

5A. Type of Institution *(Check all appropriate boxes – more than one response may apply)*

- ☐ Hospital
- ☐ Ambulatory Surgical Treatment Center (ASTC) – Multi-Specialty
- ☐ Ambulatory Surgical Treatment Center (ASTC) – Single Specialty
- ☐ Home Health
- ☐ Hospice
- ☐ Intellectual Disability Institutional Habilitation Facility (ICF/IID)
- ☑ Nursing Home
- ☐ Outpatient Diagnostic Center
- ☐ Rehabilitation Facility
- ☐ Residential Hospice
- ☐ Nonresidential Substitution Based Treatment Center of Opiate Addiction
- ☐ Other

Other -

Hospital -

6A. Name of Owner of the Facility, Agency, or Institution

Hickory Bend TN OPCO, LLC

Name

2100 Cherokee Ridge Way, Suite 100		502-667-8150
Street or Route		**Phone Number**
Louisville	Kentucky	40205
City	**State**	**Zip**

7A. Type of Ownership of Control *(Check One)*

- ☐ Sole Proprietorship
- ☐ Partnership
- ☐ Limited Partnership
- ☐ Corporation (For Profit)
- ☐ Corporation (Not-for-Profit)
- ☐ Government (State of TN or Political Subdivision)
- ☐ Joint Venture
- ☑ Limited Liability Company
- ☐ Other (Specify)

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the Tennessee Secretary of State's website at https://tnbear.tn.gov/ECommerce/FilingSearch.aspx If the proposed owner of the facility is government owned must attach the relevant enabling legislation that established the facility. (Attachment 7A)

Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

RESPONSE: The applicant Hickory Bend TN Opco LLC is a limited liability company. The applicant is wholly owned by Hickory Bend TN Holdco LLC which is owned by Red Sea Management LLC (99%) and Milan Vujanovic Irrevocable Trust (1%). Red Sea Management is wholly owned by Mick Vujanovic. Attached please find the organizational charts for (i) the applicant, Hickory Bend TN Opco LLC, and (ii) the real estate owner, Memphis TN Propco LLC. The applicant has relationships with certain individuals and entities that are active in the long term care industry; however, those relationships do not result in ownership or control by a national nursing home chain in connection with this application.

8A. Name of Management/Operating Entity *(If Applicable)*

Name

Street or Route		**County**
City	**State**	**Zip**

Website Address

For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract. (Attachment 8A)

9A. Legal Interest in the Site

Check the appropriate box and submit the following documentation. (Attachment 9A)

The legal interest described below must be valid on the date of the Agency consideration of the Certificate of Need application.

- ☐ Ownership (Applicant or applicant's parent company/owner) – Attach a copy of the title/deed.
- ☑ Lease (Applicant or applicant's parent company/owner) – Attach a fully executed lease that includes the terms of the lease and the actual lease expense.
- ☐ Option to Purchase - Attach a fully executed Option that includes the anticipated purchase price.
- ☐ Option to Lease - Attach a fully executed Option that includes the anticipated terms of the Option and anticipated lease expense.
- ☐ Letter of Intent, or other document showing a commitment to lease the property - attach reference document
- ☐ Other

RESPONSE: The Applicant has entered into a Lease with the property owner, Memphis TN PROPCO LLC, which Lease shall commence on the date on which the Applicant is granted a license from the State of Tennessee Health Facilities Commission, Division of Licensure and Regulation. Attached please find the Purchase Agreement between Rakshan Residency, LLC and Memphis TN PROPCO LLC.

10A. Floor Plan

If the facility has multiple floors, submit one page per floor. If more than one page is needed, label each page. (Attachment 10A)

- Patient care rooms (Private or Semi-private)
- Ancillary areas
- Other (Specify)

RESPONSE: Attached as Attachment 10A is the floor plan for the facility in which the relocated beds will be located. The floor plan identifies the layout of the facility and the areas that will be utilized to support the operation of the beds proposed for relocation as part of this application.

11A. Public Transportation Route

Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients. (Attachment 11A)

RESPONSE: See Attachment 11A, which includes public transit maps serving the Knight Arnold Road area. The proposed site is readily accessible and is located on public streets within the City of Memphis. Public bus stops are located adjacent to the proposed site, and the facility is served by existing public transportation routes, providing convenient access for residents, visitors, and employees.

12A. Plot Plan

Unless relating to home care organization, briefly describe the following and attach the requested documentation on a letter size sheet of white paper, legibly labeling all requested information. It **must** include:

- Size of site (in acres);
- Location of structure on the site;

- Location of the proposed construction/renovation; and
- Names of streets, roads, or highways that cross or border the site.

(Attachment 12A)

RESPONSE: Attached as Attachment 12A is a plot plan of the site on which the facility is located. The proposed site, located at 6551 Knight Arnold Road, Memphis, Tennessee, consists of approximately 4.00 acres. The site is situated at the intersection of Knight Arnold Road and Kirby Parkway and provides adequate space for the facility and its associated operations. The plot plan included in Attachment 12A identifies the location and configuration of the property.

13A. Notification Requirements

- TCA §68-11-1607(c)(9)(B) states that "... If an application involves a healthcare facility in which a county or municipality is the lessor of the facility or real property on which it sits, then within ten (10) days of filing the application, the applicant shall notify the chief executive officer of the county or municipality of the filing, by certified mail, return receipt requested." Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.
  - ☐ Notification Attached (Provide signed USPS green-certified mail receipt card for each official notified.)
  - ☐ Notification in process, attached at a later date
  - ☐ Notification not in process, contact HFC Staff
  - ☑ Not Applicable

- TCA §68-11-1607(c)(9)(A) states that "... Within ten (10) days of the filing of an application for a nonresidential substitution based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the state representative and senator representing the house district and senate district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of the municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution based treatment center for opiate addiction has been filed with the agency by the applicant.
  - ☐ Notification Attached (Provide signed USPS green-certified mail receipt card for each official notified.)
  - ☐ Notification in process, attached at a later date
  - ☐ Notification not in process, contact HFC Staff
  - ☐ Not Applicable

EXECUTIVE SUMMARY

1E. Overview

Please provide an overview not to exceed **ONE PAGE** (for 1E only) in total explaining each item point below.

- Description: Address the establishment of a health care institution, initiation of health services, and/or bed complement changes.

  RESPONSE:

  This application seeks the relocation of ninety-two (92) skilled nursing beds within Shelby County from an existing facility that is currently not in operation to a new facility within the service area. No additional skilled nursing beds are being requested as part of this application.

  Upon relocation, the beds will be operated by the Applicant at the new facility. All beds operated by the Applicant will be dually certified for participation in the Medicare and Medicaid/TennCare programs, ensuring access to services for eligible beneficiaries under both programs.

- Ownership structure

  RESPONSE: The Applicant, Hickory Bend TN Opco LLC, is a Tennessee limited liability company. The Applicant is wholly owned by Hickory Bend Holdco LLC. Hickory Bend Holdco LLC is owned by Red Sea Management LLC (99%) and the Milan Vujanovic Irrevocable Trust (1%). Red Sea Management LLC is wholly owned by Milan Vujanovic, individually. Accordingly, the ultimate ownership of the Applicant is held by Milan Vujanovic, directly and through the Milan Vujanovic Irrevocable Trust.

- Service Area

  RESPONSE: The primary service area for the facility is Shelby County.

- Existing similar service providers

  RESPONSE: Currently, there are twenty-five (25) providers operating skilled nursing facilities within Shelby County. A listing of these providers is available through the Tennessee Department of Health. Existing providers located in close proximity to the proposed site include Kirby Pines Manor, The Waters of Memphis, Iris Cove Health & Rehabilitation Center, and Signature HealthCARE of Primacy. While these providers serve important roles within the market, the proposed relocation of beds will increase the availability of skilled nursing services within the service area by placing currently inactive beds back into operation at a new facility. This application does not seek to add new beds to the market but instead to relocate and utilize existing licensed beds to help meet the area's ongoing need for skilled nursing services.

- Project Cost

  RESPONSE: The total project cost is $12,327,000.

- Staffing

  RESPONSE: The facility staffing plan calls for 44.97 FTE direct patient care positions and 10.5 FTE non-patient care positions.

2E. Rationale for Approval

A Certificate of Need can only be granted when a project is necessary to provide needed health care in the area to be served, will provide health care that meets appropriate quality standards, and the effects attributed to competition or duplication would be positive for consumers

Provide a brief description not to exceed ONE PAGE (for 2E only) of how the project meets the criteria necessary for granting a CON using the data and information points provided in criteria sections that follow.

- Need

  RESPONSE: This application proposes to relocate beds already existing within Shelby County. The relocated beds were previously determined to be needed to provide health care services in Shelby County. This application seeks to continue to utilize those same beds.

- Quality Standards

  RESPONSE: The new facility established by the Applicant will provide services in a modern, state-of-the-art environment designed to enhance resident care, comfort, and quality of life. Residents will receive high-quality skilled nursing services delivered by a dedicated interdisciplinary care team committed to achieving positive clinical outcomes and an exceptional resident experience. The Applicant is committed to enhancing residents' quality of life through meaningful daily activities and engagement opportunities, with resident satisfaction regularly measured and evaluated through satisfaction surveys. The facility will also focus on maintaining and improving residents' functional abilities through individualized care planning and therapeutic services. In addition, the facility will emphasize clinical quality initiatives designed to reduce the risk of pressure injuries, unintended weight loss, and other adverse health outcomes, while promoting the highest possible level of resident health, safety, and well-being.

- Consumer Advantage
  - Choice

    RESPONSE: The facility will be owned and operated by a provider with a long history of delivering high-quality care and service. The relocated beds will be operated in newly developed space designed to provide a safe, clean, and efficient environment for residents and staff. The relocation of beds that are currently not in operation will increase consumer access to skilled nursing services within the service area. Services to be provided at the facility will include, without limitation, long-term and short-term skilled nursing care, rehabilitation services, therapy services, pharmacy services, and dietary services.

  - Improved access/availability to health care service(s)

    RESPONSE: The relocation of the beds will improve access to and availability of skilled nursing services within the service area, as the beds proposed for relocation are not currently in operation. Bringing these beds back into service will increase the supply of available skilled nursing beds and expand access to care for area residents. All consumers will have access to these beds, as all relocated beds will be certified for participation in the Medicare and Medicaid/TennCare programs.

  - Affordability

    RESPONSE: The dual certification of all beds for participation in the Medicare and Medicaid/TennCare programs will improve access to skilled nursing services and enhance affordability for consumers within the service area. By ensuring that services are available to beneficiaries of both programs, the Applicant will expand access to care for a broad range of residents, including seniors and individuals with limited financial resources. This commitment supports the Applicant’s goal of providing high-quality skilled nursing services to all eligible persons regardless of payer source.

3E. Consent Calendar Justification

- ☐ Letter to Executive Director Requesting Consent Calendar (Attach Rationale that includes addressing the 3 criteria)
- ☑ Consent Calender NOT Requested

If Consent Calendar is requested, please attach the rationale for an expedited review in terms of Need, Quality Standards, and Consumer Advantage as a written communication to the Agency's Executive Director at the time the application is filed.

4E. PROJECT COST CHART

A. Construction and equipment acquired by purchase:	
1. Architectural and Engineering Fees	$100,000
2. Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	$5,000
3. Acquisition of Site	$3,250,000
4. Preparation of Site	$0
5. Total Construction Costs	$1,500,000
6. Contingency Fund	$150,000
7. Fixed Equipment (Not included in Construction Contract)	$600,000
8. Moveable Equipment (List all equipment over $50,000 as separate attachments)	$120,000
9. Other (Specify): _____	$0
B. Acquisition by gift, donation, or lease:	
1. Facility (inclusive of building and land)	$0
2. Building only	$0
3. Land only	$0
4. Equipment (Specify): _____	$0
5. Other (Specify): _____	$0
C. Financing Costs and Fees:	
1. Interim Financing	$5,200,000
2. Underwriting Costs	$1,000,000
3. Reserve for One Year's Debt Service	$375,000
4. Other (Specify): _____	$0
D. Estimated Project Cost (A+B+C)	$12,300,000
E. CON Filing Fee	$27,675
F. Total Estimated Project Cost (D+E) **TOTAL**	$12,327,675

GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with TCA §68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, will provide health care that meets appropriate quality standards, and the effect attributed to completion or duplication would be positive for consumers." In making determinations, the Agency uses as guidelines the goals, objectives, criteria, and standards adopted to guide the agency in issuing certificates of need. Until the agency adopts its own criteria and standards by rule, those in the state health plan apply.

Additional criteria for review are prescribed in Chapter 11 of the Agency Rules, Tennessee Rules and Regulations 01730-11.

The following questions are listed according to the three criteria: (1) Need, (2) the effects attributed to competition or duplication would be positive for consumers (Consumer Advantage), and (3) Quality Standards.

NEED

The responses to this section of the application will help determine whether the project will provide needed health care facilities or services in the area to be served.

1N. Provide responses as an attachment to the applicable criteria and standards for the type of institution or service requested. A word version and pdf version for each reviewable type of institution or service are located at the following website. https://www.tn.gov/hsda/hsda-criteria-and-standards.html (Attachment 1N)

RESPONSE:

This application proposes to relocate beds already existing within Shelby County. The relocated beds were previously determined to be needed to provide health care services in Shelby County. This application seeks to continue to utilize those same beds.

2N. Identify the proposed service area and provide justification for its reasonable ness. Submit a county level map for the Tennessee portion and counties boarding the state of the service area using the supplemental map, clearly marked, and shaded to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the border states, if applicable. (Attachment 2N)

RESPONSE:

See Attachment 2N. Shelby County is the primary service area for the proposed facility, and the Applicant anticipates that the majority of its residents will be drawn from Shelby County.

While the Applicant expects that some residents from surrounding counties may utilize the facility's services, it does not project a significant number of admissions from outside Shelby County. Accordingly, the Applicant anticipates that the facility will primarily serve the skilled nursing needs of Shelby County residents.

Complete the following utilization tables for each county in the service area, if applicable.

PROJECTED UTILIZATION

Unit Type:

- ☐ Procedures
- ☐ Cases
- ☐ Patients
- ☑ Other

Patient Days

Service Area Counties	Projected Utilization Recent Year 1 (Year =)	% of Total
Shelby	22,924	100.00%
Total	22,924	100%

3N. **A.** Describe the demographics of the population to be served by the proposal.

RESPONSE:

See Attachment 3N.

B. Provide the following data for each county in the service area:

- Using current and projected population data from the Department of Health. (www.tn.gov/health/health-program-areas/statistics/health-data/population.html);
- the most recent enrollee data from the Division of TennCare (https://www.tn.gov/tenncare/information-statistics/enrollment-data.html),
- and US Census Bureau demographic information (https://www.census.gov/quickfacts/fact/table/US/PST045219).

RESPONSE:

See chart on Attachment 3N.

4N. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly those who are uninsured or underinsured, the elderly, women, racial and ethnic minorities, TennCare or Medicaid recipients, and low income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

RESPONSE:

Shelby County has a growing aging population that will continue to require skilled nursing services for years to come. As demonstrated in Attachment 3N, the elderly population is increasing both within Shelby County and throughout the State of Tennessee. As Tennessee's most populous county, Shelby County is expected to have an ongoing need for skilled nursing services to meet the demands of its aging population. The Applicant is committed to serving all persons and providing access to high-quality skilled nursing care for residents of the service area.

5N. Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: Admissions or discharges, patient days. Average length of stay, and occupancy. Other projects should use the most appropriate measures, e.g. cases, procedures, visits, admissions, etc. This does not apply to projects that are solely relocating a service.

RESPONSE:

See attachment 5N.

6N. Provide applicable utilization and/or occupancy statistics for your institution services for each of the past three years and the project annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

RESPONSE:

Projected Utilization

Year	Licensed Beds	*Medicare-certified beds	S N F Medicare ADC	Level 2 Medicaid ADC	SNF All other Payors ADC	Non-Skilled ADC	Total ADC	Licensed Occupancy %
1	92	92	10		8	57	75	82%
2	92	92	12		10	65	87	95%

7N. Complete the chart below by entering information for each applicable outstanding CON by applicant or share common ownership; and describe the current progress and status of each applicable outstanding CON and how the project relates to the applicant, and the percentage of ownership that is shared with the applicant's owners.

RESPONSE:

Not applicable.

CONSUMER ADVANTAGE ATTRIBUTED TO COMPETITION

The responses to this section of the application helps determine whether the effects attributed to competition or duplication would be positive for consumers within the service area.

1C. List all transfer agreements relevant to the proposed project.

RESPONSE: At present the Applicant has not set up any relevant transfer agreements but expects to enter in to transfer agreements with nearby facilities upon operation of the beds.

2C. List all commercial private insurance plans contracted or plan to be contracted by the applicant.

- [x] Aetna Health Insurance Company
- [x] Ambetter of Tennessee Ambetter
- [x] Blue Cross Blue Shield of Tennessee
- [ ] Blue Cross Blue Shield of Tennessee Network S
- [ ] Blue Cross Blue Shiled of Tennessee Network P
- [ ] BlueAdvantage
- [ ] Bright HealthCare
- [x] Cigna PPO
- [x] Cigna Local Plus
- [ ] Cigna HMO - Nashville Network
- [ ] Cigna HMO - Tennessee Select
- [ ] Cigna HMO - Nashville HMO
- [ ] Cigna HMO - Tennessee POS
- [ ] Cigna HMO - Tennessee Network
- [ ] Golden Rule Insurance Company
- [ ] HealthSpring Life and Health Insurance Company, Inc.
- [ ] Humana Health Plan, Inc.
- [x] Humana Insurance Company
- [ ] John Hancock Life & Health Insurance Company
- [ ] Omaha Health Insurance Company
- [ ] Omaha Supplemental Insurance Company
- [ ] State Farm Health Insurance Company
- [x] United Healthcare UHC
- [ ] UnitedHealthcare Community Plan East Tennessee
- [ ] UnitedHealthcare Community Plan Middle Tennessee

- ☐ UnitedHealthcare Community Plan West Tennessee
- ☑ WellCare Health Insurance of Tennessee, Inc.
- ☑ Others

RESPONSE: Farm Bureau, Longevity, Oscar, and Zing.

3C. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact upon consumer charges and consumer choice of services.

RESPONSE:

The relocated beds will be operated by a provider with a long history of delivering high-quality care and services within the existing service area. The beds will be housed in newly developed space that will replace a facility that is no longer in operation. This new space will replace outdated and currently unused facilities and will provide a modern environment for the delivery of skilled nursing services.

Services to be provided at the facility will include, without limitation, long-term and short-term skilled nursing care, rehabilitation and therapy services, pharmacy services, and dietary services.

The Applicant's mission and vision are centered on delivering high-quality care to residents of the service area who require skilled nursing services. This commitment includes a continued focus on quality-driven, patient-centered care and a dedication to achieving excellence in clinical outcomes and performance metrics. The Applicant maintains an unwavering commitment to providing the highest quality of care to all residents served by the facility.

Through the relocation of the additional beds proposed in this application, the Applicant will be able to serve more residents while continuing to provide the same high standard of care for which it is known.

4C. Discuss the availability of and accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements, CMS, and/or accrediting agencies requirements, such as the Joint Commission and Commission on Accreditation of Rehabilitation Facilities.

RESPONSE:

The Applicant currently operates Royal Retreat Senior Living, an existing senior living facility. As part of its plan to operate the relocated beds, the Applicant will continue to maintain adequate staffing levels at all facilities under its operation. Direct care staffing and facility leadership staffing will meet or exceed all applicable Centers for Medicare & Medicaid Services (CMS) and Tennessee regulatory requirements.

Operational oversight will be provided by ClearView Healthcare Management TN, which has been providing healthcare management services in Tennessee for nearly nine years. Through its experienced leadership team and established operational infrastructure, the Applicant will ensure that the facility is appropriately staffed and managed to provide high-quality care to residents.

5C. Document the category of license/certification that is applicable to the project and why. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

RESPONSE:

The facility will be licensed by the Tennessee Department of Health, Board for Licensing Health Care Facilities. The facility will seek accreditation and expects to be accredited by The Joint Commission following the relocation of the beds proposed in this application. The facility will also be certified for participation in the Medicare and Medicaid/TennCare programs, and all beds relocated pursuant to this application will be certified for participation in those programs.

For each category of employee requiring individual licensure and continuing education, the Applicant will ensure ongoing compliance with all applicable licensure, certification, and credentialing requirements. The Applicant will maintain all required documentation and ensure that licenses, certifications, and credentials remain current and in good standing.

The facility will remain in compliance with all applicable standards and requirements of its licensing, accrediting, and certification organizations.

PROJECTED DATA CHART

☑ Project Only
☐ Total Facility

Give information for the *two (2)* years following the completion of this proposal.

	Year 1	Year 2
	2027	2028
A. Utilization Data		
Specify Unit of Measure Other : Patient Days	22924	31901
B. Revenue from Services to Patients		
1. Inpatient Services	$7,948,297.00	$11,061,672.00
2. Outpatient Services	$0.00	$0.00
3. Emergency Services	$0.00	$0.00
4. Other Operating Revenue (Specify) Other	$0.00	$0.00
Gross Operating Revenue	$7,948,297.00	$11,061,672.00
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	$0.00	$0.00
2. Provision for Charity Care	$0.00	$0.00
3. Provisions for Bad Debt	$79,483.00	$110,617.00
Total Deductions	$79,483.00	$110,617.00
NET OPERATING REVENUE	$7,868,814.00	$10,951,055.00

7C. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Historical and Projected Data Charts of the proposed project.

Project Only Chart

	Previous Year to Most Recent Year	Most Recent Year	Year One	Year Two	% Change (Current Year to Year 2)
Gross Charge *(Gross Operating Revenue/Utilization Data)*	$0.00	$0.00	$346.72	$346.75	0.00
Deduction from Revenue *(Total Deductions/Utilization Data)*	$0.00	$0.00	$3.47	$3.47	0.00
Average Net Charge *(Net Operating Revenue/Utilization Data)*	$0.00	$0.00	$343.26	$343.28	0.00

8C. Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

RESPONSE:

There are no current charges as the beds proposed to be relocated are inactive. The proposed room and board rates are as follows:

Private Pay $353.00/day

Medicaid Rate (TennCare) $303.00/day

Medicare Rate $585.00/day

9C. Compare the proposed project charges to those of similar facilities/services in the service area/adjoining services areas, or to proposed charges of recently approved Certificates of Need.

If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

RESPONSE:

See attachment 9C.

10C. Report the estimated gross operating revenue dollar amount and percentage of project gross operating revenue anticipated by payor classification for the first and second year of the project by completing the table below.

If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

Applicant's Projected Payor Mix

Project Only Chart

Payor Source	Year-2027		Year-2028	
	Gross Operating Revenue	**% of Total**	**Gross Operating Revenue**	**% of Total**
Medicare/Medicare Managed Care	$1,340,952.00	16.87	$1,866,209.00	16.87
TennCare/Medicaid	$5,019,979.00	63.16	$6,986,319.00	63.16
Commercial/Other Managed Care	$1,289,377.00	16.22	$1,794,431.00	16.22
Self-Pay	$0.00	0	$0.00	0
Other(Specify)	$297,989.00	3.75	$414,713.00	3.75
Total	$7,948,297.00	100%	$11,061,672.00	100%
Charity Care	$0.00		$0.00	

**Needs to match Gross Operating Revenue Year One and Year Two on Projected Data Chart*

Discuss the project's participation in state and federal revenue programs, including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project.

RESPONSE: The applicant will participate in all available state and federal revenue programs.

QUALITY STANDARDS

1Q. Per PC 1043, Acts of 2016, any receiving a CON after July 1, 2016, must report annually using forms prescribed by the Agency concerning appropriate quality measures. Please attest that the applicant will submit an annual Quality Measure report when due.

- [x] Yes
- [ ] No

2Q. The proposal shall provide health care that meets appropriate quality standards. Please address each of the following questions.

- Does the applicant commit to maintaining the staffing comparable to the staffing chart presented in its CON application?
  - [ ] Yes
  - [x] No
- Does the applicant commit to obtaining and maintaining all applicable state licenses in good 3tanding?
  - [x] Yes
  - [ ] No

- Does the applicant commit to obtaining and maintaining TennCare and Medicare certification(s), if participation in such programs are indicated in the application?

  - [x] Yes
  - [ ] No

3Q. Please complete the chart below on accreditation, certification, and licensure plans. Note: if the applicant does not plan to participate in these type of assessments, explain why since quality healthcare must be demonstrated.

Credential	Agency	Status (Active or Will Apply)	Provider Number or Certification Type
Licensure	☑ Health Facilities Commission/Licensure Division ☐ Intellectual & Developmental Disabilities ☐ Mental Health & Substance Abuse Services	Will Apply	
Certification	☑ Medicare ☑ TennCare/Medicaid ☐ Other _____	Will Apply Will Apply	
Accreditation(s)	TJC - The Joint Commission	Will Apply	

4Q. If checked "TennCare/Medicaid" box, please list all Managed Care Organization's currently or will be contracted.

- ☐ AMERIGROUP COMMUNITY CARE- East Tennessee
- ☐ AMERIGROUP COMMUNITY CARE - Middle Tennessee
- ☐ AMERIGROUP COMMUNITY CARE - West Tennessee
- ☑ BLUECARE - East Tennessee
- ☐ BLUECARE - Middle Tennessee
- ☐ BLUECARE - West Tennessee
- ☐ UnitedHealthcare Community Plan - East Tennessee
- ☐ UnitedHealthcare Community Plan - Middle Tennessee
- ☐ UnitedHealthcare Community Plan - West Tennessee
- ☑ TENNCARE SELECT HIGH - All
- ☑ TENNCARE SELECT LOW - All
- ☐ PACE
- ☐ KBB under DIDD waiver
- ☐ Others

5Q. Do you attest that you will submit a Quality Measure Report annually to verify the license, certification, and/or accreditation status of the applicant, if approved?

- ☑ Yes
- ☐ No

6Q. For an existing healthcare institution applying for a CON:

- Has it maintained substantial compliance with applicable federal and state regulation for the three years prior to the CON application. In the event of non-compliance, the nature of non-compliance and corrective action should be discussed to include any of the following: suspension of admissions, civil monetary penalties, notice of 23-day or 90-day termination proceedings from Medicare/Medicaid/TennCare, revocation/denial of accreditation, or other similar actions and what measures the applicant has or will put into place to avoid similar findings in the future.

  - ☐ Yes
  - ☐ No
  - ☑ N/A

- Has the entity been decertified within the prior three years? If yes, please explain in detail. (This provision shall not apply if a new, unrelated owner applies for a CON related to a previously decertified facility.)

  - ☐ Yes
  - ☐ No
  - ☑ N/A

7Q. Respond to all of the following and for such occurrences, identify, explain, and provide documentation if occurred in last five (5) years.

Has any of the following:

- Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);
- Any entity in which any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or.

Been subject to any of the following:

- Final Order or Judgement in a state licensure action;

  - ☐ Yes
  - ☑ No

- Criminal fines in cases involving a Federal or State health care offense;

  - ☐ Yes
  - ☑ No

- Civil monetary penalties in cases involving a Federal or State health care offense;

  - ☐ Yes
  - ☑ No

- Administrative monetary penalties in cases involving a Federal or State health care offense;

  - ☐ Yes
  - ☑ No

- Agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services;

  - ☐ Yes
  - ☑ No

- Suspension or termination of participation in Medicare or TennCare/Medicaid programs; and/or

  - ☐ Yes
  - ☑ No

- Is presently subject of/to an investigation, or party in any regulatory or criminal action of which you are aware.

  - ☐ Yes
  - ☑ No

8Q. Provide the project staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTEs) positions for these positions.

☑ Existing FTE not applicable (Enter year)

Position Classification	Existing FTEs(enter year)	Projected FTEs Year 1
A. Direct Patient Care Positions		
Assistant Director of Nursing	0.00	1.00
Staffing Clerk	0.00	0.50
Director of Nursing	0.00	1.00
MDS	0.00	2.00
RN	0.00	2.10
LPN	0.00	14.61
CNA	0.00	23.61
Transport	0.00	0.15
Total Direct Patient Care Positions	N/A	44.97

B. Non-Patient Care Positions		
Case Manager	0.00	0.50
Director of Activities	0.00	1.00
Activities Asst	0.00	1.00
Maintenance Director	0.00	1.00
Medical Records	0.00	0.50
Director of Social Services	0.00	1.00
Director of Admissions	0.00	1.00
Administrator	0.00	1.00
BOM	0.00	1.00
Receptionist	0.00	2.00
Central Supply	0.00	0.50
Total Non-Patient Care Positions	N/A	10.5
Total Employees *(A+B)*	0	55.47

C. Contractual Staff		
Contractual Staff Position	0.00	0.00
Total Staff *(A+B+C)*	0	55.47

DEVELOPMENT SCHEDULE

TCA §68-11-1609(c) provides that activity authorized by a Certificate of Need is valid for a period not to exceed three (3) years (for hospital and nursing home projects) or two (2) years (for all other projects) from the date of its issuance and after such time authorization expires; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificate of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need authorization which has been extended shall expire at the end of the extended time period. The decision whether to grant an extension is within the sole discretion of the Commission, and is not subject to review, reconsideration, or appeal.

- Complete the Project Completion Forecast Chart below. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
- If the CON is granted and the project cannot be completed within the standard completion time period (3 years for hospital and nursing home projects and 2 years for all others), please document why an extended period should be approved and document the "good cause" for such an extension.

PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HFC action on the date listed in Item 1 below, indicate the number of days from the HFC decision date to each phase of the completion forecast.

Phase	**Days Required**	**Anticipated Date (Month/Year)**
1. Initial HFC Decision Date		01/01/27
2. Building Construction Commenced	31	01/31/27
3. Construction 100% Complete (Approval for Occupancy)	121	05/01/27
4. Issuance of License	121	05/01/27
5. Issuance of Service	121	05/01/27
6. Final Project Report Form Submitted (Form HR0055)	160	06/09/27

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

USA TODAY CO.

LocaliQ

PO Box 631340 Cincinnati, OH 45263-1340

AFFIDAVIT OF PUBLICATION

Linda Lee lhoward@bakerdonelson.com
Baker Donelson Bearman Caldwell Berkow
1600 W End AVE # 2000
Nashville TN 37203-3339

STATE OF WISCONSIN, COUNTY OF BROWN

The Commercial Appeal, a newspaper published in the city of Memphis, Shelby County, State of Tennessee, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue dated and was published on the publicly accessible website:

MCA Memph Commercial Appeal 10/09/2026

and that the fees charged are legal.
Sworn to and subscribed before on 10/09/2026

Legal Clerk

Notary, State of WI, County of Brown

8-21-30

My commission expires

Publication Cost:	$405.12	
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Please do not use this form for payment remittance.

NICOLE JACOBS
Notary Public
State of Wisconsin

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that Port Royal Retreat Memphis, a/an Nursing Home owned by Hickory Bend TN OPCO, LLC with an ownership type of Limited Liability Company and to be managed by itself intends to file an application for a Certificate of Need for Relocation of ninety-two (92) skilled nursing beds from 1076 Chambliss Road, Memphis, TN to 6551 Knight Arnold Road, Memphis, TN. The address of the project will be 6551 Knight Arnold Road, Memphis, Shelby, Tennessee, 38115. The estimated project cost will be $12,327,675.

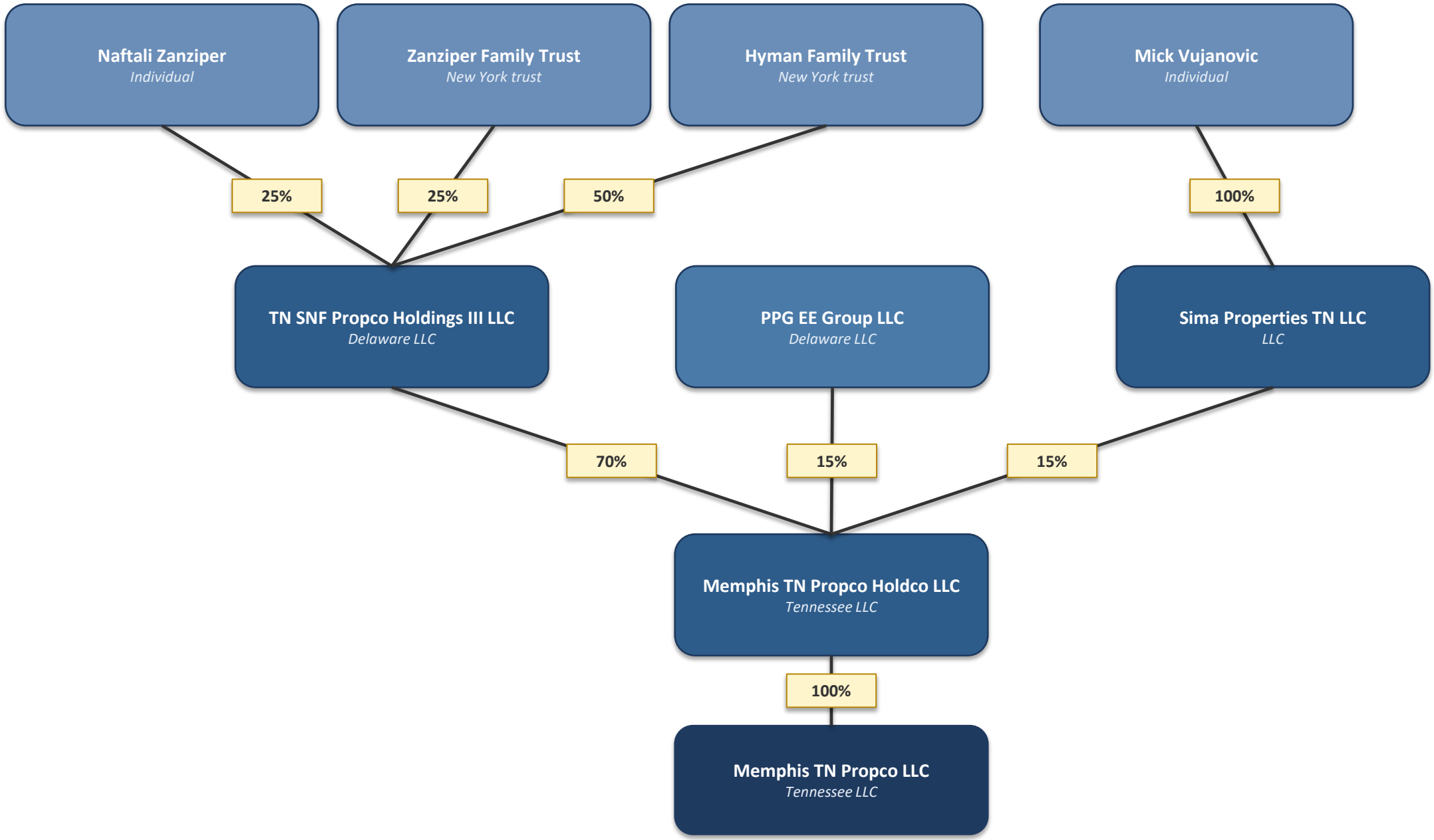
The anticipated date of filing the application is 10/30/2026.

The contact person for this project is Attorney William Maddrey who may be reached at Baker Donelson - 2235 Gateway Access Point, Suite 220, Raleigh, North Carolina, 27607 – Contact No. 984-844-7922.

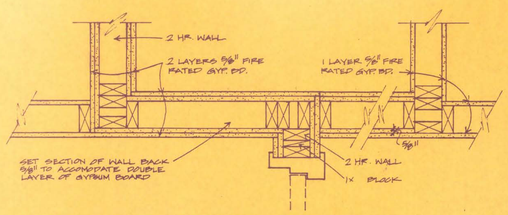
The published Letter of Intent must contain the following statement pursuant to T.C.A. §68-11-1607 (c)(1). (A) Any healthcare institution wishing to oppose a Certificate of Need application must file a written notice with the Health Facilities Commission no later than fifteen (15) days before the regularly scheduled Health Facilities Commission meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application may file a written objection with the Health Facilities Commission at or prior to the consideration of the application by the Commission, or may appear in person to express opposition. Written notice of opposition may be sent to: Health Facilities Commission, Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 or email at hsda.staff@tn.gov .

MCA44804483

Memphis TN Propco LLC — Ownership Structure



Hyman Family Trust — Trustee: Rachel Hyman | Zanziper Family Trust — Trustee: Natalie Zanziper



1 2 HR. FIREWALL DETAIL

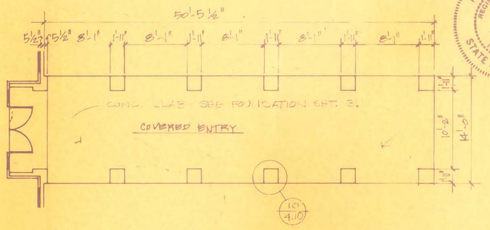
SCALE: 1 1/2" = 1'-0"

NOTES

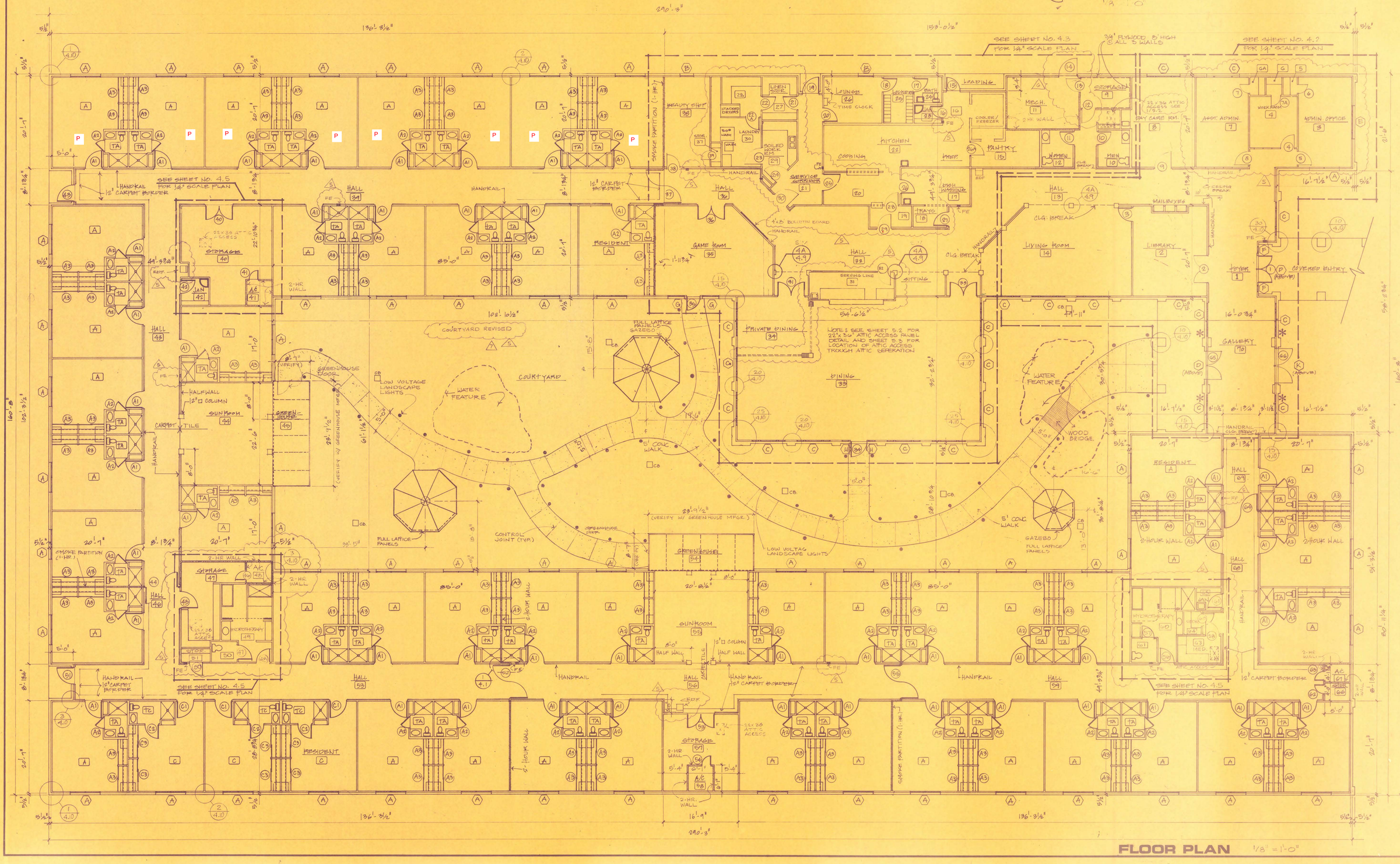
1. SEE SHEET 4.5 FOR 1/4" SCALE PLANS OF TYPICAL RESIDENT ROOMS "A" AND "C".
2. SEE SHEETS 4.2, 4.3, AND 4.5 FOR LOCATION OF ACOUSTICAL INSULATION.
3. FLOOR PLAN DIMENSIONS ARE TO FACE OF 2 X 4 STUD OR FACE OF BRICK.
4. FE REPRESENTS FIRE EXTINGUISHER AND CABINET.
5. WALLS INDICATED AS SMOKE PARTITION (1-HR.) AND 2-HOUR WALLS SHALL HAVE SEPARATION CONTINUE THRU ATTIC TO BOTTOM OF ROOF DECK - SEE DETAILS 19 AND 20/4.11. REFER ALSO TO SHEET 5.3 FOR LOCATIONS OF 1-HR. SMOKE PARTITIONS AND 2-HR. SEPARATION. SHEET 5.3 ALSO SHOWS ATTIC DRAFTSTOP LOCATION. ATTIC DRAFTSTOPS SHALL BE 1 LAYER 1/2" GYPSUM BOARD APPLIED TO ONE SIDE OF ROOF TRUSS.
6. WALLS INDICATED ON FLOOR PLANS AS "2 X 6 WALL" SHALL HAVE 2 X 6 PLATE WITH 2 X 4 STUDS @ 16" O.C. (STUDS 16" O.C. EA. FACE).
7. REFER TO TYPICAL UNIT PLANS ON SHEET 4.5 FOR ACCURATE LOCATION OF 3 DRAWER CHEST IN CLOSETS.
8. ONE HOUR FIRE-RATED WALLS SHALL CONFORM TO U.L. DESIGN U305; TWO-HOUR FIRE RATED WALLS SHALL CONFORM TO U.L. DESIGN U301.
9. DRAPERIES SHALL BE INSTALLED ON EXTERIOR WINDOWS IN ALL RESIDENT ROOMS A & C, ROOMS 2, 3, 4, 7, 14, 33, AND 34.
10. MINI-BLINDS SHALL BE INSTALLED ON WINDOWS IN ALL RESIDENT ROOMS A AND C, ROOMS 3, 4, AND 7 (INCLUDING INTERIOR GLAZED OPENINGS), 14, AND 35.

LEGEND

- ROOM DESIGNATION - SEE FINISH SCHEDULE SHEET 4.12
- DOOR DESIGNATION - SEE DOOR SCHEDULE SHEET 4.12
- WINDOW DESIGNATION - SEE WINDOW SCHEDULE SHEET 4.7
- INDICATES 1660 WINDOWS THAT REQUIRE SAFETY GLAZING
- REFER TO WINDOW SCHEDULE FOR ADDITIONAL SAFETY GLAZING INFORMATION
- FE REPRESENTS FIRE EXTINGUISHER - FE IN ROOM 22 SHALL BE 20BC - ALL OTHERS SHALL BE 2A



ENTRANCE CANOPY PLAN



FLOOR PLAN

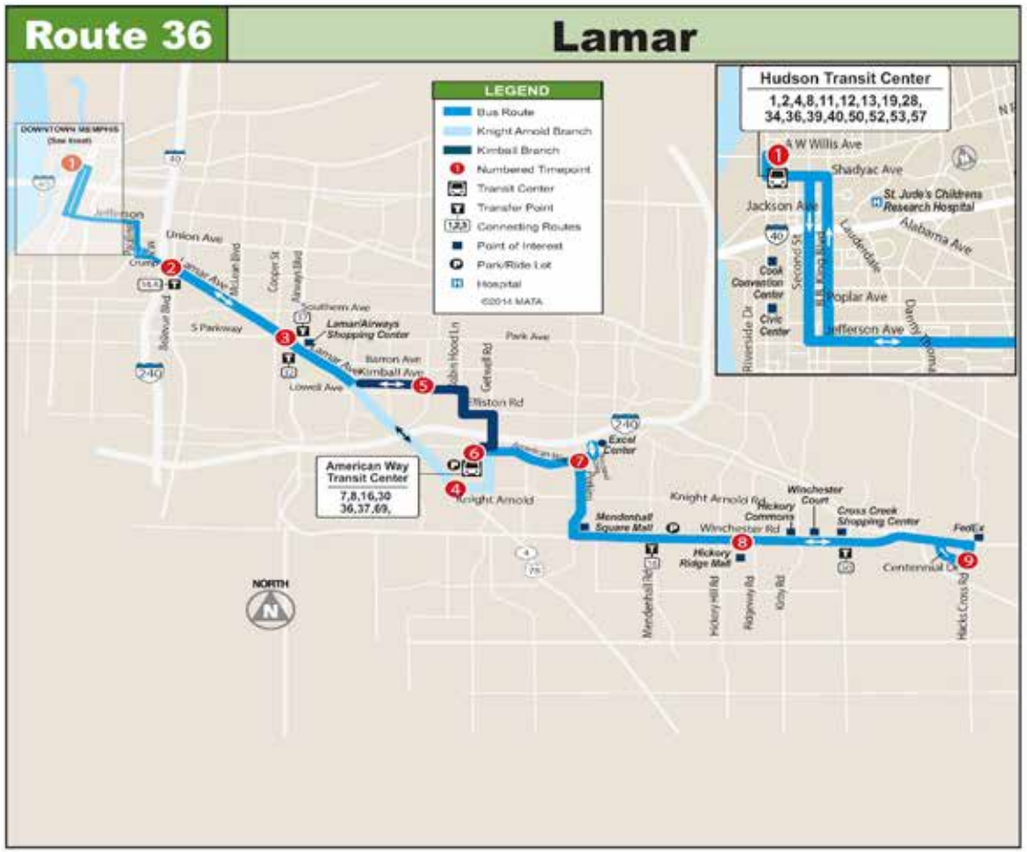
1/8" = 1'-0"

KIRBY OAKS GUEST HOME
MEMPHIS TENNESSEE

Wahlberg•Wright•Waite & Associates
Architects & Planners
3202 Wesleyan Suite 101 Houston, Texas 77027 (713)626-0880

Project Architect: JIM WAITE
Project Manager: MARK BUFALINI

DATE 1-30-87
COMM. 2658
SHEET NO. 4.1



MATA FARES

Adult Base Fare.....$1.00
·Student Base Fare.....$1.00
·Seniors/Disabled Base Fare.....$0.50
MATAplus Base Fare.....$2.00

Daily FastPass.....$2.00
·Student Daily FastPass.....$2.00
·Seniors/Disabled Daily FastPass.....$0.50

Individuals with Medicare are eligible for half-price fares on MATA fixed-route service.

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Seniors & people with disabilities must have a valid MATA ID for the reduced price.

Route schedules may be subject to change without notice.

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American Way Transit Center
3921 American Way

Hudson Transit Center
444 N. Main Street

MATA Administrative Offices
40 S. Main Street

MATA Operations Center
1370 Levee Rd

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36

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- HICKORY RIDGE MALL
- CROSS CREEK SHOPPING CENTER
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- HUDSON TRANSIT CENTER

Effective 09/06/2026

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Outbound saliente

1 WILLIAM HUDSON TRANSIT CENTER	2 LAMAR AVE @ BELLEVUE BLVD	3 LAMAR AVE @ EAST PKWY S	4 KNIGHT ARNOLD @ LAMAR	5 KIMBALL AVE @ S HIGHLAND ST	6 AMERICAN WAY TRANSIT CENTER	7 AMERICAN WAY @ S PERKINS RD	8 HICKORY RIDGE MALL	9 CENTENNIAL DR @ HACKS CROSS RD
4:00 AM	4:18 AM	4:24 AM	4:38 AM	-----	4:42 AM	4:50 AM	5:04 AM	5:21 AM
4:45 AM	5:03 AM	5:09 AM	-----	5:20 AM	5:26 AM	5:34 AM	5:48 AM	6:03 AM
5:30 AM	5:48 AM	5:54 AM	6:08 AM	-----	6:12 AM	6:20 AM	6:34 AM	6:51 AM
6:15 AM	6:33 AM	6:39 AM	-----	6:50 AM	6:56 AM	7:04 AM	7:18 AM	7:33 AM
7:00 AM	7:18 AM	7:24 AM	7:38 AM	-----	7:42 AM	7:50 AM	8:04 AM	8:21 AM
7:45 AM	8:03 AM	8:09 AM	-----	8:20 AM	8:26 AM	8:34 AM	8:48 AM	9:03 AM
8:30 AM	8:48 AM	8:54 AM	9:08 AM	-----	9:12 AM	9:20 AM	9:34 AM	9:51 AM
9:15 AM	9:33 AM	9:39 AM	-----	9:50 AM	9:56 AM	10:04 AM	10:18 AM	10:33 AM
10:00 AM	10:18 AM	10:24 AM	10:38 AM	-----	10:42 AM	10:50 AM	11:04 AM	11:21 AM
10:45 AM	11:03 AM	11:09 AM	-----	11:20 AM	11:26 AM	11:34 AM	11:48 AM	**12:03 PM**
11:30 AM	**11:48 AM**	**11:54 AM**	**12:08 PM**	-----	**12:12 PM**	**12:20 PM**	**12:34 PM**	**12:51 PM**
12:15 PM	**12:33 PM**	**12:39 PM**	-----	**12:50 PM**	**12:56 PM**	**1:04 PM**	**1:18 PM**	**1:33 PM**
1:00 PM	**1:18 PM**	**1:24 PM**	**1:38 PM**	-----	**1:42 PM**	**1:50 PM**	**2:04 PM**	**2:21 PM**
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2:30 PM	**2:48 PM**	**2:54 PM**	**3:08 PM**	-----	**3:12 PM**	**3:20 PM**	**3:34 PM**	**3:51 PM**
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4:45 PM	**5:03 PM**	**5:09 PM**	-----	**5:20 PM**	**5:26 PM**	**5:34 PM**	**5:48 PM**	**6:03 PM**
5:30 PM	**5:48 PM**	**5:54 PM**	**6:08 PM**	-----	**6:12 PM**	**6:20 PM**	**6:34 PM**	**6:51 PM**
6:15 PM	**6:33 PM**	**6:39 PM**	-----	**6:50 PM**	**6:56 PM**	**7:04 PM**	**7:18 PM**	**7:33 PM**
7:00 PM	**7:18 PM**	**7:24 PM**	**7:38 PM**	-----	**7:42 PM**	**7:50 PM**	**8:04 PM**	**8:21 PM**

Inbound hacia el centro

9 CENTENNIAL DR @ HACKS CROSS RD	8 HICKORY RIDGE MALL	7 AMERICAN WAY@ S PERKINS RD	6 AMERICAN WAY TRANSIT CENTER	4 KNIGHT ARNOLD @ LAMAR	5 KIMBALL AVE @ S HIGHLAND ST	3 LAMAR AVE @ EAST PKWY S	2 LAMAR AVE @ BELLEVUE BLVD	1 WILLIAM HUDSON TRANSIT CENTER
4:01 AM	4:17 AM	4:33 AM	4:37 AM	4:45 AM	-----	4:59 AM	5:05 AM	5:20 AM
4:46 AM	5:02 AM	5:18 AM	5:22 AM	-----	5:33 AM	5:44 AM	5:50 AM	6:05 AM
5:31 AM	5:47 AM	6:03 AM	6:07 AM	6:15 AM	-----	6:29 AM	6:35 AM	6:50 AM
6:16 AM	6:32 AM	6:48 AM	6:52 AM	-----	7:03 AM	7:14 AM	7:20 AM	7:35 AM
7:01 AM	7:17 AM	7:33 AM	7:37 AM	7:45 AM	-----	7:59 AM	8:05 AM	8:20 AM
7:46 AM	8:02 AM	8:18 AM	8:22 AM	-----	8:33 AM	8:44 AM	8:50 AM	9:05 AM
8:31 AM	8:47 AM	9:03 AM	9:07 AM	9:15 AM	-----	9:29 AM	9:35 AM	9:50 AM
9:16 AM	9:32 AM	9:48 AM	9:52 AM	-----	10:03 AM	10:14 AM	10:20 AM	10:35 AM
10:01 AM	10:17 AM	10:33 AM	10:37 AM	10:45 AM	-----	10:59 AM	11:05 AM	11:20 AM
10:46 AM	11:02 AM	11:18 AM	11:22 AM	-----	11:33 AM	11:44 AM	11:50 AM	**12:05 PM**
11:31 AM	**11:47 AM**	**12:03 PM**	**12:07 PM**	**12:15 PM**	-----	**12:29 PM**	**12:35 PM**	**12:50 PM**
12:16 PM	**12:32 PM**	**12:48 PM**	**12:52 PM**	-----	**1:03 PM**	**1:14 PM**	**1:20 PM**	**1:35 PM**
1:01 PM	**1:17 PM**	**1:33 PM**	**1:37 PM**	**1:45 PM**	-----	**1:59 PM**	**2:05 PM**	**2:20 PM**
1:46 PM	**2:02 PM**	**2:18 PM**	**2:22 PM**	-----	**2:33 PM**	**2:44 PM**	**2:50 PM**	**3:05 PM**
2:31 PM	**2:47 PM**	**3:03 PM**	**3:07 PM**	**3:15 PM**	-----	**3:29 PM**	**3:35 PM**	**3:50 PM**
3:16 PM	**3:32 PM**	**3:48 PM**	**3:52 PM**	-----	**4:03 PM**	**4:14 PM**	**4:20 PM**	**4:35 PM**
4:01 PM	**4:17 PM**	**4:33 PM**	**4:37 PM**	**4:45 PM**	-----	**4:59 PM**	**5:05 PM**	**5:20 PM**
4:46 PM	**5:02 PM**	**5:18 PM**	**5:22 PM**	-----	**5:33 PM**	**5:44 PM**	**5:50 PM**	**6:05 PM**
5:31 PM	**5:47 PM**	**6:03 PM**	**6:07 PM**	**6:15 PM**	-----	**6:29 PM**	**6:35 PM**	**6:50 PM**
6:16 PM	**6:32 PM**	**6:48 PM**	**6:52 PM**	-----	**7:03 PM**	**7:14 PM**	**7:20 PM**	**7:35 PM**
7:01 PM	**7:17 PM**	**7:33 PM**	**7:37 PM**	**7:45 PM**	-----	**7:59 PM**	**8:05 PM**	**8:20 PM**
7:46 PM	**8:02 PM**	**8:18 PM**	**8:22 PM**	-----	**8:33 PM**	**8:44 PM**	**8:50 PM**	**9:05 PM**
8:31 PM	**8:47 PM**	**9:03 PM**	**9:07 PM**	**9:15 PM**	-----	**9:29 PM**	**9:35 PM**	**9:50 PM**

Saturday sábado — **Route 36**

Outbound saliente

1 WILLIAM HUDSON TRANSIT CENTER	2 LAMAR AVE @ BELLEVUE BLVD	3 LAMAR AVE @ EAST PKWY S	4 KNIGHT ARNOLD @ LAMAR	5 KIMBALL AVE @ S HIGHLAND ST	6 AMERICAN WAY TRANSIT CENTER	7 AMERICAN WAY @ S PERKINS RD	8 HICKORY RIDGE MALL	9 CENTENNIAL DR @ HACKS CROSS RD
7:00 AM	7:18 AM	7:24 AM	7:38 AM	-----	7:42 AM	7:50 AM	8:04 AM	8:21 AM
7:45 AM	8:03 AM	8:09 AM	-----	8:20 AM	8:26 AM	8:34 AM	8:48 AM	9:03 AM
8:30 AM	8:48 AM	8:54 AM	9:08 AM		9:12 AM	9:20 AM	9:34 AM	9:51 AM
9:15 AM	9:33 AM	9:39 AM	-----	9:50 AM	9:56 AM	10:04 AM	10:18 AM	10:33 AM
10:00 AM	10:18 AM	10:24 AM	10:38 AM	-----	10:42 AM	10:50 AM	11:04 AM	11:21 AM
10:45 AM	11:03 AM	11:09 AM	-----	11:20 AM	11:26 AM	11:34 AM	11:48 AM	**12:03 PM**
11:30 AM	11:48 AM	11:54 AM	**12:08 PM**	-----	**12:12 PM**	**12:20 PM**	**12:34 PM**	**12:51 PM**
12:15 PM	**12:33 PM**	**12:39 PM**	-----	**12:50 PM**	**12:56 PM**	**1:04 PM**	**1:18 PM**	**1:33 PM**
1:00 PM	**1:18 PM**	**1:24 PM**	**1:38 PM**	-----	**1:42 PM**	**1:50 PM**	**2:04 PM**	**2:21 PM**
1:45 PM	**2:03 PM**	**2:09 PM**	-----	**2:20 PM**	**2:26 PM**	**2:34 PM**	**2:48 PM**	**3:03 PM**
2:30 PM	**2:48 PM**	**2:54 PM**	**3:08 PM**	-----	**3:12 PM**	**3:20 PM**	**3:34 PM**	**3:51 PM**
3:15 PM	**3:33 PM**	**3:39 PM**	-----	**3:50 PM**	**3:56 PM**	**4:04 PM**	**4:18 PM**	**4:33 PM**
4:00 PM	**4:18 PM**	**4:24 PM**	**4:38 PM**	-----	**4:42 PM**	**4:50 PM**	**5:04 PM**	**5:21 PM**
4:45 PM	**5:03 PM**	**5:09 PM**	-----	**5:20 PM**	**5:26 PM**	**5:34 PM**	**5:48 PM**	**6:03 PM**
5:30 PM	**5:48 PM**	**5:54 PM**	**6:08 PM**	-----	**6:12 PM**	**6:20 PM**	**6:34 PM**	**6:51 PM**
6:15 PM	**6:33 PM**	**6:39 PM**	-----	**6:50 PM**	**6:56 PM**	**7:04 PM**	**7:18 PM**	**7:33 PM**
7:00 PM	**7:18 PM**	**7:24 PM**	**7:38 PM**	-----	**7:42 PM**	**7:50 PM**	**8:04 PM**	**8:21 PM**

Inbound hacia el centro

9 CENTENNIAL DR @ HACKS CROSS RD	8 HICKORY RIDGE MALL	7 AMERICAN WAY@ S PERKINS RD	6 AMERICAN WAY TRANSIT CENTER	4 KNIGHT ARNOLD @ LAMAR	5 KIMBALL AVE @ S HIGHLAND ST	3 LAMAR AVE @ EAST PKWY S	2 LAMAR AVE @ BELLEVUE BLVD	1 WILLIAM HUDSON TRANSIT CENTER
7:01 AM	7:17 AM	7:33 AM	7:37 AM	7:45 AM	-----	7:59 AM	8:05 AM	8:20 AM
7:46 AM	8:02 AM	8:18 AM	8:22 AM	-----	8:33 AM	8:44 AM	8:50 AM	9:05 AM
8:31 AM	8:47 AM	9:03 AM	9:07 AM	9:15 AM	-----	9:29 AM	9:35 AM	9:50 AM
9:16 AM	9:32 AM	9:48 AM	9:52 AM	-----	10:03 AM	10:14 AM	10:20 AM	10:35 AM
10:01 AM	10:17 AM	10:33 AM	10:37 AM	10:45 AM	-----	10:59 AM	11:05 AM	11:20 AM
10:46 AM	11:02 AM	11:18 AM	11:22 AM	-----	11:33 AM	11:44 AM	11:50 AM	**12:05 PM**
11:31 AM	11:47 AM	**12:03 PM**	**12:07 PM**	**12:15 PM**	-----	**12:29 PM**	**12:35 PM**	**12:50 PM**
12:16 PM	**12:32 PM**	**12:48 PM**	**12:52 PM**	-----	**1:03 PM**	**1:14 PM**	**1:20 PM**	**1:35 PM**
1:01 PM	**1:17 PM**	**1:33 PM**	**1:37 PM**	**1:45 PM**	-----	**1:59 PM**	**2:05 PM**	**2:20 PM**
1:46 PM	**2:02 PM**	**2:18 PM**	**2:22 PM**	-----	**2:33 PM**	**2:44 PM**	**2:50 PM**	**3:05 PM**
2:31 PM	**2:47 PM**	**3:03 PM**	**3:07 PM**	**3:15 PM**	-----	**3:29 PM**	**3:35 PM**	**3:50 PM**
3:16 PM	**3:32 PM**	**3:48 PM**	**3:52 PM**	-----	**4:03 PM**	**4:14 PM**	**4:20 PM**	**4:35 PM**
4:01 PM	**4:17 PM**	**4:33 PM**	**4:37 PM**	**4:45 PM**	-----	**4:59 PM**	**5:05 PM**	**5:20 PM**
4:46 PM	**5:02 PM**	**5:18 PM**	**5:22 PM**	-----	**5:33 PM**	**5:44 PM**	**5:50 PM**	**6:05 PM**
5:31 PM	**5:47 PM**	**6:03 PM**	**6:07 PM**	**6:15 PM**	-----	**6:29 PM**	**6:35 PM**	**6:50 PM**
6:16 PM	**6:32 PM**	**6:48 PM**	**6:52 PM**	-----	**7:03 PM**	**7:14 PM**	**7:20 PM**	**7:35 PM**
7:01 PM	**7:17 PM**	**7:33 PM**	**7:37 PM**	**7:45 PM**	-----	**7:59 PM**	**8:05 PM**	**8:20 PM**
7:46 PM	**8:02 PM**	**8:18 PM**	**8:22 PM**	-----	**8:33 PM**	**8:44 PM**	**8:50 PM**	**9:05 PM**
8:31 PM	**8:47 PM**	**9:03 PM**	**9:07 PM**	**9:15 PM**	-----	**9:29 PM**	**9:35 PM**	**9:50 PM**

Sunday domingo — **Route 36**

Outbound saliente

1 WILLIAM HUDSON TRANSIT CENTER	2 LAMAR AVE @ BELLEVUE BLVD	3 LAMAR AVE @ EAST PKWY S	4 KNIGHT ARNOLD @ LAMAR	5 KIMBALL AVE @ S HIGHLAND ST	6 AMERICAN WAY TRANSIT CENTER	7 AMERICAN WAY @ S PERKINS RD	8 HICKORY RIDGE MALL	9 CENTENNIAL DR @ HACKS CROSS RD
7:00 AM	7:18 AM	7:24 AM	7:38 AM	-----	7:42 AM	7:50 AM	8:04 AM	8:21 AM
7:45 AM	8:03 AM	8:09 AM	-----	8:20 AM	8:26 AM	8:34 AM	8:48 AM	9:03 AM
8:30 AM	8:48 AM	8:54 AM	9:08 AM		9:12 AM	9:20 AM	9:34 AM	9:51 AM
9:15 AM	9:33 AM	9:39 AM	-----	9:50 AM	9:56 AM	10:04 AM	10:18 AM	10:33 AM
10:00 AM	10:18 AM	10:24 AM	10:38 AM	-----	10:42 AM	10:50 AM	11:04 AM	11:21 AM
10:45 AM	11:03 AM	11:09 AM	-----	11:20 AM	11:26 AM	11:34 AM	11:48 AM	**12:03 PM**
11:30 AM	11:48 AM	11:54 AM	**12:08 PM**	-----	**12:12 PM**	**12:20 PM**	**12:34 PM**	**12:51 PM**

Inbound hacia el centro

1 WILLIAM HUDSON TRANSIT CENTER	2 LAMAR AVE @ BELLEVUE BLVD	3 LAMAR AVE @ EAST PKWY S	4 KNIGHT ARNOLD @ LAMAR	5 KIMBALL AVE @ S HIGHLAND ST	6 AMERICAN WAY TRANSIT CENTER	7 AMERICAN WAY @ S PERKINS RD	8 HICKORY RIDGE MALL	9 CENTENNIAL DR @ HACKS CROSS RD
8:46 AM	9:02 AM	9:18 AM	9:22 AM	9:30 AM	-----	9:44 AM	9:50 AM	10:05 AM
9:46 AM	10:02 AM	10:18 AM	10:22 AM	-----	10:33 AM	10:44 AM	10:50 AM	11:05 AM
10:46 AM	11:02 AM	11:18 AM	11:22 AM	11:30 AM	-----	11:44 AM	11:50 AM	**12:05 PM**
11:46 AM	**12:02 PM**	**12:18 PM**	**12:22 PM**	-----	**12:33 PM**	**12:44 PM**	**12:50 PM**	**1:05 PM**
12:46 PM	**1:02 PM**	**1:18 PM**	**1:22 PM**	**1:30 PM**	-----	**1:44 PM**	**1:50 PM**	**2:05 PM**
1:46 PM	**2:02 PM**	**2:18 PM**	**2:22 PM**	-----	**2:33 PM**	**2:44 PM**	**2:50 PM**	**3:05 PM**
2:46 PM	**3:02 PM**	**3:18 PM**	**3:22 PM**	**3:30 PM**	-----	**3:44 PM**	**3:50 PM**	**4:05 PM**
3:46 PM	**4:02 PM**	**4:18 PM**	**4:22 PM**	-----	**4:33 PM**	**4:44 PM**	**4:50 PM**	**5:05 PM**
4:46 PM	**5:02 PM**	**5:18 PM**	**5:22 PM**	**5:30 PM**	-----	**5:44 PM**	**5:50 PM**	**6:05 PM**

Route 22 Raines



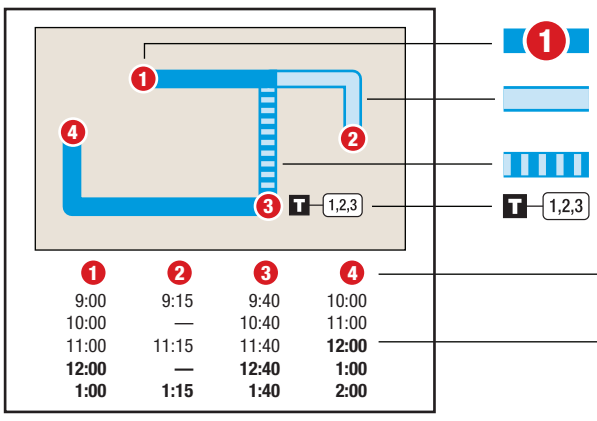
MONDAY - FRIDAY • EASTBOUND FROM AMERICAN WAY TRANSIT CENTER

	1 American Way Transit Center	2 Knight Arnold Rd at S Goodlett St	3 Scottsdale Ave at S Perkins Rd	4 Winchester Rd at Castleman St	5 Raines Rd at Outland Rd
AM	8:05	8:10	8:13	8:16	8:23
	10:05	10:10	10:13	10:16	10:23
PM	**12:05**	**12:10**	**12:13**	**12:16**	**12:23**
	2:05	**2:10**	**2:13**	**2:16**	**2:23**
	4:05	**4:10**	**4:13**	**4:16**	**4:23**
	6:05	**6:10**	**6:13**	**6:16**	**6:23**

MONDAY - FRIDAY • WESTBOUND TO AMERICAN WAY TRANSIT CENTER

	5 Raines Rd at Outland Rd	4 Winchester Rd at Castleman St	3 Scottsdale Ave at S Perkins Rd	2 Knight Arnold Rd at S Goodlett St	1 American Way Transit Center
AM	8:26	8:29	8:33	8:38	8:42
	10:26	10:29	10:33	10:38	10:42
PM	**12:26**	**12:29**	**12:33**	**12:38**	**12:42**
	2:26	**2:29**	**2:33**	**2:38**	**2:42**
	4:26	**4:29**	**4:33**	**4:38**	**4:42**
	6:26	**6:29**	**6:33**	**6:38**	**6:42**

INSTRUCTIONS



The bus stops at this location at listed times.
Look for the column of times below the matching symbol in the schedule.

Only certain trips operate along this portion of the route.
See the schedule for trips that provide service here.

The bus operates express along this portion of the route.

Transfer point. Shows where this bus intersects with other routes that are available for transfer.

The bus stops at the times listed below the numbered symbol.
Light times are A.M.; **bold** times are **P.M.**

The timetable shows when the bus is scheduled to depart.
Actual departure times may vary and depend upon traffic and weather conditions. Arrive at the bus stop about 10 minutes early to avoid missing the bus.

SATURDAY • EASTBOUND FROM AMERICAN WAY TRANSIT CENTER

	1 American Way Transit Center	2 Knight Arnold Rd at S Goodlett St	3 Scottsdale Ave at S Perkins Rd	4 Winchester Rd at Castleman St	5 Raines Rd at Outland Rd
AM	8:05	8:10	8:13	8:16	8:23
	10:05	10:10	10:13	10:16	10:23
PM	**12:05**	**12:10**	**12:13**	**12:16**	**12:23**
	2:05	**2:10**	**2:13**	**2:16**	**2:23**
	4:05	**4:10**	**4:13**	**4:16**	**4:23**
	6:05	**6:10**	**6:13**	**6:16**	**6:23**

SATURDAY • WESTBOUND TO AMERICAN WAY TRANSIT CENTER

	5 Raines Rd at Outland Rd	4 Winchester Rd at Castleman St	3 Scottsdale Ave at S Perkins Rd	2 Knight Arnold Rd at S Goodlett St	1 American Way Transit Center
AM	8:26	8:29	8:33	8:38	8:42
	10:26	10:29	10:33	10:38	10:42
PM	**12:26**	**12:29**	**12:33**	**12:38**	**12:42**
	2:26	**2:29**	**2:33**	**2:38**	**2:42**
	4:26	**4:29**	**4:33**	**4:38**	**4:42**
	6:26	**6:29**	**6:33**	**6:38**	**6:42**

MATA FARES

TEMPORARY FARES .....EFFECTIVE: JUNE 21, 2020

Adult Base Fare..... $1.00
*Student Base Fare..... $1.00
*Seniors & Individuals w/Disabilities $0.50
MATAplus Base Fare $2.00

MULTI-RIDE PASSES

Daily FastPass..... $2.00
*Student Daily FastPass $2.00

7 Day and 31 Day FastPasses are not being sold at this time.

* MATA ID REQUIRED. Seniors and people with disabilities must have a valid MATA ID for the reduced price.

Route schedules may be subject to change without notice.

MATA INFORMATION

Airways Transit Center
3033 Airways Boulevard .....(901)722-7080

American Way Transit Center
3921 American Way.....(901) 722-0322

Hudson Transit Center
444 N. Main Street.....(901) 523-8134

MATA Administrative Offices
1370 Levee Road.....(901) 722-7100
Route and Schedule Information.....(901) 274-6282
Lost and Found.....(901) 523-8134
Comments, Compliments, Suggestions.....(901) 522-9175
Main Street Trolley.....(901) 577-2640
MATAplus Information.....(901) 722-7171
TTY Hearing and Speech Impaired.....(901) 523-2817

Large print schedules are available upon request.
All buses are wheelchair accessible.

Visit us at: www.matatransit.com

EFFECTIVE 6/21/2020

ROUTE

22

MATA

Raines

SERVING

- American Way Transit Center
- Delta Medical Center
- Mendenhall Square Mall

(901) 274-6282

www.matatransit.com

OPERATING AGREEMENT
OF
HICKORY BEND TN OPCO LLC

THIS OPERATING AGREEMENT (this "Agreement") of Hickory Bend TN Opco LLC is entered into as of August 24, 2026 by Hickory Bend TN Holdco LLC (the "Member").

AGREEMENTS:

1. FORMATION

1.1 Name. The name of this limited liability company (the "Company") is Hickory Bend TN Opco LLC.

1.2 Articles of Organization. Articles of organization for the Company were filed with the Secretary of State for the State of Tennessee in accordance with Limited Liability Company Act of the State of Tennessee (the "Act").

1.3 Duration. The Company shall exist until dissolved as provided in this Agreement.

1.4 Principal Office. The Company's principal office will initially be at 2100 Cherokee Ridge Way, Suite 100, Louisville, KY 40205, but may be relocated by the Member at any time.

1.5 Purposes and Powers. The purpose of the Company is to engage in the business of nursing home and rehabilitation services or such other similar business activities incidental or related thereto.

2. MEMBER

2.1 Name and Address. The name and address of the sole member of the Company is: Hickory Bend TN Holdco LLC, 2100 Cherokee Ridge Way, Suite 100, Louisville, KY 40205.

2.2 Termination of Member's Interest. The Member will cease to be a member of the Company only upon the Member's death, incompetency, or bankruptcy, or upon assignment of the Member's entire membership interest, by operation of law or otherwise.

2.3 Additional Members. Except as provided in Section 2.2 above, additional members of the Company may be admitted only by written agreement of the Member.

3. CAPITAL

3.1 Initial Capital Contribution. The initial capital contribution of the Member is

shown in Exhibit A attached hereto.

3.2 Additional Contributions. Except as otherwise provided in the Act, the Member is not required to contribute additional capital to the Company. However, the Member may make additional capital contributions to the Company from time to time as the Member wishes.

3.3 Capital Account. A capital account will be maintained for the Member. The Member's capital account will be credited with all capital contributions made by the Member and with all income and gain (including any income exempt from federal income tax) of the Company, and the Member's capital account will be charged with the amount of all distributions made to the Member and with all losses and deductions (including deductions attributable to tax-exempt income) of the Company.

4. PROFITS AND LOSSES AND DISTRIBUTIONS

4.1 Profits and Losses. The entire net profit or net loss of the Company for each fiscal year will be allocated to the Member.

4.2 Distributions. Subject to the restrictions governing distributions under the Act, distributions of cash or property may be made from time to time by the Company to the Member, as the Member directs. However, the assets of the Company (i.e., before distribution to the Member in accordance with this Agreement) may not be used to pay the separate expenses of the Member, to make personal investments for the account of the Member, or for any other purpose not related to the business of the Company.

5. ADMINISTRATION OF COMPANY BUSINESS

5.1 Management. The Member has the sole right and authority to manage and conduct the Company's business and shall be the "Managing Member" of the Company. Actions by the Member relating to the management or other business of the Company may be memorialized in written resolutions signed by the Member, but written resolutions are not required to authorize action by the Member.

5.2 Authority of Member. The Member is the agent of the Company and has authority to bind the Company on all matters. The authority of the Member includes, without limitation, the authority to: (a) sell, lease, exchange, mortgage, pledge, or otherwise transfer or dispose of all or substantially all of the property or assets of the Company; (b) merge the Company with any other entity; (c) amend the articles of organization of the Company or this Agreement; (e) change the nature of the business of the Company; or (f) commence a voluntary bankruptcy case for the Company. The Member shall have the power to execute and deliver all instruments and other documents on behalf of the Company and to bind the Company. Third parties may rely upon any instrument or document executed by the Member as being sufficient to bind the Company.

6. ACCOUNTING AND RECORDS

6.1 Books and Records. The Company may keep such books and records relating to the operation of the Company as are appropriate and adequate for the Company's business. The books and records are to be available for inspection by the Member at the principal office of the Company.

6.2 Separate Accounts. The funds, assets, properties, and accounts of the Company must be maintained separately, and may not be commingled with those of the Member or any other person.

6.3 Fiscal Year. The fiscal year of the Company will be the calendar year.

7. DISSOLUTION AND WINDING UP

7.1 Events of Dissolution. The Company will dissolve upon the earlier of (a) approval of dissolution by the Member or (b) such time as the Company has no members. Neither the death, incompetency, or bankruptcy of the Member nor the assignment of the Member's entire membership interest will dissolve the Company solely as a result of such occurrences.

7.2 Winding Up and Liquidation. Upon the dissolution of the Company, the affairs of the Company must be wound up by the Member. If the affairs of the Company are to be wound up, a full account must be taken of the assets and liabilities of the Company, and the assets of the Company must then be promptly liquidated. The proceeds must first be paid to creditors of the Company in satisfaction of all liabilities and obligations of the Company, including, to the extent permitted by law, liabilities and obligations owed to the Member as a creditor. Any remaining proceeds may then be distributed to the Member. Property of the Company may be distributed in kind in the process of winding up and liquidation.

7.3 Negative Capital Account. If the Member has a negative balance in the Member's capital account upon liquidation of the Company, the Member will have no obligation to make any contribution to the capital of the Company to make up the deficit, and the deficit will not be considered a debt owed to the Company or any other person for any purpose.

8. INDEMNIFICATION AND LIABILITY LIMITATION

8.1 Indemnification. The Company shall indemnify and hold harmless the Member to the fullest extent permissible under the law of the state in which the articles of organization of the Company have been filed, as the same exists or may hereafter be amended, against all liability, loss, and costs (including, without limitation, attorneys' fees) incurred or suffered by the Member by reason of or arising from the fact that the Member is or was a member and/or managing member of the Company, or is or was serving at the request of the Company as a manager, member, managing member, director, officer, partner, trustee, employee, or agent of another foreign or domestic limited liability company, corporation, partnership, joint venture,

trust, benefit plan, or other enterprise. The Company may, by action of the Member, provide indemnification to employees and agents of the Company who are not members. The indemnification provided in this section will not be exclusive of any other rights to which any person may be entitled under any statute, agreement, resolution of the Member, contract, or otherwise.

8.2 Limitation of Liability. The Member is not liable to the Company for monetary damages resulting from the Member's conduct except to the extent that the Act, as it now exists or may be amended in the future, prohibits the elimination or limitation of liability of members of limited liability companies. No repeal or amendment of this section or of the Act will adversely affect any right or protection of the Member for actions or omissions prior to the repeal or amendment.

9. MISCELLANEOUS PROVISIONS

9.1 Amendment. The Member may amend or repeal all or part of this Agreement by written instrument.

9.2 Governing Law. This Agreement is to be governed by the laws of the State of Tennessee.

9.3 Severability. If any provision or part of a provision of this Agreement is invalid or unenforceable, it is not to affect the remaining provisions or other part of such provision.

[signature on following page]

IN WITNESS WHEREOF, this Limited Liability Company Operating Agreement has been duly executed by or on behalf of the parties hereto as of the date first above written.

Hickory Bend TN Holdco LLC

By:
Name: Mick Vujanovic
Title: Authorized
Signatory



EXHIBIT A

INITIAL CAPITAL CONTRIBUTION

Member:	**Initial Capital Contribution:**
Hickory Bend TN Holdco LLC	$100

MANAGEMENT AGREEMENT

This MANAGEMENT AGREEMENT **("Agreement")** is made and entered into effective as of _____, by and between Hickory Bend TN Opco LLC, a Tennessee limited liability company **("Operator")** and Clearview Healthcare Management TN LLC, a Tennessee limited liability company **("Manager").**

WHEREAS, Operator holds a license and all other permits and approvals necessary to operate that certain long-term care facility known as Hickory Bend Health and Rehabilitation, located at 6551 Knight Arnold Road, Memphis, TN 38115 (the "**Facility**"); and

WHEREAS, Manager is engaged in the business of managing long term care facilities; and

WHEREAS, Operator desires to have Manager serve as manager for the Facility, as an independent contractor, and Manager is willing to serve as manager pursuant to the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained and for other good and valuable considerations, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

When used in this Agreement, the following words or terms shall have the following definitions:

1.1 "Approved Budget" shall have the meaning given in Section 3.1.

1.2 "Basic Services" shall have the meaning given in Section 4.1.

1.3 "Budget" means a forecast of Facility Income and Facility Expenses, including a budget for capital expenditures to be made relative to the Facility pursuant to this Agreement for the Fiscal Year to which such Budget relates.

1.4 "Due Date" shall have the meaning given in Section 4.1 (f).

1.5 "Emergency Services" shall have the meaning given in Section 4.3.

1.6 "Existing Uses" shall mean all present uses of the Facility, including use as a seniors housing and care facility including skilled nursing beds, and all ancillary services in connection therewith.

1.7 "Extraordinary Services" shall have the meaning given in Section 4.2.

1.8 "Facility" shall have the meaning given in the recitals and shall include the Land and the Improvements.

1.9 "Facility Expenses" means all expenses, costs, and charges of every kind and nature incurred pursuant to an Approved Budget or any other provision of this Agreement permitting the incurrence of such expense, cost, or charge as a Facility Expense, or pursuant to instructions or directives given by Operator to Manager pursuant to the provisions of this Agreement, in connection with the Facility, for or in respect of a Fiscal Year (including, without limitation, Facility Operating Expenses and those expenses, costs, and charges incurred in the performance of Extraordinary Services and any Emergency Services).

1.10 "Facility Income" means, with respect to a specific period of time, the revenues received from all sources in connection with the Facility during such period of time; provided that Facility Income shall not include or mean (i) interest or investment income of Operator, (ii) capital contributions of Operator, (iii) insurance proceeds (provided however, business interruption insurance proceeds shall be included in "Facility Income"), (iv) tax refunds, (v) condemnation proceeds or awards, and (vi) amounts collected from any Residents as trust funds or security deposits, if any, except to the extent those security deposits are actually applied against the payments owed to the Facility.

1.11 "Facility Operating Expenses" means all expenses, costs, and charges (including capital outlays) incurred in connection with the operation and maintenance of the Facility.

1.12 "Fiscal Year" means a year, commencing January 1, and ending December 31, except that the first Fiscal Year shall be that period commencing on the commencement date and ending on the next succeeding December 31.

1.13 "Improvements" means the facility described herein and all other structural improvements situated on the Land.

1.14 "Interest Rate" means the rate of interest equal to the lesser of (i) the maximum rate of interest not prohibited by applicable law; or (ii) that per annum rate of interest equal to two and one-half percent (2.5%) per annum more than the then current prime rate as published by The Wall Street Journal in its most recent edition.

1.15 "Land" means the tract of land upon which the Facility is located.

1.16 "Management Fees" mean a sum payable by Operator to Manager in an amount equal to 5% of all Facility Income.

1.17 "Manager" shall have the meaning given in the recitals.

1.18 "Manager Affiliate" means (i) any person, firm, corporation, limited liability company, or other entity which controls, is controlled by, or is under common control with

Manager, directly or indirectly; or (ii) any partnership, venture, trust, limited liability company or other entity in which Manager is a general partner, a managing general partner, a managing venturer, trustee, or otherwise holds a management position; or (iii) any successor of Manager by change of name, merger, acquisition, consolidation, dissolution and distribution of assets, bulk transfer of assets, or similar reorganizational action.

1.19 "Operator" shall have the meaning given in the recitals.

1.20 "Operator Affiliate" means (i) any person, firm, corporation, limited liability company or other entity which controls, is controlled by, or is under common control with Operator, directly or indirectly; or (ii) any partnership, venture, trust, limited liability company or other entity in which Operator is a general partner, a managing general partner, a managing venturer, trustee, or otherwise holds a management position; or (iii) any successor of Operator by change of name, merger, acquisition, consolidation, dissolution and distribution of assets, bulk transfer of assets, or similar reorganizational action.

1.21 "Payments to Manager" means payment of the Management Fees, together with any other sums due to Manager hereunder.

1.22 "Residents" means the residents or patients of the Facility.

1.23 "Salaries and Benefits" means salary, wages, bonuses, and other direct compensation, group life, accident, disability, medical and health insurance, pension plans, social security payments, payroll and other employee taxes, worker's compensation payments, employer's contribution to F.I.C.A., unemployment compensation, and similar so-called fringe benefits.

1.24 "Service Contracts" shall have the meaning given in Section 4.1 (c).

1.25 "Subcontracts" and "Subcontractors" shall have the meaning given in Section 2.5.

1.26 "Subcontractor Default" shall have the meaning given in Section 2.5.

1.27 When used in this Agreement, the words and terms for which definitions are specified in the introductory paragraph of this Agreement and in the further Articles of this Agreement shall have the definitions respectively therein ascribed to them.

ARTICLE II

RELATIONSHIP OF PARTIES

2.1 Management and Consulting by Manager. Manager agrees with Operator to provide the management, consulting and advisory services described herein in connection with the Operator's operation of the Facility, upon the terms and conditions set forth in this Agreement and consistent with state and federal law.

2.2 Relationship. Subject to the terms hereof, all actions by Manager in performing its duties and providing services pursuant to this Agreement shall be on behalf of Operator as Operator's independent contractor. Operator agrees to indemnify, defend and hold Manager harmless from and against any loss, cost, expense, liability, or claim of any kind or nature whatsoever arising from or in connection with Manager's performance of its duties under this Agreement, except in instances in which such loss, cost, expense, liability, or claims arise from or in connection with Manager's own gross negligence or willful misconduct, or from or in connection with a material breach by Manager of its obligations under this Agreement.

2.3 Control Retained by Operator; Operator is "Provider". Although Manager, as part of Manager's services pursuant to this Agreement, shall make recommendations to Operator concerning the operation of the Facility, Operator has and shall at all times retain under this Agreement the ultimate authority and responsibility for the operational decisions at the Facility in addition to retaining and exercising control over the assets of the Facility, and Manager shall perform the functions described in this Agreement to be performed by it in accordance with policies and directives approved by Operator. Operator shall be the holder of all licenses, permits and contracts obtained with respect to the Facility, and shall be the "provider" within the meaning of all third-party contracts for the Facility. Specifically, and without limitation, Operator also shall hold the Medicare and Medicaid provider numbers and provider agreements. This Agreement shall not constitute an assignment (automatic or otherwise) by Operator to Manager of the licenses, permits, contracts, certifications or provider agreements with respect to the Facility.

2.4 Other Activities. Manager and Manager Affiliates may engage in or possess an interest in other business ventures of every nature and description and in any vicinity whatsoever, including, without limitation, the ownership, operation, management, and development of nursing homes, retirement homes, assisted and/or independent living facilities, apartments or duplexes, or other real property, and pharmacy, physical and speech therapy, home health, hospice services, medical equipment, adult day care and any other senior service, and Operator shall have no rights in or to such independent ventures or to any profits therefrom. Any such activities may be undertaken with or without notice to or participation therein by Operator, and Operator hereby waives any rights or claims that it may have against Manager and Manager Affiliates with respect to the income or profit therefrom or the effect of such activity on the Facility. Nothing contained herein shall obligate any agent, officer, director, shareholder, member or partner of Manager or Manager Affiliates to devote all or any particular portion of such party's time or efforts to the Facility.

2.5 Manager's Liability. Operator acknowledges that Manager will enter into subcontracts **("Subcontracts")** with others **("Subcontractors")** to obtain certain services and goods to be provided under this Agreement, and that Manager's remedies against a Subcontractor in the event it fails to perform such services, is negligent, engages in misconduct or otherwise defaults under the Subcontract (in any such case **"Subcontractor Default")** will be governed by the Subcontract and by applicable law. Operator agrees, for the purposes of this Agreement, that if Manager, as soon as reasonably practicable after the occurrence of a Subcontractor Default, commences and thereafter pursues with reasonable due diligence remedies against such Subcontractor and, pending efforts by Manager to enforce such remedies

against such Subcontractor, either performs itself the services covered by the Subcontract or engages another Subcontractor for such purpose, then Manager shall not be in default under the terms of this Agreement by reason of such Subcontractor Default.

Notwithstanding any other provision of this Agreement, and unless such act or omission constitutes gross negligence, willful misconduct, or a material default by Manager, its officers, employees, or agents (and for the purposes of this Section, the term **"employees or agents"** of Manager shall not include Subcontractors), under the terms of this Agreement, neither Manager nor its officers, directors, shareholders, members, managers, employees, agents, subsidiaries or affiliates shall ever be liable for any act or omission, negligent, tortious or otherwise, of a Subcontractor or any agent or employee of a Subcontractor, or its subsidiaries or affiliates, for any amount of damage, or any other monetary obligation whatsoever, which is in excess of the amount of cash proceeds actually recovered under the policies of liability insurance maintained pursuant to the terms of this Agreement, and under no circumstances whatsoever shall Manager, under any theory of action or recovery, ever be liable for or obliged to pay or to satisfy any judgment for, any damages or other monetary obligation whatsoever, that is in excess of the amount of such cash proceeds. Notwithstanding any of the provisions of this Agreement, in no event shall Operator make any claim against Manager, or its officers, directors, shareholders, members, managers, employees, agents, subsidiaries or affiliates, on account of any alleged errors in judgment made in good faith in connection with the Facility by Manager or such persons, or the performance of any advisory or technical services provided by or arranged by Manager.

In the event of an act of gross negligence, willful misconduct, or a material default by Manager, its officers, employees, or agents under the terms of this Agreement, then Operator shall have all recourse and remedies as may be available under the terms of this Agreement and at law or in equity.

2.6 Proprietary Interest. The computer and technical systems, methods, policies, handbooks, procedures and controls employed by Manager are to remain the property of Manager and are not, at any time, to be utilized, distributed, copied or otherwise employed or acquired by the Operator except as authorized in writing by Manager, or except as may be required by law.

ARTICLE III

BUDGET

3.1 Approval of Budget. As soon as reasonable and practicable for Manager near the end or shortly after the commencement of each Fiscal Year, Manager shall prepare and deliver to Operator, in a form reasonably satisfactory to Operator, a proposed Budget for the next Fiscal Year which, when approved, shall be deemed and considered to be an **"Approved Budget".**

3.2 Operator shall give its approval or its disapproval of Manager's proposed Budget for each Fiscal Year not later than thirty (30) days after its receipt thereof.

If Operator does not approve or disapprove the proposed Budget within such thirty (30) day period, then Operator shall be deemed to have approved the Budget. If Operator objects to all or any portion of the proposed Budget, Operator shall furnish Manager with the reasons for its objections, and Operator and Manager shall attempt to agree in respect to the items to which Operator objects, and if such agreement is not reached within fourteen (14) days of the expiration of such thirty (30) day period, and without reference to whether more than one Fiscal Year shall lapse, then the Facility shall be operated under a Budget (which for purposes of this Agreement shall be considered to be an Approved Budget) that is the same as the last Approved Budget, and Manager shall be authorized to incur expenses necessary for the management and operation of the Facility, including but not limited to:

(a) all costs of staffing the Facility and providing Resident care in accordance with all state and federal laws and regulations, utilities, cleaning services, costs of routine building and mechanical maintenance and repair (including elevator maintenance), ad valorem taxes and insurance coverages, costs of security services, and costs under Service Contracts, landscaping costs, and personnel costs; together with

(b) the sum of (x) the annualized level of all other expenses during the last three (3) months most recent Fiscal Year for which there was an Approved Budget (the **"Base Level"),** plus (y) ten percent (10%) of such Base Level.

3.3 Approved Budget. An Approved Budget shall constitute an authorization for Manager to spend money for the operation and management of the Facility pursuant to such Approved Budget, and Manager may spend such sums without further approval. Operator acknowledges that, notwithstanding Manager's experience in relation to the management of similar developments, the Facilitations contained in the Budget submitted at the commencement of each Fiscal Year are subject to and may be affected by changes in financial, regulatory, economic, and other conditions and circumstances beyond Manager's control, and the Budget shall be adjusted to take into account such changes.

3.4 Expenditures for Capital Items. The Approved Budget shall constitute an authorization for Manager to make the capital expenditures contemplated thereby. If during any Fiscal Year Manager believes the purchase or installation of new or replacement equipment or other capital items not contemplated by the Approved Budget is or before the end of such Fiscal Year will be necessary or desirable, Manager shall advise Operator thereof, but shall cause such items to be purchased and installed only after obtaining the prior authorization of Operator.

3.5 Rates. From time to time, Manager will recommend to Operator, for approval, rate structures which take into account the financial obligations of the Facility and the level of rates at other comparable facilities in the market area.

ARTICLE IV

SERVICES

4.1 Basic Services. As basic services hereunder (the "Basic Services"), Manager shall:

(a) Resident Relations. Consult with Operator in the operations of the Facility in compliance with the terms and conditions of this Agreement and administer a Resident relations program which maintains visibility of management presence.

(b) Personnel. Advise Operator with respect to employment decisions affecting on-site Facility employees. Ultimate authority and responsibility for all employment decisions is retained by Operator. Except as provided herein, all on-site Facility employees shall at all times be Operator's employees and not employees of Manager. Manager agrees to locate and recommend for employment by Operator an administrator licensed for the Existing Uses in the state in which the Facility is located (if such licensure is required) for the day-to-day administration of the Facility. Operator shall have the right to approve the Facility administrator. The administrator shall be an employee of and compensated by Operator as a Facility Expense. In the event Manager shall place one of its employees as department head, administrator or director of nursing (for example, on an interim basis while a replacement director of nursing is hired), Manager shall be reimbursed monthly by Operator for all applicable Salaries and Benefits of such Manager employee. The Salaries and Benefits of all on- site Facility employees and the number of such employees shall be part of the Budget (and thus subject to approval by Operator), but each Approved Budget shall include and provide for sufficient funds to enable Manager to pay competitive Salaries and Benefits so as to attract and retain a sufficient number of capable employees to enable the Facility to operate to the standard herein provided.

(c) Service Contracts. Enter into or renew, in the name and on behalf of Operator (Manager being solely the management company for the Facility), contracts (collectively, and including Subcontracts as defined in Section 2.6 hereof, referred to as "Service Contracts") for electricity, gas, water, telephone, cable television, cleaning, fuel oil, elevator maintenance, vermin extermination, trash removal, linen service, pharmaceuticals and medical supplies, pharmacy consulting, medical director, physical and speech therapy, hospice services, medical equipment, and other services in the ordinary course of the operation of the Facility; purchase all supplies and equipment necessary to maintain and so operate the Facility; and credit to Operator any discounts, rebates, or commissions obtained for purchases or otherwise.

Manager may recommend the use of consultants or companies, even though same may be Affiliates of Manager and/or employed by Manager or an Affiliate of Manager, and if employed or retained, such consultants or companies shall be compensated at market rates and on terms comparable to the normal and customary rates in the industry, and these payments shall be a Facility Expense pursuant to this Agreement.

(d) Maintenance and Repair. Maintain or cause to be maintained the Improvements and grounds of the Facility including, without limitation, interior and exterior cleaning, painting and decorating, plumbing, carpentry, and other normal maintenance and repair work.

(e) Collection. Use reasonable efforts to request, demand, collect, receive, and receipt for all charges due from Residents and otherwise due Operator with respect to the Facility. No uncollectible accounts (other than contractual allowance in the case of Medicare

and Medicaid patients) shall be charged off to a bad debt expense account until reasonable efforts have been exhausted for collections or Manager has received Operator's approval.

(f) Facility Expenses; Mortgage Loans. To the extent funds are made available by Operator, pay all Facility Expenses (other than any payments required on mortgage loans or leases, except as specifically provided below) on or before that date (the **"Due Date")** after which interest or penalty will begin to accrue thereon, provided, however, that Manager may contest, if and to the extent appropriate, the payment of any Facility Expense (or portion thereof) which Manager has actual and reasonable grounds to believe should be contested. All expenses and costs of such contests, including without limitation, reasonable attorneys' fees, shall be included as Facility Expenses. In any instance in which Manager has contested any Facility Expense in accordance with the provisions of this Agreement, or has been requested by Operator to contest any Facility Expense, then any interest or penalty which accrues and may thereafter become payable with respect to such Facility Expense shall itself be a Facility Expense.

If Operator shall so request, Manager shall pay the aggregate amounts required to be paid pursuant to any mortgages or financing related to the Facility, secured or unsecured, or leases of the Facility, including amounts due under any such financing or leases for interest, amortization of principal, and for allocation to reserves or escrow funds, from the Facility funds. All notices from any lender or landlord claiming any default in any financing or lease on the Facility, and any other notice from any lender or landlord other than routine notice of payment due, shall be forthwith delivered by Operator to Manager.

(g) Reports. As soon as reasonable and practicable each calendar month, render to Operator a statement of income and expenses showing the results of operation of the Facility for the preceding month and of the Fiscal Year to date. As soon as reasonable and practicable after the end of each Fiscal Year, Manager shall deliver to Operator profit and loss statements showing Facility Income, Facility Expenses, Payments to Manager, the results of operations for that Fiscal Year, and (provided Manager has sufficient information) a balance sheet of the Facility as of the end of that Fiscal Year, prepared on an accrual basis in accordance with generally accepted accounting principles consistently applied. All such monthly reports shall be in the format normally utilized by Manager. Operator may, regularly and/or from time to time, require that the annual financial statements of the Facility be audited, reviewed or compiled by a reputable accounting firm, and the cost of same shall constitute a Facility Expense. Manager shall have no obligation to prepare financial statements or accounting of any kind separate from such Facility statements, except as agreed by Manager, for which Manager may charge an additional fee. Manager shall, upon reasonable notice from Operator, prepare and submit to Operator such other reports or certificates as Operator may reasonably request concerning such matters relating to the Facility as are within the scope of Manager's services provided for in this Agreement. If any such additional reports or alternate report formats requested by Operator shall require Manager to engage consultants or other professionals to assist Manager in designing or preparing such report, or shall require Manager's employees (other than on-site employees engaged in performing Manager's services under this Agreement) to expend additional time designing or preparing such report, then Operator shall promptly reimburse Manager for the cost to Manager of engaging such consultants or other professionals

or of such time expended by Manager's employees.

(h) Records. Maintain, at the Facility or at the address for Manager provided for in the first paragraph of this Agreement, or such other place or places as Operator may approve, a system of office records, books, and accounts, and any additional information or records reasonably required by Operator for the preparation of federal, state, and local tax returns, all in a manner reasonably satisfactory to Operator. Operator and others designated by Operator, including Operator's auditors and accountants, shall have, upon reasonable notice to Manager, during normal business hours, access to and the right to audit and make copies of such records, accounts, and books, and all vouchers, files and all other material pertaining to the Facility and this Agreement.

(i) Legal Proceedings. Manager shall institute and prosecute in the name and at the expense of Operator such actions and proceedings necessary to effect the purposes, perform the services, and take the actions contemplated by this Agreement, including without limitation, to evict Residents in default; to recover possession of rooms occupied by such Residents; to sue for and recover charges and other damages due from Residents and other persons obligated to Operator or Manager in connection with the Facility; to settle, compromise, and release any such actions or suits or reinstate such Residents; and sign and serve in the name of Operator notices and other communications relating to any of the foregoing matters. Manager shall keep Operator advised of all actions filed against Operator and known to Manager and all actions filed by Operator that are beyond the scope of ordinary business operations. Operator shall be responsible for all costs and expenses, including without limitation attorney's fees, incurred in defending Manager for actions brought against Manager based upon Manager's performance of its duties in connection with operation of the Facility.

(j) Process Insurance Claims. If requested by Operator, Manager shall process all claims under any insurance coverages pertaining to the Facility in a reasonably expeditious manner, so as to minimize delay in receipt by the Facility of the proceeds of such insurance.

(k) Maintenance of Licenses. Assist Operator in obtaining and maintaining all licenses and certifications required for operation of the Facility, such as contracts with fiscal intermediaries and agencies and eligibility for participation in any applicable third party payor or other medical reimbursement programs. All licenses and permits shall be obtained in the name and at the expense of the Operator unless otherwise stipulated pursuant to applicable regulation or unless otherwise agreed in writing between Operator and Manager. Further, Operator shall remain directly responsible to all federal, state and local enforcing agencies for compliance with such provisions and maintain state and federal licensing and certification requirements from and after the effective date hereof. Manager shall furnish copies of all surveys and notices of noncompliance to Operator promptly upon receipt by Manager.

(l) Rate Schedules. Assist in developing price and rate schedules satisfactory to Operator; obtain approval of appropriate price schedules by government agencies and appropriate rate/reimbursement schedules from third-party paying agencies, if applicable; provide all statistical, financial, and other data necessary to obtain payment from the appropriate

agencies, if applicable; and assist in effecting final settlement of claims for payment.

(m) Accounting and Report Supervision. Oversee the maintenance of all Resident records required for the orderly billing for nursing and miscellaneous goods and/or services and Manager shall oversee control of Resident ledgers to ensure proper identification of all accounts. Manager shall oversee the monthly billing for all goods and/or services, which billings shall be rendered in a timely manner. OPERATOR UNDERSTANDS AND AGREES THAT MANAGER IS NOT ENGAGED IN THE PRACTICE OF MEDICINE. THE SERVICES ARE NOT A SUBSTITUTE FOR PROFESSIONAL MEDICAL REVIEW AND JUDGMENT UNDER THIS AGREEMENT FOR DELIVERING HEALTHCARE SERVICES OR FOR CODING OR BILLING FOR SUCH SERVICES. OPERATOR AND ITS PROVIDERS ARE RESPONSIBLE FOR VERIFYING THE ACCURACY OF ALL PATIENT, VISIT AND OTHER INFORMATION AND/OR DATA IN OR GENERATED BY MANAGER OR OTHERWISE UNDER THIS AGREEMENT BEFORE ACTING ON OR ALLOWING IT TO BE USED FOR CLINICAL, CODING OR BILLING PURPOSES. MANAGER IS NOT RESPONSIBLE FOR AND SHALL HAVE NO LIABILITY FOR CLAIMS BY CLIENT OR OTHERS RELATING TO: (I) THE ACCURACY OF FEES OR OTHER DATA CONTAINED IN CONTENT DATABASES, (II) ANY DATA ENTERED OR PROVIDED BY OPERATOR OR ANY USER OF OPERATOR'S BILLING SOFTWARE, INCLUDING THE ACCURACY OF CODES, (III) USE OF DATA OR DATA OUTPUT BY OPERATOR OR ANY INDIVIDUAL OR ENTITY TO WHICH CLIENT PROVIDES ACCESS TO OPERATOR'S BILLING SOFTWARE OR ITS GENERATED OUTPUT, (IV) ANY BODILY INJURY OR DEATH RESULTING FROM OPERATOR'S OR ANY INDIVIDUAL'S OR ENTITY'S RELIANCE ON THE PATIENT, CODING OR BILLING INFORMATION AND/OR DATA OR REPORTS DELIVERED THROUGH SERVICES OR OTHERWISE UNDER THIS AGREEMENT, OR (V) BACKUP AND RECOVERY OF ANY DATABASE AND ANY STORED DATA.

(n) Cost Reports and Tax Returns. Any reports that may be required to be made under the Medicare or Medicaid Program (or any successor program) of the federal Department of Health and Human Services or by the state in which the Facility is located, such as cost reports, federal, state and local tax returns, and any other required governmental reports or filings necessary for the operation of the Facility, shall be prepared by Operator or by outside consultants as may be approved by Operator. Operator will have the ultimate authority and responsibility to review, revise, approve and submit cost reports. The cost of such items shall be a Facility Expense.

4.2 Extraordinary Services. Whenever Manager determines that a service or services not included in the Basic Services required to be rendered pursuant to the Agreement (and not constituting an emergency) is necessary or desirable for the efficient, economic, and profitable operation of the Facility (collectively, the "Extraordinary Services"), Manager shall advise Operator of the need and cost therefore and make recommendations related thereto. Manager shall then perform the Extraordinary Services in accordance with the directions of Operator as to the performance thereof and the amount to be expended therefore. The Extraordinary Services

shall include, without limitation, the following:

(a) Major Repairs. Performance and supervision of all major repairs, replacements, and alterations to the Facility not covered by the Budget.

(b) Compliance with Legal Requirements. Assisting in material compliance with any and all orders or requirements affecting the Facility by any federal, state, county, municipal, or other governmental authority having jurisdiction thereover, and order of the Board of Fire Underwriters or any similar bodies. Manager, however, shall not take any such action as long as Operator has notified Manager that it is contesting or has notified Manager of its intention to contest (or has otherwise directed Manager to take no action), and promptly institutes proceedings contesting any such order or requirement, provided that if failure to comply promptly with any such order or requirement would or might expose Manager to civil or criminal liability, Manager shall have the right, but not the obligation, to cause the same to be complied with.

(c) Tax Abatement and Eminent Domain. Rendering of advice and assistance to Operator in the negotiation or prosecution of all claims for the abatement of property and other taxes affecting the Facility and for awards for taking by eminent domain affecting the Facility.

(d) General. Performance of any other reasonable services, acts, items, or matters relating to or affecting the Facility which are or may be desirable or necessary for the efficient, economic, and profitable operation thereof and which are not included within the services required by this Agreement.

4.3 Emergency Services. **"Emergency Services"** are defined as any and all emergency repairs or services immediately necessary for the preservation and/or safety of the Facility, to avoid the suspension of any important service to the Facility or the licensure and/or certification of the Facility, to avoid danger to life or property, or to preserve the use of the Facility for the Existing Uses. Emergency Services may be performed by Manager in its reasonable discretion, without Operator's prior approval of the performance or amount to be expended therefore; provided, however, Manager shall, if reasonably possible, give Operator verbal notice of the performance of such service as soon as practicable.

4.4 Expense of Operator. All services performed by Manager under this Agreement of any kind (including without limitation Basic Services, Extraordinary Services and Emergency Services) shall be at the sole expense of Operator. Notwithstanding any other provision of this Agreement, Manager shall not be obligated to make any advance to or for the account of Operator or the Facility or to pay any sums, except out of funds held in any account maintained under ARTICLE IV, nor shall Manager be obligated to incur any liability or obligation for the account of Operator or the Facility without assurance in Manager's sole discretion that the necessary funds for the discharge thereof are or shall be available, nor shall Manager be responsible for the failure of the Facility to be managed, operated, or maintained to the standard required by this Agreement as a result of Operator's failure to provide funds timely for the Facility.

4.5 Operator's Inspection. Operator shall have the right of ingress and egress and may inspect the Facility and review management decisions. Operator shall be entitled to maintain oversight, contact and communications with the administrator of the Facility during the term of this Agreement.

4.6 Confidentiality. Manager and Operator agree to maintain in confidence all information and materials provided by, or obtained from, each other including, without limitation, all financial information, source codes, medical protocols, operational practices, manuals and other related information, except such use thereof as may be reasonably expected in the reasonable business of Operator. Further, all books, records, forms, notes, data, memoranda, models, supplies, materials, business accounts, lists and equipment, in any form or of any nature whatsoever delivered or furnished to Manager by the Operator during the course of its engagement shall remain the property of the Operator. Upon the termination of this Agreement or upon the request of the Operator, Manager shall promptly return said material and items to Operator.

4.7 Resident Privacy. Manager shall from time to time have access to Resident data, which it shall hold in strict confidence, and shall use only for the purposes of this Agreement. Manager shall instruct its personnel concerning the requirements of this section. Patient data shall mean any data or information concerning Residents of the Facility, including without limitation, any of the treatments, procedures, medicines, drugs, diagnoses, therapies, surgeries, outcomes, histories, genetics, disclosures or behaviors of any such Residents. The privacy and other rights of all Residents of the Facility shall be respected.

ARTICLE V

INSURANCE

5.1 Operator's Insurance. If requested by Operator, Manager will use commercially reasonable efforts to obtain in Operator's name and at Operator's expense and keep in force (or absent such request, Operator shall obtain and keep in force) during the term of this Agreement:

(a) comprehensive general liability insurance, protecting Operator against claims for injury to or death of persons or damage to or destruction of property occurring upon, in, or about the Facility and the adjoining streets (other than streets dedicated to and accepted for maintenance by the public); such insurance to afford limits as requested by Operator from time to time;

(b) worker's compensation insurance with statutory and employee's liability insurance; and

(c) such other coverages as reasonably requested by Operator from time to time. Such insurance shall be written by companies approved by Operator which are legally qualified to issue such insurance in the state in which the Facility is located and shall name Operator as insured and Manager as an additional named insured. Such

insurance may be procured by Manager with other facilities managed by Manager and/or Manager Affiliates under so-called "blanket" insurance policies.

5.2 Policies. The parties shall attempt to ensure that each policy referred to in Section 5.1 above shall:

(a) provide that it will not be cancelled, amended, or reduced except after not less than three (3) days' written notice to Operator and Manager;

(b) include a waiver of all rights of subrogation against Manager, its officers, directors and shareholders, members, constituent partners, employees, and agents.

5.3 Waiver. Notwithstanding anything herein to the contrary, in any Fiscal Year, Operator may waive or reduce any insurance requirement set forth herein for Operator's benefit in its reasonable discretion depending on such factors as the availability of such insurance and the cost thereof.

5.4 Operator Insurance. Unless Operator requests that Manager obtain insurance as expressly provided in Section 5.1, Operator shall be responsible to procure and maintain all such insurance in the manner described in this Article, and all such insurance shall name Manager as an additional insured.

5.5 Cooperation. Manager and Operator each shall furnish whatever information is reasonably requested by the other for the purpose of establishing insurance coverages.

ARTICLE VI

BANK ACCOUNTS

6.1 Operating Account. Manager is authorized for and on behalf of Operator to establish bank accounts for the Facility at a banking institution of its choosing, including an operating account to deposit all Facility Income therein and to pay all Facility Expenses therefrom. Manager may designate the authorized signatories on such account.

6.2 Operator's Obligation to Provide Funds. If at any time cash in the operating account shall not be sufficient to pay expenses and all Payments to Manager, Manager shall not be obligated to pay expenses from its own account or to incur any liability whatsoever on behalf of Operator or the Facility. Manager shall notify Operator as soon as practicable upon its awareness of a cash shortage or impending cash shortage. Operator shall determine payment priority, except that all Payments to Manager shall be timely made. After Manager has paid, to the extent of cash available in the operating account, all expenses based upon the ordered priorities set by Operator, Manager shall submit to Operator a statement of all remaining unpaid expenses. Within five (5) business days after receiving such statement, Operator shall provide sufficient monies to pay any unpaid expenses and any Payments to Manager. Such funds shall be provided to Manager within 24 hours of Operator's receipt of such statement and by wire transfer of funds if more than $5,000 remains due.

6.3 Right to Collect Payments to Manager. To the extent funds are available in the operating account, Manager shall be entitled to and is hereby authorized to disburse to itself all accrued Payments to Manager. To the extent funds are not available in the operating account to pay same, Operator agrees to pay Manager, within five (5) business days after demand therefor, such sums as are necessary to discharge its liability to Manager therefor. Any accrued Payments to Manager remaining unpaid after such five (5) day period shall bear interest at the Interest Rate from the date due until paid. If Manager collects payments due hereunder by an attorney at law, Operator hereby agrees to pay all costs and expenses of collection, including without limitation a reasonable attorney's fee.

ARTICLE VII

MANAGEMENT FEE AND ADDITIONAL PAYMENTS

7.1 Amount. During the term of this Agreement, Operator shall pay Manager the Management Fees.

7.2 Monthly Payments. Each monthly installment of the Management Fee shall be due in advance on the first day of each calendar month and be paid no later than the fifteenth (15th) day of each calendar month.

7.3 Annual Adjustment. Within fifteen (15) days after the delivery of the annual financial statements of the Facility, Operator shall pay to Manager or Manager shall pay to Operator such amount as is necessary to make the amount of Management Fees actually paid with respect to such year equal to the amount of Management Fees shown to be due by the annual financial statements.

ARTICLE VIII

TERM

8.1 Term. This Agreement shall commence as of the date hereof and shall thereafter continue for five (5) years, and shall be renewable for two (2) successive additional terms of five (5) years each at the option of the Manager. Thereafter, this Agreement shall renew annually for a one (1) year term until one party gives the other written notice of its intent not to renew at least ninety (90) days prior to the end of the existing term.

8.2 Termination Without Cause. Either Operator or Manager may, upon not less than sixty (60) days prior written notice, terminate this Agreement without cause, provided that no such termination shall relieve either party from its obligations arising or accruing prior to such termination, including without limitation, Operator's duty to pay all accrued Payments to Manager.

8.3 Termination Upon Default. The following shall constitute events of default by

Manager and/or Operator, as applicable:

(a) The filing of a voluntary petition in bankruptcy or insolvency or a petition for reorganization under any bankruptcy, insolvency or similar law by either Operator or Manager;

(b) The consent to an involuntary petition in bankruptcy or the failure by either Operator or Manager to vacate within one hundred and twenty (120) days from the date of entry thereof any order approving an involuntary petition;

(c) The entering of an order, judgment, or decree by any court of competent jurisdiction, on the application of a creditor, adjudicating either Operator or Manager a bankrupt or insolvent or approving a petition seeking reorganization or appointment of a receiver, trustee, or liquidator of all or a substantial part of such party's assets, which order, judgment, or decree shall continue unstayed and in effect for a period of one hundred twenty (120) consecutive days;

(d) The failure or refusal of Operator to provide funds necessary to pay Facility Expenses, as and when provided for in this Agreement, and the Payments to Manager, as and when provided for in this Agreement, provided Manager shall have first delivered the notices relating to Operator's obligation to provide such funds for payment of Facility Expenses or Payments to Manager as required by this Agreement, and provided further that, as to Facility Expenses, Operator's failure to pay such expenses is of such materiality as to make it reasonably impractical for Manager to fulfill its obligations hereunder (which impracticality shall be presumed if the Facility Expenses for which Operator has failed to advance funds exceed, in the aggregate, $5,000.00), and the continuance of any such failure for a period of five (5) days after notice to Operator of the amounts required and the purposes thereof;

(e) The failure or refusal of Manager to deposit, for collection, in the Operating Account all Facility Income within thirty (30) days of receipt thereof by Manager;

(f) If the license for the operation of the Facility or its certification as a provider under Medicare or Medicaid, if applicable, is suspended and such suspension lasts more than thirty (30) days or is finally revoked or terminated; or

(g) The failure of either Operator or Manager to perform, keep, or fulfill any of the covenants, undertakings, obligations, or conditions set forth in this Agreement and the continuance of any such failure for a period of thirty (30) days after written notice of said failure, provided, however, that if such failure constitutes a default under subsections (a), (b) or (c) above, neither Operator nor Manager shall be entitled to notice.

Notwithstanding any other provisions of this Agreement, but without otherwise affecting Manager's rights or remedies hereunder, Operator agrees that, in the event Operator breaches this Agreement by wrongfully terminating or wrongfully purporting to terminate, in whole or in part, Manager's position as Manager hereunder, Manager shall be entitled to the remedy of specific performance in addition to an action for damages or other remedies.

8.4 Effect of Termination. Upon termination of this Agreement, Manager shall forthwith:

(a) Surrender and deliver up to Operator any and all Facility Income and security deposits on hand or in the operating accounts less the Payments to Manager due Manager through the termination date, as provided in this Agreement;

(b) Deliver to Operator as received any monies due Operator under this Agreement but received by Manager after such termination, less any Payments to Manager due Manager through the termination date, as provided in this Agreement;

(c) Deliver to Operator all materials, supplies, keys, contracts and documents, plans, specifications, promotional materials, and such other accountings, papers, and records pertaining to this Agreement;

(d) At Operator's request, assign to Operator (without recourse to or warranty by Manager) executed contracts relating to the operation and maintenance of the Facility;

(e) Deliver to Operator a final accounting of the Facility prepared in accordance with the provisions of Section 4.l(g) up to and including the date of termination;

(f) Cease the performance of all services required to be performed by Manager under this Agreement; and

(g) Cooperate reasonably with Operator to accomplish an orderly transfer of the operation and management of the Facility to the party designated by Operator; including without limitation, executing any documents necessary to assure proper licensure (and certification, if applicable) of the Facility.

Upon termination of this Agreement for any reason, any right of Manager to receive Payments to Manager which accrue under the terms of this Agreement, prior to such termination, but are payable after the date of such termination, shall survive such termination and continue in force and effect, and Operator shall be obligated to make such Payments to Manager in the amounts and at the times provided for in this Agreement.

ARTICLE IX

CASUALTY; CONDEMNATION

9.1 Total or Substantial Destruction. If the Facility or any material portion thereof shall be damaged or destroyed at any time or times during the term of this Agreement by fire, casualty, or any other cause which renders the Facility totally or substantially inoperative for the Existing Uses, and Operator does not notify Manager within three (3) months following the occurrence of such damage or destruction that Operator intends to rebuild or replace the same to substantially its former condition prior to such damage or destruction, this Agreement shall

terminate as of the date of the damage or destruction. If Operator notifies Manager within three (3) months following the occurrence of such damage or destruction that Operator intends to rebuild or replace the Facility and does rebuild or replace the Facility within a reasonable time, this Agreement shall continue in full force and effect except that the term hereof shall be extended for the period of time equal to that period during which the Facility is inoperative.

For purposes of this Agreement, total destruction or damage which renders the Facility "totally or substantially inoperative for the Existing Uses" shall mean damage or destruction which, according to an engineer selected by Operator and Manager (each party agreeing to cooperate reasonably in such selection), could not reasonably be expected to be repaired or restored within twelve (12) months after the occurrence of such damage or destruction, so that at such time the Facility will be restored substantially to the condition in which it existed prior to such damage or destruction, with services and amenities substantially equivalent to those which existed prior to such damage or destruction.

9.2 Partial Damage or Destruction. If the Facility is damaged or partially destroyed in such a manner as to not render the Facility totally or substantially inoperative for the Existing Uses (as defined in Section 9.1 above), this Agreement shall remain in force and effect as to that portion of the Facility not so damaged or destroyed, with an appropriate abatement in the services to be performed by Manager as to such damaged or destroyed portion, except that if Operator does not notify Manager within three (3) months following the occurrence of such damage or destruction that Operator intends to repair or replace the portion of the Facility which was damaged or destroyed, Manager shall have the option, upon thirty (30) days' notice to Operator, to terminate this Agreement, such termination to be effective upon the expiration of said thirty {30) day period.

9.3 Condemnation. If the whole or substantially all of the Facility shall be condemned or taken in any manner for any public or quasi-public use under any statute or by right of eminent domain, then this Agreement shall terminate as of the date of vesting of title thereto in the condemning authority, with each party's rights accruing through such date. If a part of the Facility is so taken or condemned, and if such taking shall substantially affect the Facility or if such taking shall be of a substantial part of the Facility, Manager shall have the right, by delivery of notice to Operator within sixty (60) days after such taking,to terminate this Agreement as of the date of the vesting of title thereto in the condemning authority, with each party's rights accruing through such date. If Manager shall not so elect, this Agreement shall be and remain unaffected by such taking, except that, effective as of the date of such taking, appropriate abatement shall be made in the services to be performed by Manager as to such taken area of the Facility.

For purposes of this Agreement, the condemnation or taking of the "whole or substantially all of the Facility" shall mean the condemnation or taking (or conveyance in lieu thereof) of a material portion of the Facility, such that the Facility ceases to be a first-class facility for all of the Existing Uses, or ceases to have adequate available parking or access, or ceases to have services and amenities substantially similar to those which existed immediately prior to such condemnation or taking (or conveyance in lieu thereof).

ARTICLE X

(Reserved)

ARTICLE XI
MISCELLANEOUS

11.1 Delegation; Assignment.

(a) Manager shall have the right to delegate its responsibilities under this Agreement to employees or agents of Manager or to engage Subcontractors for performance of all or any part of the services to be provided hereunder; provided, however, that Manager shall at all times supervise the performance of Manager's duties and obligations hereunder. Additionally, Manager shall have the right, without obtaining Operator's consent, to assign this Agreement to a Manager Affiliate. Otherwise Manager shall not, without Operator's prior approval (which shall not be unreasonably withheld), assign any of its rights, other than its right to receive the Payments to Manager (which Manager may freely transfer or encumber) or its obligations under this Agreement, whether by operation of law or otherwise, and any such attempted assignment shall be void.

(b) If any person or entity other than Operator succeeds or attempts to succeed to title of the Facility, Manager shall have the option to terminate this Agreement upon ten (10) days' notice to the then current licensee of the Facility.

11.2 Notices. Any and all notices, requests, demands, consents, approvals or other communications required or permitted under this Agreement by either party hereto shall be in writing and shall be made by hand delivery, by sending via Federal Express or another nationally-recognized overnight delivery service, or by sending via certified U. S. Mail with unrestricted delivery, return receipt requested, postage prepaid, and hand delivered or so sent to the party being notified at the address(es) below.

To Operator:
2100 CHEROKEE RIDGE WAY
LOUISVILLE, KY 40205
Attention: Mick Vujanovic

To Manager:
980 SYLVAN AVE.
ENGLEWOOD CLIFFS, NJ 07632
ATTENTION: GENERAL COUNSEL

Notice shall be considered delivered at the earliest of the following to occur: when actually received, three (3) Business Days (as hereinafter defined) after being so sent by U. S. Mail, or one (1) Business Day after being so sent by Federal Express or another nationally-recognized

overnight courier service, independent of the date of actual delivery or whether delivery is ever in fact made, as the case may be, provided the giver of notice can establish the fact that notice was sent or tendered as provided herein. If notice is tendered pursuant to the provisions of this Section and is refused by the intended recipient thereof the notice, nevertheless, shall be considered to have been given and shall be effective as of the date herein provided. If a facsimile number for the intended recipient is set forth above, then in connection with the giving of any notice, the party giving such notice shall also send via facsimile (at the facsimile numbers noted above) a copy of such notice on the date on which such notice is deposited pursuant to this Section. If notice is tendered pursuant to the provisions of this Section and is refused by the intended recipient thereof, the notice, nevertheless, shall be considered to have been given and shall be effective as of the date herein provided.

Operator and Manager may, by written notice given by each to the other, designate any address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Agreement.

11.3 Entire Agreement. This Agreement shall constitute the entire agreement between the parties hereto with respect to the management of the Facility and shall supersede all other prior agreements, written or oral, between the parties relating to the management of the Facility. No modification hereof shall be effective unless made by supplemental agreement in writing executed by the parties hereto.

11.4 Nature of Agreement. Neither the relationship between Operator and Manager nor anything contained in this Agreement shall be deemed to constitute a partnership, joint venture, or any other similar relationship, and, except as otherwise specifically stated herein, Manager shall at all times be deemed an independent contractor for purposes of this Agreement.

11.5 Referral of Patients. The parties agree that the payments made to Manager by Operator hereunder are not in any way contingent upon the admission or referral of Residents by Manager. Further, nothing herein shall require or contemplate any referrals of Residents by Operator, Operator Affiliates, or their members, owners or shareholders.

11.6 Force Majeure. Notwithstanding anything herein to the contrary, Manager shall not be deemed in breach or default of this Agreement if it is prevented or hindered from performing its obligations hereunder due to war, civil unrest, strike, labor troubles, promulgation of law or regulation, governmental delays, unusually inclement weather, inability to procure services or materials despite reasonable efforts, acts of God, or any other cause(s) beyond the reasonable control of the Manager.

11.7 Access to Books and Records. As and to the extent required by law, upon the written request of the United States Secretary of Health and Human Services, the Comptroller General or any of their duly authorized representatives, Manager shall make available those contracts, books, documents and records necessary to verify the nature and extent of the costs of providing services under this Agreement. Such inspection shall be available for up to four (4) years after the rendering of such services. If Manager carries out any of the duties of this Agreement through a subcontract with a value of $10,000.00 or more over a twelve (12) month

period with a related individual or organization, Manager agrees to include this requirement in any such subcontract. This section is included pursuant to and is governed by the requirements of 42 U.S.C. Section 1395x(v)(l) and the regulations promulgated thereunder . No attorney-client, accountant-client, or other legal privilege will be deemed to have been waived by either party by virtue of this Agreement.

11.8 Governing Law. This Agreement is made pursuant to, and shall be governed by and construed in accordance with, the laws applicable to contracts made and to be performed in the state where the Facility is located.

11.9 No Waiver; Cumulative Remedies. The failure of Operator or Manager to seek redress for violation or to insist upon the strict performance of any covenant, agreement, provision, or condition of this Agreement shall not constitute a waiver of the terms of such covenant, agreement, provision, or condition, and Operator and Manager shall have all remedies provided herein and by applicable law with respect to any subsequent act which would have originally constituted a violation.

11.10 Non-Assumption of Liabilities. Manager shall not by entering into and performing this Agreement become liable for any obligations, liabilities or debts of Operator or the Facility or any of their affiliates or others, and Manager shall not by performing services to the Operator assume or become liable for any of the obligations, debts and liabilities of the Operator or the Facility, and will in the course and scope of performing services hereunder have only the obligation to observe and perform the terms and conditions of this Agreement .

11.11 Contract Modifications for Prospective Legal Events. In the event any state or federal laws or regulations, now existing or enacted or promulgated after the effective date of this Agreement, are interpreted by judicial decision, a regulatory agency or legal counsel in such a manner as to indicate that the structure or any terms of this Agreement may be in violation of such laws or regulations, this Agreement shall automatically be deemed modified as necessary to comply with such laws or regulations. To the maximum extent possible, any such modification shall preserve the underlying economic and financial arrangements between Manager and Operator. Manager and Operator shall amend this Agreement to reflect such modification promptly.

11.12 Headings. The headings of the Sections, subsections, paragraphs and subparagraphs hereof are provided herein for and only for convenience of reference, and shall not be considered in construing their contents.

11.13 Construction. As used herein, (a) the term **"person"** means a natural person, a trustee, a corporation, a limited liability company, a partnership and any other form of legal entity, and (b) all references made (i) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, (ii) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well, and (iii) to any Section, subsection, paragraph or subparagraph shall, unless therein expressly indicated to the contrary, be deemed to have been made to such Section, subsection, paragraph or subparagraph of this Agreement. As used in this Agreement, **"Business Day"** means a day other

than a Saturday, a Sunday or a day designated as a holiday by the United States Congress at 5 U.S.CA. § 6103.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date first above written.

MANAGER:

CLEARVIEW HEALTHCARE MANAGEMENT TN LLC

By: _____
NAFTALI ZANZIPER
AUTHORIZED SIGNATORY

OPERATOR:

HICKORY BEND TN OPCO LLC

By: _____
MICK VUJANOVIC
AUTHORIZED SIGNATORY

LIST OF FACILITIES MANAGED BY CLEARVIEW

Cherokee Park	2100 Cherokee Ridge Way Rd, Louisville, KY 40205
Midtown Center	141 N. McLean Blvd, Memphis, TN 38104
Countryside Center	47 Margo Ave, Bardwell, KY 42023
Stonecreek	4747 Alben Barkley Drive, Paducah, KY 42001
Jeffersontown	3500 Good Samaritan Way, Jeffersontown, KY 40299
Sycamore Heights	2141 Sycamore Ave, Louisville, KY 40206
Magnolia Creek	1992 Highway 51 South, Covington, TN 38019
Collierville	490 West Poplar Avenue, Collierville, TN 38017
Madisonville	419 North Seminary Street, Madisonville, KY 42431
Clinton Place	106 Padgett St, Clinton, KY 42031
Fulton	1004 Holiday Ln, Fulton, KY 42041
Barren County	300 Westwood St, Glasgow, KY 42141
Smith County	112 Healthcare Drive, Carthage, TN 37030
River Grove	1520 Grove Street, Loudon, TN 37774
Fairpark	307 North Fifth St, Maryville, TN 37804
Maple	515 Greene Dr, Greenville, KY 42345
The Palace	309 Main Street, Red Boiling Springs, TN 37150
Bradford Heights	950 Highpoint Dr, Hopkinsville, KY 42240
Creekwood	107 Boyles Dr, Russellville, KY 42276
Mills	500 Beck Ln, Mayfield, KY 42066
Princeton	1333 W Main St, Princeton, KY 42445
Spring View	718 Goodwin Ln, Leitchfield, KY 42754
Mt. Pleasant	904 Hidden Acres Drive, Mount Pleasant, TN 38474
Green Acres	402 W. Farthing Street, Mayfield, KY 42066
Fair Oaks	1 Sparks Avenue, Jamestown, KY 42629
Bedford Springs	50 Shepherd Lane, Bedford, KY 40006
Willow Branch	415 Pace St, McMinnville, TN 37110
Soddy-Daisy	701 Sequoyah Rd, Soddy-Daisy, TN 37379
Grant Center	201 Kimberly Lane, Williamstown, KY 41097
Crestview Center	1871 Midland Trail, Shelbyville, KY 40065

LINE	BEARING	DISTANCE
L1	S 27°41'31" E	40.00'
L2	S 88°53'56" W	2.17'

CURVE	RADIUS	LENGTH	CHORD
C1	40.00'	19.80'	S 77°46'06" E 19.60'
C2	672.73'	47.96'	S 17°44'30" W 47.95'
C3	702.73'	63.94'	S 24°35'43" W 63.91'
C4	702.73'	47.55'	S 31°42'06" W 47.54'
C5	3947.00'	150.19'	N 86°57'29" E 150.18'

Flood Note

By graphic plotting only, this property is in Zone(s) X (unshaded) of the Flood Insurance Rate Map, Community Panel No. 47157C0465F, which bears an effective date of 09/28/07 and is not in a Special Flood Hazard Area.

Zoning

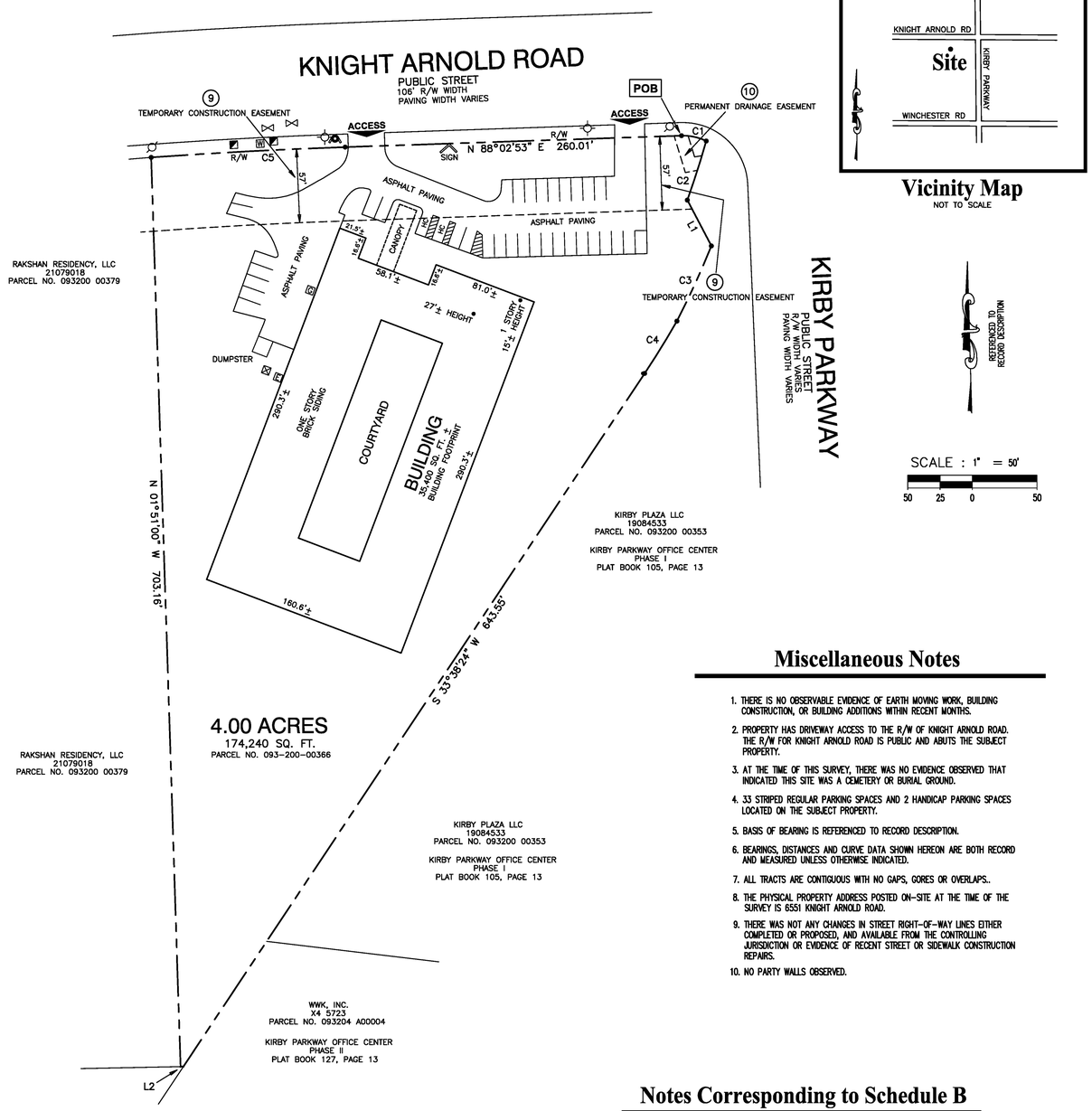
ZONING INFORMATION NOT PROVIDED.

Possible Encroachment Statement

NONE OBSERVED.

Legend of Symbols & Abbreviations

- GT — GREASE TRAP
- FENCE
- R/W — RIGHT OF WAY
- C/L — CENTERLINE
- (M) — MEASURED
- (R) — RECORD DESCRIPTION
- (P) — RECORD PLAT
- FLAGPOLE
- HC — ADA PARKING
- REC. — RECORDED
- CALC. — CALCULATED
- POB — POINT OF BEGINNING
- POC — POINT OF COMMENCEMENT
- ACCESS — POINT OF ACCESS
- IR(O) — IRON ROD, OLD
- IR(N) — IRON ROD, NEW
- MG(O) — MAG NAIL, OLD
- MG(N) — MAG NAIL, NEW
- GN — GENERATOR
- POWER POLE
- LIGHT POLE
- TRANSFORMER
- E — ELECTRIC METER
- GAS VALVE
- G — GAS METER
- W — WATER METER
- WATER VALVE
- HYDRANT
- H — HVAC
- STORM MANHOLE
- CATCH BASIN (SQUARE)
- CATCH BASIN (ROUND)
- SANITARY MANHOLE
- SANITARY CLEANOUT
- TELECOMMUNICATIONS PEDESTAL
- OHU — OVERHEAD ELECTRIC AND/OR TELECOMMUNICATIONS
- GUY WIRE WITH ANCHOR



Utility Notes

THE LOCATION OF UTILITIES SHOWN HEREON ARE FROM OBSERVED EVIDENCE OF ABOVE GROUND APPURTENANCES ONLY. THE SURVEYOR WAS NOT PROVIDED WITH UNDERGROUND PLANS OR SURFACE GROUND MARKINGS TO DETERMINE THE LOCATION OF ANY SUBTERRANEAN USES.

Vicinity Map

NOT TO SCALE

SCALE : 1" = 50'

50 25 0 50

Miscellaneous Notes

1. THERE IS NO OBSERVABLE EVIDENCE OF EARTH MOVING WORK, BUILDING CONSTRUCTION, OR BUILDING ADDITIONS WITHIN RECENT MONTHS.
2. PROPERTY HAS DRIVEWAY ACCESS TO THE R/W OF KNIGHT ARNOLD ROAD. THE R/W FOR KNIGHT ARNOLD ROAD IS PUBLIC AND ABUTS THE SUBJECT PROPERTY.
3. AT THE TIME OF THIS SURVEY, THERE WAS NO EVIDENCE OBSERVED THAT INDICATED THIS SITE WAS A CEMETERY OR BURIAL GROUND.
4. 33 STRIPED REGULAR PARKING SPACES AND 2 HANDICAP PARKING SPACES LOCATED ON THE SUBJECT PROPERTY.
5. BASIS OF BEARING IS REFERENCED TO RECORD DESCRIPTION.
6. BEARINGS, DISTANCES AND CURVE DATA SHOWN HEREON ARE BOTH RECORD AND MEASURED UNLESS OTHERWISE INDICATED.
7. ALL TRACTS ARE CONTIGUOUS WITH NO GAPS, GORES OR OVERLAPS..
8. THE PHYSICAL PROPERTY ADDRESS POSTED ON-SITE AT THE TIME OF THE SURVEY IS 6551 KNIGHT ARNOLD ROAD.
9. THERE WAS NOT ANY CHANGES IN STREET RIGHT-OF-WAY LINES EITHER COMPLETED OR PROPOSED, AND AVAILABLE FROM THE CONTROLLING JURISDICTION OR EVIDENCE OF RECENT STREET OR SIDEWALK CONSTRUCTION REPAIRS.
10. NO PARTY WALLS OBSERVED.

Notes Corresponding to Schedule B

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY COMMITMENT NO. 263012 DATED 08/04/26

8. Easement of record as Instrument Nos. K4 3420 and W8 7262, said Register's Office. Items are not located on the subject property.
9. Perpetual Easement for Highway Purposes of record as Instrument No. V1 5628, said Register's Office. Perpetual easement for highway purposes is within the right of way of Knight Arnold Road. Temporary construction easement is shown hereon,
10. Permanent Drainage Easement of record as Instrument No. AP 2254, said Register's Office. Item is shown hereon.

Record Legal Description

Land located in Shelby County, Tennessee, being more particularly described below:

Beginning at a point in the south line of Knight Arnold Road (106' ROW), 39.95 feet westwardly from the tangent intersection of said south line with the west line of Kirby Parkway (53' from centerline); thence southeastwardly along a curve to the right having a radius of 40.00 feet, an arc distance of 19.80 (chord bearing = S 77° 46' 06" E, chord distance = 19.60') to a point in the west line of Old Kirby Road (60' wide) as closed by Instrument No. R9 6974, S.C.R.O.; thence southwestwardly along said west line along a curve to the right having a radius of 672.73 feet, an arc distance of 47.96 feet (chord bearing = S 17° 44' 30" W, chord distance = 47.95') to a point; thence on a relative bearing of S 27° 41' 31" E a distance of 40.00 feet to a point in the centerline of aforesaid Old Kirby Road (closed); thence southwestwardly along said centerline along a curve to the right having a radius of 702.73 feet, an arc distance of 63.94 feet (chord bearing = S 24° 35' 43" West, chord distance = 63.91') to a point in the northwest line of the Kirby Parkway Office Center parcel (P.B. 101, PG 59, S.C.R.O.); thence southwestwardly along said northwest line along a curve to the right having a radius of 702.73' (chord bearing = S 31° 42' 06" W, chord distance = 47.54') an arc distance of 47.55 feet to a point of tangency in the said northwest line, thence S 33° 38' 24" W along said northwest line, a distance of 643.55 feet to a point in the south line of the aforesaid Trails at Kirby Parkway 11 Associates, Ltd. Property; thence S 88° 53' 56" W along said south line, a distance of 2.17 feet to a point in the west line of the herein described parcel; thence N 01° 51' 00" W along said west line, a distance of 703.16 feet to a point in the south line of a perpetual easement for highway purposes, as recorded in Instrument No. V1 5638, S.C.R.O. for Knight Arnold Road (106' wide); thence northeastwardly along said south line along a curve to the right having a radius of 3947.00 feet, an arc distance of 150.19 feet (chord bearing = N 86° 57' 29" E, chord distance = 150.18') to a point of tangency in the said south line; thence N 88° 02' 53" E along said south line, a distance of 260.01 feet to the point of beginning.

Being part of the same property conveyed to RAKSHAN RESIDENCY, LLC, A TENNESSEE LIMITED LIABILITY COMPANY, by Substitute Trustee's Deed from GLENN D. EVERTON, SUBSTITUTE TRUSTEE, of record as Instrument No. 21079018, dated June 14, 2021, said Register's Office.

THE ABOVE RECORD LEGAL DESCRIPTION DESCRIBES THE SAME PROPERTY AS DESCRIBED IN THE OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY COMMITMENT NO. 263012 DATED 08/04/26.

ALTA/NSPS Land Title Survey

for
Royal Retreat
Project # 2608-00377-Site #001
6551 Knight Arnold Rd
Memphis, TN 38115

County of Shelby

Surveyor Certification

To: Old Republic National Title Insurance Company, CREtelligent, Inc.

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2026 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes items 1, 2, 3, 4, 6a, 6b, 7a, 7b(1), 7c, 8, 9, 10, 11a, 13, 14, 16, 17, 18, 19, 20 of Table A thereof. The field work was completed on August 30, 2026.

Surveyor's signature

Tony Reasons II
The Reasons Company
2205 Grace Point Court
Franklin, TN 37067
(615)-790-2071
reasonscompanyth@bellsouth.net
Surveyor License #:1665

Date of Survey: 09/02/26
Date of last revision:

Sheet 1 of 1

(330) 777-0502
CreSurveys

PLEASE DIRECT ALL INQUIRIES FOR THIS SURVEY TO:

CRESURVEYS
EMAIL: INFO@CRESURVEYS.COM
PHONE: (330) 777-0502
24 N High Street, Suite 103, Akron, OH 44308

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

CONTRACT OF SALE

THIS CONTRACT OF SALE together with all exhibits, schedules and documents required herein (the "Agreement"), dated July _____, 2026 (the "Effective Date"), is by and between MEMPHIS TN PROPCO LLC, a Tennessee limited liability company ("**Buyer**") and RAKSHAN RESIDENCY, LLC, a Tennessee limited liability company ("**Seller**").

RECITALS:

WHEREAS, Seller owns real property located at 6551 Knight Arnold Road, Memphis, Tennessee 38115, more particularly described in the legal description attached as Exhibit A, which is improved by a 52-unit, 99-bed assisted living facility formerly known as "Royal Retreat of Memphis" (the "Facility");

WHEREAS, Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, the Property (as hereinafter defined), all upon the terms and conditions contained in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and promises contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Buyer and Seller agree as follows:

ARTICLE 1

SALE AND PURCHASE OF PROPERTY

Section 1.1 Sale and Purchase of Property.

Upon the terms and subject to the conditions set forth in this Agreement, on the Closing Date (as hereinafter defined), Seller, to the extent of its interest, agrees to sell, transfer, convey, assign and deliver to Buyer, and Buyer agrees to purchase, acquire and accept from Seller, free and clear of any lien, charge, encumbrance, security interest, mortgage, pledge, claim, or option except the Permitted Liens (as hereinafter defined), all of Seller's right, title and interest in and to the following assets:

(a) Real Property. All of the land legally described on Exhibit A attached hereto and incorporated herein by this reference, together with all right, title and interest of Seller in and to the buildings, fixtures and improvements thereon, and Seller's rights, title and interest, if any, in any land lying in the bed of the street, road, avenue or highway, opened or proposed, in front of or adjoining such premises to the center line thereof, all tenements, hereditaments, rights, privileges, interests, easements, licenses, appurtenances, estates and other rights and benefits now or hereafter belonging or in any way pertaining to such premises and any strips and gores of land adjoining such premises (collectively, the "Real Property"); and

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

(b) Personal Property. Seller's right, title and interest in and to all furniture, fixtures, furnishings and equipment and other tangible property (collectively, the "Personal Property") that the Seller may own and located at or used in connection with the Real Property and the Facility; and

(c) Intangible Property. All assignable or transferable licenses, certificates, and permits including, but not limited to, all authority and operational rights running to, in favor of, or in the name of Seller establishing the right to operate the licensed nursing facility beds, waivers and certificates of occupancy, plans and specifications, and contract rights (to the extent assumed by Buyer), and all other intangible property owned or held by Seller that relate to the Real Property or the Facility and all rights related thereto (collectively, the "Intangible Property").

The Real Property, Personal Property and Intangible Property are collectively hereinafter referred to as the "Property".

Notwithstanding the foregoing, the transferred assets shall not include the following ("Excluded Assets"): cash, general intangibles, accounts, accounts receivable, deposits (including, without limitation, bank and demand deposit accounts), insurance policies, pre-Closing claims, refunds for pre-paid expenses, contract rights of the Seller.

Section 1.2 Evidence of Transfer.

The transfer of the Real Property, free and clear of all liens and encumbrances other than the Permitted Liens, shall be evidenced by a Special Warranty Deed ("Deed") in a form which is reasonably suitable to the Title Company (as hereinafter defined). The transfer of the Intangible Property and the Personal Property shall be evidenced by a bill of sale in a form reasonably agreeable by Buyer ("Bill of Sale").

Section 1.3 Inspection Period; As-Is.

(a) Buyer shall have the right to terminate this Agreement for any reason, or for no reason whatsoever, satisfactory to Buyer in its sole and absolute discretion by giving written notice of such termination to Seller on or before 5:00 PM Eastern on the date that is forty-five (45) days from the Effective Date (the "Due Diligence Expiration Date"), provided that Seller delivers all requested Due Diligence materials in a timely manner. If Seller does not timely provide material Due Diligence materials, the Due Diligence Expiration Date shall be automatically extended day-for-day for delays attributable to Seller. In the event of such termination, Buyer shall promptly receive a return of the Deposit (defined below) and this Agreement shall terminate and thereafter be null and void, except for those obligations and liabilities that are expressly stated to survive the termination of this Agreement. Subject to the provisions of this Section 1.3, Buyer and its agents, employees, attorneys, accountants, consultants, advisors, lenders, investors, inspectors, appraisers, engineers and contractors (collectively "Buyer's Representatives") shall have the right, upon the advance notice required pursuant to subsection (b) below, to enter upon and pass through the Property during normal business hours to conduct such inspections, investigations, tests and studies with respect to the Property as Buyer shall deem necessary, including without limitation, a Phase I environmental study; provided that Buyer shall not

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

conduct any invasive testing, such as a Phase II environmental study, without Seller's prior written consent, at Seller's sole discretion. Buyer shall not conduct interviews with the employees of the Facility without Seller's prior written consent, at Seller's sole discretion.

(b) In conducting any inspection of the Property or otherwise accessing the Property, Buyer shall at all times comply in all material respects with all laws and regulations of all applicable governmental authorities, and neither Buyer nor any of Buyer's Representatives shall (i) unreasonably interfere with the business of any of the tenants conducted at the Property or unreasonably disturb the use or occupancy of any occupant of the Property or (ii) damage the Property. Buyer shall schedule and coordinate all inspections, including, without limitation, any environmental tests, and other access with Seller and shall give Seller at least two (2) business days' prior notice thereof (which notice may be given by electronic mail). Seller shall be entitled to have a representative present at all times during each such inspection or other access. Buyer agrees to pay to Seller, in the event Buyer shall terminate this Agreement, on demand the cost of repairing and restoring any damage that Buyer or Buyer's Representatives shall cause to the Property (which for purposes hereof shall specifically exclude the mere discovery of pre-existing conditions). All inspection fees, appraisal fees, engineering fees and other costs and expenses of any kind incurred by Buyer or Buyer's Representatives relating to such inspection and its other access shall be at the sole expense of Buyer. Buyer shall keep all information obtained during its inspections and access to the Property confidential, subject to Buyer's right to disseminate such information to the Buyer Representatives or any other consultant or agent of Buyer. Prior to conducting any physical inspection or testing at the Property, other than mere visual examination, Buyer shall obtain, and during the period of such inspection or testing shall maintain, at its expense, commercial general liability insurance, including a contractual liability endorsement, and personal injury liability coverage, with Seller as an additional insured, from any insurer reasonably acceptable to Seller, which insurance policies must have limits for bodily injury and death of not less than One Million Dollars ($1,000,000) for any one occurrence. Prior to making any entry upon the Property for purposes other than visual examination, Buyer shall furnish to Seller a certificate of insurance evidencing the foregoing coverages. The provisions of this Section 1.3(b) shall survive the Closing or any termination of this Agreement.

(c) Except as is expressly set forth in this Agreement to the contrary, Buyer is expressly purchasing the Property in its existing condition "AS IS, WHERE IS, AND WITH ALL FAULTS" with respect to all facts, circumstances, conditions and defects, and, except as is expressly set forth in this Agreement to the contrary, Seller has no obligation to determine or correct any such facts, circumstances, conditions or defects or to compensate Buyer for same. Except as expressly set forth in this Agreement to the contrary, Seller has specifically bargained for the assumption by Buyer of all responsibility to investigate the Property, laws and regulations, facts and of all risk of adverse conditions and has structured the Purchase Price and other terms of this Agreement in consideration thereof. Buyer has, as of the Effective Date, undertaken all such investigations of the Property, laws and regulations and other facts as Buyer deems necessary or appropriate under the circumstances as to the status of the Property and based upon same, except for the representations, warranties and covenants of Seller set forth in this Agreement, Buyer is and will be relying strictly and solely upon such inspections and examinations and the advice and counsel of its own consultants, agents, legal counsel and officers and Buyer is and will be fully satisfied that the Purchase Price is fair and adequate consideration for the Property.

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

ARTICLE 2
PURCHASE PRICE; CLOSING

Section 2.1 Purchase Price; Allocations.

(a) The aggregate purchase price for the sale and purchase of the Property (the "Purchase Price") shall be Three Million Dollars ($3,000,000.00).

(b) The Purchase Price shall be paid by Buyer to Seller as follows:

(i) An earnest money deposit in the amount of Two Hundred Thousand Dollars ($200,000.00) (the "Deposit") shall be paid by Buyer within two (2) business days of the mutual execution of this Agreement, paid by Buyer to the title company (Gold Street Abstract) selected by Buyer (the "Title Company") as escrow agent to be held in escrow and disbursed in accordance with the terms of this Agreement;

(ii) Subject to any applicable adjustments, at the Closing, Buyer shall cause the delivery of the Purchase Price less the Deposit to Seller, by wire transfer of immediately available funds.

(c) The Deposit shall be held by the Title Company, as escrowee, in accordance with an escrow agreement attached hereto as Exhibit B. The Deposit shall be applied against the Purchase Price at Closing and shall be nonrefundable after the Due Diligence Expiration Date except as otherwise provided in this Agreement or in the event of Seller's default or inability to convey the assets in accordance with the terms of this Agreement.

(d) [intentionally omitted].

(e) Prior to the Due Diligence Expiration Date, Seller and Buyer shall exchange proposed allocations of the Purchase Price (together with any liabilities assumed, and any other amounts, that are treated as purchase price for federal income tax purposes) among the Real Property and the other assets acquired hereunder according to the relative fair market values of such assets on the respective Closing Date and in accordance with Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code"). If the parties are able to agree upon the allocation of the Purchase Price, the attached Schedule 2.1(e) of this Agreement shall be completed setting forth the agreed upon allocations and Buyer and Seller shall report and file all tax returns (including any amended tax returns and claims for refund) consistent with such mutually agreed Purchase Price allocation, and shall take no position contrary thereto or inconsistent therewith (including in any audits or examinations by any taxing authority or any other proceedings). Buyer and Seller shall file or cause to be filed any and all forms (including U.S. Internal Revenue Service Form 8594), statements and schedules with respect to such allocation, including any required amendments to such forms. If, on the other hand, Buyer and Seller are unable mutually to agree upon the manner in which the Purchase Price should be allocated, any disputed aspects of such allocation shall be resolved by a nationally recognized independent accounting firm mutually acceptable to Buyer and Seller, which accounting firm shall be paid equally by Buyer and Seller. Buyer's and Seller's obligations under this paragraph shall survive Closing.

Section 2.2 Closing.

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

The closing of the transactions contemplated herein (the "Closing") shall take place through a so-called "mail-away" closing, it being understood that neither Seller nor Buyer nor their respective counsel need be physically present at Closing so long as all documents that are required to be delivered at Closing are fully executed, delivered in escrow to the closing agent and available on the date of the Closing. The Closing shall occur no earlier than thirty (30) days following the Due Diligence Expiration Date, subject to Buyer or an affiliate of Buyer obtaining all applicable state regulatory licensing and approvals in connection with the transaction, including, but not limited to, a certificate of need from the Tennessee Health Facilities Commission ("THFC") authorizing the acquisition and operation of the nursing facility beds (a "Certificate of Need" or "CON," and an application for such certificate, a "CON Application") and a new skilled nursing facility license for at least 92 beds (the "Closing Date").

Section 2.3 Closing Matters.

Upon the terms and subject to the conditions set forth in this Agreement, at the Closing:

(a) Buyer shall deliver to Seller the Purchase Price (less the Deposit plus or minus any costs and prorations for which Seller and/or Buyer are responsible under the terms hereof), by wire transfer of immediately available funds in such amount to an account to be designated in writing by Seller;

(b) Seller shall duly execute and deliver to Buyer the Deed properly executed in the form attached hereto as Exhibit 2.3(b), conveying marketable title to the Real Property in fee simple, free and clear of all liens and encumbrances except Permitted Liens and for those approved in writing by Buyer together with such affidavits as the Title Company shall reasonably require in order to omit from its title insurance policy all exceptions for judgments, bankruptcies or other returns against persons or entities whose names are the same as or similar to Seller's name;

(c) Seller shall execute and deliver to Buyer the Bill of Sale and general assignment (the "Bill of Sale") in the form attached hereto as Exhibit [2.3(c)], conveying and assigning to Buyer the Personal Property and Intangible Property;

(d) Seller and Buyer shall each deliver to the other a certificate in the form attached hereto as Exhibit 2.3(d) (a "Bring Down Certificate");

(e) Seller shall deliver a certification of non-foreign status, in the form required by Section 1445 of the Internal Revenue Code, signed under penalty of perjury. Seller understands that such certification will be retained by Buyer and will be made available to the Internal Revenue Service upon request;

(f) Seller shall deliver evidence of termination of any lease affecting the Property;

(g) Seller and Buyer shall deliver any documents or affidavits reasonably requested by the Title Company;

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

(h) Each party shall pay for any of the costs or prorations for which it is responsible pursuant to this Agreement;

(i) Seller shall execute and deliver to Buyer a certified copy of resolutions authorizing the sale of the Property and delivery of the documents set forth in this Section 2.3; and

(j) Each party shall provide such documents as reasonably requested by the other party in connection with the transactions contemplated herein.

Section 2.4 Closing Adjustments; Costs and Prorations.

(a) The Closing costs shall be paid as follows:

(i) Buyer shall pay for the preparation and recording of the Deed;

(ii) Buyer shall pay for the deed transfer tax;

(iii) Buyer shall pay for any costs associated with its financing, including the recording of any mortgage granted to Buyer;

(iv) Buyer shall pay for title insurance and real estate survey costs;

(v) Buyer shall pay for all other closing fees not specifically enumerated herein;

(vi) Buyer and Seller shall each pay their own attorneys' fees; and

(vii) All other closing costs shall be in accordance with the local custom of the area in which the Property is located, as reasonably determined by the Title Company.

(b) Adjustments of revenue and expenses shall be made as follows, and the Purchase Price shall be adjusted accordingly:

(i) Real estate taxes, water, sewer and other utility charges and other assessments typically pro-rated between buyers and sellers of commercial real estate in the county of situs of the property will be prorated between Seller and Buyer as of the date of Closing based on the number of days of the applicable period that each party owns the Property. To the extent practicable, all such prorations and payments will be made on the day of Closing, with the balance to be made as soon as practicable following the Closing upon delivery by Buyer or Seller, as applicable, of reasonable documentation of such payment to the other party.

(ii) Seller is not conveying to Buyer, but is expressly reserving and retaining, all of its right, title and interest in any claims for refund or other claims owned in connection with any real estate taxes or assessments which relate to a period or periods prior to the Closing. In the event that any proceeds from such proceedings which belong to Seller are paid to Buyer after the Closing, an amount equal to the amount of the

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

proceeds which belong to Seller as aforesaid shall be held in trust for Seller and paid by Buyer to Seller within ten (10) business days of Buyer's receipt of such funds. Buyer shall not have any responsibility or liability to file any protest or institute any proceeding for reduction of real estate taxes for periods prior to the Closing. Any expenses of recovery for tax certiorari or other proceedings which benefit both Seller and Buyer shall be allocated in accordance with their respective percentage shares in the recovery. This Section 2.4(b) shall survive the Closing.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF SELLER

In order to induce Buyer to enter into this Agreement, Seller hereby represents and warrants to Buyer as follows:

Section 3.1 Organization and Qualification.

Seller is a Tennessee limited liability company duly formed, validly existing and in good standing under the laws of the State of Tennessee and has all requisite power and authority and has taken all action necessary to authorize the execution and delivery of this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by Seller and constitutes the valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

Section 3.2 Authority.

Seller has all requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by Seller, the performance of this Agreement by Seller, and the consummation of the transactions contemplated hereby, have been duly authorized by Seller and no other proceeding on the part of Seller is necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by Seller and constitutes the valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

Section 3.3 No Conflict; Required Filings and Consents.

(a) The execution and delivery of this Agreement by Seller, and the performance of this Agreement by Seller and the consummation of the transactions contemplated hereby will not, conflict with or violate or constitute, with or without notice or the lapse of time or both, a breach of or default under: (i) any provision of United States federal, state, local or foreign law, statute, ordinance, rule, regulation, order, writ, judgment, injunction, decree, determination, or award of any court, governmental agency or instrumentality, (ii) any franchise, mortgage, deed of trust, indenture, agreement or (iii) any other instrument to which Seller is a party or by which any of the foregoing may be bound or to which Seller or any portion of the Property are subject.

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

(b) The execution and delivery of this Agreement by Seller and the performance of this Agreement by Seller and the consummation of the transactions contemplated hereby will not, with or without notice or the lapse of time or both, give to others any rights of termination, amendment, acceleration or cancellation of, or require payment under, or result in the creation of any lien, charge, encumbrance, security interest, mortgage, pledge, claim, option, lease, license, easement, liability or restriction of any kind whatsoever, direct or indirect, whether accrued, absolute, contingent or otherwise (collectively "Liens") or adversely affect any of the Property. Without limiting the generality of the foregoing, the execution and/or performance of this Agreement will not, with or without the giving of notice or the passage of time or both, create a right to accelerate or loss of rights under, or result in, cause or create any liability, negative reassessment or revaluation of any material assets or have any negative effect upon the value of the Property.

Section 3.4 Title.

(a) As used in this Agreement, "Permitted Liens" means: (i) all currently existing and future liens for unpaid real estate taxes and water and sewer charges not due and payable as of the date of the Closing, subject to adjustment as provided below in this Agreement; (ii) all present and future zoning, building, environmental and other laws, ordinances, codes, restrictions and regulations of all governmental authorities having jurisdiction with respect to the Property, provided the same are not violated by, or materially interfere with, the current use of the Property or the Facility; (iii) minor variations between tax lot lines and lines of record title; (iv) possible encroachments or projections of stoop areas, roof cornices, window trims, vent pipes, cellar doors, steps, columns and column bases, flue pipes, signs, piers, lintels, window sills, fire escapes, satellite dishes, protective netting, sidewalk sheds, ledges, fences, coping walls (including retaining walls and yard walls), air conditioners and the like, if any, on, under or above any street or highway or any adjoining property; (v) easements of record at Instrument Nos. AV-5140, DC-8325 and AJ-7275; and (vi) charters recorded at Instrument Nos. 15043904, 15043905 and 15043906.

(b) Seller is the true and lawful owner of, and owns all right, title and interest in and to, all of the Property, free and clear of all Liens (except for Permitted Liens). Upon the sale of the Property to Buyer pursuant to this Agreement, all right, title and interest in and to all of the Property, free and clear of all Liens (except for Permitted Liens), will pass to Buyer on the Closing Date.

Section 3.5 Brokers.

The parties represent and warrant that the only broker they have dealt with in connection with this transaction is Jennifer Stein Real Estate, Inc. in association with out-of-state cooperating broker Montgomery Intermediary Group, LLC (collectively "Broker"). Seller shall be responsible for all fees, commissions, and other and other amounts due to Broker as a result of the transactions contemplated herein. Other than Broker, whose fees will be paid exclusively by Seller, Seller represents to Buyer that no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any other document based upon arrangements made by or on behalf of Seller. Buyer has not engaged any agent, broker, investment banker, person or firm who is entitled to a commission or fee in connection with the execution of this Agreement or transaction.

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

Section 3.6 Environmental Matters.

(a) Seller has not received any written notice of alleged, actual or potential responsibility for, or any inquiry or investigation regarding, the presence or Release of any Hazardous Substance at the Property, which Hazardous Substances were allegedly manufactured, used, generated, processed, treated, stored, disposed or otherwise handled at, or transported or released from the Property, or regarding compliance with Environmental Laws. Seller has not received any written notice of any other claim, demand or action by any individual or entity alleging any actual or threatened injury or damage to any person or entity, property, natural resource or the environment arising from or relating to the presence or Release of any Hazardous Substances at, on, under, in, to or from the Property.

(b) For purposes of this Agreement, the term "Environmental Laws" shall mean any applicable statutes, ordinances, directives or other written, published laws, any written, published rules or regulations, orders, guidelines or policies, and any licenses, permits, orders, judgments, notices or other requirements issued pursuant thereto, enacted, promulgated or issued by any governmental authority (including any federal, state, local, municipal or foreign government or governmental or quasi-governmental authority of any nature, including any governmental agency, branch, department, official, entity, instrumentality, regulatory body, court or other tribunal) (a "Governmental Authority"), relating to pollution or protection of public health or the environment, or to the identification, reporting, generation, manufacture, processing, distribution, use, handling, treatment, storage, disposal, transporting, presence, or Release of any Hazardous Substances. Without limiting the generality of the foregoing, Environmental Laws shall include the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Toxic Substances Control Act, as amended, the Hazardous Materials Transportation Act, as amended, the Resource Conservation and Recovery Act, as amended, the Clean Water Act, as amended, the Safe Drinking Water Act, as amended, the Clean Air Act, as amended, the Occupational Safety and Health Act, as amended, and all analogous laws enacted, promulgated or lawfully issued by any Governmental Authority.

(c) For purposes of this Agreement, the term "Hazardous Substances" shall mean any pollutants, contaminants, substances, chemicals, carcinogens, wastes, dangerous wastes, or any ignitable, corrosive, reactive, toxic or other hazardous substances or materials, whether solids, liquids or gases (including, but not limited to, petroleum and its derivatives, PCBs, asbestos, radioactive materials, waste waters, sludge, slag and any other substance, material or waste), as defined in or regulated by any Environmental Laws or as determined by any Governmental Authority.

(d) For purposes of this Agreement, the term "Release" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, migration, dumping or disposing into the environment.

Section 3.7 Absence of Litigation.

Except as set forth in Schedule 3.7, as of the Effective Date, there is no claim, action, suit, administrative matter, arbitration, proceeding or investigation of any kind, at law, equity (including actions or proceedings seeking injunctive relief), by or before any governmental

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

authority pending or, to the knowledge of Seller, threatened against Seller or which pertains to the Property.

Section 3.8 Condemnation.

There are no pending condemnation actions or special assessments of any nature with respect to the Property or any part thereof, and Seller has no knowledge of any such threatened or contemplated condemnation action or special assessment.

Section 3.9 Compliance with Laws.

To the Seller's knowledge, Seller and the Property are in material compliance with all laws, rules, regulations, health and sanitation codes, zoning ordinances, environmental assessment and impact requirements and with the terms of all permits applicable to the Property.

Section 3.10 Insurance.

Seller has not received notice from any insurance company of any defects or inadequacies in the Property that would affect adversely its insurability or increase the cost of insurance. All existing insurance policies covering the Property shall be maintained by Seller in full force and effect until the Closing Date.

Section 3.11 Tax Returns.

All tax returns required of Seller for the Property have been filed or, if not now due, will be duly filed by Seller in a timely and accurate manner. All taxes shown on the returns as being due as of the Closing Date have been paid or will be paid in the ordinary course after Closing.

Section 3.12 Employees.

Seller has no employees which will be binding on Buyer after the Closing.

Section 3.13 Absence of Recent Changes.

Except as expressly provided in this Agreement or as set forth on Schedule 3.13, through the Closing Date, Seller has not and will use commercially reasonable efforts not to have:

(a) Except in the usual and ordinary course of business, consistent with past practice, and in an amount that is usual and normal incurred any indebtedness or other liabilities (whether accrued, absolute, contingent or otherwise), sold any of its assets;

(b) Except with respect to liens or encumbrances arising by operation of law, permitted or allowed any of the Property to be subjected to any mortgage, pledge, lien, security interest, encumbrance, restriction or charge of any kind;

(c) Written down the value of any of the Property, except for write-downs and write-offs in the ordinary course of business and consistent with past practice, none of which are material or revalued any of the Property;

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

(d) To the knowledge of Seller, entered into a material transaction pertaining to the Property other than in the ordinary course of business or made any change in any method of accounting or accounting practice; or

(e) Canceled, or failed to continue, insurance coverages pertaining to the Property.

Section 3.14 Assessments.

To Seller's knowledge, all assessments that are now Liens on the Real Property are shown on the public records or on the tax assessor's records; no improvements have been installed by Seller or any public authority, the cost of which are to be assessed against the Real Property in the future.

Section 3.15 No Improvements Made.

To Seller's knowledge, no labor has been performed or material furnished for any Facility or the Real Property, in any material amounts, for which it has not heretofore fully paid, or for which any mechanics' or materialmen's liens, or any other Lien, can be lawfully claimed by any person.

Section 3.16 Assets Necessary to Business.

Seller presently has and at Closing will have and transfer to Buyer title to all property and assets, real, personal and mixed, tangible and intangible, owned by Seller and currently used in the ownership of the Property, and will use its commercially reasonable efforts to transfer to Buyer all leases, licenses and other agreements currently used in the ownership of the Property to the extent the same can legally be transferred by Seller, and to the extent assumed by Buyer.

Section 3.17 Absence of Undisclosed Liabilities.

Except as set forth in Schedule 3.17, and except as and to the extent reflected or reserved against in the Seller Financial Statements and except for commitments and obligations incurred in the ordinary course of business accruing after the date of the most recent Seller Financial Statements, Seller as of the date of the most recent Seller Financial Statements, had, or will have at Closing, no liabilities, claims or obligations (whether accrued, absolute, contingent, unliquidated or otherwise, whether or not known to Seller or any directors, officers or employees of Seller, whether due to become payable and regardless of when or by whom asserted).

Section 3.18 Service Contracts.

Except as set forth in Schedule 3.18, Seller is not a party to any service, maintenance, equipment, supply or operating contracts, management agreements or other agreements, however termed, written or oral, affecting the use, ownership, maintenance or operation of all or any part of the Property, including commercial leases and equipment leases.

Section 3.19 Financial Statements.

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

Seller will provide a profit and loss statement for the annual periods ending December 31, 2024, and December 31, 2025 as well as interim statements February 28, 2026 with periodic updates thereof (such unaudited financial statements being herein called "Seller Financial Statements"). To the knowledge of Seller, the Seller Financial Statements are materially true, complete and accurate, have been based upon the information contained in the books and records of Seller and present fairly the assets, liabilities and financial condition of Seller as at the respective dates thereof and the results of its operations for the periods ended at the respective dates thereof, in each case prepared in conformity with generally accepted accounting principles in the United States ("GAAP") applied on a consistent basis throughout the periods involved and with prior periods, except for the profit and loss statements for such annual periods, the Seller Financial Statements are unaudited, and do not contain "audit adjustments" or footnotes. To the knowledge of Seller, the Seller Financial Statements do not contain any material inaccuracy and do not suffer from any material omissions in accordance with GAAP.

Section 3.20 Facility Closure.

Seller represents and warrants that the Facility is now closed and is no longer operating as an assisted living facility.

Section 3.21 Representation and Warranties on Closing Date.

The representations and warranties contained in this Article 3 shall be true and complete on the Effective Date and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date. This Article 3 shall survive Closing for a period of twelve (12) months.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows:

Section 4.1 Organization and Authority.

Buyer is a limited liability company (or an affiliate or entity to be formed) duly organized, validly existing and in good standing under the laws of the State of Tennessee with authorization to do business in Tennessee. Buyer has all requisite power and authority and has taken all action necessary to authorize the execution and delivery of this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by Buyer and constitutes the valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms.

Section 4.2 No Conflict; Required Consents and Approvals.

(a) The execution and delivery of this Agreement by Buyer does not, and the performance of this Agreement by Buyer and the consummation of the transactions contemplated hereby and thereby will not, (i) conflict with or violate any United States federal, state, local or foreign law, statute, ordinance, rule, regulation, order, judgment or decree applicable to Buyer or by or to which any of its properties or assets is bound or subject, or (ii) result in any breach of, or

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

constitute a default (or an event that with notice or lapse of time or both would constitute a default) under, any contracts to which Buyer is a party or by which any of its properties or assets is bound.

(b) The execution and delivery of this Agreement by Buyer does not, and the performance by Buyer of this Agreement and the consummation of the transactions contemplated hereby and thereby will not, require Buyer to obtain any consent, approval, authorization or permit of, or to make any filing with or notification to, any court, administrative agency or commission or other governmental authority, or any third party.

Section 4.3 Brokers.

No person or entity is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based on arrangements made by or on behalf of Buyer. If any fees or commissions are claimed or payable as a result of any person's claimed representation of Buyer, the same shall be the Buyer's sole responsibility.

Section 4.4 Representation and Warranties on Closing Date.

The representations and warranties contained in this Article 4 shall be true and complete on the Effective Date and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date. This Article 4 shall survive Closing for a period of twelve (12) months.

ARTICLE 5

COVENANTS AND AGREEMENTS

Section 5.1 Searches and Survey.

(a) Buyer shall promptly order an examination of title with respect to the Real Property (the "Title Report"), issued by the Title Company, and a new or updated survey of the Real Property (the "Survey"). Buyer shall cause a copy of the Title Report and Survey to be forwarded to Seller's attorney promptly upon receipt. Buyer further agrees that no later than the date that is ten (10) business days after its receipt of both the Title Report and the Survey (the "Title Report Objection Date"), Buyer shall furnish to Seller's attorney a writing (the "Title Report Objection Notice") specifying any exceptions to title to the Property set forth in the Title Report or Survey that Buyer objects to or believes it is not required to accept title, other than the Permitted Liens. Buyer's failure to deliver the Title Report Objection Notice to Seller on or before the Title Report Objection Date shall constitute Buyer's irrevocable acceptance of the Title Report and Buyer shall be deemed to have unconditionally waived any right to object to any matters set forth therein. If, after giving the Title Report Objection Notice to Seller, Buyer learns, through continuation reports, title updates or other written evidence, of any title defects that Buyer objects to or subject to which Buyer believes it is not required to accept title, Buyer shall give written notice thereof to Seller within five (5) business days after the date Buyer learns of same, and Buyer shall be deemed to have unconditionally waived any such matters as to which it fails to give such written notice to Seller within such five (5) business day period.

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

(b) In the event Buyer shall notify Seller of objections to any item contained in the Title Report or Survey, or to any matter shown on a continuation report or an update of the Title Report or Survey, Seller shall have the right, but not the obligation, to elect to attempt to cure such objections. Within five (5) business days after Buyer's notice of objections has been given to Seller, Seller shall notify Buyer in writing whether Seller has elected to attempt to cure such objections. If Seller fails to give Buyer such notice of election, then Seller shall be deemed to have elected not to attempt to cure such objections. If Seller elects to attempt to cure any such objections, Seller shall have until the Closing Date to attempt to remove, satisfy or cure the same and for this purpose Seller shall be entitled to a reasonable adjournment of Closing if additional time is required, but in no event shall the adjournment exceed thirty (30) days in the aggregate after the Closing Date. If Seller elects (or is deemed to have elected) not to attempt to cure any objections specified in Buyer's notice, or if Seller, having initially elected to attempt to cure any objection, later notifies Buyer that Seller cannot cure the same, despite their commercially reasonable efforts, by the date for Closing (or any date to which Closing has been adjourned), then Buyer shall have the following options: (x) to accept a conveyance of the Property subject to any matter objected to by Buyer which Seller is unable to cure or does not cure without any reduction of the Purchase Price; or (y) to terminate this Agreement by giving written notice thereof to Seller and, upon delivery of such notice of termination, this Agreement shall terminate, the Deposit shall be returned to Buyer and thereafter neither party hereto shall have any further rights, obligations or liabilities hereunder except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement. If Seller notifies Buyer that Seller does not intend to attempt to cure any title objection or are deemed to have so notified Buyer; or if, having initially elected to attempt to cure any objection, Seller later notifies Buyer that Seller cannot cure the same despite their commercially reasonable efforts, then Buyer shall, within five (5) business days after such notice has been given, notify Seller in writing whether Buyer shall elect to accept the conveyance under clause (x) above or to terminate this Agreement under clause (y) of above. If Buyer fails to give Seller notice of its election, then Buyer shall be deemed to have elected to accept the conveyance under clause (x) above.

Section 5.2 Confidentiality.

Each party acknowledges that they will be providing each other with information that is non-public, confidential or proprietary in nature (the "Proprietary Information"). Each party agrees and will each cause its respective affiliates, counsel, accountants, representatives, agents and employees (collectively "Affiliates") to agree, to keep all such Proprietary Information confidential. For purposes of this Agreement, Proprietary Information shall not include information that: (i) becomes generally available to the public absent any breach of this Agreement; (ii) was available on a non-confidential basis to any party or any of such party's Affiliates from a third party prior to its disclosure pursuant to this Agreement; (iii) becomes available on a non-confidential basis from a third party who is not bound to keep such information confidential; or (iv) was already known or independently developed by the receiving party.

Section 5.3 Public Announcements.

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

No party shall issue any public announcement, report, statement or press release or otherwise make any public statement regarding this Agreement or the transactions contemplated hereby without the prior written consent of the other parties, except as otherwise required by law.

Section 5.4 Further Assurances.

At any time and from time to time after the Closing, Seller shall, without any cost to Seller, at the reasonable request of Buyer, execute and deliver any further deeds, bills of sale, endorsements, assignments, and other instruments of conveyance and transfer, and take such other actions as Buyer may reasonably request in order (a) to more effectively transfer, convey, assign and deliver to Buyer, and to place Buyer in actual possession and operating control of, and to vest, perfect or confirm, of record or otherwise, in Buyer all right, title and interest in, to and under the Property, (b) to assist in the collection or reduction to possession of any and all of the Property or to enable Buyer to exercise and enjoy all rights and benefits with respect thereto, or (c) to otherwise carry out the intents and purposes of this Agreement. In addition, Seller shall reasonably cooperate with Buyer with regard to the Certificate of Need and licensure process including, without limitation, filing notices with any licensing or regulatory agencies as are necessary and/or required to transfer title of the Property to Buyer.

Section 5.5 No Negotiation.

Until such time as this Agreement may be terminated pursuant to Section 8.1, Seller shall not directly or indirectly solicit, initiate, encourage or entertain any inquiries or proposals from, or discuss or negotiate with any person or entity other than Buyer or its representatives relating to an acquisition or other disposition of the Property.

Section 5.6 Conduct of Business.

Between the Effective Date and the Closing Date, except as otherwise expressly approved in writing by Buyer, Seller shall conduct its business with respect to the Property only in the ordinary course thereof consistent with past practice and in such a manner that the representations and warranties contained in this Agreement shall be materially true and correct at and as of the Closing Date (except for changes contemplated, permitted or required by this Agreement) and so that the conditions to be satisfied by Seller at the Closing shall have been satisfied.

ARTICLE 6
CASUALTY; CONDEMNATION

Section 6.1 Fire or Other Casualty.

If, subsequent to the Effective Date and on or before the Closing Date, all or any material portion of the Real Property shall be destroyed or damaged by one or more incidents of fire or other casualty, then Seller shall promptly give Buyer notice of such occurrence, and Buyer shall, within fifteen (15) days after receipt of such notice, elect by written notice to Seller to either (y) terminate this Agreement, in which event the Deposit shall be returned to Buyer, this Agreement shall be deemed null and void and all further rights and obligations of the parties

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

hereunder shall terminate (other than those matters which, pursuant to the terms of this Agreement, expressly survive any termination of this Agreement); or (z) proceed to close the transaction contemplated hereby as scheduled with no adjustment to the Purchase Price, (provided, however, that Buyer shall have the right to participate with Seller in the adjustment and settlement of any insurance claim relating to said damage), and Seller shall, at Closing, (I) assign to Buyer all of Seller's interest in any then unpaid insurance proceeds claimed with respect to said loss or damage, and (II) pay to Buyer all insurance proceeds theretofore paid to Seller with respect to same and not theretofore used for restoration or repair, minus any costs Seller incurred from obtaining the proceeds. Buyer's failure to give notice within the time period specified above shall be deemed to be Buyer's election of option (z) above. For purposes of this Section 6.1, damage to the Real Property shall not be deemed to be "material" unless the cost of restoring damage to the Real Property, in the aggregate, exceeds ten percent (10%) of the Purchase Price. With respect to any such damage which is not material, Buyer shall have no right to terminate this Agreement provided that closing and insurance adjustment procedures described in clause (z) above shall still apply.

Section 6.2 Eminent Domain.

If, subsequent to the Effective Date and on or before the Closing Date, any proceeding which shall relate to the proposed taking of any material portion of the Real Property by condemnation or eminent domain is instituted or commenced, then Seller shall promptly give Buyer notice of such proceeding, and Buyer shall, within fifteen (15) days after receipt of such notice, elect by written notice to Seller to either (y) terminate this Agreement, in which event the Deposit shall be returned to Buyer, this Agreement shall be deemed null and void and all further rights and obligations of the parties hereunder shall terminate (other than those matters which, pursuant to the terms of this Agreement, expressly survive any termination of this Agreement); or (z) proceed to close the transaction contemplated hereby as scheduled with no adjustment to the Purchase Price, provided, however, that, at Closing, Seller shall (I) credit to Buyer any condemnation proceeds theretofore paid to Seller with respect to the taking (and not theretofore used for restoration or repair), and (II) assign to Buyer all of Seller's right to any other proceeds therefrom, minus any costs Seller incurred from obtaining the proceeds. Buyer's failure to give notice within the time period specified above shall be deemed to be Buyer's election of option (z) above. For purposes of this Section 6.2, a taking of the Real Property shall not be deemed to be "material" unless the value of the portion of the Real Property taken exceeds, in the aggregate, ten percent (10%) of the Purchase Price, or the current use thereof is materially affected (including without limitation any reduction in the number of licensed beds at the Facility). With respect to any such taking of the Real Property which is not material, Buyer shall have no right to terminate this Agreement provided that closing procedures described in clause (z) above shall still apply.

ARTICLE 7

CONDITIONS

Section 7.1 Conditions Precedent to Obligations of Buyer.

The obligations of Buyer to consummate the transactions contemplated hereby are subject to the satisfaction at or prior to the Closing of the following conditions, any or all of

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

which may be waived, in whole or in part, to the extent permitted by applicable law, in a written instrument executed and delivered by Buyer:

(a) Title Insurance. The Title Company shall be irrevocably committed to insure marketable title to the Real Property in the amount of the Purchase Price.

(b) Representations and Warranties. Each of the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date, as though made on and as of the Closing Date.

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

(d) Closing Documents. Seller shall have delivered all of the items required to be delivered by it pursuant to Section 2.3.

(e) No Order. No litigation or other proceeding by or before any governmental authority shall have been instituted, and no governmental authority, including any federal or state court of competent jurisdiction, shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, judgment, decree, injunction or other order (whether temporary, preliminary or permanent), which, in either case, is in effect and which has the effect of making the transactions contemplated by this Agreement illegal, or otherwise restrains consummation of the transactions contemplated hereby, or that could reasonably be expected to affect Buyer's ownership and control or rights to use or otherwise receive the benefit of the Property following the Closing Date (collectively, an "Order").

Section 7.2 Conditions to Obligations of Seller.

The obligations of Seller to consummate the transactions contemplated hereby are subject to the satisfaction at or prior to the Closing Date of the following conditions, any or all of which may be waived, in whole or in part, to the extent permitted by applicable law, in a written instrument executed and delivered by Seller:

(a) Representations and Warranties. Each of the representations and warranties of Buyer contained in this Agreement shall have been true and correct in all material respects on and as of the Closing Date, as though made on and as of the Closing Date.

(b) Agreements and Covenants. Buyer shall have performed or complied, in all material respects, with all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

(c) Closing Documents. Buyer shall have delivered all of the items required to be delivered by it pursuant to Section 2.3.

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

(d) No Order. There shall be no Order.

Section 7.3 CON Application; Outside Date; Deposit Treatment.

(a) CON Filing Obligation. Buyer shall file a letter of intent with THFC (the "LOI") within forty-five (45) days of the Effective Date and shall file the corresponding CON Application in the next available monthly cycle following the LOI. Following submission, Buyer shall use commercially reasonable efforts to prosecute the CON Application.

(b) Outside Date. If the conditions precedent to Closing set forth in Section 7.1 have not been fully satisfied or waived on or before the date that is twelve (12) months following the Effective Date (the "Outside Date"), either party may elect to terminate this Agreement upon written notice to the other party, subject to the provisions of Sections 7.3(c), 7.3(d), and 7.3(e) below governing Deposit treatment and extensions.

(c) Automatic Extension. If, as of the Outside Date, a CON Application filed by Buyer remains pending before THFC or any other applicable Governmental Authority and has not been finally denied (it being understood that Buyer shall not be obligated to pursue any appeal), the Outside Date shall automatically be extended for one (1) additional period of ninety (90) days (the "Extended Outside Date"). Buyer shall notify Seller in writing prior to the Outside Date if Buyer believes such extension applies; provided, however, that failure to deliver such notice shall not preclude the automatic extension if the conditions set forth in this Section 7.3(c) are otherwise satisfied. No extension beyond the Extended Outside Date shall be permitted without the prior written consent of Seller.

(d) Deposit Treatment Upon Termination for Buyer Default. If this Agreement is terminated by either party pursuant to Section 7.3(b) following the Outside Date or Extended Outside Date, and Buyer has (i) failed to submit a completed CON Application by the CON Filing Deadline and such failure was not caused by action or inaction of any Governmental Authority or Seller, or (ii) abandoned the CON Application prior to its determination, then the Deposit, together with all accrued interest, shall be released to Seller as liquidated damages and not as a penalty, the parties acknowledging that Seller's actual damages in such circumstances would be difficult to ascertain and that the Deposit represents a reasonable estimate thereof. Upon such payment, neither party shall have any further obligation to the other except as otherwise expressly provided in this Agreement.

(e) Deposit Refund Upon Regulatory Delay. If this Agreement is terminated by either party pursuant to Section 7.3(b) following the Outside Date or Extended Outside Date, and the failure to satisfy the conditions precedent to Closing is not the result of a clear default by Buyer described in Section 7.3(d) above, then the Deposit, together with all accrued interest, shall be refunded to Buyer within five (5) business days of the termination notice. For the avoidance of doubt, the Deposit shall be refunded to Buyer if the failure to close results from the denial, delay, or conditional approval by THFC or any other Governmental Authority, or from any other circumstance not solely attributable to Buyer's willful failure to perform its obligations under this Agreement. Upon such refund, neither party shall have any further obligation to the other except as otherwise expressly provided in this Agreement.

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

ARTICLE 8

TERMINATION; INDEMNIFICATION

Section 8.1 Termination.

This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing:

(a) by written consent of Seller and Buyer;

(b) by Buyer, if there shall have been any material breach by Seller of any of its representations, warranties, covenants and agreements set forth herein, which breach is not cured within fifteen (15) days after Seller receives written notice thereof; or

(c) by Seller, if there shall have been any breach by Buyer of any of its representations, warranties, covenants and agreements set forth herein, which breach is not cured within fifteen (15) days after Buyer receives written notice thereof.

Section 8.2 Procedure and Effect of Termination.

(a) In the event of termination of this Agreement pursuant to this Article 8, the terminating party shall give written notice thereof to the other party and this Agreement shall terminate, and the transactions contemplated hereby shall be abandoned, without further action by any of the parties.

(b) If this Agreement is terminated as provided herein, no party shall have any liability or further obligation hereunder to any other party to this Agreement, except (i) as specifically provided in this Agreement and (ii) that nothing herein will relieve any party from liability for any breach of this Agreement.

(c) If this Agreement is terminated by Buyer under Section 8.1(b), then Buyer's sole and exclusive remedy shall be a return of the Deposit or Buyer may pursue a claim for specific performance.

(d) If this Agreement is terminated pursuant to Section 8.1(c), then Seller shall retain the Deposit as Seller's liquidated damages or pursue any other action in equity and in law. THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE AND EXTREMELY DIFFICULT TO ASCERTAIN THE ACTUAL DAMAGES SUFFERED BY SELLER AS A RESULT OF BUYER'S FAILURE TO COMPLETE THE PURCHASE OF THE ASSETS PURSUANT TO THIS AGREEMENT, AND THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE EFFECTIVE DATE, THE LIQUIDATED DAMAGES PROVIDED FOR IN THIS SECTION 8.2 REPRESENT A REASONABLE ESTIMATE OF THE DAMAGES WHICH SELLER WILL INCUR AS A RESULT OF SUCH FAILURE. THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER.

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

Section 8.3 Indemnification.

(a) Buyer shall indemnify, save, protect, defend and hold harmless Seller and its respective employees, affiliates, managers, partners, officers, directors and agents, from and against all claims, liabilities, losses, damages, demands and causes of action of any nature whatsoever (including demands and causes of action relating to injury or death to persons or loss of or damage to property), and all costs and expenses (including penalties and reasonable attorneys' and other professional fees and disbursements incurred in the investigation or defense of any such claims, or in asserting, pursuing or enforcing any such claims), whether or not resulting from third-party claims (collectively, "Losses") arising from, out of, or relating to (i) operation of the Property by Buyer on or after the Closing Date, (ii) Buyer's use or occupancy of the Property or the condition thereof on or after the Closing Date, and (iii) any inaccuracy or breach of any representation, warranty, covenant, agreement or obligation contained in this Agreement or in any of the closing deliveries set forth in Section 2.3 hereof.

(b) Seller agrees to indemnify, save, protect, defend and hold harmless Buyer and its employees, affiliates, managers, members, officers, directors and agents, from and against all Losses arising from, out of, or relating to (i) operation of the Property by Seller prior to the Closing Date, (ii) Seller's use or occupancy of the Property or the condition thereof prior to the Closing Date, and (iii) any inaccuracy or breach of any representation, warranty, covenant, agreement or obligation contained in this Agreement or in any of the closing deliveries set forth in Section 2.3 hereof.

(c) In the event that any liability, claim, demand or cause of action which is indemnified against by or under any term, provision, section or paragraph of this Agreement ("Indemnitee's Claim") is made against or received by any indemnified party (hereinafter "Indemnitee") hereunder, said Indemnitee shall notify the indemnifying party (hereinafter "Indemnitor") in writing within thirty (30) calendar days of Indemnitee's receipt of written notice of said Indemnitee's Claim, provided, however, that Indemnitee's failure to timely notify Indemnitor of Indemnitee's receipt of an Indemnitee's Claim shall not impair, void, vitiate or invalidate Indemnitor's indemnity hereunder nor release Indemnitor from the same, which duty, obligation and indemnity shall remain valid, binding, enforceable and in full force and effect so long as Indemnitee's delay in notifying Indemnitor does not, solely by itself, directly and materially prejudice Indemnitor's right or ability to defend the Indemnified Claim. Upon its receipt of any or all Indemnitee's Claim(s), Indemnitor shall, in its sole, absolute and unreviewable discretion, diligently and vigorously defend, compromise or settle said Indemnitee's Claim at Indemnitor's sole and exclusive cost and expense and shall promptly provide Indemnitee evidence thereof within fourteen (14) calendar days of the final, unappealable resolution of said Indemnitee's Claim. Upon the receipt of the written request of Indemnitee, Indemnitor shall within two (2) calendar days provide Indemnitee a true, correct, accurate and complete written status report regarding the then current status of said Indemnitee's Claim. Prior to an Indemnification Default (as defined herein), Indemnitee may not settle or compromise an Indemnitee's Claim without Indemnitor's prior written consent. Failure to obtain such consent shall be deemed a forfeiture by Indemnitee of its indemnification rights hereunder. In the event that Indemnitor fails or refuses to indemnify, save, defend, protect or hold Indemnitee harmless from and against an Indemnitee's Claim and/or to diligently pursue the same to its conclusion, or in the event that Indemnitor fails to timely report to Indemnitee the status of its efforts to reach a final resolution of an Indemnitee's

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Claim, on seven (7) calendar days prior written notice to Indemnitor during which time Indemnitor may cure any alleged default hereunder, the foregoing shall immediately, automatically and without further notice be an event of default hereunder (an "Indemnification Default") and thereafter Indemnitee may, but shall not be obligated to, immediately and without notice to Indemnitor, except such notice as may be required by law and/or rule of Court, intervene in and defend, settle and/or compromise said Indemnitee's Claim at Indemnitor's sole and exclusive cost and expense, including but not limited to attorneys' fees, and, thereafter, within seven (7) calendar days of written demand for the same Indemnitor shall promptly reimburse Indemnitee all said Indemnitee's Claims and the reasonable costs, expenses and attorneys' fees incurred by Indemnitee to defend, settle or compromise said Indemnitee's Claims.

(d) This Section 8.3 is effective from and after the Closing. Each Party hereby waives any provision of law to the extent that it would limit or restrict the agreement contained in this Section 8.3.

(e) The parties shall cooperate with each other with respect to resolving any claim or liability with respect to which one party is obligated to indemnify the other party hereunder, including by making commercially reasonable efforts to mitigate or resolve any such claim or liability. Each party shall use commercially reasonable efforts to address any claims or liabilities that may provide a basis for an indemnifiable claim hereunder such that each party shall respond to any claims or liabilities in the same manner it would respond to such claims or liabilities in the absence of the indemnification provisions of this Agreement. In the event that any party shall willfully fail to make such commercially reasonable efforts to mitigate or resolve any claim or liability, then notwithstanding anything else to the contrary contained herein, the other party shall not be required to indemnify any person for any Loss that could reasonably be expected to have been avoided if such party, as the case may be, had made such efforts.

(f) All indemnification obligations of Seller and Buyer under this Agreement shall survive the Closing Date and shall continue in effect for a period of twelve (12) months after the Closing Date; provided that if there is an Indemnitee's Claim made prior to the twelve (12) month anniversary of the Closing Date, such indemnification obligation shall continue to survive until the final, non-appealable resolution of such Indemnitee's Claim.

ARTICLE 9

MISCELLANEOUS

Section 9.1 Payment of Expenses.

Whether or not the transactions contemplated by this Agreement are consummated, each party shall pay its own expenses incident to preparing for, entering into and carrying out this Agreement and the transactions contemplated hereby.

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

Section 9.2 Entire Agreement; Assignment; Etc.

This Agreement constitutes the entire agreement, and supersedes all other agreements, understandings, representations and warranties, written, oral, electronic, or otherwise, between the parties with respect to the subject matter hereof, and is not intended to create any obligations to, or rights in respect of, any persons and entities other than the parties. This Agreement shall not be assignable by operation of law or otherwise without the consent of the other party. Notwithstanding the foregoing, Buyer shall have the right, without Seller's consent, but upon notice to Seller at least five (5) days prior to the Closing, to assign this Agreement to an entity controlled by Buyer or its principals.

Section 9.3 Intentionally omitted.

Section 9.4 Severability.

If any term or other provision of this Agreement, or any portion thereof, is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other terms and provisions of this Agreement, or remaining portion thereof, shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any such term or other provision, or any portion thereof, is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are consummated to the fullest extent possible.

Section 9.5 Modification or Amendment.

The parties may modify or amend this Agreement at any time, only by a written instrument duly executed and delivered by each party.

Section 9.6 Construction of Agreement.

The parties to this Agreement acknowledge that each of them has been represented by counsel in connection with this Agreement and the transactions contemplated hereby. The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent. Accordingly, any rule of law or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against a party that drafted it has no application and is expressly waived.

Section 9.7 Notices.

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given on the first business day after timely delivery to Federal Express or other reputable overnight courier service for next business day delivery, on the fifth business day after being mailed by registered or certified mail (postage prepaid, return receipt requested), in each case, to the parties at the following addresses, or on the date sent and confirmed by electronic transmission to the telecopier number or email specified below

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

(or at such other address or telecopier number for a party as shall be specified by notice given in accordance with this Section):

(a) If to Buyer, to:

c/o MEMPHIS TN PROPCO LLC
980 Sylvan Avenue
Englewood Cliffs, NJ 07632
Attn: Akiva Schonfeld, Esq.
Email: akiva@980investments.com

with a copy to:

Koss & Schonfeld, LLP
160 Broadway, 8th Floor
New York, NY 10038
Attn: Simcha D. Schonfeld, Esq.
Email: sds@kandsllp.com

(b) If to Seller, to:

Rakshan Residency, LLC
6539 Knight Arnold Ext
Memphis, TN 38115
Attn: Mani Sivalingam
smaniva@hotmail.com

with a copy to:

The McNamee Firm, P.C.
6000 Poplar Ave, Suite 225
Memphis, TN 38119
Attn: Seth McNamee
Email: smcnamee@themcnameefirm.com
Phone: 901-758-1052
Fax: 901-244-5650

No provision of this Agreement, including this Section, shall be deemed to constitute consent to the manner and address for service of process in connection with any legal proceeding (including such arising out of or in connection with this Agreement), which service shall be effected as required by applicable law.

Section 9.8 Failure or Delay Not Waiver; Remedies Cumulative.

No failure or delay on the part of any party in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty, covenant or agreement herein, nor shall any single or partial exercise of any such right preclude other or further exercise thereof or of any other right. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

Section 9.9 Governing Law; Consent to Jurisdiction.

This Agreement shall be governed by and construed in accordance with the law of the State of Tennessee without regard to the conflicts of laws principles thereof. Each of the parties (a) consents to submit itself to the personal jurisdiction of the state and federal courts having such jurisdiction with venue in Tennessee where the Property is located in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court and (c) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than a federal or state court sitting in the State of Tennessee or a Tennessee state court, in each case located in the county in which the Property is located. Each of the parties further irrevocably unconditionally waives and agrees not to plead or claim any such action or proceeding brought in any such court has been brought in an inconvenient forum.

Section 9.10 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument. Telecopied or PDF (exchanged via e-mail) signatures may be used in place of original signatures on this Agreement.

[Signature Page Follows]

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

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

SELLER:

Rakshan Residency, LLC

DocuSigned by:
Mani Sivalingam
5715CABC628F497...

By:_____

Mani Sivalingam

Name:_____

Title: Owner

BUYER:

MEMPHIS TN PROPCO LLC

DocuSigned by:
Akiva Schonfeld
33F76D9E657D44C...

By:_____

Name: Akiva Schonfeld

Title: Authorized Signatory

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

Exhibit A

Legal Description

The land referred to herein below is situated in the County of Shelby, State of Tennessee, and is described as follows:

Beginning at a point in the south line of Knight Arnold Road (106' R.O.W.), 39.95 feet westwardly from the tangent intersection of said south line with the west line of Kirby Parkway (53‘ from centerline); thence southeastwardly along a curve to the right having a radius of 40.00 feet, an arc distance of 19.80 (chord bearing = S 77° 46' 06" E, chord distance = 19.60’) to a point in the west line of Old Kirby Road (60' wide) as closed by Instrument No. R9-6974, S.C.R.O.; thence southwestwardly along said west line along a curve to the right having a radius of 672.73 feet, an arc distance of 47.96 feet (chord bearing =S 17° 44'30" W, chord distance = 47.95’) to a point; thence on a relative bearing of S 27° 41'31' E a distance of 40.00 feet to a point in the centerline of aforesaid Old Kirby Road (closed); thence southwestwardly along said centerline along a cure to the right having a radius of 702.73 feet, an arc distance of 63.94 feet (chord bearing =S 24° 35’ 43" W, chord distance = 63.91') to a point in the northwest line of the Kirby Parkway Office Center parcel (P.B. 101, PG 59, S.C.R.O.); thence southwestwardly along said northwest line along a cure to the right having a radius of 702.73 (chord bearing = S 3l° 42' 06" W, chord distance = 47.54') an arc distance of 47.55 feet to a point of tangency in the said northwest line, thence S 33° 38' 24" W along said northwest line, a distance of 643.55 feet to a point in the south line of the aforesaid Trails at Kirby Parkway 11 Associates, Ltd. Property; thence S 88° 53' S6" W along said south line, a distance of 2.17 feet to a point in the west line of the herein described parcel; thence N 01° 51‘ 00" W along said west line, a distance of 703.16 feet to a point in the south line of a perpetual easement for highway purposes, as recorded in Instrument No. V1-5638, S.C.R.O. for Knight Arnold Road (106' wide); thence northeastwardly along said south line along a curve to the right having a radius of 3947.00 feet, an arc distance of 150.19 feet (chord bearing = N 86° 57' 29" E, chord distance = 150.18') to a point of tangency in the said south line; thence N 88° 02' 53" E along said south line, a distance of 260.01 feet to the point of beginning.

Parcel No: W093-200-00366

Property Address: 6551 Knight Arnold Road, Memphis, TN 38115

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

Exhibit B

Escrow Agreement

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

Exhibit 2.3(b)

Deed

Prepared by:
The McNamee Firm, P.C.
6000 Poplar Avenue, Suite 225
Memphis, TN 38119

Return to:

SPECIAL WARRANTY DEED

Effective as of **the ___ day of _____, 2026__**, for and in consideration of the sum of Ten ($10.00) Dollars, cash in hand paid by the hereinafter named grantee and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged**, VB TEN, LLC, a Delaware Limited Liability Company**, hereinafter referred to as Grantor, has bargained, sold, conveyed and by these presents does transfer sell and convey unto **Ithaka Holdings LLC, a Tennessee Limited Liability Company,** hereinafter called the Grantee, its successors, heirs and assigns, a certain tracts or parcels of land together with all improvements thereon and appurtenances thereto, in **Shelby** County, State of Tennessee, and described as follows:

See Exhibit "A"

This property is unencumbered except for 202__ Shelby County and 202__ City of Memphis, Tennessee real estate taxes and is being conveyed subject to those taxes and real estate taxes and assessments for all subsequent years.

TO HAVE AND TO HOLD this tract or parcel of land, with the appurtenances, estate, title and interest thereto belonging to the Grantee and Grantee's successors, heirs and assigns forever; and Grantor covenants with the Grantee that Grantor is lawfully seized and possessed of said land in fee simple, has a good right to convey it and the land is unencumbered, unless otherwise stated in this deed; and Grantor does further covenant and bind Grantor and Grantor's heirs and representatives, to warrant and forever defend the title to the said land to the Grantee and Grantee's successors, heirs and assigns, against the lawful claims of all persons whomsoever, when the claim is by, through, or under Grantor, but not otherwise. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

WITNESS the Grantor's hand on this _____ day of ____, 202__.

GRANTOR:

Rakshan Residency, LLC,
a Tennessee Limited Liability Company

By:_____
Manivannan Sivalingam, Authorized Signatory

STATE OF TENNESSEE
COUNTY OF SHELBY

Before me, _____ of the state and county mentioned, personally appeared Manivannan Sivalingam, Authorized Signatory of Rakshan Residency, LLC, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged such person to be Authorized signatory of Rakshan Residency, LLC, the within named bargainor, a limited liability company, and that as such Authorized signatory, executed the foregoing instrument for the purpose therein contained, by personally signing the name of the limited liability company as Authorized Signatory.

Witness my hand and seal, at office in _____, this _____ day of _____, 2026.

_____
Notary Signature

My commission expires:_____

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

New Owner Name and Address to: MEMPHIS TN PROPCO LLC 980 Sylvan Avenue Englewood Cliffs, NJ 07632 Property Addresses: 6551 Knight Arnold Road Memphis, TN 38115 Mail tax bills to: MEMPHIS TN PROPCO LLC 980 Sylvan Avenue Englewood Cliffs, NJ 07632	I, or we, hereby swear or affirm that to the best of affiant's knowledge, information and belief, the actual consideration for this transfer or value of the property transferred whichever is greater is $_____, which amount is equal to or greater that the amount which the property transferred would command at a fair and voluntary sale. _____ AFFIANT Subscribed and sworn to before me this _____ day of July 2026. _____ NOTARY PUBLIC Commission expires: _____

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

Exhibit A

The land referred to herein below is situated in the County of Shelby, State of Tennessee, and is described as follows:

Beginning at a point in the south line of Knight Arnold Road (106' R.O.W.), 39.95 feet westwardly from the tangent intersection of said south line with the west line of Kirby Parkway (53‘ from centerline); thence southeastwardly along a curve to the right having a radius of 40.00 feet, an arc distance of 19.80 (chord bearing = S 77° 46' 06" E, chord distance = 19.60’) to a point in the west line of Old Kirby Road (60' wide) as closed by Instrument No. R9-6974, S.C.R.O.; thence southwestwardly along said west line along a curve to the right having a radius of 672.73 feet, an arc distance of 47.96 feet (chord bearing =S 17° 44'30" W, chord distance = 47.95’) to a point; thence on a relative bearing of S 27° 41'31' E a distance of 40.00 feet to a point in the centerline of aforesaid Old Kirby Road (closed); thence southwestwardly along said centerline along a cure to the right having a radius of 702.73 feet, an arc distance of 63.94 feet (chord bearing =S 24° 35’ 43" W, chord distance = 63.91') to a point in the northwest line of the Kirby Parkway Office Center parcel (P.B. 101, PG 59, S.C.R.O.); thence southwestwardly along said northwest line along a cure to the right having a radius of 702.73 (chord bearing = S 3l° 42' 06" W, chord distance = 47.54') an arc distance of 47.55 feet to a point of tangency in the said northwest line, thence S 33° 38' 24" W along said northwest line, a distance of 643.55 feet to a point in the south line of the aforesaid Trails at Kirby Parkway 11 Associates, Ltd. Property; thence S 88° 53' S6" W along said south line, a distance of 2.17 feet to a point in the west line of the herein described parcel; thence N 01° 51‘ 00" W along said west line, a distance of 703.16 feet to a point in the south line of a per-petual easement for highway purposes, as recorded in Instrument No. V1-5638, S.C.R.O. for Knight Arnold Road (106' wide); thence northeastwardly along said south line along a curve to the right having a radius of 3947.00 feet, an arc distance of 150.19 feet (chord bearing = N 86° 57' 29" E, chord distance = 150.18') to a point of tangency in the said south line; thence N 88° 02' 53" E along said south line, a distance of 260.01 feet to the point of beginning.

Parcel No: W093-200-00366

Property Address: 6551 Knight Arnold Road, Memphis, TN 38115

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

Exhibit 2.3(c)

Bill of Sale

BILL OF SALE

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, and pursuant to that certain Contract of Sale dated as of July ___, 2026 (the "Agreement"), by and between Memphis TN Propco, LLC, a Tennessee limited liability company ("Buyer") and Rakshan Residency, LLC, LLC, a Tennessee limited liability company, and its predecessors, successors and assigns ("Seller"), Seller hereby sells, assigns and transfers to Purchaser all of Seller's right, title, and interest in and to the Intangible Property and the Personal Property. All of the terms and conditions of the Agreement are incorporated herein by reference, and all capitalized terms not otherwise defined in this instrument shall have the meaning set forth in the Agreement.

Seller has not made any prior sale, assignment, transfer or other disposition of any of the Intangible Property or the Personal Property to any person, firm or association. Seller shall forever warrant and defend the sale, assignment, transfer, conveyance and delivery of each and every item of the Intangible Property and the Personal Property to Buyer and Buyer's successors and assigns, against each and every person lawfully claiming the same. Possession of all of the Intangible Property and the Personal Property and any and all instruments representing the same is being delivered to Buyer concurrently with this Bill of Sale.

This Bill of Sale is delivered pursuant to Section 1.2 of the Agreement and shall be construed consistently with the Agreement.

This Bill of Sale shall bind Seller and inure to the benefit of Buyer and its successors, assigns and legal or personal representatives.

This Bill of Sale shall be governed by and construed and interpreted in accordance with the laws of the State of Tennessee.

IN WITNESS WHEREOF, this Bill of Sale has been duly executed by or on behalf of Seller as of the ___ day of _____, 202___.

Rakshan Residency, LLC, LLC,
a Tennessee limited liability company

By: _____

Its: _____

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

Exhibit 2.3(d)

Bring Down Certificate

This Certificate is delivered pursuant to the Contract of Sale (**"**Agreement**"**), dated as of [_____], [____], between [_____] ("Buyer") and [_____] ("Seller").

The undersigned, _____, does hereby certify that the undersigned is the [title] of [Buyer/Seller] and is authorized to execute this Certificate, that the representations and warranties made by [Buyer/Seller] in the Agreement are true and correct in all material respects as of [Closing Date]; and that the covenants to be performed by [Buyer/Seller] pursuant to the Agreement have been performed and complied with in all material respects as of [Closing Date]. The [Buyer/Seller] may rely upon this certificate.

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

Schedule 2.1

Allocation Schedule

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

Schedule 3.7

Litigation

None.

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

Schedule 3.13

Recent Changes

None.

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

Schedule 3.17

Undisclosed Liabilities

None.

Docusign Envelope ID: 4CAE382C-5A59-8865-83FF-2AE9610FD074

Schedule 3.18

Service Contracts

None.

THE GOWANUS GROUP

PROPOSAL

for

Royal Retreat

Interior Renovation

at

6551 KNIGHT ARNOLD RD
MEMPHIS, TN, 38115

presented to:

CLEARVIEW HEALTHCARE MANAGEMENT
ATTN: MICK VUJANOVIĆ

date:

AUGUST 6TH, 2026

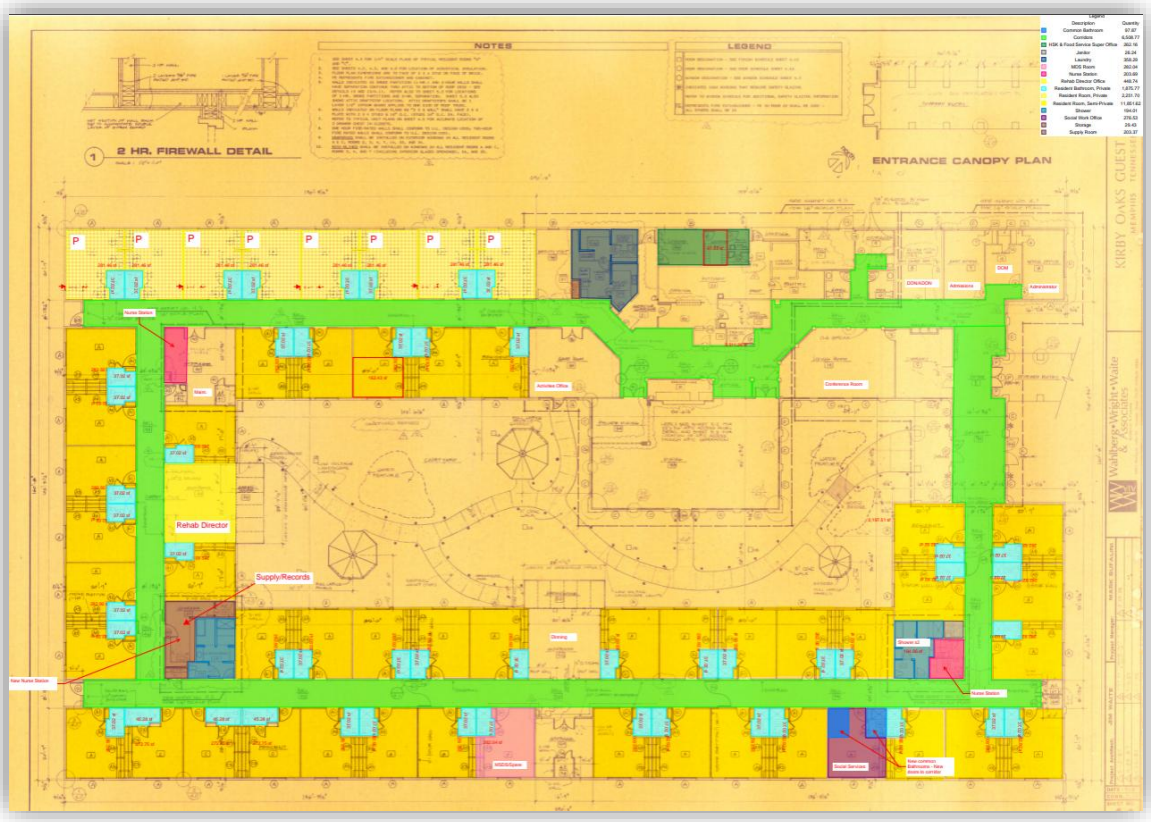
Table of Contents

Construction **3**
Drawings & Plans 3
Schedule & Cost Control 3
Submittals 4
Value Engineering 4
Exclusions/Qualifications 4
Scope of Work **6**
Schedule of Values **10**
Proposed Construction Schedule **11**
Conclusion **11**

Construction

Drawings & Plans

The following are the drawings and other project related documents and/or resources that we received and/or used in putting this proposal together:



Schedule & Cost Control

We go to great lengths to anticipate all the items that may affect both costs and schedule. During the mobilization phase of the project, the Project Manager and Site Superintendent will start to identify all the materials needed for the project and determine which items have long lead times, so that they can be approved and ordered as soon as possible. We also work closely with our clients to minimize costs. Inevitably, during construction, items come up that need to be changed or altered from the original design. We always keep a close eye out for these matters and work with the owners to ensure that cost impacts are kept to an absolute minimum. This includes identifying and evaluating all options and making decisions that are in the best interest of the project and the client. In this way, we are able to maintain control over the project schedule and budget and deliver a successful project that meets the client's needs and expectations.

Submittals

Where shop drawings are required, we follow all architect/owner direction for this process. Our Project Management team works closely with the designers and all appropriate parties in putting together the necessary documentation and shop drawings per item and submits them to the designated party/parties. We then work with their approval and/or comments before releasing orders with our subcontractors and suppliers. If there are any specific requirements that this project will have with regards to the submittal process, we will follow those requirements. This includes ensuring that all submittals are accurate, complete, and meet the standards and specifications set out by the architect and/or owner, and that they are submitted in a timely manner to ensure that the project stays on schedule.

Value Engineering

Throughout the planning phase of the project, we review proposed plans and specifications to identify opportunities for Value Engineering, a systematic process used to analyze the functions of a project and find cost-effective ways to achieve the same results while reducing costs. This may include substituting costly items with similar items that provide the same outcome while providing substantial savings to the project budget. Our team works closely with the project stakeholders to evaluate the cost and performance of materials, equipment, and systems to identify areas where we can reduce costs without compromising quality or performance. This approach helps us to ensure that our clients get the best value for their investment.

Exclusions/Qualifications

Pricing provided in this proposal is based upon the progress set that has been provided. Once the final construction drawings and/or final walk through are completed, all pricing will be verified and may be subject to change. Any additional work or changes requested by the client that is not included in the original scope of the project will be billed separately. This proposal serves as an estimate only, and the final cost of the project may vary based on unforeseen conditions or changes to the scope of work.

<u>Exclusions:</u>

- Permits and legal fees
- Architectural/Engineering fees
- Bonding costs (if applicable)
- Geo testing & analysis
- Material testing
- Any work beyond scope area(s)
- Fire Alarm
- Approvals to town or municipality committee(s)
- Lead, mold, or asbestos testing and/or remediation
- Any repairs due to unforeseen conditions
- Union or prevailing wage labor
- Overtime
- HVAC System
- Hot Water Heaters
- Electrical Inspection
- Generator
- Fire Alarm Control Panel
- Fire Doors
- Life Safety Attic Concerns
- Mechanical Rooms
- Fire Extinguishers
- Roof
- Gutters
- Dietary
- Dietary Walk-Ins
- FF&E
- HVAC – Common Areas
- HVAC – Resident Rooms
- Façade
- Laundry

- Window Replacement
- Fire Sprinkler

Qualifications:

1. Pricing is subject to final walkthrough of the space and review.
2. Sales tax to be determined upon final contract.
3. We include the feasibility report to examine existing building conditions and MEP systems

Scope of Work

Resident Rooms, Private (8)

- Skim coat all walls/prep to level 4
- Paint walls
- F+I cubicle track
- F+I cubicle curtain
- Allowance for electrical distribution
- Additional allowance for moving/adjusting cabling for TVs
- F+I new overbed light fixture

Resident Rooms, Semi-Private (42)

- Skim coat all walls/prep to level 4
- Paint walls
- F+I cubicle track
- F+I cubicle curtain
- F+I wardrobe
- Allowance for electrical distribution
- Additional allowance for moving/adjusting cabling for TVs
- F+I new overbed light fixture

Resident Bathrooms, Private (30)

- Remove existing furniture, equipment, contents, etc.
- Remove existing flooring
- Remove existing wall base
- Remove existing FRP/Acrylic floor at shower
- Remove existing FRP/Acrylic at shower surround
- Remove existing door stop
- Remove existing door frame
- Remove existing door leaf
- Remove existing door hardware
- Remove existing partition to expand the bathroom
- Remove existing grab bars
- Remove existing mirror
- Remove existing dispensers
- Remove existing faucet
- Remove existing sink
- Remove existing toilet
- Remove existing shower rod
- Remove existing shower curtain
- Remove existing switch
- Remove existing outlet
- Remove existing vanity light fixture
- Remove existing overhead light fixture
- Skim coat all walls/prep to level 4
- Skim coat drywall ceiling/prep to level 4
- F+I new drywall
- F+I blocking
- F7I New wall
- F+I new door stop
- F+I new door frame
- F+I new door leaf
- F+I new door hardware
- Minor floor preparation
- F+I new LVT flooring
- F+I new rubber wall base
- Paint existing drywall ceiling
- Paint walls
- Sand, prep, and paint entry door frame
- Sand, prep, and paint entry door leaf
- F+I new mirror
- F+I new grab bar
- Install soap dispenser, furnished by Owner
- Install paper towel dispenser, furnished by Owner
- Install toilet paper dispenser, furnished by Owner
- F+I new faucet
- F+I new sink
- Rough materials - P trap with cleanout
- Rough materials - Chrome plated grid drain
- Rough materials - Connection, Escutcheon, Flange
- F+I new toilet
- Rough materials - Toilet connection, gasket, quick bolt
- F+I new switch
- F+I new outlet
- F+I new overhead light fixture

Resident Bathrooms, Private w/Shower (20)

- Remove existing furniture, equipment, contents, etc.
- Remove existing flooring
- Remove existing wall base
- Remove existing FRP/Acrylic floor at shower
- Remove existing FRP/Acrylic at shower surround
- Remove existing door stop

- Remove existing grab bars
- Remove existing mirror
- Remove existing dispensers
- Remove existing faucet
- Remove existing sink
- Remove existing toilet
- Remove existing shower components
- Remove existing shower rod
- Remove existing shower curtain
- Remove existing switch
- Remove existing outlet
- Remove existing vanity light fixture
- Remove existing overhead light fixture
- Skim coat all walls/prep to level 4
- Skim coat drywall ceiling/prep to level 4
- F+I blocking
- F+I new door stop
- F+I new door frame
- F+I new door leaf
- F+I new door hardware
- Minor floor preparation
- F+I new LVT flooring
- F+I new rubber wall base
- Heavy floor preparation at shower
- F+I new tile flooring at shower
- F+I new wall tile at shower, full-height
- F+I grout
- Paint existing drywall ceiling
- Paint walls
- Sand, prep, and paint entry door frame
- Sand, prep, and paint entry door leaf
- F+I kickplate
- F+I new mirror
- F+I new grab bar
- Install soap dispenser, furnished by Owner
- Install paper towel dispenser, furnished by Owner
- Install toilet paper dispenser, furnished by Owner
- F+I new faucet
- F+I new sink
- Rough materials - P trap with cleanout
- Rough materials - Chrome plated grid drain
- Rough materials - Connection, Escutcheon, Flange
- F+I new toilet
- Rough materials - Toilet connection, gasket, quick bolt
- F+I new shower head & components
- New shower valve
- F+I new shower rod
- F+I new shower curtain
- F+I new switch
- F+I new outlet
- F+I new overhead light fixture

Corridors (1)

- Remove existing flooring
- Remove existing tile flooring
- Remove existing wall base
- Remove existing wall signage, artwork, contents, etc.
- Minor floor preparation
- F+I new LVT flooring
- F+I new rubber wall base
- F+I corner guards
- F+I new signage

Nurse Station 1 (1)

- Remove existing partitions
- Allowance for misc demolition
- Remove existing door frame
- Remove existing door leaf
- Remove existing door hardware
- F+I new drywall separating from Maintenance
- Skim coat all walls/prep to level 4
- Allowance for patching after demolition
- Paint walls
- F+I new nurse station
- F+I new switch
- F+I new outlet
- Modification of existing electrical distribution
- F+I new decorative light fixture

Nurse Station 2 (1)

- Remove existing partitions from Corridor side
- Remove existing partitions from Storage side
- Remove existing door frame
- Remove existing door leaf
- Remove existing door hardware
- Allowance for misc demolition
- Allowance for patching after demolition
- F+I new nurse station
- F+I new switch
- F+I new outlet
- Modification of existing electrical distribution
- F+I new decorative light fixture

Kitchen & Laundry (1)
- Basic renovations for Kitchen and laundry areas
- Wall finishes
- Floor finishes
- Ceilings
- Electrical relocations

Shower Room (2)
- Remove existing tile flooring
- Remove existing wall tile, full-height throughout
- Remove existing door stop
- Remove shower track and curtain
- Remove existing sink
- Remove existing faucet
- Remove existing toilet
- Remove existing standing shower fixture
- Remove existing mirror
- Remove existing grab bars
- Remove existing dispensers
- Remove existing switch
- Remove existing outlet
- Remove existing overhead light fixture
- Remove existing vanity light fixture
- Skim coat all walls/prep to level 4
- F+I blocking
- F+I new door stop
- Minor floor preparation
- F+I tile flooring
- F+I wall tile - full height
- F+I grout
- Paint existing drywall ceiling
- Sand, prep, and paint entry door frame
- Sand, prep, and paint entry door leaf
- Paint vent and other devices
- F+I corner guards
- F+I kickplate
- F+I vanity mirror
- F+I new grab bar
- Install toilet paper dispenser, furnished by Owner
- Install soap dispenser, furnished by Owner
- Install paper towel dispenser, furnished by Owner
- F+I new faucet
- F+I new sink
- Rough materials - P trap with cleanout
- Rough materials - grid drain
- Rough materials - Connection, Escutcheon, Flange
- F+I new toilet
- Rough materials - Toilet connection, gasket, quick bolt
- F+I new shower head & components
- F+I shower valve
- F+I shower curtain track
- F+I shower curtain, + 18" mesh to accommodate curtain height for track
- F+I new switch
- F+I new outlet
- F+I new light fixture
- F+I new vanity light fixture

ADA Bathroom 1 (1)
- Remove existing tile flooring
- Remove existing tile wall base
- Remove existing door stop
- Remove existing door frame
- Remove existing door leaf
- Remove existing door hardware
- Remove existing mirror
- Remove existing grab bars
- Remove existing dispensers
- Remove existing sink
- Remove existing faucet
- Remove existing toilet
- Remove existing switch
- Remove existing outlet
- Remove existing overhead light fixture
- Remove existing vanity light fixture
- Remove existing wall for a new opening from Corridor
- Allowance for other misc. demolition
- Skim coat all walls/prep to level 4
- Skim coat drywall ceiling/prep to level 4
- F+I blocking
- F+I new drywall to close up the opening
- Allowance for patching after demolition
- F+I new door stop
- F+I new door frame
- F+I new door leaf
- F+I new door hardware
- Minor floor preparation
- F+I tile flooring
- F+I tile wall base
- F+I grout
- Paint existing drywall ceiling
- Paint walls
- Sand, prep, and paint entry door frame
- Sand, prep, and paint entry door leaf
- Paint vent and other devices
- F+I corner guard

- F+I kickplate
- F+I vanity mirror
- F+I new grab bar
- Install toilet paper dispenser, furnished by Owner
- Install soap dispenser, furnished by Owner
- Install paper towel dispenser, furnished by Owner
- F+I new faucet
- F+I new sink
- Rough materials - P trap with cleanout
- Rough materials - grid drain
- Rough materials - Connection, Escutcheon, Flange
- F+I new toilet
- Rough materials - Toilet connection, gasket, quick bolt
- Modification of existing plumbing distributiopn
- F+I new switch
- F+I new outlet
- Modification of existing electrical distributiopn
- F+I new overhead light fixture
- F+I new vanity light fixture

ADA Bathroom 2 (1)

- Remove existing flooring
- Remove existing wall base
- Remove existing switch
- Remove existing outlet
- Remove existing overhead light fixture
- Allowance for other misc. demolition
- F+I new drywall
- Skim coat all walls/prep to level 4
- Skim coat drywall ceiling/prep to level 4
- F+I blocking
- Patching after demolition
- F+I new door stop
- F+I new door frame
- F+I new door leaf
- F+I new door hardware
- Minor floor preparation
- F+I tile flooring
- F+I tile wall base
- F+I grout
- Paint existing drywall ceiling
- Paint walls
- Sand, prep, and paint entry door frame
- Sand, prep, and paint entry door leaf
- Paint vent and other devices
- F+I corner guard
- F+I kickplate
- F+I vanity mirror
- F+I new grab bar
- Install toilet paper dispenser, furnished by Owner
- Install soap dispenser, furnished by Owner
- Install paper towel dispenser, furnished by Owner
- F+I new faucet
- F+I new sink
- Rough materials - P trap with cleanout
- Rough materials - grid drain
- Rough materials - Connection, Escutcheon, Flange
- F+I new toilet
- Rough materials - Toilet connection, gasket, quick bolt
- Modification of existing plumbing distributiopn
- F+I new switch
- F+I new outlet
- Modification of existing electrical distributiopn
- F+I new overhead light fixture
- F+I new vanity light fixture

New Nurse Call System (1)

- Allowance for the new nurse call system

Schedule of Values

RESIDENT ROOMS, PRIVATE (8)
TOTAL *$22,622.55*

RESIDENT ROOMS, SEMI-PRIVATE (42)
TOTAL *$244,778.79*

RESIDENT BATHROOMS, PRIVATE (30)
TOTAL *$251,119.83*

RESIDENT BATHROOMS, PRIVATE W/SHOWER (20)
TOTAL *$210,829.44*

CORRIDORS (1)
TOTAL *$86,727.76*

NURSE STATION 1 (1)
TOTAL *$60,256.69*

NURSE STATION 2 (1)
TOTAL *$59,469.27*

KITCHEN & LAUNDRY (1)
TOTAL *$114,952.00*

SHOWER ROOM (2)
TOTAL *$92,933.52*

ADA BATHROOM 1 (1)
TOTAL *$14,546.60*

ADA BATHROOM 2 (1)
TOTAL *$15,029.40*

NEW NURSE CALL SYSTEM (1)
TOTAL *$172,428.00*

ARCHITECTURAL & DESIGN
TOTAL *$152,886.16*

GENERAL CONDITIONS
Project Management, Travel, Storage, Dumpsters, Rentals, etc. *$166,910.30*

CONTINGENCY
TOTAL *$72,442.86*

GRAND TOTAL $1,737,933.17

Proposed Construction Schedule

The Gowanus Group anticipates an approximate **20-week** schedule from the notice to proceed until completion of this project.

The schedule is based on the information provided by the client and the scope of work outlined in the proposal. However, please note that the schedule is an estimate only, and actual completion time may vary based on factors such as weather conditions, permit approvals, and any unforeseen conditions that may arise during the project. The project team will continuously monitor the schedule and adjust as needed to ensure that the project stays on track and is completed in a timely manner.

Conclusion

Please review the proposal above and inform us if there are any inquiries or questions you may have. If you're ready to accept, kindly sign below and send us a signed copy for our records.

Accepted by: _____ Title: _____

Signature: _____ Date: _____

Thank you for the opportunity to earn your business.

We look forward to working together towards the successful completion of this project!

LEASE AGREEMENT

by and between

MEMPHIS TN PROPCO LLC

A Tennessee limited liability company,
as Lessor

and

HICKORY BEND TN OPCO LLC

A Tennessee limited liability company,
as Lessee

October 29, 2026

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "**Lease**") is made and entered into as of October 29, 2026 (the "**Effective Date**") by and between **MEMPHIS TN PROPCO LLC**, a Tennessee limited liability company ("**Lessor**"), and **HICKORY BEND TN OPCO LLC**, a Tennesee limited liability company ("**Lessee**").

RECITALS:

A. Lessor currently intends to acquire fee simple title in and tothat certain tract of land which will be improved with a skilled care nursing home facility ("**Nursing Home**"), as more particularly described in **Exhibit A** attached hereto and made a part hereof (the "**Demised Premises**"), and the furnishings, furniture, equipment and fixtures used in or about the Demised Premises ("**Personal Property**"). The Demised Prremises and the Personal Property are sometimes referred to collectively as, the "**Property**").

B. Lessor desires to lease the Demised Premises and Personal Property to Lessee and Lessee desires to lease the Demised Premises and Personal Property from Lessor.

C. The parties hereto have agreed to the terms and conditions of this Lease.

NOW THEREFORE, in consideration of the above Recitals which are incorporated herein by this reference and of the mutual covenants, agreements and undertakings hereinafter set forth, it is agreed that the use and occupancy of the Demised Premises, and the use of the Personal Property shall be subject to and in accordance with the terms, conditions and provisions of this Lease.

ARTICLE I - DEFINITIONS

1.1 The terms defined in this Article shall, for all purposes of this Lease and all agreements supplemental hereto, have the meaning herein specified.

(a) "**Facility**" shall mean that skilled care nursing home facility as described on **Exhibit A** attached hereto and located on the Demised Premises, subject to the terms of this Lease.

(b) All other terms shall be as defined in other sections of this Lease.

ARTICLE II - DEMISED PREMISES AND PERSONAL PROPERTY

2.1 Lessor, for and in consideration of the rents, covenants and agreements hereinafter reserved, mentioned and contained on the part of the Lessee, its successors and assigns, to be paid, kept and performed, does hereby lease unto Lessee the Demised Premises together with the Personal Property to be used in and upon the Demised Premises for the term hereinafter specified, for use and operation therein and thereon of Nursing Home, in substantial compliance with all the rules and regulations and minimum standards applicable thereto, as prescribed by the State of Tennessee and such other governmental authorities having jurisdiction thereof.

ARTICLE III - TERM OF LEASE

3.1 This Lease shall become effective and binding upon execution and delivery by Lessor and Lessee (the "**Effective Date**"). The parties acknowledge that the Lease is being executed prior to the acquisition of the Demised Premises by Lessor and, among other purposes, is intended to evidence Lessee's leasehold interest in the Demised Premises in connection with Lessee's application for and pursuit of all applicable certificates of need, licenses, permits and other governmental approvals required for the operation of the Demised Premises as a skilled nursing facility.

3.2 The term of this Lease (the "**Term**" or the "**Initial Term**") shall begin as of the date that Lessor acquires ownership of the Demised Premises (such date, the "**Commencement Date**"), and shall expire on the ten (10) year anniversary of the Commencement Date, unless sooner terminated as hereinafter provided. Notwithstanding the foregoing, Lessee shall have the option, by delivery of written notice to Lessor, at least 6 months prior to the expiration of the Term, to extend this Lease for two (2) additional periods of five (5) years. The "**Term**" hereunder shall include such additional periods of five (5) years, subject to the increase in base rent contained in paragraph 4.1.

3.3 Notwithstanding any provision in this lease to the contrary, this Lease shall terminate in its entirety, without notice, upon the institution by or against Lessee of a bankruptcy proceeding.

3.4 Notwithstanding anything to the contrary herein, in the event that Commencement Date has not occurred as of December 31, 2027, then either party may terminate this Lease on not less than thirty (30) days written notice.

ARTICLE IV - RENT

4.1 From and after the Commencement Date, Lessee shall pay to Lessor, or as Lessor shall direct, without demand, deduction or offset for any reason whatsoever except as herein specifically provided, as annual base rent (the "**Base Rent**") for the Demised Premises and the Personal Property, an amount as set forth on the attached Rent Schedule hereto as **Exhibit B**.

4.2 For purposes of this section, the first year shall be deemed to begin on the Commencement Date, with each year of this Lease thereafter beginning on first day of the first full month following the anniversary of the Commencement Date of the following year. All payments of Base Rent provided for in this Lease shall be paid on or prior to the 1st day of each calendar month. Unless otherwise notified in writing all checks shall be made payable as directed by Lessor and shall be sent to Lessor as directed by Lessor.

4.3 This Lease is and shall be deemed and construed to be a triple net lease and the Base Rent specified herein shall be net to Lessor in each year during the Term of this Lease. The Lessee shall pay all costs, expenses and obligations (ordinary and extraordinary) of every kind whatsoever relating to the Demised Premises which may arise or become due during the Term of this Lease (the "**Additional Rent**"), including, but not limited to, the payment of property

taxes as provided in Articles VI and VII of this Lease, the maintenance of insurance policies as provided in Article IX of this Lease, and maintenance and repairs to the Demised Premises and the Facility to maintain the same in the same condition as of the Commencement Date excepting reasonable wear and tear as provided in Article XI of this Lease. Lessee does hereby agree to indemnify, defend and hold harmless Lessor against any such costs, expenses and obligations.

4.4 The Lessor agree to accept monthly rent payments and all other payments, deposits and reserves to be made under the Lease from the Lessee. Lessor agrees that all monthly rent and other such payments, deposits and reserves will be deposited into the accounts of the Lessor.

4.5 Additionally, Lessee shall pay to Lessor, within ten (10) days following the last day of each calendar quarter, an amount equal to the Percentage Rent (defined below) for the previous calendar quarter. Within thirty (30) days following the last day of the calendar year, Lessee shall forward a detailed statement of the annual Percentage Rent for the prior calendar year ("**Annual Percentage Rent Statement**"). If the amounts paid by Lessee for the prior calendar year are less than the actual Percentage Rent, the deficiency shall be paid by Lessee together with delivery of the Annual Percentage Rent Statement. If the amounts paid by Lessee for the prior calendar year are more than the actual Percentage Rent for such calendar year, then Lessor shall refund the amount of such overpayment to Lessee within thirty (30) days of receipt of the Annual Percentage Rent Statement.

(a) "Distributable Cash" shall mean, for the applicable calendar year, the Lessee's EBITDAR, less operating expenses like insurance costs and payments for Taxes and Assessments, less the Base Rent for such calendar year.

(b) "Percentage Rent" shall mean on an annualized basis 85% with respect to all Distributable Cash

ARTICLE V - INTENTIONALLY OMITTED.

5.1 Intentionally Omitted.

ARTICLE VI - PAYMENT OF TAXES AND ASSESSMENTS

6.1 Lessee will pay, as Additional Rent before any fine, penalty, interest or cost may be added thereto for the nonpayment thereof, all taxes, assessments, license and permit fees and other governmental charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever which during the Term of this Lease may have been, or may be assessed, levied, confirmed, imposed upon or become due and payable out of or in respect of, or become a lien on the Demised Premises and/or Personal Property or any part thereof (collectively, "**Taxes and Assessments**"). Not later than five (5) days following its receipt thereof, Lessor shall provide to Lessee copies of any bills received by it for Taxes and Assessments. At the request of Lessor, within ten (10) days of any payment by Lessee of the Taxes and Assessments, a copy of the paid stamped bill or other evidence of payment shall be delivered to Lessor. The payment of any sum, other than Base Rent, due from Lessee to Lessor under this Lease shall be deemed to be Additional Rent. Except as otherwise provided herein, all expenses and charges whether capital or to be expensed with respect to the Demised Premises

or Personal Property, whether for upkeep, maintenance, repair, refurnishing, restoration, replacement, insurance premiums, taxes, utilities, and other operating or other charges of a like nature or otherwise, shall be paid by Lessee

6.2 Any Taxes and Assessments relating to a fiscal period of any authority, a part of which is included within the Term of this Lease and a part of which is included in a period of time before or after the Term of this Lease, shall be adjusted pro rata between Lessor and Lessee as of the commencement and termination of the Term and each party shall be responsible for its pro rata share of any such Taxes and Assessments.

6.3 Nothing herein contained shall require Lessee to pay income taxes assessed against Lessor or its beneficiary, or capital levy, franchise, estate, succession or inheritance taxes of Lessor or its beneficiary.

6.4 Lessee shall have the right to contest the amount or validity, in whole or in part, of any Taxes and Assessments by appropriate proceedings diligently conducted in good faith, but only after payment of such Taxes and Assessments, unless such payment would operate as a bar to such contest or interfere materially with the prosecution thereof, in which event, Lessee may postpone or defer such payment only if all of the following conditions are met:

(a) Neither the Demised Premises, the Personal Property any material license or certification nor any part thereof would by reason of such postponement or deferment be in danger of being forfeited or lost, and

(b) Lessee shall have deposited with Lessor, to be held in trust, cash or securities in an amount (against which Lessee shall receive a credit equal to the amount pertaining to the period such Taxes and Assessments are being contested held by Lessor pursuant to the terms of Section 7.1 hereof) reasonably satisfactory to Lessor but in no event less than one hundred twenty-five percent (125%) of the amount of such Taxes and Assessments, including the amount of any interest thereon and penalties in connection with the nonpayment thereof, which at such time shall be actually due and payable, and such additional amounts from time to time as may be necessary to keep on deposit at all times an amount equal to one hundred twenty-five percent (125%) of such Taxes and Assessments at any time actually due and payable, together with all interest, costs and penalties in connection therewith and all charges that may or might be assessed against or become a charge on the Demised Premises or any part thereof in such proceedings.

(c) Intentionally Omitted.

If held by Lessor, the cash so deposited shall be deposited by Lessor in an interest bearing account and the cash or securities so deposited shall be held by Lessor until the final resolution of such contest and any lien filed against the Demised Premises shall have been released and discharged, and shall thereupon be returned to the Lessee, less the amount of any loss, cost, damage and reasonable expense (including, without limitation, attorneys' fees and investment expenses) that Lessor may sustain in connection with the Taxes and Assessments so contested.

Upon the termination of any such proceedings, Lessee shall pay the amount of such Taxes and Assessments or part thereof as finally determined in such proceedings, the payment of which may

have been deferred during the prosecution of such proceedings, together with any costs, fees, interest, penalties, or other liabilities in connection therewith, and such payment, at Lessee's request, shall be made by Lessor out of the amount deposited with respect to such Taxes and Assessments and accrued interest as aforesaid. In the event such amount is insufficient, then the balance due shall be promptly paid by Lessee. In the event the amount of funds deposited by Lessee with respect to any such contested Taxes and Assessments plus any accrued interest thereon is in excess of such Taxes and Assessments due as finally determined in such proceeding (including any costs, fees, interest, penalties or other liabilities in connection therewith), then such excess funds shall be promptly returned to Lessee by Lessor.

6.5 Lessor shall not be required to join in any proceedings referred to in this Article VI, unless the provisions of any law, rule or regulation at the time in effect shall require that such proceedings be brought by or in the name of Lessor in which event Lessor shall join in such proceedings or permit the same to be brought in its name and Lessee shall pay for all costs in connection therewith. Lessor shall not ultimately be subjected to any liability for the payment of any costs or expenses in connection with any such proceedings, and Lessee will indemnify, defend and save harmless Lessor from any such costs and expenses, including, without limitation, reasonable attorneys' fees, as a result of such proceedings. Lessee shall be entitled to any refund of any real estate taxes and penalties or interest thereon received by Lessor but previously reimbursed in full by Lessee. Lessor agrees that it will reasonably assist Lessee to provide any necessary information and execute any necessary documents in connection with proceedings referred to in this Article.

6.6 In the event that Lessor determines in its reasonable judgment, that it is not being adequately represented by Lessee's counsel in any proceedings referred to in this Article, Lessor may upon twenty (20) days prior written notice to Lessee, obtain separate counsel to represent it in such action. In such event, the cost of such counsel shall be paid by Lessee. In the event that Lessor determines, in its reasonable judgment, that Lessee has abandoned any contest referred to in this Article or that Lessee is not pursuing any such contest with due diligence, Lessor may, upon ten (10) days' prior written notice to Lessee, if the Taxes and Assessments so contested by Lessee have not theretofore been paid, pay such Taxes and Assessments from the amounts deposited by Lessee pursuant to the terms of Section 7.1 below.

6.7 If any income profits or revenue tax shall be levied, assessed or imposed upon the income, profits or revenue arising from the Rent payable hereunder, partially or totally in lieu of or as a substitute for real estate taxes imposed upon the Demised Premises or Personal Property, then Lessee shall be responsible for the payment of such tax.

ARTICLE VII - INTENTIONALLY OMITTED.

7.1 Intentionally Omitted.

ARTICLE VIII - OCCUPANCY

8.1 During the Term of this Lease, the Demised Premises shall be used and occupied by Lessee for and as the Nursing Home of not less than the number of licensed beds described on **Exhibit C** and for no other purpose. Subject to the terms of Article XX hereof, Lessee shall

at all times during the Term maintain in good standing and full force a probationary or nonprobationary license issued by the State of Tennessee (the "**License**") and any other governmental agencies permitting the operation on the Demised Premises of the Nursing Home of not less than the number of licensed beds described on **Exhibit C** (subject to any reduction in the number of licensed beds required by any governmental authority solely as a result of changes in laws, rules and regulations relating to the physical attributes of the improvements on the Demised Premises or eminent domain proceedings as described in Section 16.2). Notwithstanding the foregoing, the parties acknowledge and agree that as of the Commencement Date, the Demised Premises shall possess the requisite State license but may not yet hold active provider agreements for participation in the Medicare and Medicaid programs; provided, however, that Lessee shall use commercially reasonable efforts to diligently pursue, obtain, and thereafter maintain active certification and good standing in the Medicare and Medicaid programs as expeditiously as possible following the Commencement Date.

8.2 Lessee will not suffer any act to be done or any condition to exist on the Demised Premises which may be dangerous or which may, in law, constitute a public or private nuisance or which may void or make voidable any insurance then in force on the Demised Premises.

8.3 Upon termination of this Lease for any reason, including but not limited to the expiration of the term of the lease, Lessee will return to Lessor the Demised Premises, licensed beds and licensed beds and license to operate the Facility in the same condition as existed on the Commencement Date, reasonable wear and tear excepted, and licensed by the State of Tennessee and by any governmental agencies having jurisdiction over the Demised Premises as Nursing Home of not less than the number of licensed beds described on **Exhibit C** (subject to any reduction in the number of licensed beds required by any governmental authority solely as a result of changes in laws, rules and regulations relating to the physical attribute of the improvements on the Demised Premises or eminent domain proceedings as described in Section 16.2) with an unrestricted license in full force and good standing for no less than the number of licensed beds described on **Exhibit C** (subject to any reduction in the number of licensed beds required by any governmental authority solely as a result of changes in laws, rules and regulations relating to the physical attribute of the improvements on the Demised Premises or eminent domain proceedings as described in Section 16.2). Lessee shall, within ten (10) days following its receipt thereof, provide Lessor with a copy of any notice from any federal, state or municipal governmental agency or authority regarding any reduction in the number of licensed beds and Lessor shall have the right to contest, by appropriate legal or administrative proceedings, any such reduction.

8.4 During the Term of this Lease, Lessee shall only use the Demised Premises in accordance with Environmental Laws (as hereinafter defined) and shall not use nor permit the Demised Premises to be used for the treatment, storage or disposal of any Hazardous Substances (as hereinafter defined) nor for any purpose involving the use of the Hazardous Substances; provided, however, that Lessee may use in and store at the Facility such materials and substances as are customarily used in the Nursing Home but only in such quantities as are reasonably necessary for the routine business operation of the Facility and in compliance with applicable laws. For purposes hereof "**Hazardous Substances**" shall mean any toxic or hazardous waste or pollutants, or substances, including, without limitation, asbestos, PCB's, petroleum products and by products, substances defined or listed as: "Hazardous Substances" or "Toxic Substances"

in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, *et seq.*, "Hazardous Materials" in the Hazardous Materials Transportation Act, 49 U.S.C. § 1802, *et seq.*, "Hazardous Waste" in The Resource Conservation and Recovery Act, 42 U.S.C. § 6901, *et seq.*, any chemical substance or mixture regulated under the Toxic Substance Control Act of 1976, as amended, 15 U.S.C. § 2061, *et. seq.*, any "Toxic Pollutant" under the Clean Water Act, 33 U.S.C. § 1251, *et seq.*, as amended, any "Hazardous Air Pollutant" under the Clean Air Act, 42 U.S.C. § 7401, *et seq.*, and any hazardous or toxic substance or pollutant regulated under any other applicable federal, state or local Environmental Laws. "**Environmental Laws**" as used in this Lease means all federal, state and local environmental, health, or safety laws or regulations applicable to the Demised Premises or the Facility, now or hereafter enacted. Lessee hereby agrees to indemnify, defend and hold Lessor harmless from and against, and shall reimburse Lessor for, any loss, claim, liability, damages, injunctive relief, injuries to persons, property or natural resources, costs, expense, action and causes of action in connection with the use, generation, treatment, storage, release or disposal of Hazardous Substances at or from the Demised Premises during the Term hereof, including, without limitation, the cost of any required or necessary repair, cleanup or detoxification and the preparation of any closure or other required work to be performed, to the full extent that such action is attributable, directly or indirectly, to the use, generation, treatment, storage, release or disposal of Hazardous Substances on the Demised Premises during the Term hereof.

ARTICLE IX - INSURANCE

9.1 Lessor and Lessee shall both, at their sole cost and expense, as of the Commencement Date and during the Term, maintain fire, and casualty insurance with extended coverage endorsement, which includes coverage for malicious mischief and vandalism both on the Demised Premises and the Personal Property on the Tennessee standard form with a responsible company or companies approved by Lessor, which approval will not be unreasonably withheld. Such insurance shall, at all times, be maintained (without any co-insurance clause, if possible) in an amount equal to the full replacement value of the Demised Premises and Personal Property, but in any event in an amount sufficient to prevent Lessor and Lessee from becoming co-insurers under applicable provisions of the insurance policies. Such insurance shall at all times be payable to Lessor and Lessee, as their interests may appear. Upon the reasonable request of Lessor (not more frequently than once every five (5) years), provided however no less frequently than such time as required by Lessee's insurance carrier, Lessee shall furnish, at its sole cost and expense, to Lessor and such insurance carrier, insurance appraisals in form and substance as are regularly and ordinarily made by insurance companies, in order to determine the then replacement value of the Demised Premises and Personal Property, and if such appraisal shows that the amount of casualty insurance maintained by Lessee hereunder is insufficient, the amount of insurance required by this Section 9.1 shall be adjusted accordingly.

9.2 Lessor and Lessee shall also, at their sole cost and expense, cause to be issued and shall maintain during the Term of this Lease, insurance from an insurance company with a "A" rating or higher from A.M. Best Company for the Facility, but in no event with coverage less than:

(a) Insurance against loss or damage to the Property by fire, casualty and other hazards as now or subsequently may be covered by an "**all-risk**" policy, with coverage for

earthquake in amounts and in form satisfactory to Lessor, and such endorsements as Lessor may from time to time reasonably require and which are customarily required for similar properties similarly situated, and which coverage shall also meet the following requirements:

(1) The amount of such property insurance shall be not less than 100% of the full replacement cost of the Demised Premises, furniture, furnishings, fixtures, equipment and other items (whether personalty or fixtures) included in the Property and owned by Lessor from time to time, without reduction for depreciation. The determination of the replacement cost amount shall be adjusted annually to comply with the requirements of the Insurer issuing such coverage. Full replacement cost, as used herein, means, with respect to the Demised Premises, the cost of replacing the Demised Premises without regard to deduction for depreciation, exclusive of the cost of excavations, foundations and footings below the lowest basement floor, and means, with respect to such furniture, furnishings, fixtures, equipment and other items, the cost of replacing the same.

(2) Each such policy or policies of property insurance shall contain the following provisions, all subject to Lessor approval in form and content: (A) a replacement cost endorsement; (B) either an agreed amount endorsement (to waive the operation of any coinsurance provisions) or a waiver of any co-insurance provisions; (C) law and ordinance coverage in an amount satisfactory to Lessor; and (D) coverage for interruption in utility services.

(b) Business Income including rental value and Extra Expense insurance covering the same perils of loss as are required to be covered by the property insurance required pursuant to this Section and meeting the following requirements:

(1) The amount of such insurance shall be not less than the projected gross revenue from the Facility for a period of one year. The amount of such insurance shall be determined prior to the date of this Lease and at least once each year thereafter based on Lessor and Lessee's reasonable estimate of the gross revenue from the Facility for the succeeding 36 month period; or, at Lessor's election in its discretion, by reference to such indexes, appraisals or information as Lessor determines.

(2) Each such policy or policies shall contain the following provisions, all subject to Lessor's approval in form and content: (i) either an agreed amount endorsement (to waive the operation of any co-insurance provisions) or a waiver of any co-insurance provisions; (ii) law and ordinance coverage in an amount satisfactory to Lessor; (iii) an extended period of indemnity endorsement providing that after the repair of any physical loss to the Property, the continued loss of income will be insured until the earlier of the time that (a) such income returns to the same level as it was at prior to the date on which the physical loss occurred or (b) 12 months from the date that the Property is repaired or replaced and operations are resumed in the manner that such operations were conducted prior to the date of the physical loss to the Property giving rise to such insurance obligation, which payments shall be made notwithstanding the expiration of the policy prior to the end of such period.

(c) Broad form boiler and machinery insurance covering the major components of the central heating, air conditioning and ventilating systems, boilers, other pressure vessels, high pressure piping and machinery, elevators and escalators, if any, and other similar equipment installed in the Demised Premises, in an amount equal to 100% of the full replacement cost of the Demised Premises. Such policy or policies shall insure against physical damage to and loss of occupancy and use of the Demised Premises arising out of an accident or breakdown covered under such policy or policies and shall include all of the following coverage: (A) business interruption including rental value, (B) extra expense, (C) consequential damage and (D) interruption in utility services power supply.

(d) If the Demised Premises or any part thereof is identified by the Secretary of Housing and Urban Development as being situated in an area now or subsequently designated as having special flood hazards (including those areas designated as Zone A or Zone V), flood insurance in an amount equal to 100% of the lesser of the (A) replacement value of the Demised Premises or (B) maximum amount of flood insurance available.

(e) During the period of any construction on the Demised Premises or renovation or alteration of the Demised Premises, a so-called "**Builder's All-Risk Completed Value**" or "**Course of Construction**" insurance policy in non-reporting form for any improvements under construction, including for demolition and increased cost of construction or renovation, in an amount equal to 100% of the estimated replacement cost on the date of completion, including "**soft cost**" coverage, and workers' compensation and employers liability insurance covering all persons engaged in such construction, in an amount at least equal to the minimum required by law. In addition, each contractor and subcontractor shall be required to provide Lessor with a certificate of insurance for (i) workers' compensation and employers liability insurance covering all persons engaged by such contractor or subcontractor in such construction in an amount at least equal to the minimum required by law, and (ii) general liability insurance showing minimum limits of at least $3,000,000, including coverage for premises/operations and products and completed operations. Each contractor and subcontractor also shall cover Lessor as additional insured under such liability policy and shall defend, indemnify and hold Lessor harmless from and against any and all claims, damages, liabilities, costs and expenses arising out of, relating to or otherwise in connection with the performance by each contractor and subcontractor of such construction.

(f) Commercial general liability insurance using an "**occurrence**" based form meeting the following requirements:

(1) The amount of such liability insurance shall be not less than $1,000,000 per occurrence, $3,000,000 per location aggregate or such lesser amount as Lessor in Lessor's discretion may accept, for bodily injury, personal and advertising injury and property damage. Lessor retains the right to periodically review the amount of such liability insurance being maintained by Lessor and to require an increase in the amount of such liability insurance should Lessor deem an increase to be reasonably prudent under then-existing circumstances.

(2) Each such policy or policies of liability insurance shall (A) provide coverage for claims for personal injury, advertising injury, bodily injury, death and

property damage liability with respect to the Facility and operations related thereto, whether on or off the Demised Premises; (B) include broad form contractual liability coverage including coverage for the indemnities contained herein.

(g) Professional liability and malpractice insurance using an "**occurrence**" based form with limits of at least $1,000,000 per occurrence (claim)/$3,000,000 in the aggregate, and covering acts occurring prior to the date hereof. Lessee shall cause, each physician or nurse practitioner with clinical privileges at the Facility to carry professional liability and malpractice insurance with limits of not less than $1,000,000 per occurrence (claim)/$3,000,000 in the aggregate. Lessor retains the right to periodically review the amount of such liability insurance and to require an increase in the amount of the same should Lessor deem an increase to be reasonably prudent under the existing circumstances.

(h) Motor vehicle (auto) liability coverage for all owned hired and non-owned automobiles, including rented and leased automobiles, containing minimum limits per occurrence of greater of $1,000,000 or at such amounts as are in force as of the date hereof.

(i) Workers' compensation and employers liability insurance or other similar insurance that may be required by governmental authorities or applicable legal requirements in an amount at least equal to the minimum required by law.

(j) With respect to the Property, insurance for certified and uncertified acts of terrorism insurance in such amounts as are required by Lessor.

(k) Crime coverage providing blanket employee dishonesty insurance with limits of not less than $500,000.

(l) Such other insurance on the Property or on any replacements, supplements or substitutions thereof or additions thereto as may from time to time be required by Lessor against other insurable hazards or casualties that at the time are commonly insured against in the case of property similarly situated, due regard being given to the height and type of buildings, their construction, location, use and occupancy.

(m) Such other insurance as is required by Lessor's mortgagees of any mortgage encumbering the Demised Premises or Property.

All such insurance required pursuant to this Section shall (i) be issued by companies approved by Lessor and licensed to do business in the state where the Demised Premises is located, with a claims paying ability rating of "**A**" or better by A.M. Best Company; (ii) contain the complete address of the Demised Premises (or a complete legal description), (iii) be for a term of at least one year, (iv) contain deductibles no greater than $10,000 or as otherwise required by Lessor, and (v) be subject to the approval of Lessor as to insurance companies, amounts, content, forms of policies, method by which premiums are paid and expiration dates, and, in addition, Lessee shall comply with, or cause to be complied with, each of the following with respect to the insurance policies required to be maintained pursuant to this Lease:

Lessee shall as of the date of this Lease deliver to Lessor certified copies of such insurance policies or such other evidence of

insurance as Lessor in its discretion may accept; and evidence satisfactory to Lessor in its discretion that such insurance policies have been paid current as of the date hereof. Thereafter, Borrower shall deliver to Lessor certified copies of any such insurance policies promptly upon request.

With respect to insurance policies that require payment of premiums annually, not less than 30 days prior to the expiration dates of the insurance policies obtained pursuant to this Lease, Lessee shall pay such amount. Not less than 30 days prior to the expiration dates of the insurance policies obtained pursuant to this Lease, Lessee shall deliver to Lessor certified copies of the renewals of such policies (or other evidence of renewal satisfactory to Lessor) bearing notations evidencing the payment of premiums or accompanied by other evidence of payment satisfactory to Lessor. Lessee shall also deliver to Lessor certified copies of any such insurance policies promptly upon request.

No premiums for any policies or policies of insurance required under this Lease or otherwise held with respect to the Property, whether by Lessee or any other Person, shall be paid by Lessee or by any other Person through or by means of any financing arrangement with any third party lender.

All policies required under this Lease will contain: (a) a provision that such policies shall not be canceled or amended, including any amendment that would reduce the scope or limits of coverage or remove any endorsement to such policy or cause the same to no longer be in full force and effect, or failed to be renewed, without at least 30 days prior written notice to Lessor in each instance; and (b) a waiver of all rights of subrogation against Lessor.

9.3 All policies of insurance shall provide, to the extent available at a commercially reasonable price:

(a) They are carried in favor of Lessor and Lessee, as their respective interests may appear, and any loss shall be payable as therein provided, notwithstanding any act or negligence of Lessor or Lessee, which might otherwise result in forfeiture of insurance; and

(b) They shall not be canceled, terminated, reduced or materially modified without at least thirty (30) days' prior written notice to Lessor; and

(c) Intentionally Omitted.

(d) Lessee's Waiver of Subrogation. Lessee agrees that the insurance policies to be obtained hereunder shall provide that the insurance carriers shall waive all rights of subrogation against Lessor and that such policies shall not be invalidated should the insured waive in writing prior to a loss any or all right of recovery against any party for losses covered by such policies. Lessee hereby waives and releases any and all right of recovery which it might otherwise

have against Lessor, its agents and employees, and all liability or responsibility of Lessor, its agents and employees, for all injury and for loss or damage to its business, contents, furniture, furnishings, fixtures and other property of Lessee, notwithstanding that such injury, loss or damage may result from the negligence or fault of Lessor, or any of its agents or employees.

(e) Lessor's Waiver of Subrogation. Lessor agrees that the insurance policies to be obtained hereunder shall provide that the insurance carriers shall waive all rights of subrogation against Lessee and that such policies shall not be invalidated should the insured waive in writing prior to a loss any or all right of recovery against any party for losses covered by such policies. Lessor hereby waives and releases any and all right of recovery which it might otherwise have against Lessee, its agents and employees, and all liability or responsibility of Lessee, its agents and employees, for all injury and for loss or damage to its business, contents, furniture, furnishings, fixtures and other property of Lessor, to the extent such loss or damage (both as to type and amount) is covered by valid and enforceable insurance policies payable to Lessor, notwithstanding that such injury, loss or damage may result from the negligence or fault of Lessee, or any of its agents or employees.

(f) Lessee will not do or omit to do or keep anything in, upon or about the Demised Premises or any adjacent areas which may (i) prevent the obtaining of any fire, liability or other insurance upon or written in connection with the Demised Premises, and Lessee's Personal Property or such adjacent areas, or (ii) make any such insurance void or voidable or otherwise invalidate the obligations of the insurer contained therein.

9.4 Certificates of insurance policies required by this Article shall be delivered to Lessor prior to or on the Commencement Date. Upon receipt thereof, Lessee shall deliver copies of the actual policies to Lessor, which certificates and policies shall be updated annually not less than twenty (20) days prior to the expiration date thereof.

9.5 Lessee shall at all times keep in effect business interruption insurance with loss of rents endorsement naming Lessor as an insured in an amount at least sufficient to cover:

(a) The aggregate of the cost of all Taxes and Assessments due during the period of the next succeeding twelve (12) months following the occurrence of the business interruption; and

(b) The cost of all insurance premiums for insurance required to be carried by Lessee for such twelve (12) month period; and

(c) The aggregate of the amount of the monthly Base Rent for the next succeeding twelve (12) month period.

All proceeds of any business interruption insurance or loss of rents coverage shall be applied, first, to the payment of any base rent payment, Taxes and Assessments and insurance premiums or deposits required for the next succeeding twelve (12) months to the extent that such payments are due and owing and, thereafter, after all necessary repairing, rebuilding, restoring or replacing has been completed as required by the pertinent Articles of this Lease, any remaining balance of such proceeds shall be paid over to the Lessee.

9.6 In the event the amount of insurance proceeds under Section 9.1 exceeds Three Hundred Fifty Thousand Dollars ($350,000), such insurance proceeds as may be paid to Lessee and Lessor, shall be deposited with Lessor to be held and disbursed for the repairing, rebuilding, restoring or replacing of the Demised Premises or any portion thereof, or any improvements from time to time situated thereon or therein in accordance with Sections 9.7 and 9.8 hereof.

9.7 Except as provided below, no sums shall be paid from such proceeds toward such repairing, rebuilding, restoring or replacing unless there shall not be in existence any uncured Event of Default and it shall be first demonstrated to the reasonable satisfaction of Lessor that the amount of money necessary to provide for any such repairing, rebuilding, restoring or replacing (according to any plans or specifications which may be adopted therefor) in excess of the amount received from any such insurance policies, has been expended or provided by Lessee for such repairing, rebuilding, restoring or replacing, or that Lessee has provided cash for such amount and that the amount received from such insurance policies is sufficient to complete such work. In the event there is any amount required from Lessee in excess of the amount received from such insurance policies, Lessee shall furnish such excess funds so that the funds will be sufficient to complete such repairing, rebuilding, restoring or replacing in accordance with the provisions of this Lease and any plans and specifications submitted in connection therewith, free from any liens or encumbrances of any kind whatsoever. Funds held by Lessor shall not be unreasonably withheld, but shall be disbursed only upon the presentment of architect's or general contractor's certificates, waivers of lien, contractor's sworn statements, owner's sworn statements and other evidence of cost and payments as may be reasonably required.

9.8 Prior to making any such repairs costing in excess of Three Hundred Fifty Thousand Dollars ($350,000), if so requested by Lessor, Lessee shall do the following or provide to Lessor the following documentation, as Lessor may reasonably require to protect its interest in the Demised Premises and Personal Property: (a) submit complete plans and specifications for such repairs prepared by an architect or general contractor whose qualifications shall be reasonably satisfactory to Lessor; (b) submit a stipulated sum construction contract made with a reputable and responsible builder or contractor, providing for the completion and payment for all work, labor and materials necessary to complete such repairs; and (c) disburse such funds as may be required to complete said repairs by a national title insurance company or other responsible escrowee at Lessee's sole cost and expense to the contractor or contractors making such repairs in installments as such work progresses and upon presentment of such certificates, waivers of lien, sworn statements and other documents as may be required by such escrowee; and (d) take such other actions or provide such other documentation to Lessor as Lessor may reasonably require to protect its interest in the Demised Premises and Personal Property

ARTICLE X - LESSOR'S RIGHT TO PERFORM

10.1 Should Lessee fail to perform any of its covenants herein agreed to be performed, Lessor may, upon thirty (30) days prior notice specifying the work to be done or covenants to be performed and the approximate amount be expended, but shall not be required to, make such payment or perform such covenants, and all sums so expended by Lessor thereon shall upon notice of payment by Lessor be immediately payable by Lessee to Lessor, and in addition Lessee shall reimburse Lessor for Lessor's reasonable expenses in enforcing or performing such covenants, including reasonable attorneys' fees. Any such costs or expenses incurred or

payments made by Lessor shall be deemed to be Additional Rent payable by Lessee and collectible as such by Lessor.

10.2 Performance of or payment to discharge said Lessee's obligations shall be optional by Lessor and such performance and payment shall in no way constitute a waiver of, or a limitation upon, Lessor's other rights and remedies hereunder, including, without limitation, Lessor's right to declare an Event of Default for such failure.

ARTICLE XI - REPAIRS AND MAINTENANCE

11.1 Throughout the Term of this Lease, Lessee, at its sole cost and expense, will keep and maintain, or cause to be kept and maintained, the Demised Premises (including the grounds, sidewalks, roof, parking lots and curbs abutting the same) and the Personal Property in good order and condition without waste and in a suitable state of repair at least comparable to that which existed immediately prior to the Commencement Date (ordinary wear and tear excepted), and will make or cause to be made, as and when the same shall become necessary, all structural and nonstructural, ordinary and extraordinary, exterior and interior, replacing, repairing and restoring necessary to that end. All replacing, repairing and restoring required of Lessee shall be (in the reasonable opinion of Lessor) of comparable quality equal to the original work and shall be in compliance with all standards and requirements of law, licenses and municipal ordinances necessary to operate the Demised Premises as a Nursing Home. Lessor shall not be required to furnish any service or facilities or to make any repairs or alterations in or to the Demised Premises, Lessee hereby assuming the full and sole responsibility for the condition, operation, repair, replacement, maintenance and management of the Demised Premises.

11.2 In the event that any part of the improvements located on any of the Demised Premises or the Personal Property shall be damaged or destroyed by fire or other casualty (any such event, being called a "**Casualty**"), Lessee shall promptly replace, repair and restore the same as nearly as possible to the condition it was in immediately prior to such Casualty, in accordance with all the terms, covenants and conditions and other requirements of this Lease applicable in the event of such Casualty. The Demised Premises and the Personal Property shall be so replaced, repaired and restored as to be of at least equal value and substantially the same character as on the Commencement Date. If the estimated cost of any such restoring, replacing or repairing is Three Hundred Fifty Thousand Dollars ($350,000) or more for the Facility, the plans and specifications for same shall be first submitted to and approved by Lessor in writing, which approval shall not be unreasonably withheld or delayed, and Lessee shall select an independent architect or engineer approved by Lessor (which approval shall not be unreasonably withheld or delayed) who shall be in charge of such repairing, restoring or replacing. Lessee covenants that it will give to Lessor prompt written notice, within 15 days, of any Casualty affecting the Demised Premises in excess of Seventy-Five Thousand Dollars ($75,000).

11.3 Provided that there is no uncured Event of Default by Lessee under this Lease, Lessee shall have the right, at any time and from time to time, to remove and dispose of any Personal Property which may have become obsolete or unfit for use, or which is no longer useful in the operation of the Demised Premises, provided Lessee promptly replaces any such Personal Property so removed or disposed of with other personal property free of any security interest, liens or encumbrances, and the replacement personal property shall be of the same character, and

at least equal usefulness and quality to any such Personal Property so removed or disposed of and such replacement property shall automatically become the property of and shall belong to Lessor and Lessee shall execute and deliver such bills of sale or other documents reasonably requested by Lessor to vest ownership of such replacement personal property in Lessor.

11.4 Standard for Repairs. The necessity for and adequacy of repairs to any Demised Premises on the Demised Premises pursuant to Paragraph (a) of this Article shall be measured by the standard which is appropriate for improvements of similar construction, use and class.

ARTICLE XII - ALTERATIONS AND DEMOLITION

12.1 Lessee shall have the right during the Term to make such non-structural interior alterations, changes and improvements to the Leased Premises as may be proper and necessary for the conduct of Lessee's business, to cause the Leased Premises to conform to any legal or regulatory requirements, for resident comfort and safety, or for the full beneficial use of the Leased Premises, so long as such improvements do not (i) exceed Seventy-Five Thousand Dollars ($75,000) in any given calendar year and (ii) interfere with any of the purposes for which the Facility was leased or affect the roof or structure; provided, however, that Lessee shall make no (i) structural alterations, changes, or improvements, (ii) roof penetrations or (iii) improvements that exceed Seventy-Five Thousand Dollars ($75,000) in any given calendar year without express written approval in each instance by Lessor, which consent may be withheld in Lessor's sole and absolute discretion. Lessee shall, at its expense, make any and all alterations, repairs, replacements and improvements required by any federal, state or regulatory agency or CMS, or any mortgagee of the Real Property (including any alterations, repairs, replacements and improvements required by HUD, whether as the result of any REAC inspection or otherwise) and any alterations, changes or improvements required or arising as the result of any change in, or the issuance of new, amended or modified, laws, rules, or regulations or the interpretation thereof at any time following the Commencement Date. Lessee shall pay all costs and expenses of such permitted alterations, changes, and improvements, shall make the same in a good and workmanlike manner, and in accordance with all applicable laws, codes, and regulations, and shall assure Lessor, in form reasonably satisfactory to Lessor, that payment for the same will be made by Lessee. Lessee hereby completely and fully indemnifies Lessor against any mechanic's liens or other liens or claims in connection with the making of such alterations, changes, and/or improvements. Any liens arising out of such alterations, changes, and/or improvements shall be discharged of record by Lessee within thirty (30) days after the same have been filed by payment, bonding or otherwise, as permitted by law, or within ten (10) Business Days after commencement of a foreclosure. Notwithstanding any provision of this Lease to the contrary, Lessor shall not undertake any alterations, renovations, or improvements to the Facility or otherwise commence any project or activity with respect to the Facility, which may result in any bed being taken out of service for more than seven (7) days without Lessor's prior written consent, which consent shall be subject to Lessor's sole and absolute discretion. Lessee shall not employ or retain any general contractor, contractor, subcontractor or other construction, building or other trade professional (a "Contractor") to perform or conduct any work, repairs, maintenance, alterations or improvements at or upon the Leased Premises, unless and until (i) Lessor approves the Contractor, such approval not to be unreasonably withheld, and (ii) the Contractor shall have provided Lessor with adequate evidence of general contractor liability and other insurance coverage, with Lessor named as an additional insured, in such amounts, as Lessor

may require from time to time. Depending upon the nature of the alterations or improvements, Lessor reserves the right to require any Contractor to be fully bonded and/or to provide such other surety as Lessor may deem reasonably necessary.

ARTICLE XIII - COMPLIANCE WITH LAWS AND ORDINANCES

13.1 Throughout the Term of this Lease, Lessee, at its sole cost and expense, will obey, observe and promptly comply with all present and future laws, ordinances, orders, rules, regulations and requirements of any federal, state and municipal governmental agency or authority having jurisdiction over the Demised Premises and the operation thereof as skilled care nursing and/or assisted living facility, which may be applicable to such portion of the Demised Premises, the Personal Property and the Nursing Home located therein and including, but not limited to, the sidewalks, alleyways, passageways, vacant land, parking spaces, curb cuts, curbs adjoining the Demised Premises, whether or not such law, ordinance, order, rules, regulation or requirement shall necessitate structural changes or improvements.

13.2 Lessee shall likewise observe and comply with the requirements of all policies of public liability and fire insurance and all other policies of insurance at any time in force with respect to the Demised Premises.

13.3 Prior to the Commencement Date, Lessee shall obtain, at its sole cost and expense, all necessary approvals, certifications and licenses from all appropriate governmental agencies necessary to permit Lessee to operate the Facility as a Nursing Home, including, without limitation, the receipt of the License permitting Lessee to operate the Facility with not less than the number of licensed beds described on **Exhibit C**. Lessee shall, subject to the terms of Article XX hereof, keep in good standing and in full force and effect all necessary licenses, permits and certifications required by any governmental authority for the purpose of maintaining and operating on the Demised Premises a Nursing Home of not less than the number of licensed beds described on **Exhibit C** and the Facility shall at all times, subject to the terms of Section 8.1 and Article XX hereof, continue to be qualified to and shall participate in the Medicare and Medicaid reimbursement programs.

13.4 Lessee will deliver or mail to Lessor wherever Rent is then paid and within ten (10) days following receipt thereof, copies of any notices from any Tennessee government or regulatory agency alleging a violation with a Substandard Quality of Care, as defined by federal regulations (i.e., deficiencies under 42 CFR 483.13 or 483.25 with scope and severity levels of F, G, H, I, J, K or L) or any notice from any Tennessee government or regulatory agency, the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services ("**CMS**") or any governmental, quasi-governmental or other agency terminating, disqualifying or suspending, or threatening termination, disqualification or suspension, of the Medicaid or Medicare provider agreements (the "**Provider Agreements**"), the License or any other license or certification relating to the operations of the Facility or participation in any governmental or non-governmental reimbursement or third party payor program, including the Medicare or Medicaid reimbursement programs. Lessee will deliver to Lessor within seven (7)

days after written request from Lessor, copies of all other notices, exit interviews, inspection reports and surveys and notices of administrative hearing or court pleadings from all state, federal and local governmental bodies regarding the Demised Premises or the Nursing Home operated thereon. Lessee shall deliver or mail to Lessor, within seven (7) days after receipt of written notice from Lessor, copies of any notice from any governmental agency terminating or suspending, or threatening termination or suspension, of any license or certification relating to the Demised Premises or the Nursing Home operated thereon.

ARTICLE XIV - DISCHARGE OF LIENS

14.1 Subject to the right to contest provided in Section 14.2 hereof, Lessee will not create or permit to be created or to remain, and Lessee will discharge, any lien, encumbrance or charge levied on account of any mechanic's, laborer's or materialman's lien or any conditional sale, security agreement or chattel mortgage, or otherwise, which might be or become a lien, encumbrance or charge upon the Demised Premises or any part thereof or the income therefrom or the Personal Property, for work or materials or personal property furnished or supplied to, or claimed to have been supplied to or at the request of Lessee. Lessee shall have the right to purchase equipment, furniture, or furnishings (other than as a replacement for any personal property owned by Lessor and leased to Lessee hereunder) which may be subject to a security agreement or chattel mortgage provided that all payments for any such equipment, furniture or furnishings shall be paid on or prior to the due dates thereof and Lessee shall indemnify Lessor against all charges, costs and expenses that may be incurred by Lessor with respect to such security agreement or chattel mortgage.

14.2 If any mechanic's, laborer's or materialman's lien caused or charged to Lessee shall at any time be filed against any portion of the Demised Premises or Personal Property, Lessee shall have the right to contest such lien or charge, provided Lessee, within sixty (60) days after notice of the filing thereof, will cause the same to be discharged of record or in lieu thereof to secure Lessor against said lien by deposit with Lessor of such security (not to exceed one hundred twenty five percent (125%) of the amount thereof plus any interest, cost and penalty thereon) as may be reasonably demanded by Lessor to protect against such lien. If Lessee shall fail to cause such lien to be discharged within the period aforesaid, or to otherwise secure Lessor as aforesaid, then in addition to any other right or remedy, Lessor may, upon ten (10) days prior notice, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by processing the discharge of such lien by deposit, title endorsement or by bonding proceedings. Any amount so paid by Lessor and all costs and expenses incurred by Lessor in connection therewith shall constitute Additional Rent payable by Lessee under this Lease and shall be paid by Lessee to Lessor on demand. Except as herein provided, nothing contained herein shall in any way empower Lessee to do or suffer any act which can, may or shall cloud or encumber Lessor's interest in the Demised Premises.

14.3 In the event that Lessor determines in its reasonable judgment, that it is not being adequately represented by counsel for Lessee in any contest referred to in Section 14.2 hereof, Lessor may, upon ten (10) days prior written notice to Lessee, obtain separate counsel to represent it in such contest. In such event, the cost of such counsel shall be paid by Lessee. In the event that Lessor determines, in its reasonable judgment, that Lessee has abandoned any contest referred to in Section 14.2 above, or that Lessee is not pursuing any such contest with

due diligence, Lessor may, upon ten (10) days prior written notice to Lessee, discharge such lien by paying the amount claimed to be due from the security deposited by Lessee pursuant to the terms of said Section 14.2.

ARTICLE XV - INSPECTION OF PREMISES AND RECORDS BY LESSOR

15.1 With no less than 24 hours prior written notice during normal business hours, Lessor or its authorized representatives shall have the right to enter and inspect the Demised Premises and Personal Property provided an employee or representative of Lessee accompanies Lessor or its authorized representative in such inspection.

15.2 With no less than 24 hours prior written notice during normal business hours to Lessee, Lessor or its authorized representatives shall have the right to inspect, and, at Lessor expense, make copies of, the books and records relating to the Demised Premises and the Facility, including, without limitation, to the extent permitted by applicable law all patient records, employment records, surveys and inspections reasonably required by Lessor.

15.3 Lessor agrees that upon entering and inspecting the Demised Premises, Personal Property and books and records Lessor shall take all reasonable measures to avoid disruption to Lessee's routine business operation during any such entries and the person or persons will cause as little inconvenience to the Lessee, its employees and residents of the Facility as may reasonably be possible under the circumstances and will comply with all applicable governmental rules, regulations and statutes including Health Insurance Portability and Accountability Act.

ARTICLE XVI - CONDEMNATION

16.1 If any of the Demised Premises is taken (other than on a temporary basis) by the exercise of the power of eminent domain, or sold under eminent domain proceedings, this Lease, solely as to the portion of the Demised Premises so taken or sold, shall terminate as of the date possession is taken by the condemnor or such sale is concluded; and subject to Section 16.2 below, this Lease shall continue as to the remainder of the Demised Premises.

16.2 If a portion, but less than all, of the Facility is taken by the exercise of the power of eminent domain or sold under eminent domain proceedings and Lessee reasonably believes that in light of such exercise of eminent domain or sale pursuant to eminent domain proceedings, it can no longer operate the Facility in materially the same manner as prior to the exercise of eminent domain and such belief is consistent with reasonable business practices, then Lessee may either (a) terminate this Lease or (b) subject to the consent and approval of Lessor, with reasonable diligence, restore or rebuild to the extent reasonably practicable any improvements at or about the Facility with the proceeds from the condemnation award. In the event the amount awarded shall be insufficient to repair and restore the Demised Premises, Lessee shall contribute the amount of any such deficiency.

16.3 In the event that all or less than all of the Demised Premises are taken or so sold, and this Lease shall terminate as provided herein as to the Facility, Lessee shall be entitled to any award that it can prove for damage to its leasehold interest, provided that such award is

separately allocated to Lessee by the condemning authorities and does not reduce the Lessor's award in any respect.

16.4 Mortgagee Rights. Lessor and Lessee each acknowledges that Lessor's and Lessee's right to any condemnation award, as well as any casualty proceeds, may be subject to the rights of Lessor's and Lessee's mortgagee (if any) in and to such award or proceeds under the mortgage or deed of trust (if any) which encumbers the Demised Premises and Property. Accordingly, Lessee's obligation to repair and restore, as set forth in Section 11.2 and Section 16.2 herein, shall be subject to the requirements of Lessor's and Lessee's mortgagee with regard thereto, and the time within which such obligation must be satisfied shall be adjusted as reasonably necessary to reflect delays occasioned by the exercise by the mortgagee of such mortgagee's rights.

ARTICLE XVII - INTENTIONALLY OMITTED

ARTICLE XVIII - ASSIGNMENT AND SUBLETTING

18.1 During the Term of this Lease, Lessee shall not assign this Lease or in any manner whatsoever sublet, assign, encumber or transfer all or any part of the Demised Premises or in any manner whatsoever transfer, assign or encumber any interest in the Demised Premises (whether by management agreement, or otherwise) or any interest in this Lease (an "**Assignment**") without the prior written consent of Lessor, which consent shall not be unreasonably withheld, delayed, or conditioned.. It shall be deemed unreasonable for Lessor to condition the granting of its consent to any sublease of all of the Demised Premises or assignment of this Lease on an increase in the Rent. As a condition of granting its consent, Lessor may request, and Lessee shall provide to Lessor, resumés and financial statements for any proposed transferee. Lessee acknowledges and agrees that Lessor has specifically chosen Lessee to operate the Facility based upon the skill and expertise of Lessee and its principals in operating Nursing Home in the State of Tennessee and upon the character and reputation of such principals. Accordingly, it shall not be deemed unreasonable for Lessor to withhold its consent to any proposed sublease or assignment to an entity, the principals of which, at a minimum, have not owned and operated comparable Nursing Home Facility in the State of Tennessee and maintained profitable operations in such comparable facility in each of the three (3) calendar years prior to the year of the proposed sublease or assignment. Prior to any transfer of possession of the Demised Premises to such transferee, any proposed transferee shall assume all the obligations of Lessee transferred hereunder. In the event any transferee commits an Event of Default, such act or omission shall be deemed an Event of Default hereunder on behalf of the Lessee. Any violation or breach or attempted violation or breach of the provisions of this Article by Lessee, or any acts inconsistent herewith shall vest no right, title or interest herein or hereunder or in the Demised Premises in any such transferee or assignee; and Lessor may, at its exclusive option, invoke the provisions of this Lease relating to default. As a condition of granting its consent to any sublease or assignment: (x) Lessee shall pay, and Lessee hereby agrees to pay, any reasonable out of pocket third party costs and expenses of Lessor incurred in connection with such sublease or assignment, including, without limitation, all due diligence costs and attorneys' fees; and (y) Lessee shall deliver to Lessor, a certified listing of the names and addresses of all members, shareholders, partners or co-venturers of the new assignee and

shall require new assignee to forward an updated listing to Lessor within ten (10) days of any change thereof.

18.2 For purposes of this Article:

(a) Any transfer or transfers of the managerial duties or membership interests in Lessee (or stock in a corporate lessee, partnership interests in a partnership lessee or stock in a corporate general partner of a partnership lessee, as the case may be) however accomplished, whether in a single transaction or in a series of related or unrelated transactions, which result in a change in ownership in more than forty percent (40%) in the aggregate of such membership interests in Lessee (or stock in a corporate lessee, partnership interests in a partnership lessee or stock in a corporate general partner of a partnership lessee, as the case may be) shall be deemed an assignment of this Lease.

(b) Any person, corporation, limited liability company or other entity to whom Lessee's interest under this Lease passes by operation of law, or otherwise, shall be bound by the provisions of this entire Lease and this Article, and except for subsequent subleases, assignments or transfers permitted by this Article, shall obtain the consent of Lessor to any subsequent sublease, assignment, encumbrance or transfer or such event shall be deemed an Event of Default hereunder.

(c) An agreement by any person, corporation or other entity, directly or indirectly, to assume Lessee's obligations under this Lease shall be deemed an assignment.

(d) If Lessee is a corporation, partnership, limited liability company, or other entity, the term "assignment" also includes any change in the manager, general partner or director of the entity.

(e) A "Change of Control" of Lessee shall constitute an assignment of this Lease which if not consented to in writing in advance by Lessor, shall also constitute an Event of Default by Lessee hereunder.

18.3 Conditions of Permitted Assignment. If Lessor approves any proposed Assignment, the following conditions shall apply:

(a) At the time of transfer there shall be no then existing report issued by a governmental agency of noncompliance of the Facility with any condition of participation under the Medicare or Medicaid programs; and

(b) There shall be no outstanding notice or plan given by the Lessee to any governmental agency of the intent of the Lessee to evacuate the Facility or otherwise transfer the residents;

(c) The proposed assignee must obtain the requisite establishment approval of the appropriate governmental authorities having jurisdiction over the health facility; and

(d) Lessee shall remain responsible for the performance of all obligations and payment of all sums coming due under this Lease in the event that there is a subletting of the Demised Premises.

ARTICLE XIX - EVENTS OF DEFAULT

19.1 Subject to Section 20.1 below, the occurrence of any of the following acts or events shall be deemed to be a default ("**Events of Default**") on the part of the Lessee:

(a) The failure of Lessee to pay when due any Rent payment, or any part thereof, or any other sum or sums of money due or payable to Lessor under the provisions of this Lease;

(b) The failure of Lessee to perform, or the violation by Lessee of, any of the covenants, terms, conditions or provisions of this Lease, if such failure or violation shall not be cured within thirty (30) days after written notice thereof by Lessor to Lessee;

(c) Lessee's failure to perform, or Lessee's violation of, any of the terms, conditions or provisions of any loan documents relating to the Mortgage of the Real Property or any accounts receivable financing or line of credit or similar loan maintained by Lessee, including, without limitation, any financial covenants therein, or any Lessee requirements thereunder (except for those terms, conditions or provisions requiring the making of any payments or which relate specifically to Lessor), if such failure or violation shall not be cured within thirty (30) days (or such lesser time period as may be required by such loan documents) after notice thereof by Lessor to Lessee;

(d) The removal by any local, state or federal agency having jurisdiction over the operation of the Facility of ten percent (10%) or more of the residents located at the Facility for a period of ten (10) days or more, except as a result of an evacuation;

(e) The making by Lessee of an assignment for the benefit of creditors;

(f) The levying of a writ of execution or attachment on or against the property of Lessee which is not discharged or stayed by action of Lessee contesting same, within thirty (30) days after such levy or attachment (provided if the stay is vacated or ended, this section shall again apply);

(g) If proceedings are instituted in a court of competent jurisdiction for the reorganization, liquidation or involuntary dissolution of the Lessee or its adjudication as a bankrupt or insolvent, or for the appointment of a receiver of the property of Lessee, and said proceedings are not dismissed and any receiver, trustee or liquidator appointed therein discharged within sixty (60) days after the institution of said proceedings;

(h) The sale of the interest of Lessee in any of the Demised Premises or Personal Property under execution or other legal process;

(i) Any conveyance or transfer in violation of Article XVIII hereof;

(j) The abandonment of any of the Demised Premises by Lessee ;

(k) Subject to Lessee's right to contest as provided in Article XX hereof, the failure on the part of Lessee during the Term of this Lease to cure or abate any written violation

claimed by any governmental authority, of any law, order, ordinance, rule or regulation pertaining to the operation of the Facility within the time permitted for such cure or abatement;

(l) Subject to Lessee's right to contest as provided in Article XX hereof, the institution of any proceedings against Lessee by any governmental authority either to: (i) revoke any license granted to Lessee for the operation of the Facility as an skilled care Nursing Home facility; or (ii) decertify the Facility from participation in the Medicare or Medicaid reimbursement program;

(m) Any state or governmental deficiencies that Lessee has not, in good faith, corrected within the required timeframes set forth under any applicable law or as otherwise allowed by such state or other governmental authority;

(n) Any delinquent bed taxes owed to the State of Tennessee that have not been brought current by Lessee within any applicable cure or grace period under applicable law, and the State of Tennessee shall have provided written notice of its intention to take action in connection therewith that would materially interfere with operation of the Facility;

(o) Any Event of Default referred to in Section 5.1 of this Lease; and

Lessee's interest in the occurrence of any of the events listed in this Article 19 by any party to whom the Demised Premises has been sublet or transferred shall be an Event of Default hereunder.

19.2 The occurrence of any of the following acts or events shall be deemed to be a default on the part of Lessor ("**Lessor Default**"):

(a) Except as permitted herein, Lessor's material interference with Lessee's quiet enjoyment of the Demised Premises and Personal Property, provided the Lessee is not in default under the terms of this Lease; or

(b) The failure of Lessor to perform, or the violation by Lessor of, any of the other material covenants, terms, conditions or provisions of this Lease, if such failure or violation shall not be cured within thirty (30) days after written notice thereof by Lessee to Lessor; provided, however, said 30-day period shall be extended so long as Lessor is diligently prosecuting said cure to completion.

ARTICLE XX - RIGHT TO CONTEST/CURE

20.1 Except for an Event of Default of Lessee in the payment of Rent or any additional payment required hereunder, in any case where Lessor shall have given to Lessee a written notice specifying a situation which, as hereinbefore provided, must be remedied by Lessee within a certain time period, and, if for causes beyond Lessee's control, it would not reasonably be possible for Lessee to remedy such situation within such period, then, provided Lessee can cure said Event of Default and immediately upon receipt of such notice, shall advise Lessor in writing of Lessee's intention to institute, and shall, as soon as reasonably possible thereafter, duly institute, and thereafter diligently prosecute to completion, all steps necessary to remedy such situation and shall remedy the same, Lessee's grace period to complete said remedy (but not

exceeding a total of ninety (90) days following the initial delivery by Lessor to Lessee of the written notice of default) and effectuate a cure shall be extended; provided, however, that: (a) no civil or criminal liability would thereby be incurred by Lessor and no lien or charge would thereby be imposed upon or satisfied out of all or any part of the Demised Premises or the Personal Property; and (b) there continues during such remedy authority to continue to operate the Facility as a Nursing Home (which may be temporary or provisional), and (c) such Event of Default does not jeopardize the License or the Provider Agreements, or the operations, certifications or value of the Demised Premises or the Personal Property.

20.2 Lessee shall promptly provide Lessor with a copy of any notice from any governmental authority or agency threatening or requesting a reduction in the number of licensed beds at the Facility. Lessee shall have the right to contest any such reduction and shall notify Lessor within fifteen (15) days following the date of such notice (or such shorter period as required to provide notice to Lessor not later than ten (10) days prior to the cutoff date for any such contest) whether or not Lessee shall undertake such contest. If Lessee fails to contest any such reduction, Lessor may, following written notice to Lessee of its intent to do so, contest any such reduction. Lessor shall additionally have the right to intervene in any such contest dealing with a reduction in the number of beds at the Facility.

20.3 The cost for any contest permitted under this Article XX shall be borne by the Lessee. Lessor, at any time during any contest, may participate in the same, provided, that in the event Lessor determines in its reasonable discretion that Lessee is not adequately pursuing such contest to its conclusion, Lessee shall reimburse Lessor for any costs incurred in connection with such contest, which shall be deemed Rent hereunder.

ARTICLE XXI - LESSOR'S REMEDIES UPON DEFAULT

21.1 Upon the occurrence of an Event of Default by Lessee, Lessor may, if it so elects, and with notice of such election to Lessee, and upon demand upon Lessee, forthwith terminate this Lease, and Lessee's right to possession of the Demised Premises and the Personal Property, or, at the option of Lessor, terminate Lessee's right to possession of the Demised Premises and the Personal Property without terminating this Lease. Upon any such termination of this Lease, or upon any such termination of Lessee's right to possession without termination of this Lease, Lessee shall vacate the Demised Premises immediately, and shall quietly and peaceably deliver possession thereof to Lessor together with the Personal Property, and Lessee hereby grants to Lessor full and free license to enter into and upon the Demised Premises in such event with process of law and to repossess the Demised Premises and Personal Property as Lessor's former estate. In the event of any such termination of this Lease, Lessor shall again have possession and enjoyment of the Demised Premises and Personal Property to the extent as if this Lease had not been made, and thereupon this Lease and everything herein contained on the part of Lessee to be done and performed shall (subject to the provisions of this Article XXI and Article XXIII below) cease and terminate, all, however, without prejudice to and without relinquishing the rights of Lessor to Rent (which, upon such termination of this Lease and entry of Lessor upon the Demised Premises, shall, in any event, be the right to receive Rent due up to the time of such entry) or any other right given to Lessor hereunder or by operation of law, and which includes, but is not limited to the Lessee's indemnification obligations to the Lessor; Lessee's assistance in transferring the facility licenses and other governmental permits to the Lessor; Lessee's

transfer of its right title and interest in their receivables as of the date of the termination; and all of the Lessee's books and records for the Facility.

21.2 In the event of a declared Event of Default and Lessor elects either to terminate this Lease or to terminate Lessee's right to possession of the Demised Premises, then all licenses, certifications, permits and authorizations issued by any governmental agency, body or authority in connection with or relating to the Demised Premises or the Facility thereon shall be deemed as being assigned to Lessor to the extent the same are legally assignable. Lessor shall also have the right to continue to utilize the telephone numbers, internet domain and name used by Lessee in connection with the operation of the Facility. In connection with the foregoing clauses of this Section 21.2, this Lease shall be deemed and construed as an assignment for purposes of vesting in Lessor all right, title and interest in and to (a) all licenses, certifications, permits and authorizations obtained in connection with the operation of the Facility and (b) the names and telephone numbers used in connection with the operation of the Facility. Lessee hereby agrees to take such other action and execute such other documents as may be reasonably necessary in order to vest in Lessor all right, title and interest to the items specified herein.

21.3 If Lessee abandons the Demised Premises or otherwise entitles Lessor so to elect, and Lessor elects to terminate Lessee's right to possession only, without terminating this Lease, Lessor may, at its option, enter into the Demised Premises, remove Lessee's signs and other evidences of tenancy and take and hold possession thereof as in the foregoing Section 21.1 of this Article provided, without such entry and possession terminating this Lease or releasing Lessee, in whole or in part, from Lessee's obligation to pay the Rent hereunder for the full remaining term of this Lease, and in any such case, Lessee shall pay to Lessor a sum equal to the entire amount of the Rent reserved hereunder and required to be paid by Lessee up to the time of such termination of the right of possession plus any other sums then due hereunder. Upon and after entry into possession without termination of this Lease, Lessor may attempt to relet the Demised Premises or any part thereof for the account of Lessee for such rent, or may operate the Facility for such time and upon such terms as Lessor in its sole discretion shall determine. In the event Lessor elects to take possession and operate the Demised Premises any profits due to such operation shall reduce the rents payable hereunder. In any such case, Lessor may make repairs, alterations and additions in or to the Demised Premises, to the extent reasonably deemed by Lessor desirable, and Lessee shall, upon demand, pay the cost thereof, together with Lessor's expenses of reletting. If the consideration collected by Lessor upon any such reletting is not sufficient to pay monthly the full amount of Rent reserved in this Lease, together with the costs of repairs, alterations, additions and Lessor's expenses, Lessee shall pay to Lessor the amount of each monthly deficiency upon demand.

21.4 Unless waived in writing by Lessor after the occurrence of an Event of Default, Lessee's liability to Lessor for damages upon the occurrence of an Event of Default shall in all events survive the termination by Lessor of this Lease or the termination by Lessor of Lessee's right to possession only, as hereinabove provided. Upon such termination of this Lease or at any time after such termination of Lessee's right to possession, Lessor may recover from Lessee and Lessee shall pay to Lessor as liquidated and final damages, whether or not Lessor shall have collected any current monthly deficiencies under the foregoing Section, and in lieu of such current deficiencies after the date of demand for such final damages, the amount thereof found to be due by a court of competent jurisdiction, which amount thus found shall be equal to:

(a) the remainder, if any, of Rent and charges due from Lessee for the period up to and including the date of the termination of this Lease or Lessee's right to possession; plus

(b) the amount of any current monthly deficiencies accruing and unpaid by Lessee up to and including the date of Lessor's demand for final damages hereunder; plus

(c) the excess amount, if any, of: (1) the Rent reserved for what would have been the remainder of the Term of this Lease together with charges to be paid by Lessee under this Lease less (2) the then fair rental value of the Demised Premises and the Personal Property. If any statute or rule governing a proceeding in which such liquidated final damages are to be proved shall validly limit the amount thereof to an amount less than the amount above agreed upon, Lessor shall be entitled to the maximum amount allowable under such statute or rule of law.

21.5 No receipt of funds by Lessor from Lessee after service of any notice of an Event of Default, termination of this Lease or of possession of the Demised Premises or after commencement of any suit or proceeding of Lessee shall in any way reinstate, continue or extend this Lease or in any way affect the notice of the Event of Default or demand or in any way be deemed a waiver by Lessor of any of its rights unless consented to in writing by Lessor.

ARTICLE XXII - LIABILITY OF LESSOR

It is expressly agreed by the parties that, except as otherwise provided for in this Lease, Lessor shall not be liable for any damages whatsoever to Lessee beyond the loss of Rent reserved in this Lease accruing after or upon any act or breach hereunder on the part of Lessor and for which damages may be sought or recovered by Lessor.

ARTICLE XXIII - CUMULATIVE REMEDIES OF LESSOR

The specific remedies to which Lessor may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which Lessor may be lawfully entitled in case of any breach or threatened breach by Lessee of any provision or provisions of this Lease. The failure of Lessor to insist, in any one or more cases, upon the strict performance of any of the terms, covenants, conditions, provisions or agreements of this Lease, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment for the future of any such term, covenant, condition, provisions, agreement or option.

ARTICLE XXIV - SECURITY FOR RENT

24.1 Lessee shall deposit, on the commencement date herein, one (1) months rent as security for the Lease. Lessee shall further deposit the amount equal to one (1) months rent on the first and second anniversaries of the Commencement Date of the Lease as additional security (collectively, "**Security Deposit**"). If Lessee performs every provision of this Lease to be performed by Lessee, the unused portion of the Security Deposit shall be returned to Lessee or the last assignee of Lessee's interest under this Lease within thirty (30) days following the expiration or termination of the Term or any extension thereof. Lessor shall also have a first lien paramount to all others on every right and interest of Lessee in and to this Lease, and on any of

Lessee's accounts receivable, furnishings, equipment, or fixtures, accounts, goods, inventory, general intangibles, books, records, or property of any kind belonging to Lessee and located at or used in connection with the Facility ("**Lessor's Lien**"). Such lien is granted for the purpose of securing the payments of Rent, charges, penalties, and damages herein covenanted to be paid by Lessee, and for the purpose of securing the performance of all of Lessee's obligations under this Lease. Such lien shall be in addition to all rights to Lessor given and provided by law. This Lease shall constitute a security agreement under the Uniform Commercial Code, and upon the request by Lessor, Lessee shall prepare and file, or consent to the filing of, such financing statements and other documents reasonably required to perfect such security interest, which documents shall be filed or recorded at the expense of Lessee. Notwithstanding the foregoing, Lessor's Lien shall be subject and subordinate to a lien with respect to the Lessee's provider agreements, accounts receivable and books and records granted by Lessee from time to time to any institutional lender for working capital to be utilized solely for operation of the Facility and to all renewals, modifications, extensions and replacements thereof. In all other events, Lessor's Lien shall be a first lien. Lessor agrees to consent to the filing of, within five (5) days following Lessee's request therefor, such financing statements as may be reasonably requested by Lessee to evidence or effect subordination of Lessor's Lien to the lien of the institutional lender described above. The subordination to Lessee's institutional lender shall be on such lender's form of subordination agreement that is reasonable and customary in the industry for these types of loans.

24.2 Lessee agrees that any mortgagee of the Demised Premises or Property who forecloses its lien on the Demised Premises or Property or becomes a "mortgagee in possession" shall have no liability for the return of the Security Deposit unless such mortgagee actually receives the Security Deposit from Lessor.

24.3 Intentionally Omitted.

ARTICLE XXV - INDEMNIFICATION

25.1 Lessee agrees to protect, indemnify and save harmless Lessor from and against any claims, demands, losses, and causes of action of any nature whatsoever asserted against or incurred by Lessor on account of: (a) any failure on the part of Lessee during the Term of this Lease to perform or comply with any of the terms of this Lease; (b) injury to or death of persons or loss of or damage to property, occurring on the Demised Premises or any adjoining sidewalks, streets or ways or in any manner growing out of or connected with the use or occupation of the Demised Premises or the condition thereof, or the use of any existing or future sewer system, or the use of any adjoining sidewalks, streets or ways occurring after the Commencement Date; (c) any claims, penalties, recoveries, interest, monetary sanctions, fees, or other liabilities imposed by a governmental agency or by a third party insurance company related to the operations of or payments made to the Facility while Lessee was providing skilled care nursing services; or (d) additional costs incurred by Lessor to monitor the Facility after the occurrence of any of the events set forth in Section 19.1(n). Lessee further agrees to pay any reasonable attorneys' fees and expenses incident to the defense by Lessor of any such claims, demands or causes of action.

25.2 Lessor agrees to indemnify, defend and save harmless Lessee from and against any liabilities, losses, claims, demands and causes of action whatsoever asserted against or incurred

by Lessee on account of any failure on the part of Lessor during the Term of this Lease to perform or comply with any of the terms of this Lease. Lessor further agrees to pay any reasonable attorneys' fees and expenses incident to the defense by Lessee of any such claims, demands or causes of action. There is expressly excluded from Lessor's indemnity hereunder any claim or proceeding by Lessee (i) which is based upon the physical condition of the Demised Premises or Personal Property prior to the Commencement Date, or (ii) any form of relief not satisfied by the payment of money.

25.3 In the event that any liability, claim, demand or cause of action which is indemnified against by or under any term, provision, section or paragraph of this Lease ("**Indemnitee's Claim**") is made against or received by any indemnified party (hereinafter "**Indemnitee**") hereunder, said Indemnitee shall notify the indemnifying party (hereinafter "**Indemnitor**") in writing within thirty (30) calendar days of Indemnitee's receipt of written notice of said Indemnitee's Claim, provided, however, that Indemnitee's failure to timely notify Indemnitor of Indemnitee's receipt of an Indemnitee's Claim shall not impair, void, vitiate or invalidate Indemnitor's indemnity hereunder nor release Indemnitor from the same, which duty, obligation and indemnity shall remain valid, binding, enforceable and in full force and effect so long as Indemnitee's delay in notifying Indemnitor does not, solely by itself, directly and materially prejudice Indemnitor's right or ability to defend the Indemnified Claim. Upon its receipt of any or all Indemnitee's Claim(s), Indemnitor shall, in its sole, absolute and unreviewable discretion, diligently and vigorously defend, compromise or settle said Indemnitee's Claim at Indemnitor's sole and exclusive cost and expense to fully indemnify such claims, and shall promptly provide Indemnitee evidence thereof within fourteen (14) calendar days of the final, unappealable resolution of said Indemnitee's Claim. Upon the receipt of the written request of Indemnitee, Indemnitor shall within ten (10) business days provide Indemnitee a true, correct, accurate and complete written status report regarding the then current status of said Indemnitee's Claim. Prior to an Indemnification Default (as defined herein), Indemnitee may not settle or compromise an Indemnitee's Claim without Indemnitor's prior written consent. Failure to obtain such consent shall be deemed a forfeiture by Indemnitee of its indemnification rights hereunder. In the event that Indemnitor fails or refuses to indemnify, save, defend, protect or hold Indemnitee harmless from and against an Indemnitee's Claim and/or to diligently pursue the same to its conclusion, or in the event that Indemnitor fails to timely report to Indemnitee the status of its efforts to reach a final resolution of an Indemnitee's Claim, which failure to report causes Indemnitee material harm, on seven (7) calendar days prior written notice to Indemnitor during which time Indemnitor may cure any alleged default hereunder, the foregoing shall immediately, automatically and without further notice be an Event of Default hereunder (an "**Indemnification Default**") and thereafter Indemnitee may, but shall not be obligated to, immediately and without notice to Indemnitor, except such notice as may be required by law and/or rule of Court, intervene in and defend, settle and/or compromise said Indemnitee's Claim at Indemnitor's sole and exclusive cost and expense, including but not limited to attorneys' fees, and, thereafter, within seven (7) calendar days of written demand for the same Indemnitor shall promptly reimburse Indemnitee all said Indemnitee's Claims and the reasonable costs, expenses and attorneys' fees incurred by Indemnitee to defend, settle or compromise said Indemnitee's Claims.

ARTICLE XXVI - SUBORDINATION PROVISIONS

26.1

(a) Lessee's rights under this Lease are and shall remain subject and subordinate to the operation and effect of any mortgage or other security instrument now or hereafter encumbering the Property (any such mortgage, or other security instrument, a "Mortgage," and the party holding the same, a "Mortgagee"). Lessee's acknowledgment and agreement of subordination as provided for in this Section is self-operative and no further instrument of subordination shall be required; however, Lessee shall execute within fifteen (15) days after request therefor, such further assurances thereof as may be requested from time to time by Lessor or any Mortgagee.

(b) Lessor hereby directs Lessee, upon the receipt by Lessee of a direction by a Mortgagee to pay all Base Rent and Additional Rent thereafter to such Mortgagee, to make such payments to such Mortgagee, and Lessor agrees that if Lessee makes such payments to such Mortgagee, as aforesaid, Lessee shall not be liable to Lessor for the same.

(c) Lessee agrees that no mortgagee or successor to such mortgagee shall be (i) bound by any payment of Base Rent for more than one (1) month in advance, (ii) bound by any amendment, modification, surrender or termination of this Lease made without the consent of Lessor's mortgagee or such successor in interest, (iii) liable for damages for any breach, act or omission of any prior landlord (including, without limitation, the then current landlord), (iv) subject to any claim or counterclaim of offset or defenses that Lessee may have against any prior landlord (including, without limitation, the then current landlord) or (v) liable for return of any security deposit, if any (unless actually received by such person).

26.2 Notwithstanding anything to the contrary contained herein, it is understood, agreed and acknowledged that, Lessor shall have the right to finance and refinance (and guaranty such financing or refinancing), from time to time, the Demised Premises and Personal Property, and grant a mortgage, deed or security interest thereon, to assign or pledge any or all of its interest in this Lease and to assign or pledge the revenues and receipts to be received by Lessor hereunder to a third party.

26.3 Estoppel Certificates: From time to time throughout the Term, Lessee shall within fifteen (15) days after receipt from Lessor of a request therefor, deliver to Lessor a fully-executed certificate ("Estoppel Certificate") in form and substance satisfactory to Lessor, confirming, among other things, the commencement and termination dates of the Term, the Base Rent and Additional Rent payable under this Lease, and such other information as Lessor shall reasonably request. Lessee hereby acknowledges and agrees that any Estoppel Certificate executed and delivered pursuant to this Lease shall be intended to be relied upon by Lessor, and any Mortgagee or prospective Mortgagee of the Property. The failure of Lessee to execute, acknowledge and deliver to Lessor any Estoppel Certificate in accordance with the provisions of this Section 26.3 within the 15-day period above provided shall constitute an acknowledgment by Lessee, which may be relied upon by any Mortgagee or prospective Mortgagee or any purchaser of the Property or of any interest therein, that this Lease has not been modified, supplemented or amended except as set forth in Lessor's request, and is in full force and effect (or in full force and effect as so

modified, supplemented or amended), and that the facts and conditions as shall have been requested to be certified are true and correct, and shall constitute, as to any person entitled to rely as aforesaid, a waiver of any defaults which may exist prior to the date of such request. Notwithstanding the foregoing, Lessee's failure to furnish such Estoppel Certificate within the time period provided herein after Lessor's request therefor, shall constitute an Event of Default.

ARTICLE XXVII - INTENTIONALLY OMITTED

ARTICLE XXVIII - INTENTIONALLY OMITTED

ARTICLE XXIX - LESSEE'S ATTORNMENT

29.1 Lessee covenants and agrees that, if by reason of a default upon the part of Lessor herein in the performance of any of the terms and conditions of any agreement between Lessor and any lender, now or in the future, and the said lender forecloses on the estate of Lessor in the Demised Premises, Lessee will attorn to the then holder of such mortgage, grantee of a deed in lieu or the purchaser in such foreclosure proceedings, as the case may be, and will recognize such holder of the mortgage, grantee of a deed in lieu or such purchaser as Lessor under this Lease. Lessee covenants and agrees to execute and deliver, at any time and from time to time, upon the request of Lessor, or of the holder of such mortgage, grantee of a deed in lieu or the purchaser in foreclosure proceedings, any instrument which may be necessary or appropriate to evidence such attornment. In the event any such proceedings are brought against Lessor under such mortgage or the holder of any such mortgage forecloses the lien thereof, then Lessee further waives the provisions of any statute or rule or law now or hereafter in effect which may terminate this Lease or give or purport to give Lessee any right of election to terminate this Lease or to surrender possession of the Demised Premises and agrees that, pending any final order, this Lease shall not be affected in any way whatsoever by any such proceedings.

ARTICLE XXX - REPRESENTATIONS

30.1 Lessor represents and warrants as follows:

(a) Lessor is a Tennessee limited liability company, is duly organized and validly existing under the laws of the State of Tennessee, and has the full right and power to enter into, and perform its obligations under this Lease and all agreements or documents entered into or executed in connection therewith, and has taken all requisite actions to authorize the execution, delivery and performance of this Lease and all agreements and documents entered into or executed in connection therewith.

(b) Neither the execution and delivery of this Lease, nor any agreement referred to or contemplated hereby, by Lessor will violate any provision of its Operating Agreement, be in conflict with, constitute a default or create a right of termination or cancellation under any agreement or commitment to which Lessor is a party.

(c) Except for documents of record as of the date hereof:

(i) Lessor has or on the Commencement Date will have valid title to the Demised Premises and the Personal Property, free and clear of all liens, charges, security interests, leasehold rights or interests, reservation, restrictions, adverse claims, encumbrances and other defects in or limitations on title other than liens for taxes not yet due and payable (collectively, "**Encumbrances**");

(ii) Lessor has or will on the Commencement Date have authority to convey a leasehold interest in and to the Demised Premises and Personal Property to Lessee, pursuant to this Lease, free and clear of all Encumbrances.

(d) No representation or warranty by or on behalf of Lessor contained in this Lease and no statement by or on behalf of Lessor in any certificate, list, exhibit or other instrument furnished or to be furnished to Lessee by or on behalf of Lessor pursuant hereto contains any untrue statement of a material fact, or omits or will omit to state any material facts which are necessary in order to make the statements contained therein, in light of the circumstances under which they are made, not misleading in any material respect.

(e) Unless otherwise indicated in a specific representation or warranty contained herein, each representation and warranty of Lessor hereunder shall be true, complete and correct in all material respects as of the date hereof and as of the Commencement Date with the same force and effect as though such representation or warranty made on such date, and all representations and warranties shall survive the Lease for a period of one (1) year, provided, however, that if Lessee notifies Lessor in writing of a claim prior to the expiration of such one (1) year period, such representation or warranty shall survive until the resolution of such claim.

(f) The exhibits and schedules furnished by Lessor in connection with this Lease do not contain any untrue statement of a material fact nor do they omit to state any material fact necessary to make the statements contained herein and therein not materially misleading.

30.2 Lessee represents, warrants and covenants to Lessor as follows:

(a) Lessee is a Tennessee limited liability company, duly organized and validly existing in good standing under the laws of the State of Tennessee, and has full right and power to enter into, or perform its obligations under this Lease and has taken all requisite actions to authorize the execution, delivery and performance of this Lease.

(b) Lessee acknowledges that it has inspected the Demised Premises and the Personal Property and, subject to the representations and warranties of Lessor provided above and further subject to the other terms and conditions of this Lease, agrees to lease the same in its present "AS IS-WHERE IS" condition. Lessee further acknowledges that Lessor is purchasing the Demised Premises and Personal Property pursuant to the APA, Lessee shall rely on representations and warranties contained in the APA, and except as set forth in this Lease, Lessor makes no representations, express or implied, as to the physical condition of the Demised Premises and the Personal Property or any other matter or thing affecting or related to the Demised Premises or the

Personal Property (including without limitation any recoupments by governmental payors with respect to periods prior to the Commencement Date).

(c) In addition to all other covenants contained herein, Lessee expressly covenants that they shall keep and maintain at the Facility at all times in good order and repair all items of Personal Property necessary for operating the Facility for not less than the number of licensed beds described on **Exhibit C** in full compliance with all material laws, rules and regulations of any government or regulatory agency. Lessee shall maintain all such items in good order and repair, subject to reasonable wear and tear, and shall promptly replace any such items which become obsolete, damaged or destroyed with substitute items equivalent to that which has been replaced and such replacement items shall become and be deemed the personal property of Lessor.

(d) No representation or warranty by or on behalf of Lessee contained in this Lease and no statement by or on behalf of Lessee in any certificate, list, exhibit, schedule or other instrument furnished or to be furnished to Lessor by or on behalf of Lessee pursuant hereto contains any untrue statement of a substantial fact, or omits or will omit to state any substantial facts which are necessary in order to make the statements contained therein, in light of the circumstances under which they are made, not misleading in any substantial respect.

(e) Unless otherwise indicated in a specific representation or warranty contained herein, each representation and warranty of Lessee hereunder shall be true, complete and correct in all material respects as of the Commencement Date with the same force and effect as though such representation or warranty was made on such date, and all representations and warranties shall survive the Commencement Date for a period of one (1) year, provided, however, that if Lessor notifies Lessee in writing of a claim prior to the expiration of such one (1) year period, such representation or warranty shall survive until the resolution of such claim.

ARTICLE XXXI - INTENTIONALLY OMITTED.

ARTICLE XXXII - INTENTIONALLY OMITTED

ARTICLE XXXIII - FINANCIAL STATEMENTS

33.1 Within one hundred twenty (120) days after the end of each of its fiscal years, Lessee shall furnish to Lessor full and complete reviewed financial statements of the operations of the Demised Premises and the Facility for such annual fiscal period which shall be certified by the manager of Lessee that such Financial Statements present fairly the financial condition of Lessee, and which shall contain a statement of capital changes, balance sheet and detailed income and expense statement and be provided as follows: (a) within sixty (60) days after the end of each of its fiscal quarters, such reports for the fiscal quarter dated as of the end of each fiscal quarter, and (b) within one hundred twenty (120) days after the end of each of its fiscal years, such reports for the annual fiscal period dated as of the end of the fiscal year (collectively, the "**Financial Statements**"). Lessee shall also furnish to Lessor a copy of its cost report within ten (10) days after filing thereof. Each such statement shall be certified as being true and correct by an officer of Lessee.

33.2 Within fifteen (15) days after the end of each month, Lessee shall furnish to Lessor a daily breakdown of its census and copies of all Financial Statements for the operation of the Nursing Home on the Demised Premises for the preceding month.

33.3 Within thirty (30) days after the date for filing Lessee's tax return (as the same may be extended), Lessee shall furnish Lessor with a copy of the tax return for the Facility for said year, certified by an officer of Lessee to be true, correct and complete.

33.4 Intentionally Omitted.

33.5 Intentionally Omitted.

33.6 At all times, Lessee shall keep and maintain full and correct records and books of account of the operations of Lessee in the Demised Premises and records and books of account of the entire business operations of Lessee in accordance with generally accepted accounting principles. Upon request by Lessor, from time to time, Lessee shall make available for inspection by Lessor or its designee, during reasonable business hours, at the Facility or Lessee's offices, the records and books of account covering the entire business operations of Lessee on the Demised Premises.

ARTICLE XXXIV - LICENSURE/TERMINATION

34.1 Lessee hereby agrees to submit a complete application to obtain the License permitting Lessee to operate the Facility as an skilled nursing facility or assisted living facility, as applicable, with the number of licensed beds described on **Exhibit C**, and to promptly submit any further documents as required in order to complete such application.

34.2 Upon termination of this Lease (whether by reason of default, the natural expiration of the Term of otherwise), the following provisions shall be applicable:

(a) Upon the expiration or other termination of this Lease, Lessee shall return to Lessor the Demised Premises and the Personal Property in a condition similar to that which existed on the Commencement Date, licensed by any governmental agencies having jurisdiction over the Demised Premises with at least the number of licensed beds described on **Exhibit C** (subject to any reduction in the number of licensed beds required by any governmental authority solely as a result of changes in laws, rules and regulations relating to the physical attribute of the improvements on the Demised Premises or eminent domain proceedings as described in Section 16.2), reasonable wear and tear excepted, and free of liens or encumbrances arising through Lessee except for tax liens for current general real estate taxes or special assessments, not yet due and payable, and other expenses incurred in the ordinary course of business subject to customary proration.

(b) Lessor shall keep and shall not be obligated to return to Lessee any Base Rent paid by Lessee. Lessee shall not be obligated to account or pay to Lessor any earnings or income earned from the Commencement Date to the termination date. Lessee shall pay all bills incurred in the ownership of the Demised Premises and operation of the Facility from the Commencement Date through the termination date, and shall receive and keep all income and

suffer all losses incurred in the ownership of the Demised Premises and operation of the Facility from the Commencement Date through the termination date.

(c) During the period from the Commencement Date to the termination date:

(i) Lessee shall be responsible for the payment of all real estate taxes in accordance with the provisions of Article VI hereof;

(ii) Lessee shall maintain all required insurance and Lessee shall be liable for payment of and shall pay the premiums thereon; and

(iii) In case of termination, Lessee shall be liable to return to Lessor, the Demised Premises and all Personal Property in a condition similar to that which existed on the Commencement Date, reasonable wear and tear excepted, and free of liens or encumbrances arising through Lessee except for tax liens for current general real estate taxes or special assessments, not yet due and payable which shall be prorated to the termination date, and except as to consumable items to the extent of consumption thereof, which, as consumed, will be replenished by Lessee, in the ordinary course of business.

(d) Upon termination of this Lease, the parties will request appropriate inspections by governmental agencies upon the return of the Demised Premises to Lessor. Lessee agrees that it will cure any violations found involving the Demised Premises or Personal Property. Lessee agrees to execute such documents and take such actions as may be required in order to restore Lessor to ownership and possession of the Demised Premises and the Personal Property, including, without limitation, execution of any assignment or change of ownership documents required to license Lessor or its assignee to operate the Facility.

(e) Lessee shall keep and maintain medical records in accordance with applicable law and permit reasonable access and copy thereof by Lessor in accordance with such law, and to the extent permitted by law.

(f) Lessee shall keep and maintain such financial and operational records (including, without limitation, cost reports/contracts) as are required for the operation of the business under applicable laws.

34.3 In the event of any Lessor Default, Lessee may, if it so elects, and with notice of such election to Lessor, terminate this Lease and shall have no further obligations to Lessor, such termination to be effective upon surrender of possession of the Demised Premises and Personal Property to Lessor. Lessee shall surrender possession of the Demised Premises and Personal Property within ninety (90) days of providing such notice to Lessor, and the provisions of Section 34.2 shall apply.

ARTICLE XXXV - INTENTIONALLY OMMITTED

ARTICLE XXXVI - INTENTIONALLY OMMITTED

ARTICLE XXXVII - MISCELLANEOUS

37.1 Lessee, upon paying the Rent and all other charges herein provided, and for observing and keeping the covenants, agreements, terms and conditions of this Lease on its part to be performed, shall lawfully and quietly hold, occupy and enjoy the Demised Premises during the Term of this Lease, and subject to its terms, without hindrance by Lessor or by any other person or persons claiming under Lessor.

37.2 All payments to be made by the Lessee hereunder (other than Base Rent), whether or not designated as "Additional Rent", shall be deemed Additional Rent, so that in the event of a default of payment when due, Lessor shall be entitled to all of the remedies available at law or equity, or under this Lease, for the nonpayment of Rent.

37.3 It is understood and agreed that the granting of any consent by Lessor to Lessee to perform any act of Lessee requiring Lessor's consent under the terms of this Lease, or the failure on the part of Lessor to object to any such action taken by Lessee without Lessor's consent, shall not be deemed a waiver by Lessor of its rights to require such consent for any further similar act by Lessee, and Lessee hereby expressly covenants and warrants that as to all matters requiring Lessor's consent under the terms of this Lease, Lessee shall secure such consent for each and every happening of the event requiring such consent, and shall not claim any waiver on the part of Lessor of the requirement to secure such consent.

37.4 Intentionally omitted.

37.5 Lessee represents that it did not deal with any broker, other than with NONE, ("Broker") or his company or assign, in connection with this Lease, and hereby indemnifies Lessor against the claims or demands of any broker claimed through a relationship with Lessee. Lessee has entered into a separate brokerage agreement with the Broker and represents that the Lessor has no obligations to the broker thereunder. Lessor represents that it did not deal with any broker in connection with this Lease, and hereby indemnifies Lessee against the claims or demands of any broker claimed through a relationship with Lessor.

37.6 If an action shall be brought to recover any Rent under this Lease, or for or on account of any breach of or to enforce or interpret any of the terms, covenants or conditions of this Lease, or for the recovery of possession of the Demised Premises, the prevailing party shall be entitled to recover from the other party, as part of the prevailing party's costs, reasonable attorneys' fees, the amount of which shall be fixed by the court and shall be made a part of any judgment rendered.

37.7 Should Lessee hold possession hereunder after the expiration of the Term of this Lease with or without the consent of Lessor, Lessee shall become a tenant on a month to month basis upon all the terms, covenants and conditions herein specified, excepting however that

Lessee shall pay Lessor a monthly rental, for the period of such month-to-month tenancy, in an amount equal to one hundred ten percent (110%) of the last Rent specified.

37.8 All notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly delivered (i) upon the delivery (or refusal to accept delivery) by personal delivery, messenger or overnight express delivery service (or, if such date is not on a business day, on the business day next following such date), (ii) on the third (3rd) business day next following the date of its mailing by certified mail, postage prepaid, at a post office maintained by the United States Postal Service, or (iii) by electronic mail or fax transmission, addressed as follows:

If to Lessor:

980 Sylvan Avenue
Englewood Cliffs NJ 07632
Attn: General Counsel

If to Lessee :

2100 Cherokee Ridge Way, Suite 100
Louisville, KY 40205
Attention: General Counsel

with a copy to:

Simcha D. Schonfeld, Esq.
Koss & Schonfeld, LLP
90 John Street - Suite 408
New York, New York 10038
Direct dial: (212) 796-8916
Fax # 212-401-4757

or such other address that any party designates to the other by written notice given in the manner stated above. Any notice sent by electronic mail shall be deemed delivered upon transmission, so long as said transmission is evidenced by proof of said transmittal and sent before 5:00 p.m. local time at the place of the recipient and if sent after 5:00 p.m. shall be deemed delivered on the next business day. Notices from counsel to Lessor shall for all purposes hereunder constitute notice from Lessor. Notices from counsel to Lessee shall for all purposes hereunder constitute notice from Lessee.

37.9 Each party agrees at any time, and from time to time, upon not less than twenty (20) days prior written request from the other party, to execute, acknowledge and deliver to the other party a statement in writing, certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified, and stating the modifications), the dates to which the Rent has been paid, the amount of the Additional Rent held by Lessor, and whether to the best Knowledge of such party an Event of Default has occurred or whether any events have occurred which, with the giving of notice or the passage of time, or both, could constitute an Event of Default hereunder, it being intended that any such statement delivered pursuant to this section may be relied upon by any prospective assignee, mortgagee or purchaser of the fee interest in the Demised Premises or of this Lease.

37.10 All of the provisions of this Lease shall be deemed and construed to be "conditions" and "covenants" as though the words specifically expressing or importing covenants and conditions were used in each separate provision hereof.

37.11 Any reference herein to the expiration of this Lease shall be deemed to include any termination thereof by expiration, or pursuant to Articles referring to earlier termination.

37.12 The headings and titles in this Lease are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this Lease, nor in any way affect this Lease.

37.13 This Lease contains the entire agreement between the parties and any executory agreement hereafter made shall be ineffective to change, modify or discharge it in whole or in part unless such executory agreement is in writing and signed by the party against whom enforcement of the change, modification or discharge is sought. This Lease cannot be changed orally or terminated orally.

37.14 Except as otherwise herein expressly provided, the covenants, conditions and agreements in this Lease shall bind and inure to the benefit of Lessor and Lessee and their respective successors and assigns.

37.15 All nouns and pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons, firm or firms, corporation or corporations, entity or entities or any other thing or things may require. "Any" or "any" shall mean "any and all"; "or" shall mean "and/or"; "including" shall mean "including, but not limited to".

37.16 This Lease may be executed in counterparts, each of which shall for all purposes be deemed an original, and all of such counterparts shall together constitute one and the same agreement.

37.17 If any term or provision of this Lease shall to any extent be held invalid or unenforceable, the remaining terms and provisions of this Lease shall not be affected thereby, but each term and provision shall be valid and be enforced to the fullest extent permitted by law.

37.18 This Lease shall be construed in accordance with the laws of the State of Tennessee without regard to conflict of laws principles.

37.19 Each party acknowledges that it has certain obligations under applicable Tennessee laws and regulations, including without limitation those Tennessee laws and regulations governing the ownership, management, control and operation of nursing home and assisted living facilities and all related laws and regulations, to the extent applicable and as they exist at the time this Agreement is executed and as amended (the "***Tennessee Laws***"). Each party hereby agrees to comply with such Tennessee Laws. Any ambiguity in this Agreement shall be resolved to permit the parties to comply with the Tennessee Laws. If there is any direct conflict between the Agreement and the Tennessee Laws, the Tennessee Laws shall control. If any term, provision or condition contained in this Agreement will be deemed or declared

unenforceable, invalid or void, the same will not impair or invalidate any of the other provisions contained herein, which will remain in full force and effect.

37.20 The parties hereto agree that with respect to all disputes, problems or claims arising out of or in connection with this Lease and all other agreements or other instruments executed in connection herewith, including and any claim for indemnification by either of the parties hereto (collectively, "**Disputes**"), the parties hereto shall, in good faith, use their reasonable best efforts to resolve the Dispute. If after such efforts the parties hereto are unable within ten (10) days of the arising of the Dispute to resolve the Dispute in good faith, the parties shall use best efforts to use a mutually agreed upon arbitrator (the "**Arbitrator**"). In the event the parties are unable to mutually agree upon the Arbitrator, within fifteen (15) days of the arising dispute then either party may submit to final and binding arbitration before the American Arbitration Association ("**AAA**"), or its successor, pursuant to the Federal Arbitration Act, 9 U.S.C. Sec. 1 *et seq.* In the event AAA is utilized: (a) the parties hereto agree that the rules of the American Arbitration Association applicable to commercial arbitrations shall apply to any such arbitration and that the Expedited Procedures under the Commercial Arbitration Rules shall apply, (b) either party may commence the arbitration process called for in this Lease by filing a written demand for arbitration with AAA, with a copy to the other party, and (c) the arbitration will be conducted in accordance with the provisions of AAA Streamlined Arbitration Rules and Procedures in effect at the time of filing of the demand for arbitration. The parties will cooperate with either the Arbitrator or AAA, as applicable, and with one another in selecting an arbitrator from a panel of neutrals, and in scheduling the arbitration proceedings. The provisions of this Section 37.20 with respect to the arbitration before either the Arbitrator or AAA may be enforced by any court of competent jurisdiction (subject to the provisions of Section 37.18 of this Lease), and the parties agree that any such enforcement action shall be brought in courts having situs in Tennessee and fully submit to the jurisdiction of any such courts and the parties seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys' fees, to be paid by the parties against whom enforcement is ordered. The fees and expenses of such arbitration shall be borne by the non-prevailing party, as determined by such arbitration. Upon the mutual agreement of the parties involved in the Dispute, the parties may submit to final and binding arbitration before any other recognized alternative dispute resolution company or organization. Any arbitration hereunder shall be conducted by each party choosing one arbitrator and the two chosen arbitrators choosing a third arbitrator. The parties hereto agree that this Section 37.20 has been included to rapidly and inexpensively resolve any disputes between them with respect to the matters described above, and that this paragraph shall be grounds for dismissal of any court action commenced by any party with respect to a dispute arising out of such matters.

37.21 It is expressly understood and agreed that except as otherwise expressly provided herein, this Lease shall not be construed as creating any personal liability whatsoever against any member, officer, director, shareholder or agent of Lessor and/or of Lessee and in particular without limiting the generality of the foregoing, there shall be no personal liability to pay any obligations set forth herein or to perform any covenant, either expressed or implied, herein contained, and that, except as otherwise provided herein, all personal liability of any member, officer, director, shareholder or agent of Lessor and/or of Lessee of every sort, if any, is hereby expressly waived by the other party hereto.

37.22 The term "Knowledge" as used herein shall be deemed to mean the best of a Person's knowledge, and of the principals, officers and agents of such Person. Any fact or circumstance that a Person and their principals, officers or agent reasonably should know assuming commercially reasonable best efforts were utilized, shall be deemed the Knowledge of such Person. The term "commercially reasonable best efforts" shall mean the efforts that a commercially reasonable Person desirous of achieving a result would use in similar circumstances to achieve that result as expeditiously as reasonably practicable, provided, however, that a Person required to use commercially reasonable best efforts under this Lease will not thereby be required to take any action that would result in a material adverse change in the benefits to such Person of this Lease or the transactions contemplated hereby or to make any change in its business, incur any extraordinary fees or expenses or incur any other material burden. "Person" shall mean any individual, partnership (general and/or limited), association, corporation, limited liability company, trust, joint venture or other legal entity of any and every nature whatsoever.

37.23 Mortgagee Protection. Lessee and Lessor each agrees to give any mortgagee(s) and/or trust deed holder(s), by registered mail, a copy of any notice of default served upon the Lessee or Lessor, as applicable. Lessee and Lessor each further agrees that if Lessee or Lessor, as applicable, shall have failed to cure such default within the time provided for in this Lease, then the mortgagee(s) and/or trust deed holder(s) shall have an additional thirty (30) days within which to cure such default or if such default cannot be cured within that time, then such additional time as may be necessary if within such thirty (30) days any mortgagee and/or trust deed holder(s) has commenced and is diligently pursuing the remedies necessary to cure such default (including but not limited to commencement of foreclosure proceedings, if necessary to effect such cure), in which event Lessee or Lessor, as applicable, shall not have the right to pursue any claim against the other Lessee or Lessor, as applicable, such mortgagee and/or such trust deed holder(s), including but not limited to any claim of actual or constructive eviction, so long as such remedies are being so diligently pursued. Such mortgagee and/or such trust deed holder(s) shall have no obligation to cure (and shall have no liability or obligation for not curing) any breach or default by either Lessee or Lessor, except to the extent that such mortgagee agrees or undertakes otherwise in writing. Before exercising any remedies for a default by Lessee or Lessor, as applicable, hereunder, such Lessee or Lessor, as applicable, shall give an additional notice to any such mortgagee and/or trust deed holder.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be signed by persons authorized so to do on behalf of each of them respectively the day and year first above written.

LESSOR:

MEMPHIS TN PROPCO LLC

By: Simcha Hyman
Its: Authorized Signatory

LESSEE:

HICKORY BEND TN OPCO LLC

By: Mick Vujanovic
Its: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be signed by persons authorized so to do on behalf of each of them respectively the day and year first above written.

LESSOR:	**LESSEE:**
MEMPHIS TN PROPCO LLC	**HICKORY BEND TN OPCO LLC**
By: Simcha Hyman Its: Authorized Signatory	By: Mick Vujanovic Its: Authorized Signatory

EXHIBIT A

LEGAL DESCRIPTION

EXHIBIT B

BASE RENT

YEAR	ANNUAL RENT	MONTHLY RENT
1	$420,000.00	$35,000.00

Notwithstanding anything to the contrary herein, if the EBITDAR of the Facility is less than the amounts listed above, then 100% of such EBITDAR shall be paid as Base Rent but in no event lower than the allocated debt service.

*Base Rent for the 12 month periods commencing on each anniversary of the Commencement Date shall be the greater of (i) FMV and (ii) 103% of the Base Rent which was in effect for the prior Lease Year. Base Rent for each other 12 month period during the term shall be 103% of the Base Rent for the prior Lease Year.

For the purposes of this Lease, "FMV" shall mean the total fair market rental value of the Leased Property. The parties shall attempt to mutually agree upon the FMV of the Leased Property commencing upon receipt of the Extension Notice, but in no event later than ninety (90) days prior to the expiration of the Term. If the parties are unable to agree within thirty (30) days from the date of the Extension Notice, then the FMV of the Leased Property shall be determined by two appraisers, one selected by Lessor and one selected by Lessee, as of the date that is sixty (60) days prior to the expiration of the then current Term. The appraisers shall issue their reports within ten (10) days. If the higher of the two appraisals is less than or equal to 110% of the lower of the two appraisals, then FMV shall be the average of the two; if not, Lessee and Lessor shall then mutually select the third appraiser within ten (10) days. The third appraiser so selected shall, within ten (10) days, determine which of the two appraisers' determination is closest to FMV and the appraisal closest to the third appraiser's determination of FMV shall be deemed to be the FMV. Lessor shall pay the cost of its appraiser, Lessee shall pay the cost of its appraiser, and Lessor and Lessee shall split the cost of the third appraiser, if any.

EXHIBIT C

BEDS

92 beds

TENNESSEE COUNTY MAP



ATTACHMENT 3N

Demographic Variable/ Geographic Area	Department of Health/Health Statistics							Bureau of the Census (data.census.gov)				TennCare	
	Total Population – 2026	Total Population - 2028	Total Population % Change	Target Population - 2026	Target Population - 2028	Target Population % Change	Target Population 20278as % of Total	Median Age	Median Household Income	Persons Below Poverty Level	Person in Poverty, Percent of Total	TennCare Enrollees (July 2026)	TennCare Enrollees as % of Total Population in 2026
Shelby County	908,920	904,554	-0.48%	147,213	149,646	1.65%	16.5%	36.6	$63,767	172,942	19.0%	132,915	14.62%
State of TN Total	7,300,003	7,410,264	1.51%	1,341,027	1,387,722	3.48%	18.7%	39.7	$69,595	987,535	13.5%	1,440,225	19.72%

ATTACHMENT 3N

Demographic Variable/ Geographic Area	Department of Health/Health Statistics							Bureau of the Census (data.census.gov)				TennCare	
	Total Population – 2026	Total Population - 2028	Total Population % Change	Target Population - 2026	Target Population - 2028	Target Population % Change	Target Population 20278as % of Total	Median Age	Median Household Income	Persons Below Poverty Level	Person in Poverty, Percent of Total	TennCare Enrollees (July 2026)	TennCare Enrollees as % of Total Population in 2026
Shelby County	908,920	904,554	-0.48%	147,213	149,646	1.65%	16.5%	36.6	$63,767	172,942	19.0%	132,915	14.62%
Service Area Total	908,920	904,554	-0.48%	147,213	149,646	1.65%	16.5%	36.6	$63,767	172,942	19.0%	132,915	14.62%
State of TN Total	7,300,003	7,410,264	1.51%	1,341,027	1,387,722	3.48%	18.7%	39.7	$69,595	987,535	13.5%	1,440,225	19.72%

Sources:
Population Data: Boyd Center Population Projections | Tennessee State Data Center
Median Income and % in Poverty Data: U.S. Census Bureau QuickFacts: United States
TennCare Enrollment Data: Enrollment Data

Item 5N - Service Area Historical Utilization

Historical Utilization Service Area Nursing Homes (Most Recent Year)						
Year (Most Recent Reported)	**Facility ID**	**License Number**	**State ID**	**Facility Name**	**County**	**Admissions**
2024	760	232	790162	Ave Maria Home	Shelby	306
2024	761	234	790262	Shelby Oaks Post Acute	Shelby	124
2024	762	236	790462	Collierville Nursing and Rehabilitation, LLC	Shelby	318
2024	763	237	790562	Rainbow Rehabilitation and Healthcare Center, LLC	Shelby	374
2024	764	244	790762	The Kings Daughters and Sons Home	Shelby	321
2024	765	250	790962	ST Claire Health and Rehab., LLC	Shelby	
2024	766	248	791462	Midsouth Health and Rehabilitation Center	Shelby	
2024	767	256	791562	Signature Healthcare of Memphis	Shelby	766
2024	768	235	791762	Harborview Post Acute	Shelby	308
2024	769	252	792162	Ashton Place Health and Rehab Center	Shelby	
2024	771	257	792662	Highlands Health and Rehabilitation Center	Shelby	384
2024	772	241	792862	Spring Gate Rehabilitation and Healthcare Center	Shelby	522
2024	773	230	793062	Allen Morgan Health and Rehabilitation Center	Shelby	240
2024	774	238	793162	Cordova Wellness and Rehabilitation Center	Shelby	1075
2024	775	245	793262	Quince Nursing and Rehabilitation Center	Shelby	367
2024	776	239	793362	Signature Healthcare of Primacy	Shelby	442
2024	788	255	793462	Midtown Center for Health and Rehabilitation, LLC	Shelby	308
2024	777	231	793662	Allenbrooke Nursing and Rehabilitation Center, LLC	Shelby	558
2024	1551	254	793762	Signature Healthcare At Saint Francis	Shelby	
2024	778	243	793962	Kirby Pines Manor	Shelby	112
2024	1550	247	794062	Signature Healthcare of Memphis	Shelby	
2024	779	240	794162	Majestic Gardens of Memphis Rehabilitation and Skilled Nursing	Shelby	110
2024	780	246	794262	Memphis Jewish Home	Shelby	1042
2024	781	316	794362	Millington Healthcare Center	Shelby	338
2024	782	326	794462	Graceland Rehabilitation and Nursing Center	Shelby	436
2024	783	349	794662	Parkway Health and Rehabilitation Center	Shelby	330
2024	1554	352	794862	Baptist Memorial Hospital Memphis Skilled Nursing	Shelby	
2024	784	375	794962	Applingwood Post Acute	Shelby	471
2024	785	384	795062	The Village at Germantown	Shelby	378
2024	1556	391	795162	Baptist Skilled Rehabilitation Unit - Germantown	Shelby	
2024	786	405	795262	Regional One Health Subacute Care	Shelby	272
2024	787	399	795362	Waters of Memphis A Rehab and Nursing Center LLC	Shelby	230
2024	1486	414	795462	The Suites of Jordan River	Shelby	311

Source: Joint Annual Report for Nursing Homes - Schedule FP1

Skilled Care, Level II & Level I Totals					
Licensed Beds	Discharges (including deaths)	Deaths	Discharge Resident Days (including deaths)	Average Length of Stay	Licensed Occupancy Rate
100	347	35	26151	75.36	86.44
77	96	11	3155	32.86	77.92
114	435	70	32530	74.78	74.66
115	371	37	17027	45.89	88.53
108	323	33	34002	105.27	86.98
140	783	27	43899	56.07	85.92
103	175	42	34338	196.22	89.63
180	303	22	53915	177.94	66.6
206	509	43	41966	82.45	65.52
104	256	41	28402	110.95	74.82
240	676	48	19404	28.7	70.46
188	365	42	62099	170.13	91.67
120	458	16	27883	60.88	72.72
180	455	29	17846	39.22	100
180	548	45	62240	113.58	87.34
120	122	22	24312	199.28	52.04
169	180	13	193	1.07	67.87
160	993	31	41131	41.42	79.13
85	286	24	5253	18.37	79.77
240	434	26	8404	19.36	77.96
120	257	16	39592	154.05	90.39
78	471	13	22026	46.76	90.72
55	370	8	17579	47.51	87.67
20	271	1	4328	15.97	58.33
90	424	18	28849	68.04	87.82
60	303	24	18828	62.14	85.97

The average daily rates of 11 comparable nursing homes are set forth below. These are comparable nursing homes as they are all certified by Medicare and Medicaid and have some private rooms.

Facility	Total Beds	Private Beds	Overall Star Rating	Average Daily Rates[1]
Applicant	92	8	N/A	Private Pay: $353.00 Medicaid/TennCare: $303.00 Medicare $585.00
Shelby Oaks Post Acute	77	13	*	Private Pay: $315.00 (I)/$409 (II) Medicaid/TennCare: $298.00 Medicare $551.00
Rainbow Rehabilitation and Healthcare Center, LLC	115	9	*	Private Pay: $350.00 Medicaid/TennCare: $301.46 Medicare $583.42
Spring Gate Rehabilitation and Healthcare Center	206	9	*	Private Pay: $350.00 Medicaid/TennCare: $314.30 Medicare $613.14
Midtown Center for Health and Rehabilitation, LLC	180	6	***	Private Pay: $320.00 Medicaid/TennCare: $ 274.80 Medicare $ 558.20
Millington Healthcare Center	85	21	**	Private Pay: $290.00 Medicaid/TennCare: $269.94 Medicare $574.00
Signature Healthcare of Primacy	120	4	****	Private Pay: $336.00 Medicaid/TennCare: $305.00 Medicare $305.00
Signature Healthcare of Memphis	140	40	*****	Private Pay: $345.00 Medicaid/TennCare: $300.00 Medicare $300.00
Quince (Iris Cove) Nursing and Rehabilitation Center	188	42	*	Private Pay: $283.51 Medicaid/TennCare: $260.84 Medicare $890.06
Majestic Gardens of Memphis Rehabilitation and Skilled Nursing	169	55	*	Private Pay: $306.00 Medicaid/TennCare: $207.85 Medicare $561.96
Cordova Wellness and Rehabilitation Center	240	4	***	Private Pay: $365.00 Medicaid/TennCare: $277.19 Medicare $565.44
Waters of Memphis - Rehab and Nursing Center LLC	90	40	**	Private Pay: $356.11 Medicaid/TennCare: $320.99 Medicare $544.00

[1] *Rates set forth in MasterFile Excel Spreadsheet*

AGREEMENT TO PURCHASE ASSETS

This Agreement to Purchase Assets (this "Agreement") is made and entered into effective as of the 4th day of August 2026 (the "Execution Date") by and between CLC OF WHITEHAVEN, LLC, a Tennessee limited liability company ("Seller"), and HICKORY BEND TN OPCO LLC, a Tennessee limited liability company, or its assigns ("Buyer").

W I T N E S S E T H:

WHEREAS:

A. Seller owns all of the rights to operate 92 licensed, skilled nursing beds in the State of Tennessee previously operated at 1076 Chambliss Road, Memphis, Tennessee 38116.

B. Buyer desires to purchase all of the rights to the Beds from Seller and Seller desires to transfer the rights to operate such Beds to Buyer, all upon such terms and conditions as hereinafter set forth.

NOW, THEREFORE, for and in consideration of the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. **Definitions**. As used in this Agreement, the following terms shall have the meanings assigned below:

"Agreement" shall mean this Agreement to Purchase Assets.

"Assets" shall mean the rights to relocate and then operate (subject to Government Authorizations and Health Care Requirements) the Beds to the site of Buyer's choice, in Buyer's sole and absolute discretion, in Shelby County, Tennessee, as more particularly described on **Exhibit A**. The Assets specifically exclude (i) the real estate, buildings and improvements located on the real property commonly described as 1076 Chambliss Road, Memphis, Tennessee 38116, (ii) any tangible assets currently or formerly located at such location, and (iii) any tangible or intangible assets currently or formerly associated with or utilized at the Facility, other than the Bed Rights.

"Beds" or "Bed Rights" shall mean the rights to operate the ninety-two (92) skilled nursing beds currently licensed to Seller pursuant to Facility License Number 00000258 issued by the THFC, but which have been placed into "Inactive Status" by the THFC, last utilized at 1076 Chambliss Road, Memphis, Tennessee 38116 (but specifically excludes any frames, mattresses or equipment commonly referred to as a "bed").

"Breach" shall mean any breach of, or any inaccuracy in, any representation or warranty or any breach of, or failure to perform or comply with, any covenant or obligation, in or of this Agreement or any other contract, or any event which with the passing of time or the giving of notice, or both, would constitute such a breach, inaccuracy or failure.

"Buyer" shall have the meaning ascribed to it in the introductory paragraph.

"Certificate of Need Application" shall have the meaning set forth in Section 5.3(b).

"Closing" shall mean the consummation of the transactions contemplated by this Agreement, as conducted in accordance with the provisions hereof.

"Closing Date" shall mean the date on which the Closing occurs pursuant to the provisions hereof.

"Closing Payment" shall mean the amount set forth in Section 2.4.

"CMS" shall mean the Centers for Medicare and Medicaid Services.

"Damages" shall mean any debt, obligation, loss, claim, Liability, Governmental Liability, deficiency, Proceeding, demand, assessment, Order, cost and other expense (including reasonable attorneys' and accounting fees) of any nature and of any kind whatsoever.

"Deposit" shall mean the amount set forth in Section 2.3.

"Due Diligence Documents" shall mean the documents listed on **Exhibit B** attached hereto and made a part hereof.

"Due Diligence Documents Delivery Date" shall mean ten (10) days after the Execution Date.

"Due Diligence Inspection Period" shall mean the inspection period described in Section 2.6.

"Encumbrance" means any charge, claim, lien, Liability, option, pledge, security interest, mortgage, right of way, easement, encroachment, servitude, right of first option, right of first refusal or similar restriction, including any restriction on use, transfer, receipt of income, or exercise of any other attribute of ownership.

"Escrow Agent" shall mean Gold Street Abstract.

"Execution Date" shall mean the date as of which this Agreement was executed as indicated above.

"Facility" shall mean the facility at which the Beds were previously operated, commonly known as Whitehaven Community Living Center and located at 1076 Chambliss Road, Memphis, Tennessee 38116.

"Facility License" shall mean Nursing Home License Number 00000258 issued to and currently held by CLC of Whitehaven, LLC, as the licensee.

"Governing Documents" shall mean, with respect to any particular entity: (a) if a corporation, the articles or certificate of incorporation and the bylaws; (b) if a general partnership, the partnership agreement and any statement of partnership; (c) if a limited partnership, the limited

partnership agreement and the certificate of limited partnership; (d) if a limited liability company, the articles of organization or certificate of formation and operating agreement; (e) if another type of Person, any other charter or similar document adopted or filed in connection with the creation, formation or organization of the Person; (f) all equity holders' agreements, voting agreements, voting trust agreements, joint venture agreements, registration rights agreements or other agreements or documents relating to the organization, management or operation of any Person or relating to the rights, duties and obligations of the equity holders of any Person; and (g) any amendment or supplement to any of the foregoing.

"Government Authorizations" shall mean all licenses, permits, certificate of need, certifications, consents, approvals, waivers and other authorizations from all federal, state, municipal and other governmental agencies, Governmental Bodies, Health Care Authorities, or any other authorities as are necessary to lawfully own and operate the Assets as contemplated herein.

"Governmental Body" shall mean any: (a) federal, state, county or municipal government, or city, town, borough, village, district or other jurisdiction; (b) governmental or quasi-Governmental Body of any nature (including any agency, branch, department, board, commission, court, tribunal or other entity exercising governmental or quasi-governmental powers); and (c) any body exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power.

"Governmental Liabilities" shall mean all Liabilities due to any state or federal governmental agencies related to the operation of, or services provided at, the Facility prior to the Closing including, without limitation, Medicare and Medicaid cost report liabilities, billing Liabilities, federal and state Taxes and Nursing Home Provider Assessments.

"Health Care Authorities" shall mean any Governmental Body or quasi-Governmental Body or any agency, intermediary, board, authority or entity concerned with the ownership, operation, use or relocation of the Beds, including but not limited to CMS and the THFC.

"Health Care Licenses" or "Licenses" shall mean all certificates of need, certifications, governmental licenses, permits, regulatory agreements or other agreements and approvals, including certificates of operation, completion and occupancy, and state nursing facility licenses or other licenses required by Health Care Authorities for the legal use, operation of the Beds.

"Health Care Requirements" shall mean, with respect to the Beds, all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions or agreements, in each case, pertaining to or concerned with the ownership of the rights to operate the Beds and to relocate the Beds, and all material permits, licenses and Governmental Authorizations and regulations relating thereto, including all material rules, orders, regulations and decrees of and agreements with Health Care Authorities as pertaining to such Beds.

"Inactive Status" shall mean the licensure status granted to a licensed health care facility pursuant to Tenn. Code Ann. §68-11-206(b), when the licensee has temporarily suspended operations and intends to continue operations after a period of suspension.

"IRS" shall mean the Internal Revenue Service.

"Legal Requirement" shall mean any federal, state, local, municipal or other Order, constitution, law, ordinance, principle of common law, code, regulation, or statute.

"Liability" shall mean, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, disclosed or undisclosed, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person. "Liability" shall include, without limitation, all accounts payable, debts, obligations, and responsibility for all claims due and unpaid as of the Closing and for all claims incurred or otherwise arising from events occurring before the Closing, whether or not paid or presented before Closing, with respect to any such debts or Liabilities.

"Nursing Home Provider Assessment(s)" shall mean the monthly installments of provider assessments/taxes associated with the licensure of the Beds assessed by the State of Tennessee pursuant to Tenn. Code Ann. §71-5-1001 et seq. The parties acknowledge that the Bed Tax is assessed on an annual basis, for the fiscal period of July 1 through June 30, to be paid in monthly installments.

"Order" shall mean any order, injunction, judgment, decree, ruling, assessment or arbitration award of any Governmental Body or arbitrator.

"Person" shall mean an individual, partnership, corporation, business trust, limited liability company, limited partnership, joint stock company, trust, unincorporated association, joint venture or other entity or a Governmental Body.

"Proceeding" shall mean any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

"Purchase Price" shall mean the total consideration to be paid pursuant to the provisions of Section 2.2.

"Retained Liabilities" shall mean (i) all Liabilities relating to the Assets arising prior to Closing and (ii) all other Liabilities of Seller, including but not limited to Governmental Liabilities, whether relating to the Assets or otherwise.

"Seller" shall have the meaning ascribed to it in the introductory paragraph.

"Tax" or "Taxes" shall mean any income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental, windfall profit, customs, vehicle, airplane, boat, vessel or other title or registration, capital stock, franchise, employees' income withholding, foreign or domestic withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, value added, alternative, add-on minimum

and other tax, fee, assessment, levy, tariff, charge or duty of any kind whatsoever and any interest, penalty, addition or additional amount thereon imposed, assessed or collected by or under the authority of any Governmental Body or payable under any tax-sharing agreement.

"THFC" shall mean the Tennessee Health Facilities Commission.

"Third Party" shall mean a Person that is not a party to this Agreement.

2. **Purchase and Sale Agreement**.

2.1 ***Agreement to Sell and Purchase***. Subject to the terms of this Agreement, at the Closing on the Closing Date, Seller shall sell, assign, transfer, and convey to Buyer (or as may be otherwise contemplated, by the Buyer's designee), and Buyer shall acquire from Seller, all interest in and to the Assets, free and clear of all Encumbrances of any nature.

2.2 ***Purchase Price***. The Purchase Price for the Assets is Five Hundred Thousand Dollars ($500,000.00).

2.3 ***Deposit***. Within two (2) business days following the Execution Date, Buyer will deposit into escrow with the Escrow Agent a deposit of Twenty-Five Thousand Dollars ($25,000.00) (the "Deposit"). The Deposit shall be held in an interest-bearing account in accordance with the terms and conditions of this Agreement (and all such interest shall be deemed included in the definition of Deposit). All interest will accrue to and be reported to the IRS for the account of Buyer. The Deposit shall only be refundable to the Buyer (i) in the event that Buyer elects to terminate this Agreement or the transaction contemplated herein on or before the expiration of the Due Diligence Inspection Period, (ii) in the event that Buyer elects to terminate this Agreement or the transaction contemplated herein on or before the Closing Date in accordance with Section 6.2, or (iii) as otherwise specifically provided in this Agreement.

2.4 ***Closing Payment***. At the Closing, Buyer shall deliver to Seller immediately available funds in an amount (the "Closing Payment") sufficient to pay the Purchase Price and all other obligations of Buyer arising under this Agreement, after taking into account the Deposit.

2.5 ***Limited Purchase Transaction***. Buyer shall not be liable or responsible for any debt, obligation, responsibility or Liability of Seller relating to the Assets. Buyer does not assume and Seller shall remain liable for all Retained Liabilities. Seller shall retain and shall pay when due all Retained Liabilities so as to cause no claims to be made against the Buyer after Closing.

2.6 ***Due Diligence Inspection***. Seller shall provide Buyer with the Due Diligence Documents to the extent such records exist and are available to Seller, no later than the Due Diligence Documents Delivery Date.

Buyer will have forty-five (45) days from the Execution Date (the "Due Diligence Inspection Period") to conduct a Due Diligence Inspection of the Assets. In the event the Seller fails to deliver additional documents requested within the time period set forth below, the Due Diligence Inspection Period shall be extended by a like number of days provided notice defining

the number of days delayed is given by Buyer to Seller within three (3) business days of Seller's failure to provide such documents.

Seller shall, within five (5) business days after request, provide copies of any and all additional written information reasonably requested by Buyer or its representatives to the extent such information exists and is available to Seller.

Seller shall, at all times prior to Closing, provide Buyer with any additional information or documents pertaining to the Assets which are (i) received or discovered by Seller or any person, firm or corporation, claiming by, through or under Seller or (ii) filed by or on behalf of Seller or the Assets prior to Closing, and if the same adversely affects the ability of Buyer to consummate this transaction, then Buyer may terminate this transaction as hereinafter set forth.

If Buyer, in its sole discretion, determines that it does not choose to proceed with this transaction, then Buyer shall, no later than the end of the Due Diligence Inspection Period as may be extended as set forth in this Agreement, provide written notice to Seller and terminate this Agreement, without further obligation, and Buyer shall be entitled to a full refund of its Deposit. Buyer and its representatives shall have the right to talk to necessary Governmental Bodies and Health Care Authorities with respect to this transaction, and Seller shall cooperate with and provide reasonable assistance to Buyer in any such discussions.

3. **Representations And Warranties of Seller**. Seller does hereby make the following representations and warranties to Buyer, all of which shall be true and correct as to the Assets on the Execution Date and at the Closing Date, and which shall survive the Closing as provided in Section 8.1.

3.1 ***Organization, Standing, Qualification***. Seller is a for-profit limited liability company duly organized, validly existing and in good standing under the laws of the State of Tennessee. Seller has all the requisite power and authority necessary to own the Assets. Seller has, and at all times has had, full power and authority as a limited liability company and all Governmental Authorizations to own and lease its properties as such properties are now owned and leased and neither the nature of its activities nor the location of the Assets require the Seller to be qualified as a foreign limited liability company with any state.

3.2 ***Enforceability; Authorization***.

(a) This Agreement constitutes a valid and legally binding obligation of Seller, enforceable in accordance with its terms, subject to bankruptcy, insolvency and other statutes affecting creditors' rights generally. With the exception of the right or power to allow Buyer all of the rights to the Beds and the right or power to transfer the rights to the Beds to the site of Buyer's choice, in Buyer's sole and absolute discretion, in Shelby County, Tennessee, Seller has the full right and power to transfer the Assets to Buyer without obtaining the consent of any other Person or Governmental Body. Seller has taken, or will take all action required to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, including cooperating with Buyer in its efforts relating to the transfer of the rights to operate the Beds and relocate the Beds.

(b) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and the fulfillment of and compliance with the terms and provisions hereof, do not, and will not: (1) violate any provision of, or result in the breach of or accelerate or permit the acceleration of the performance required by the terms of, any applicable law, rule or regulation of any Governmental Body having jurisdiction; (2) conflict with or violate any of the provisions of the Articles of Incorporation, Bylaws or resolution of the Directors of the Seller; (3) conflict with, result in a breach of, or constitute a default under any agreement or instrument to which the Seller is a party or bound, or of any Order, judgment or decree applicable to it, or by which the Assets are bound or any Order, judgment or decree applicable to Seller; (4) result in the creation of any Encumbrance upon any of the Assets; or (5) terminate or result in the termination of any agreement or in any way affect or violate the terms or conditions of, or result in the cancellation, modification, revocation, or suspension of, any of the Governmental Authorizations held by the Seller or Assets. There is no Person: (a) from whom Seller must obtain consent in order for it to perform validly and lawfully its obligations under this Agreement; and (b) to whom notice must be given in order for Seller to perform validly and lawfully its obligations hereunder.

3.3 ***Conduct of Business/Facility Status***. The parties acknowledge that: (i) the Facility is not currently in operation because it voluntarily ceased operations; (ii) Seller has elected to voluntarily terminate its Medicare and Medicaid participation agreements as a skilled nursing facility/nursing facility; (iii) Seller will not, at any time prior to the earlier to occur of the date this Agreement is terminated or the Closing, endeavor to return the Facility to operation; and (iv) the Facility License and Beds have been placed in, and continue to be in, Inactive Status. Otherwise, Seller represents and warrants that within the last year there has been no material and adverse change in the condition, financial or otherwise, of the Assets.

3.4 ***Undisclosed Liabilities***. Seller has not incurred or suffered any debt or Liability of a material nature, whether accrued, absolute, contingent or otherwise, and whether due or to become due.

3.5 ***Taxes and Audits***. All Taxes that Seller is or was required by Legal Requirements to withhold, deduct, or collect have been duly withheld, deducted and collected and, to the extent required, have been paid to the proper Governmental Body or other Person. Seller has paid all Taxes which have become due pursuant to any assessment or otherwise, and there is no further Liability, whether or not disclosed on such returns or assessments, for any Taxes, interest or penalties. There are no present disputes, or to the best of Seller's knowledge following due inquiry, claims or threatened claims regarding Taxes of any nature payable by the Seller and/or the Assets.

3.6 ***Title to Assets***. Seller has not granted any Person any rights or options to acquire any of the Assets or any interest therein.

3.7 ***Administrative Compliance***.

(a) The Assets are in full compliance with, and no notice of default has been issued with respect to any Order or Legal Requirement applicable to Seller or the Assets; and

(b) All material reports, schedules and returns due to any Governmental Body heretofore required to be filed have been timely filed.

3.8 ***Health Care Representations***.

(a) Subject to Section 3.3, all Health Care Licenses have been obtained by the party required to hold such Health Care Licenses and the Facility License continues in full force and effect, and Seller is (and has been at all times during the past five (5) years) in compliance with all Health Care Requirements and applicable laws; provided, however, that the parties acknowledge Seller may not be in compliance with certain Health Care Requirements as a result of the voluntary termination of its Medicare and Medicaid participation agreements.

(b) The Seller has not applied to reduce the number of Beds nor to amend or otherwise change the number of Beds associated with the Facility License and approved by the THFC or other applicable Health Care Authorities or Governmental Body, and there are no Proceedings or actions pending or contemplated to reduce the number of Beds associated with the Facility License.

(c) Each Health Care License with respect to the Beds: (i) has not been and will not be (A) transferred to any location or (B) pledged as collateral security; (ii) is and will continue to be held free from restrictions or known conflicts that would impair the use of the Assets as intended; and (iii) is not provisional, probationary, or restricted in any way.

(d) Subject to Section 3.3, there are no actions, suits, or Proceedings at law or in equity by any Governmental Body or any Health Care Authority or other agency now pending or threatened against or affecting the Assets, which actions, suits or Proceedings, individually or collectively, if determined against Seller might materially adversely affect the condition (financial or otherwise) or business of Seller or adversely affect the condition or ownership of the Assets. To the Seller's knowledge, there are no actions, suits, or Proceedings at law or in equity by any person or entity, excluding any Governmental Body or any Health Care Authority or other agency now pending or threatened against or affecting the Assets, which actions, suits or Proceedings, individually or collectively, if determined against Seller might adversely affect the condition or ownership of the Assets.

(e) Seller does not have any Liabilities that are known to Seller and reasonably likely to have an adverse effect on the Assets.

3.9 ***Compliance with Legal Requirements***. Subject to Section 3.3, the Seller and the Assets comply in all material respects with all Legal Requirements applicable to the Assets.

3.10 ***Litigation***. There are no Proceedings or other claims or suits pending or, to the knowledge of Seller following due inquiry, threatened, against or affecting Seller or the Assets. Except as set forth on Schedule 3.10, Seller is not subject to, nor in default under, any Order applicable to it or the Assets.

3.11 ***No Default***. Neither the Seller nor any of the Assets, is in default under any material agreement or contract of any kind relating to the Assets and no circumstances exist that with the passage of time or the giving of notice will constitute a default in any such contract.

3.12 ***Broker's Fee***. Seller has not engaged anyone as Seller's broker with respect to the transaction contemplated by this Agreement other than Andrew Montgomery of Montgomery Intermediary Group. Seller shall indemnify and hold harmless the Buyer from claims from all brokers not engaged by Buyer.

3.13 ***Permits***. Schedule 3.13 lists all of the Governmental Authorizations from all applicable Governmental Bodies held by Seller, or any of its affiliates in connection with the ownership of the Assets, copies of all of which have been delivered to Buyer. Subject to Section 3.3, Seller has not received any written notice from any Governmental Body or other Person of any violation, non-renewal, suspension or revocation of any Governmental Authorizations or Health Care Requirements with respect to the Assets that has not been dismissed or cured.

3.14 ***Disclosure***. No representation, warranty or covenant in this Agreement nor any exhibit, schedule, assurance, statement, list, document or certificate furnished or to be furnished to Buyer pursuant hereto, or in connection with the transactions contemplated hereby, contain any untrue statement of a material fact, or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading.

4. **Buyer's Representations and Warranties**. Buyer makes the following representations and warranties to Seller, all of which shall be true and correct as of the Execution Date and at the Closing Date and which shall survive the Closing.

4.1 ***Organization of Buyer***. Buyer is duly organized, validly existing and in good standing under the laws of the State of Tennessee. This Agreement constitutes a valid and legally binding obligation of Buyer enforceable in accordance with its terms, subject to bankruptcy, insolvency and other statutes affecting creditors' rights generally.

4.2 ***Authority***. Buyer has the full right and power to acquire the Assets from Seller without obtaining the consent of any other Person or Governmental Body except that Buyer must secure the appropriate Governmental Authorizations to obtain all of the rights to the Beds and to obtain the rights to relocate the Beds to the site of Buyer's choice, in Buyer's sole and absolute discretion, in Shelby County, Tennessee. Buyer has taken, or will take, all action required to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and the fulfillment of and compliance with the terms and provisions hereof, do not, and will not: (a) violate any provision of, or result in the breach of or accelerate or permit the acceleration of the performance required by the terms of, any applicable law, rule or regulation of any Governmental Body having jurisdiction; or (b) conflict with or violate any of the provisions of the Governing Documents of the Buyer. Except as may be required in connection with the transfer related to Governmental Authorizations, there is no Third Party: (a) from whom Buyer must obtain consent in order for it to validly and lawfully perform its obligations hereunder or pursuant to this Agreement; and (b) to whom notice must be

given or from whom approval must be obtained in order for Buyer to validly and lawfully perform its obligations hereunder.

4.3 ***Conflict or Default***. Neither the execution nor the delivery of this Agreement nor the consummation of the transactions herein contemplated will conflict with, result in a breach by, constitute a default under or accelerate the performance provided by the terms of any Legal Requirement or Order to Buyer.

4.4 ***Broker's Fee***. Buyer has not engaged any broker with respect to the transactions contemplated by this Agreement.

5. **Covenants of the Parties**.

5.1 ***Cooperation***.

(a) Between the Execution Date and the Closing Date, Seller shall reasonably cooperate with Buyer in connection with its review of the Assets and pursuit of Government Authorizations and Health Care Requirements.

(b) Seller shall have full responsibility and authority with respect to the defense, contest and payment of any claims against the Seller and/or Assets for unpaid Federal, state and/or local Taxes payable for all periods prior to the Closing Date. Such defense and contest shall be made by Seller at its own expense. To the extent such a contest is made, Buyer agrees to cooperate with Seller as reasonably requested, at no expense to Buyer. The provisions of this Section 5.1(b) shall survive the Closing.

5.2 ***Negative Covenants of Seller***. Between the Execution Date and the earlier to occur of the date this Agreement is terminated or the Closing, without the prior written consent of Buyer, Seller shall not:

(a) Create or incur any Liability affecting the Assets (absolute or contingent);

(b) Mortgage, pledge or subject to any lien or otherwise encumber any of the Assets to any Encumbrance;

(c) Suffer any loss or other event or condition of any character, which Seller reasonably believes to be of substantial value, which is materially adverse to the Assets or waive any rights which Seller reasonably believes to be of substantial value;

(d) Enter into any negotiation, contract, or agreement with respect to the Assets; or

(e) Undertake any course of action inconsistent with its obligations under this Agreement.

(f) Endeavor to return the Facility to operation but shall maintain the Facility License in Inactive Status.

5.3 ***Affirmative Covenants of Seller.*** Between the Execution Date and the earlier to occur of the date this Agreement is terminated or the Closing Date, Seller shall:

(a) Take all necessary action to preserve and to continue to maintain the integrity of the Assets, including, without limitation, maintaining the existing Facility License in Inactive Status;

(b) Cooperate with Buyer in its filing of a certificate of need application (the "CON Application") with the THFC in the name of Buyer by (i) promptly responding to reasonable requests for information in Seller's possession that is necessary for Buyer's preparation and prosecution of the CON Application with the THFC, and (ii) executing such documents and agreements prepared by Buyer as are reasonably necessary for the filing or prosecution of the CON Application. Buyer agrees that Seller shall not be required to create any new documents or analyses at Seller's expense. Buyer agrees that the CON Application shall be filed and prosecuted solely by Buyer, in Buyer's name, and at Buyer's sole cost and expense. Seller agrees that upon Buyer's reasonable written request, Seller (or its representative) will attend the hearing related to the CON Application at Seller's sole cost and expense.

(c) During the Due Diligence Inspection Period, use commercially reasonable efforts to work with Buyer to obtain assurances from THFC that there is no reason the assets cannot be acquired by Buyer if the CON Application is approved.

(d) Promptly notify Buyer of (i) any Order of which it is aware, receipt of any notice of violation or noncompliance with any Legal Requirement or Order, any threatened or pending Proceeding of which it is aware by any Governmental Body, or any claims made by any Third Party of which it is aware relating to the Assets and promptly furnish Buyer with copies of any non-privileged correspondence, notices or legal pleadings in connection therewith, and (ii) any other fact, condition, change or event that, individually or in the aggregate, has had or could reasonably be expected to have a material adverse impact on the Assets or the ability of the parties to close the transactions contemplated herein;

(e) Pay all Taxes and other Liabilities relating to the Assets as they become due;

(f) Preserve intact the Assets and file all forms and reports, at its cost and expense, necessary to maintain in effect, and not rendered or permitted to be rendered ineffective, any Government Authorizations;

(g) Reasonably cooperate with Buyer in obtaining all Government Authorizations in Buyer's name;

(h) Not take any action which is reasonably likely to adversely affect Buyer's ability to acquire the Assets and perform its obligations under this Agreement;

(i) Use its good faith efforts to promptly perform its obligations and covenants under this Agreement and to enable the conditions precedent to the Closing to be satisfied;

(j) Execute and deliver all documents and perform all other acts which are reasonably necessary or appropriate to consummate the transaction contemplated by this Agreement; and

(k) Permit Buyer and its representatives to speak to all necessary Governmental Bodies and Health Care Authorities regarding the transaction contemplated by this Agreement, but solely on Buyer's behalf.

5.4 ***Covenants of Buyer***. Between the Execution Date and the earlier to occur of the date this Agreement is terminated or the Closing Date, Buyer shall:

(a) Use commercially reasonable efforts to promptly obtain all Government Authorizations in its name; and

(b) Use commercially reasonable efforts to promptly obtain all Government Authorizations in its name; including but not limited to the preparation and prosecution of the Certificate of Need Application with the THFC solely by Buyer, in Buyer's name, and at Buyer's sole cost and expense.

(c) Use commercially reasonable efforts to promptly perform the agreements, undertakings, obligations and covenants herein provided to be performed by it, and to enable the conditions to Closing to be satisfied.

6. **Conditions Precedent to the Parties' Obligations**.

6.1 ***Conditions to Buyer's Obligations***. The duties and obligations of Buyer pursuant to the terms and provisions of this Agreement are and shall be expressly conditioned upon the following, which may be waived, in whole or in part, by Buyer:

(a) Buyer shall have obtained from the Health Care Authorities appropriate documentation authorizing Seller to grant to Buyer all of the rights to the Beds.

(b) Buyer shall have obtained from the Health Care Authorities appropriate documentation authorizing Buyer (or Buyer's affiliate) to relocate the Beds to the site of Buyer's choice, in Buyer's sole and absolute discretion, in Shelby County, Tennessee.

(c) The Health Care Authorities shall have issued a valid, unconditioned, and operable Certificate of Need (the "CON") for the relocation of the Bed Rights to the site of Buyer's choice, in Buyer's sole and absolute discretion, in Shelby County, Tennessee.

(d) All Governmental Authorizations and determinations from and by Third Parties necessary legally to consummate the transactions contemplated herein, and for Buyer to meet all Health Care Requirements, shall have been obtained by the Buyer.

(e) All appeal periods or rights to challenge or enjoin the award of the CON to Buyer shall have expired, and no appeal or other challenge shall have been filed or asserted, whether with THFC, in court, or otherwise.

(f) If required by THFC, THFC shall have fully approved the change of ownership for the Beds from Seller to Buyer.

(g) Buyer shall have closed on the purchase of real property to which the Beds will be relocated and shall have obtained all Governmental Authorizations, entitlements and determinations from and by Third Parties (including, without limitation, in connection with zoning, licenses and permits) necessary to develop a new facility to which to locate the Beds.

(h) Seller shall have timely performed, in all material respects, all covenants and obligations and timely complied, in all material respects, with all conditions required by this Agreement.

(i) All of Seller's representations and warranties contained herein shall be true, complete and correct when made, and as of, the Closing Date as if made at that time.

(j) At the Closing, Seller shall deliver or cause to be delivered each of the items required of it as specified in this Agreement.

(k) There shall be no Encumbrances against the Assets.

(l) All penalties, fees, fines, including any interest thereon, and all Nursing Home Provider Assessments shall be paid by the Seller at the Closing.

6.2 ***Buyer's Rights on Failure of Conditions***. If at any time Buyer determines that the foregoing conditions cannot be satisfied with the exercise of commercially reasonable efforts, Buyer shall, at its sole option, be entitled to terminate this Agreement and upon Buyer's notice to the Seller of Buyer's intent to terminate this Agreement, Buyer shall receive a full refund of its Deposit or, if the condition not satisfied is as set forth in Sections 6.1(a) - (e), to extend the Closing Date for a reasonable time in order to allow time for Seller to satisfy such condition. Notwithstanding the foregoing, if the conditions as set forth in Sections 6.1(a) - (e) have not been satisfied after the Buyer in good faith has extended the Closing Date for a reasonable time or, in

the event that any of the conditions set forth in Sections 6.1(f) – (k) are not satisfied, Buyer shall, in addition to the full refund of its Deposit, also be entitled to all other available legal remedies.

6.3 ***Conditions to Seller's Obligations***. The duties and obligations of Seller under the terms and provisions of this Agreement are and shall be expressly conditioned upon receipt of the Purchase Price in good funds as defined in Section 2.2 and the following, which may be waived, in whole or in part, by Seller:

(a) Buyer shall have timely performed all covenants and obligations and timely complied with all conditions required of Buyer by this Agreement.

(b) All of Buyer's representations and warranties contained herein shall be true, complete and correct as of the Closing Date, as if made at that time.

(c) All Government Authorizations necessary to legally consummate the transactions contemplated herein shall have been obtained. The parties shall use commercially reasonable efforts to submit all applications required in a timely fashion.

7. **Closing; Closing Deliveries**.

7.1 ***Closing***. The Closing shall occur no earlier than thirty (30) days following the date on which all conditions to Closing set forth herein have been satisfied or waived.

7.2 ***Seller's Closing Documents***. At the Closing, Seller shall deliver, or cause to be delivered, to Buyer the following documents:

(a) Copies of documentation from the Health Care Authorities addressed to Seller, authorizing the relocation, as specified in the CON Application, of the Bed Rights to the site of Buyer's choice, in Buyer's sole and absolute discretion, in Shelby County, Tennessee; and

(b) Such other documents and instruments as Buyer may reasonably request to accomplish the transactions contemplated by this Agreement or to evidence compliance with the covenants and agreements of Seller contained in this Agreement.

(c) A Bill of Sale from the Seller as to the Assets with representations as to title but without representation or warranty as to merchantability or fitness for purpose, conveying good and marketable title to the Assets, free and clear of all Encumbrances of every nature and description in the form attached hereto as **Exhibit C** (the "Bill of Sale"), executed by Seller.

7.3 ***Buyer's Closing Documents and Deliveries***. At the Closing, Buyer shall deliver, or cause to be delivered to Seller the following documents:

(a) The Closing Payment.

(b) Counterpart to the Bill of Sale, executed by Buyer.

(c) Such documents and instruments as Seller may reasonably request to accomplish the transactions contemplated by this Agreement or to evidence compliance with the covenants and agreements of Buyer contained in this Agreement, including resolutions and officers certificates of the Buyer as to its corporate authority to complete the transaction and such other matters reasonably requested by Seller.

7.4 ***Closing Costs***. Seller shall pay the costs and fees of the Seller's counsel (including costs for attendance of Seller's counsel at all certificate of need hearings and meetings), one-half of the Escrow fees, if any, all transfer taxes, sales taxes, excise taxes and such other transactional costs incurred in the transfer of the Assets. Buyer shall be responsible for the payment of the filing fees for Buyer's CON Application, the costs and fees of its counsel and other advisors, as well as its due diligence review.

7.5 ***Outside Closing Date***.

(a) *Milestone Obligations*. Buyer shall (i) provide Seller a written timeline as to the anticipated filings of notice and CON no later than forty-five (45) days following the expiration of the Due Diligence Inspection Period, and (ii) submit a completed CON Application to the THFC no later than ninety (90) days following the expiration of the Due Diligence Inspection Period (hereinafter the "CON Filing Deadline"). Buyer shall thereafter diligently prosecute the CON Application.

(b) *Outside Date*. If the conditions precedent to Closing set forth in Section 6.1 have not been fully satisfied or waived on or before the date that is eighteen (18) months following the Execution Date (the "Outside Date"), either party may elect to terminate this Agreement upon written notice to the other party, subject to the provisions of Sections 7.5(c) and 7.5(d) below governing Deposit treatment.

(c) *Extension Option*. If, as of the Outside Date, a CON Application filed by Buyer remains pending before the THFC or any applicable tribunal and has not been finally denied (it being understood that Buyer shall not be obligated to pursue an appeal), the Outside Date shall automatically be extended for one (1) additional period of ninety (90) days (the "Extended Outside Date"). As a condition to such extension, Buyer must deliver written certification to Seller no later than ten (10) days prior to the Outside Date confirming that: (i) the CON Application remains pending; (ii) Buyer has satisfied all Milestone Obligations set forth in Section 7.5(a); and (iii) Buyer remains willing and able to consummate the transaction. No extension beyond the Extended Outside Date shall be permitted without the prior written consent of Seller, which may be granted or withheld in Seller's sole discretion.

(d) *Deposit Treatment Upon Termination Because of Buyer Fault*. If this Agreement is terminated by either party pursuant to Section 7.5(b) or the Extended Outside Date, and Buyer has failed to satisfy any Milestone Obligation set forth in Section 7.5(a), or Buyer has

otherwise failed to diligently prosecute the CON Application or pursue the conditions precedent with the commercially reasonable efforts required under this Agreement, then the Deposit, together with all accrued interest, shall be immediately released to Seller as liquidated damages and not as a penalty, the parties acknowledging that Seller's actual damages in such circumstances would be difficult to ascertain and that the Deposit represents a reasonable estimate thereof. Upon such payment, neither party shall have any further obligation to the other except as otherwise expressly provided in this Agreement.

(e) *Regulatory Delay*. If this Agreement is terminated by either party pursuant to Section 7.5(b) or the Extended Outside Date, and Buyer has satisfied all Milestone Obligations and has diligently prosecuted the CON Application and all other conditions precedent with commercially reasonable efforts, and the failure to satisfy the conditions precedent is solely attributable to action or inaction by THFC or another Governmental Body or Health Care Authority and not to any act or omission of Buyer, then the Deposit, together with all accrued interest, shall be refunded to Buyer within five (5) business days of the termination notice, and neither party shall have any further obligation to the other except as otherwise expressly provided in this Agreement.

(f) *Burden of Proof*. In any dispute regarding the application of Sections 7.5(d) or 7.5(e), Buyer shall bear the burden of demonstrating that it has satisfied all Milestone Obligations and has diligently prosecuted the CON Application and all conditions precedent with commercially reasonable efforts.

(g) *Seller Default*. Nothing in this Section 7.5 shall limit Buyer's rights under Section 6.2 of this Agreement in the event that the failure to satisfy conditions precedent is attributable to a breach or default by Seller.

8. **Indemnification; Remedies**.

8.1 ***Survival; Right to Indemnification***. All representations, warranties and covenants in this Agreement and a party's right to indemnification or to recover Damages resulting from a Breach of a representation, warranty or covenant shall survive Closing. For the purposes of this Article 8, any inaccuracy in or Breach of a representation, warranty, or covenant shall be determined without regard for materiality or other similar qualification contained in or otherwise applicable to such representation, warranty, or covenant. The provisions of this Section shall survive the Closing.

8.2 ***Indemnification by Seller***. Seller shall indemnify and defend Buyer, its affiliates, and their respective representatives (collectively, the "Buyer Indemnified Parties") against, and hold all of them harmless from, all Damages arising, directly or indirectly, from or in connection with: (a) any Breach of any representation or warranty made by Seller in this Agreement; (b) any Breach by Seller of any covenant, agreement or obligation of Seller in this Agreement; (c) the Retained Liabilities; or (d) any Liability arising out of, resulting from, or related to, any act or omission occurring before the Closing or conditions or events arising out of or related

to Seller's ownership of the Assets before the Closing, including penalties incurred as a result of the Seller's operation of the Facility.

8.3 ***Indemnification by Buyer***. Buyer shall indemnify and defend Seller and its affiliates and their respective representatives against, and hold all of them harmless from, all Damages arising directly or indirectly from or in connection with: (a) any Breach of any representation or warranty made by Buyer in this Agreement; (b) any Breach by Buyer of any covenant, agreement or obligation of Buyer in this Agreement; or (c) any Liability arising out of, resulting from, or related to Buyer's ownership of the Assets after the Closing.

8.4 ***Indemnity Claims***.

(a) If any claim ("Claim") is asserted by a party as to which such party may be entitled to indemnification hereunder, such party (an "Indemnified Party") shall notify ("Claims Notice") the party (an "Indemnifying Party") required by the terms of this Agreement to indemnify the Indemnified Party within ten (10) business days; provided, however, the failure or delay by an Indemnified Party to give prompt notice of any Claim (if given prior to the expiration of any applicable survival periods) shall not release, waive or otherwise affect an Indemnifying Party's obligations with respect to the Claim, except to the extent that the Indemnifying Party can demonstrate actual material loss or prejudice as a result of such failure or delay.

(b) The Claims Notice shall describe the Claim and the specific facts and circumstances in reasonable detail and shall indicate the amount, if known, or an estimate, if possible, of Damages that have been or may be incurred or suffered.

(c) The Indemnifying Party shall defend or compromise any claim by a third party ("Third Party Claim"), at its own expense and by its own counsel, who shall be reasonably acceptable to the Indemnified Party. The Indemnified Party may participate, at its own expense, in the defense of any Claim assumed by the Indemnifying Party. Without the approval of the Indemnified Party, which approval shall not be unreasonably withheld or delayed, the Indemnifying Party shall not compromise a Claim defended by the Indemnifying Party which would require the Indemnified Party to perform or take any action or to refrain from performing or taking any action or to pay any additional Persons in the future.

(d) Notwithstanding anything in this Section 8.4 to the contrary, if an Indemnified Party determines in good faith that there is a reasonable probability that a Proceeding may affect it or its affiliates adversely other than as a result of monetary Damages for which it would be entitled to indemnification under this Agreement, the Indemnified Party may, by notice to the Indemnifying Party, assume the exclusive right to defend, compromise, or settle such Proceeding at the cost of the Indemnifying Party, but the Indemnifying Party will not be bound by any determination of a Proceeding so defended or any compromise or settlement effected without its consent (which may not be unreasonably withheld or delayed).

(e) If, within ten (10) business days of the Indemnifying Party's receipt of a Claim Notice involving a Third Party Claim, the Indemnifying Party has not notified the Indemnified Party that the Indemnifying Party will assume the defense, the Indemnified Party may assume control of the defense or compromise of such Claim, and the costs and expenses of such defense, including costs of investigation and reasonable attorneys' fees, shall be added to the Claim. The Indemnified Party shall have the right to compromise such claim without the consent of the Indemnifying Party.

(f) The party assuming the defense of any Claim shall keep the other party reasonably informed at all times of the progress and development of the party's defense of and compromise efforts related to such Claim and shall furnish the other party with copies of all relevant pleadings, correspondence and other papers. In addition, the parties shall cooperate with each other and make available to each other and their representatives all available relevant records or other materials required by them for their use in defending, compromising or contesting any claim.

9. **Miscellaneous**

9.1 ***Assignability***. This Agreement and the rights, duties and obligations hereunder may be assigned by Buyer. Seller, however, may not assign any of its rights or obligations without obtaining Buyer's prior consent. Subject to the foregoing, any assignment of this Agreement shall be binding upon and inure to the benefit of the successor or assignee of the parties.

9.2 ***Governing Law***. This Agreement and all matters arising out of or resulting from this Agreement shall be governed by and construed in accordance with the internal laws of the State of Tennessee. In the event of litigation, venue shall lie exclusively in Shelby County, Tennessee for state courts and the Western District of Tennessee for federal courts.

9.3 ***Notice***. All notices, requests, consents, approvals, waivers, demands and other communications required or permitted to be given or made under this Agreement shall be in writing and shall be deemed delivered to the parties (a) on the date of transmission by electronic mail, with confirmation from the recipient of the successful delivery of such transmission, (b) on the first business day following the date of delivery to a nationally recognized overnight courier service, or (c) or the third (3rd) business day following the date of deposit in the United States Mail, postage prepaid, by certified mail, return receipt requested, in each case, addressed as follows, or to such other address, Person or Entity as any party may designate by notice to the others in accordance herewith:

If to Seller: CLC of Whitehaven, LLC
2844 Traceland Dr.
Tupelo, MS 38801-4200
Attn: Douglas M. Wright, Jr.
E-mail: dwright@cesltc.com

With a copy to: Bradley Arant Boult Cummings LLP
Christopher C. Puri
1221 Broadway, STE 2400
Nashville, TN 37203
E-mail: cpuri@bradley.com

If to Buyer: HICKORY BEND TN OPCO LLC
2100 Cherokee Ridge Way, Ste 100
Louisville, KY 40205
Attn: Mick Vujanović
E-mail: MickV@clearviewhcmgmt.com

With a copy to: 980 Sylvan Avenue
Englewood Cliffs, NJ 07632
Attn: Akiva Schonfeld
E-mail: akiva@980investments.com

With a copy to: Baker Donelson
Amy W. Mahone
633 Chestnut Street, Suite 1900
Chattanooga, TN 37450
E-mail: amahone@bakerdonelson.com

9.4 ***Section Headings***. The article or section headings of this Agreement are for convenience of reference only and do not form a part thereof and do not in any way modify, interpret or construe the intentions of the parties.

9.5 ***Waivers***. Any waiver by any party of any violation of, breach of or default under any provision of this Agreement or any exhibit, schedule or other document referred to in this Agreement by any other party shall not be construed as or constitute a waiver of any subsequent violation, breach of, or default under that provision or any other provision of this Agreement, or any exhibit or schedule or other document referred to in this Agreement.

9.6 ***Further Assurances***. Each of the parties hereto shall, at any time and from time to time after the Closing, execute and deliver, or cause to be executed and delivered, such further consents, approvals, conveyances, assignments and other documents and instruments as any party shall reasonably request in order to carry out any and all of the terms and provisions of this Agreement.

9.7 ***Counterparts***. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

9.8 ***Termination***. If either party is entitled to terminate this Agreement, this Agreement may be terminated in accordance with its terms by written notice by the party or its

representative entitled to terminate the Agreement to the other. In the event this Agreement is terminated as aforesaid, all further obligations of the parties pursuant to this Agreement shall, except for those obligations that expressly survive the termination as specified herein to the contrary, likewise terminate and this Agreement shall be null, void and of no further force and effect.

9.9 ***Attorneys' Fees***. Seller and Buyer shall each bear its own direct and indirect expenses incurred in connection with the negotiation and preparation of this Agreement and the consummation and performance of the transaction contemplated hereby. In any dispute concerning this Agreement, the prevailing parties in such dispute shall be entitled to recover all costs and attorneys' and paralegals' fees, at all levels of Proceeding, including, appeals, collections and bankruptcy.

9.10 ***Time***. Time is "of the essence" in this Agreement.

9.11 ***Waiver***. All parties waive trial by jury.

9.12 ***Construction***. This Agreement shall be construed as the joint and equal work product of each party and shall not be construed more or less favorably on account of its preparation or drafting.

9.13 ***Third Parties***. Nothing in this Agreement, or in its schedules and exhibits, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons or entities other than the parties hereto and their respective legal representatives, successors and assigns. Nothing in this Agreement or its schedules and exhibits is intended to relieve or discharge the obligation or Liability of any Third Party to any party to this Agreement, nor shall any provision give any third persons any right of subrogation or action over or against any party to this Agreement.

9.14 ***General Construction***. Whenever required by the context herein, the singular includes the plural, and masculine includes the feminine or the neuter. The word "including" means "including without limitation." Words such as "herein," "hereof," "hereby" and "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular Section or Subsection of this Agreement.

9.15 ***Entire Agreement***. This Agreement including all schedules, exhibits and all other documents executed in connection with and pursuant to the terms and conditions of this Agreement shall constitute the entire contract between the parties and may not be modified except by an instrument in writing and signed by both of them.

9.16 ***Post-Closing Information***. From time to time after the Closing, the parties shall deliver to each other such cooperation, information, and data as any party may reasonably request, including that required to accomplish the purpose hereof or to enable such party to satisfy its reasonable internal accounting, tax, and other requirements or to otherwise respond to any claim, litigation, government investigation, or other matter for which such party has Liability hereunder.

9.17 ***Exclusivity***. Until the Closing Date or the date that this Agreement is terminated, Seller shall not enter into any contract, or enter into or continue any negotiations, to sell the Assets to any person or entity other than Buyer, nor will Seller solicit proposals from, or furnish any non-public information to, any person or entity other than Seller's agents, attorneys and lenders and Buyer regarding the possible sale of the Assets.

9.18 ***Survival of Deposit Provisions***. Notwithstanding anything in this Agreement to the contrary, the provisions of Section 7.5 shall survive the termination of this Agreement solely for the purpose of resolving any dispute regarding Deposit treatment.

[remainder of page left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first written.

SELLER:

CLC OF WHITEHAVEN, LLC,
a Tennessee limited liability company

By: _____

Name: Douglas M. Wright, Jr.

Title: Managing Member

BUYER:

HICKORY BEND TN OPCO LLC,
a Tennessee limited liability company

By: _____

Name: Akiva Schonfeld

Title: Authorized Signatory

Gold Street Abstract hereby confirms receipt of this Agreement and agrees to receive and distribute the Deposit and other funds from the parties as provided herein, and to serve as Escrow Agent with respect to such funds and with respect to the receipt and distribution of the Closing Documents listed in Section 7 of the Agreement.

GOLD STREET ABSTRACT

By: _____

Name: Stuart Szlafrok, Esq.

Title: Director of Operations

LIST OF EXHIBITS AND SCHEDULES

EXHIBIT A	ASSETS
EXHIBIT B	DUE DILIGENCE DOCUMENTS
EXHIBIT C	FORM OF BILL OF SALE
Schedule 3.13	GOVERNMENT AUTHORIZATIONS

EXHIBIT A

ASSETS

Assets shall consist of:

a) "Beds" as that term is defined in Section 1.

b) **Facility License**. All of Seller's rights to operate and relocate (subject to the approval of the Tennessee Health Facilities Commission) the Facility License to the site of Buyer's choice, in Buyer's sole and absolute discretion, in Shelby County, Tennessee.

c) **Government Authorizations**. To the extent transferable and/or saleable, all of Seller's right, title and interest in and to all certifications, consents, authorizations, variances, waivers, Government Authorizations, health department and all other permits or approvals from any federal, state, county, municipal or other governmental or quasi-governmental agency, department, board, commission, bureau or other entity or instrumentality relating to the operation of the Beds.

Accordingly, the term Assets shall mean all the items set forth above and such other assets whether or not described in this Agreement which are owned by the Seller and relate to the ownership and/or operation of the Beds, except all Retained Liabilities.

EXHIBIT B

DUE DILIGENCE DOCUMENTS

1. Copy of the Facility License.

2. Documentation evidencing that the Facility License is in Inactive Status.

3. Documentation evidencing any extensions of the Facility License.

4. Documentation regarding the fully paid and current status of the Nursing Home Provider Assessments.

5. All documentation and correspondence from Governmental Bodies or Health Care Authorities related to any of the foregoing.

6. All documentation reasonably requested by Buyer following the Due Diligence Documents Delivery Date

.

EXHIBIT C

BILL OF SALE

THIS BILL OF SALE ("Bill of Sale") is made as of _____ ___, 202__, by CLC OF WHITEHAVEN, LLC, a Tennessee limited liability company (the "Seller") in favor of HICKORY BEND TN OPCO LLC, a Tennessee limited liability company (the "Buyer").

RECITALS:

A. Pursuant to a certain Agreement to Purchase Assets ("Purchase Agreement") dated as of August ____, 2026 between Buyer and Seller, Seller agreed to sell, transfer, convey, assign and deliver to Buyer certain assets.

B. In order that Buyer is in possession of an instrument vesting title in Buyer to certain of the assets being acquired by it, Seller desires to execute and deliver this Bill of Sale.

AGREEMENT:

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged:

1. DEFINED TERMS. Words whose initial letters are capitalized are defined terms. Unless otherwise defined in this Agreement, such terms shall have the same meaning as that ascribed to them in the Purchase Agreement.

2. TRANSFERRED ASSETS.

2.1 ***Acquired Assets***. Effective as of 12:00:01 a.m., Eastern Time, on the date of this Bill of Sale, the Seller hereby sells, transfers, conveys, assigns, sets over and confirms unto the Buyer and its respective successors and assigns, to have and to hold, for its own use forever free and clear of all liens, pledges, charges and encumbrances of any nature whatsoever, all of Seller's respective rights, title and interest under, in and to the following (collectively, the "Acquired Assets"):

(a) The rights to relocate and then operate (subject to the approval of the Tennessee Health Facilities Commission) the ninety-two (92) licensed, skilled nursing beds in the state of Tennessee (the "Beds") to the site of Buyer's choice, in Buyer's sole and absolute discretion, in Shelby County, Tennessee.

(b) To the extent transferable and/or saleable, all Licenses and Permits of Seller that are used, held for use or intended to be used primarily in the operation or relocation of the Beds to the extent such Licenses and Permits are assignable.

(All of the foregoing are hereinafter collectively referred to as the "Assets")

3. REPRESENTATIONS. The Seller hereby covenants to and with the Buyer that:

(a) the Assets are free from all claims, liens and encumbrances;

(b) the Seller has good right and title to sell and transfer the Assets;

(c) the Seller will warrant and defend the Assets against all lawful claims and demands whatsoever.

4. FURTHER ASSURANCES. The Seller hereby covenants and agrees that it will from time to time, at the request of Buyer and without further consideration, take such additional actions and duly execute and deliver to Buyer and its successors such additional instruments and documents, as may be reasonably required in order to assign, transfer, vest title to any of the Acquired Assets in or to Buyer and its successors and assigns.

5. BENEFIT. This Bill of Sale shall inure to Buyer and its affiliates, and their successors and assigns and shall be binding upon Buyer and its affiliates and their successors and assigns.

6. NO MODIFICATION TO PURCHASE AGREEMENT. This Bill of Sale is delivered pursuant to the Purchase Agreement and is subject in all respects to the provisions of the Purchase Agreement and is not meant to alter, enlarge, limit, or otherwise modify the provisions of the Purchase Agreement.

IN WITNESS WHEREOF, the undersigned have caused this Bill of Sale to be executed on their behalf, as of the date first written above.

SELLER:

CLC OF WHITEHAVEN, LLC,
a Tennessee limited liability company

By: _____

Name: _____

Title: _____

BUYER:

HICKORY BEND TN OPCO LLC,
a Tennessee limited liability company

By: _____

Name: _____

Title: _____

SCHEDULE 3.13

GOVERNMENT AUTHORIZATIONS

Nursing Home License Number 00000258 issued to and currently held by CLC of Whitehaven, LLC, as the licensee.

State of Tennessee
Health Facilities Commission
Andrew Jackson Building
502 Deaderick Street, 9th Floor, Nashville, TN 37243
www.tn.gov/hfc Phone: 615-741-2364

November 6, 2026

William Maddrey, Attorney
Baker Donelson
2235 Gateway Access Point, Suite 220
Raleigh, NC 27607

RE: Certificate of Need Application CN2610-021
Port Royal Retreat Memphis

Dear Mr. Maddrey:

This will acknowledge our October 30, 2026, receipt of your application for a Certificate of Need for the for Relocation of ninety-two (92) skilled nursing beds from 1076 Chambliss Road, Memphis, TN to 6551 Knight Arnold Road, Memphis, TN 38115.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit responses electronically by 4:30 p.m., November 12th. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

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1. **Item 1A., Name of Facility**

   QUESTION: What is the relationship between Royal Retreat Memphis - which operates Independent Living units adjacent to the proposed site, and the applicant's owners?

   RESPONSE: There is no ownership, management, or operational relationship between Royal Retreat Memphis Independent Living, which is located adjacent to the proposed skilled nursing facility site, and the applicant's owners. The

applicant's owners do not own, control, operate, or have any financial interest in the independent living community.

The proximity of the two properties is purely geographic. While the facilities may be located adjacent to one another and residents of the independent living community may potentially elect to utilize healthcare services offered by the proposed skilled nursing facility in the future, there are no common ownership interests, management agreements, referral agreements, or other formal affiliations between the owner or operator of Royal Retreat Memphis Independent Living and the applicant.

QUESTION: Is the applicant purchasing the owner of the relocation site as well as adopting the name of the previous facility?

RESPONSE: The applicant is purchasing only the real estate associated with the relocation site and is not acquiring the prior owner's operating entity or business organization. Accordingly, the applicant will not succeed to the ownership entity that previously operated the facility. The applicant also does not intend to use the former facility's name. The previous skilled nursing facility operated under the name *Whitehaven Community Living Center*. Following relocation, the applicant intends to operate the facility under the new name *Port Royal Retreat Memphis*. As a result, neither the prior ownership entity nor the prior facility name will be retained by the applicant.

2. **Item 7A., Type of Ownership of Control**

QUESTION: Please identify all members with ownership interest of 5% direct or indirect.

RESPONSE: Attached please find the organizational charts for (i) the applicant, Hickory Bend TN Opco LLC, and (ii) the real estate owner, Memphis TN Propco LLC.

QUESTION: What is the relationship of the applicant with national ownership chains - Simcha Hyman and Naftali Zanziper, The Portopiccolo Group, and affiliated agencies such as Clearview Healthcare Management TN LLC.

RESPONSE: The applicant has relationships with certain individuals and entities that are active in the long term care industry; however, those relationships do not result in ownership or control by a national nursing home chain in connection with this application.

Specifically, Simcha Hyman's grantor trust will indirectly own a 35% interest in Memphis TN Propco LLC (the "Propco"). Naftali Zanziper will own a 17.5% interest in the Propco directly, and Naftali Zanziper's grantor trust will own an additional 17.5% interest. The ownership structure is reflected in the Propco organizational chart submitted with the application.

The Portopiccolo Group is an entity indirectly owned by Mr. Hyman and Mr. Zanziper; however, it has no ownership interest in, operational role with, or other involvement in the proposed facility and is not affiliated with this application.

Clearview Healthcare Management TN LLC ("Clearview") will provide management and consulting services to the facility. Clearview is owned by Mr. Hyman and Mr. Zanziper, with Mick Vujanovic serving as Chief Executive Officer. Clearview's role will be limited to management and operational support services, while ownership and licensure of the facility will remain with the appropriate applicant entities identified in the application.

Accordingly, the applicant's relationship to these parties arises through common ownership interests and management arrangements, rather than through ownership by or operation as part of a national nursing home chain.

QUESTION: Where is Red Sea Management LLC incorporated?

RESPONSE: Kentucky.

QUESTION: Are Milan and Mick Vujanovic the same person?

RESPONSE: No. Milan Vujanović is Mick Vujanović's father.

3. **Item 8A. Name of Management / Operating Entity**

QUESTION: Please identify Clearview Healthcare Management if it is going to serve as the managing/operating entity for the project. Please attach a draft management agreement between the facility's proposed owner and its proposed operator.

RESPONSE: The management entity is Clearview Healthcare Management TN LLC. Attached is a draft management agreement between Hickory Bend TN Opco LLC, as operator, and Clearview Healthcare Management TN LLC, as manager.

4. **Item 9A. Legal Interest in the Site**

QUESTION: How is the building located at 6551 Knight Arnold Road being utilized currently?

RESPONSE: The building located at 6551 Knight Arnold Road, Memphis, Tennessee is currently vacant and is not being utilized for any operating healthcare or residential purpose. The applicant understands that the building was previously operated as an assisted living facility but is no longer in service.

Because the building has remained unoccupied, it presents an opportunity for adaptive reuse as a skilled nursing facility. The existing structure can be renovated and modified to accommodate the relocated skilled nursing beds, allowing the applicant to return inactive licensed bed capacity to service in a timely and cost-effective manner. The proposed project will repurpose an otherwise vacant healthcare facility and place it back into productive use for the benefit of Shelby County residents requiring skilled nursing services.

QUESTION: Please attach documentation demonstrating the existence of an agreement to purchase or a copy of the deed transferred between the existing owner of the project site - Rakshan Residency, LLC at 6551 Knight Arnold Rd and Memphis TN PROPCO LLC.

RESPONSE: Attached please find the Purchase Agreement between Rakshan Residency, LLC and Memphis TN PROPCO LLC.

QUESTION: What are the lessor's (Memphis TN Propco LLC's) ownership interests in Hickory Bend OPCO LLC, Red Sea Management LLC, or any other upstream entities with 5% ownership or more.

RESPONSE: Memphis TN Propco LLC does not have any ownership interest in Hickory Bend TN Opco LLC or Red Sea Management. The ownership structures are reflected in the Propco and Opco organizational charts submitted with the application.

5. **Item 10A., Floor Plan**

QUESTION: Please explain the scope of renovations needed to ensure compliance with licensure standards for a nursing home as the facility previously operated as an Assisted Living which has a revoked license and many facility deficiencies?

RESPONSE: The facility will undergo substantial renovations and improvements to ensure compliance with all applicable federal, state, life safety, and licensure requirements governing skilled nursing facilities. Prior to licensure and occupancy, the applicant will complete all renovations required by the Tennessee Department of Health, the Tennessee State Fire Marshal's Office, the Health Facilities Commission, and other applicable regulatory authorities.

The scope of work includes, but is not limited to, modifications to resident rooms, nursing stations, medication storage areas, bathing facilities, dining and activity areas, therapy space, nurse call systems, fire alarm and sprinkler systems, emergency power systems, accessibility features, life safety components, and other physical plant improvements necessary to satisfy skilled nursing facility requirements. All deficiencies identified during the prior assisted living operation will be addressed as part of the renovation process, and all required inspections, plan reviews, and approvals will be obtained prior to operation. Attached please find the Proposal for Royal Retreat Interior Renovation which includes Drawings and Plans, Scope of Work, Proposed Costs and Proposed Construction Schedule.

Upon completion of the renovation project, the facility will be required to demonstrate compliance with all applicable nursing home licensure and certification standards before residents are admitted.

QUESTION: The floor plan is noted. Please explain why there is no space allocated for physical, speech, or occupational therapy.

RESPONSE: The floor plan identifies a space designated as **"Rehab Director,"** which is part of the rehabilitation services area. The applicant intends to provide physical therapy, occupational therapy, and speech-language pathology services within dedicated rehabilitation space that will be equipped and configured in accordance with the facility's final operational plan and applicable regulatory requirements.

The floor plan label should not be interpreted to mean that rehabilitation services will not be provided. Rather, the designated rehabilitation area will support the provision of therapy services by licensed rehabilitation professionals, whether employed directly by the facility or provided through contractual arrangements. The applicant anticipates offering physical therapy, occupational therapy, and speech-language pathology services consistent with the needs of skilled nursing residents, including both short-term rehabilitation patients and long term care residents.

If requested by the Commission, the applicant can provide a revised floor plan identifying the specific therapy treatment areas and rehabilitation spaces that will be utilized for these services.

QUESTION: Please provide a description of the amenities provided by the proposed facility that promotes resident independence, organized activities, resident privacy, and a residential home-like environment, while at the same time maximizing safety.

RESPONSE: The proposed facility will offer a comprehensive Quality of Life Program directed and supervised by a qualified activities professional and designed to promote resident engagement, independence, and overall well-being. Residents will have access to a variety of amenities and common areas, including a library, theater space, and secure outdoor gathering areas that encourage socialization and meaningful activities in a safe environment.

To support resident choice and autonomy, the facility will offer flexible dining options with resident-choice menus, as well as both private and communal dining areas. The facility's design and amenities will foster a comfortable, residential atmosphere while also providing appropriate safety features and supervision to ensure residents can enjoy their surroundings with confidence and security.

QUESTION: Please indicate if the proposed building is fully sprinkled.

RESPONSE: Yes.

QUESTION: The floor plan is dated 3-12-87, is this the most recent floor plan?

RESPONSE: No. The floor plan dated March 12, 1987, is the original floor plan for the facility. As reflected in the proposal prepared by The Gowanus Group, updated drawings have been prepared that identify the proposed modifications and layout revisions to the facility.

QUESTION: Please resubmit a floor plan that clearly indicates which rooms are private and semi-private.

RESPONSE: The applicant has requested revised floor plan drawings from The Gowanus Group that more clearly identify private and semi-private resident rooms. Upon receipt, the revised drawings will be submitted as a supplemental attachment to the application. The proposed facility will consist of a combination of private and semi-private rooms as reflected in the updated plans.

QUESTION: Do all rooms have individual bathrooms? If not, how many rooms share restrooms?

RESPONSE: Yes. All resident rooms in the proposed facility are equipped with individual bathrooms. No resident rooms will share restroom facilities.

QUESTION: There appears to be two patient rooms converted to MSDS and social services space, are there enough patient rooms at this site to accommodate 94 licensed beds?

RESPONSE: The applicant proposes to operate ninety-two (92) skilled nursing beds, not ninety-four (94) beds. Although two former resident rooms have been repurposed for MDS and Social Services functions, the facility continues to have sufficient resident rooms and capacity to accommodate all 92 licensed beds. The proposed configuration complies with all applicable state and federal licensure requirements, including resident room, support space, and life safety standards. The facility provides adequate resident accommodations and operational support areas necessary for the efficient delivery of skilled nursing services.

QUESTION: Please clarify if the proposed site was originally built to be a nursing home.

RESPONSE: No. The facility proposed site was originally built to be an assisted living facility.

6. **Item 1E., Executive Summary**

QUESTION: Please identify all nursing homes affiliated with the applicant's ownership that are located in the region including those facilities that share a common managing/operating entity with the applicant.

RESPONSE: The applicant is affiliated with a number of skilled nursing facilities in Kentucky and Tennessee through the ownership interests of Mick Vujanović. Specifically, Mr. Vujanović maintains 100% ownership of the operating company for Mountain Ridge, a skilled nursing facility located in Kentucky and holds a 15% ownership interest in the property's ownership entity. In addition, Mr. Vujanović holds a 5% ownership interest in the operating companies of approximately thirty-four (34) skilled nursing facilities located throughout Kentucky and Tennessee. A complete listing of those facilities is attached as **Attachment 1E**.

The Tennessee facilities are managed by Clearview Healthcare Management TN LLC, which serves as the common management entity for those operations. A complete listing of the affiliated facilities is attached as **Attachment 1E**. Through these ownership and management relationships, the applicant's ownership group has substantial experience in the ownership, operation, and management of skilled nursing facilities throughout the region.

QUESTION: Please discuss the background of applicant owners in the operation of nursing homes. List all nursing homes in TN with shared ownership interests.

RESPONSE: Mick Vujanović has 30 years of operational experience in managing nursing centers across numerous states. Mick Vujanović is a licensed nursing home administrator in good standing. https://clearviewhcmgmt.com/our-team/

QUESTION: Please discuss the role and relationship of Clearview Healthcare Management in the operation, administration and ownership of the proposed facility.

RESPONSE: Clearview Healthcare Management TN, LLC ("Clearview") will provide consulting and management support services to the applicant related to the operation and administration of the proposed facility. These services include assistance with regulatory compliance, staffing and recruitment, clinical oversight, quality assurance, financial management, budgeting, purchasing, and other day-to-day operational functions necessary for the successful operation of a skilled nursing facility. Through its experienced management team, Clearview will provide resources and guidance designed to promote high-quality resident care, regulatory compliance, operational efficiency, and responsible financial management. Clearview will not hold an ownership interest in the licensed nursing facility but will serve in a management and consulting capacity pursuant to contractual arrangements with the applicant.

7. **Item 1E., Executive Summary**

QUESTION: How long have the beds for nursing home license (#258) been inactive?

RESPONSE: Nursing Home License No. 258, formerly operated as Whitehaven Community Living Center, was placed on inactive status effective July 16, 2022. The inactive status has been renewed continuously since that date. As a result, the beds have remained inactive for approximately four years as of the date of this response. The facility has not been operating during this period, and the

requested project will reactivate and relocate the beds to a new facility location within Shelby County. Documentation of the facility's inactive status was reflected in the Tennessee Board for Licensing Health Care Facilities meeting minutes as follows:

Whitehaven Community Living Center, Memphis (NH #258) This nursing home facility requested to place their license on inactive status for six (6) months, effective July 16, 2022. Mr. Bill West was the representative for this facility. Mr. Dunn made a motion to grant inactive status for one year until October 4, 2023; Mr. Meadows seconded. The motion was approved.

QUESTION: Why were they made inactive?

RESPONSE: The facility voluntarily ceased operations in July 2022 and requested inactive status in order to evaluate and address needed repairs and renovations to the aging physical plant, including structural improvements. During this process, the owners also evaluated strategic alternatives for the future operation and use of the facility. As a result, the nursing home license was placed on inactive status effective July 16, 2022, and has remained inactive through subsequent renewals.

QUESTION: What was the compliance status with CMS, state licensing and accreditation when it became inactive.

RESPONSE: The facility voluntarily ceased operations and subsequently relinquished its Medicare and Medicaid certifications as part of the closure process. The facility was not involuntarily terminated from the Medicare or Medicaid programs, was not subject to licensure revocation, and did not cease operations as the result of an enforcement action by either the Centers for Medicare & Medicaid Services (CMS) or the Tennessee Department of Health. The request for inactive status was made voluntarily by the facility owner. Any Medicare and Medicaid certifications were surrendered in connection with the facility's closure rather than as the result of regulatory sanctions or decertification proceedings.

QUESTION: Where were those patients transferred to?

RESPONSE: The closure of the facility was conducted with the knowledge and oversight of the Centers for Medicare & Medicaid Services (CMS) and the Tennessee State Survey Agency. All residents were transferred in accordance with applicable federal and state resident transfer and discharge requirements. Residents and their representatives were provided information regarding

available placement options and were afforded the opportunity to select among qualified facilities capable of meeting their individual needs. Accordingly, residents were transferred to a variety of skilled nursing facilities and other appropriate care settings based on resident preference, bed availability, geographic considerations, and clinical needs. Some residents were transferred to facilities under common ownership, while others were transferred to facilities operated by unrelated providers.

QUESTION: What was the mix of bed types at the existing facility – private, semi-private, ward, etc.?

RESPONSE: Prior to its closure, the facility consisted of a combination of private and semi-private resident rooms and did not utilize ward-style accommodations. The exact distribution of private and semi-private rooms is reflected in the facility's historical floor plans and licensure records. The proposed replacement facility will likewise provide a combination of private and semi-private accommodations designed to promote resident privacy, dignity, comfort, and quality of care.

QUESTION: Was the facility previously dually certified for Medicare and Medicaid beds.

RESPONSE: Yes. Prior to its closure, the facility was certified to participate in both the Medicare and Medicaid programs. Following the voluntary cessation of operations in 2022, the facility relinquished its Medicare and Medicaid certifications as part of the closure process. The facility was not involuntarily decertified or terminated from either program. Rather, the certifications ceased in connection with the voluntary closure of the facility and placement of the license on inactive status.

QUESTION: What is the distance and orientation between the two sites?

RESPONSE: The proposed relocation site at 6551 Knight Arnold Road, Memphis, Tennessee is located approximately 15.1 miles northeast of the former facility located at 1076 Chambliss Road, Memphis, Tennessee. The travel distance between the two locations is approximately 15.1 miles via Interstate 240, with an estimated driving time of approximately 21 minutes, depending on traffic conditions.

QUESTION: Are there any differences between the facility's historical vs projected payor mix once it is relocated?

RESPONSE: The facility formerly located at 1076 Chambliss Road has been closed since 2022 and, therefore, does not have a recent operating history that would provide a meaningful basis for a direct comparison between historical and projected payor mix. The applicant anticipates that the payor mix of the relocated facility at 6551 Knight Arnold Road will be generally consistent with the facility's historical payor mix prior to closure and with comparable skilled nursing facilities serving the market. However, because the facility has been inactive for several years and demographic, reimbursement, referral, and market conditions may have changed since its closure, the actual payor mix following relocation may differ from historical experience and is not expected to mirror prior utilization exactly.

8. **Item 2E. Rationale for Approval**

QUESTION: How old is the existing nursing home facility (#258) and what are the reasons it needs to be relocated into another existing facility?

RESPONSE: To the best of the current licensee's knowledge, the facility located at 1076 Chambliss Road was originally constructed in approximately 1970 and has operated as a nursing home under various owners and operators over the years. The current licensee assumed operations in approximately April 2000. The Tennessee Health Facilities Commission records reflect an original licensure date of July 1, 1992.

The facility has been closed since 2022 and is no longer operational. As discussed elsewhere in this application, the existing building has experienced substantial physical deterioration and damage during the period of closure. Given the age and condition of the facility, the significant capital investment required to restore the building to operational status, and the availability of an existing healthcare facility that can be renovated and repurposed for skilled nursing use, relocation of the beds to 6551 Knight Arnold Road represents the most feasible and efficient means of returning the beds to service for the benefit of Shelby County residents.

QUESTION: What are the known deficiencies with the physical plant at 1076 Chambliss Road?

RESPONSE: Since the facility ceased operations in 2022, the building has sustained substantial damage from vandalism and unauthorized entry. Known deficiencies include theft of electrical wiring, removal of the fire alarm system, theft of copper components associated with the HVAC systems, and extensive damage to windows throughout the facility. In addition, the prolonged period of

vacancy has raised concerns regarding the overall condition of the building systems and infrastructure.

While a comprehensive engineering assessment has not been completed, the applicant understands that significant repairs and renovations would be required before the facility could be safely relicensed and returned to operation. As a result, continued use of the existing building is not considered economically or operationally feasible.

QUESTION: When was the facility at 6551 Knight Arnold Rd constructed. What will be done to improve the physical plant to represent a modernization of care?

RESPONSE: The applicant understands that the facility located at 6551 Knight Arnold Road was originally constructed in approximately 1988 and underwent substantial renovations in 2022. As part of the proposed project, the facility will be further renovated and adapted to accommodate the relocated skilled nursing beds and to support contemporary standards of resident care.

Planned improvements will include upgrades to resident rooms, therapy and rehabilitation areas, dining and activity spaces, nursing support areas, life safety systems, and other resident-focused amenities. The project will emphasize a modern care environment designed to enhance resident comfort, privacy, dignity, safety, and quality of life while supporting efficient clinical operations and regulatory compliance. The resulting facility will provide a significantly improved environment compared to the currently inactive facility at 1076 Chambliss Road.

QUESTION: Please document the applicant's history of owning and operating high quality nursing homes.

RESPONSE: The applicant and its affiliated management organization, Clearview Healthcare Management TN LLC ("Clearview"), have substantial experience owning, operating, and managing skilled nursing facilities. Through affiliated entities, Clearview currently provides management and operational support services to approximately 34 skilled nursing facilities located in Tennessee and Kentucky. A complete listing of those facilities is attached as **Attachment 1E**.

The management team possesses extensive experience in clinical operations, regulatory compliance, reimbursement, quality improvement, staffing, and facility administration. Through this experience, affiliated facilities have consistently delivered skilled nursing and rehabilitation services to residents

across multiple markets, demonstrating the operational capacity and expertise necessary to successfully operate the proposed facility.

QUESTION: Please detail CMS ratings of nursing home facilities owned by the applicant and any affiliated entities with an ownership stake or operational role.

RESPONSE: Facilities managed by Clearview Healthcare Management currently maintain an average overall CMS Five-Star Quality Rating of approximately three stars across the portfolio. Individual facility ratings vary and are subject to change based upon CMS survey results, staffing measures, and quality metrics. The applicant and its affiliates continuously monitor quality outcomes and regulatory performance and implement quality improvement initiatives designed to enhance resident care and operational performance throughout the portfolio.

QUESTION: Are there other recognitions received by the applicant's affiliated nursing homes?

RESPONSE: Yes. Facilities affiliated with Clearview Healthcare Management TN LLC ("Clearview") have received numerous industry and community recognitions. These include multiple quality awards presented through the American Health Care Association (AHCA) quality award program, recognition through various state healthcare association programs, and local community "Best Of" awards in the markets served by affiliated facilities.

In addition, Clearview was recognized by USA Today as one of the nation's Best Places to Work in 2026. Affiliated facilities have also demonstrated strong regulatory performance, with more than one-third of managed facilities achieving deficiency-free survey results since 2025. These recognitions reflect the organization's commitment to quality resident care, employee engagement, and regulatory compliance.

9. **Item 2E. Rationale for Approval**

QUESTION: Please address the following factors:

Need. The applicant should show the proposed new site will serve the health care needs in the area to be served at least as well as the original site. The applicant should show that there is some significant legal, financial, or practical need to change to the proposed new site.

RESPONSE: The proposed relocation will serve the health care needs of Shelby

County residents at least as well as, and in many respects better than, the original site. The existing facility at 1076 Chambliss Road has been closed since 2022 and is not currently providing any health care services to the community. As discussed elsewhere in this application, the facility has sustained significant deterioration and vandalism during its period of vacancy, including the theft of electrical wiring, fire alarm components, HVAC equipment, and damage to building systems and infrastructure. As a result, the facility is not presently suitable for occupancy or operation as a skilled nursing facility.

The proposed relocation site at 6551 Knight Arnold Road is located within the same service area and is approximately 15.1 miles from the former facility. The site is readily accessible to residents, families, referral sources, hospitals, and health care providers throughout Shelby County. Relocation of the licensed beds will return these currently inactive resources to productive use and increase the availability of skilled nursing services within the service area.

There is a significant practical and financial need for the relocation. Returning the existing facility to operational status would require substantial capital investment to repair extensive damage and modernize an aging physical plant originally constructed more than fifty years ago. By contrast, the proposed relocation site is an existing health care facility that has undergone recent renovations and can be adapted efficiently to accommodate the relocated beds. The relocation therefore represents the most reasonable, cost-effective, and timely means of restoring these licensed beds to service for the benefit of area residents.

QUESTION: Quality of Health Care to be provided. The applicant should show the quality of health care to be provided will be served at least as well as at the original site.

RESPONSE: The quality of health care provided at the proposed relocation site will be at least equivalent to, and is expected to exceed, the quality that was previously provided at the original location. The existing facility has been closed for several years and is no longer capable of delivering patient care. The relocated facility will operate within a renovated health care environment designed to support modern standards of skilled nursing, rehabilitation, infection control, life safety, and resident-centered care.

The facility will be managed by Clearview Healthcare Management TN LLC, an organization with extensive experience operating skilled nursing facilities in Tennessee and Kentucky. The management team has significant expertise in regulatory compliance, clinical operations, staffing, reimbursement, and quality

improvement. The proposed facility will seek certification in both the Medicare and Medicaid programs and will be operated in compliance with all applicable state and federal regulations.

In addition, residents will benefit from updated resident rooms, therapy and rehabilitation services, improved common areas, enhanced clinical support spaces, and modern building systems. These improvements will promote resident safety, comfort, dignity, and quality of life while supporting the delivery of high-quality clinical care.

QUESTION: The effects attributed to competition or duplication would be positive for the consumers. The applicant should address whether the effects attributed to competition or duplication would be positive for the consumers.

RESPONSE: Any effects attributed to competition or duplication resulting from the proposed project would be positive for consumers. The application involves the relocation of existing licensed beds that are currently inactive rather than the creation of new skilled nursing beds. Accordingly, the project will not result in an increase in the total number of licensed skilled nursing beds within Shelby County.

The project will return currently unavailable skilled nursing capacity to active service and provide consumers with an additional high-quality provider option within the market. Increased availability of skilled nursing services can improve patient choice, facilitate timely placement following hospital discharge, and encourage providers to maintain high standards of quality and service. Consumers will benefit from access to care in a renovated facility designed to meet contemporary expectations for resident comfort, privacy, and clinical care.

Because the project relocates existing bed capacity to a more viable and operationally sustainable location, the primary effect will be the restoration of health care resources that are currently unavailable to the community. As a result, the proposed relocation is expected to enhance consumer choice and access to care without creating unnecessary duplication of services.

10. **Item 4E., Project Cost Chart**

QUESTION: Describe the construction in the amount of $1,500,000 in the Project Cost Chart.

RESPONSE: Attached please find the Proposal for Royal Retreat Interior Renovation which includes Drawings and Plans, Scope of Work, Proposed Costs

and Proposed Construction Schedule.

11. Item 2N., Service Area

QUESTION: Please describe the historical utilization of the now inactively licensed nursing home (#258) for its most recent year of reported utilization according to the Joint Annual Report for Nursing Homes.

RESPONSE: The historical utilization for 2021 (the last JAR Report for Whitehaven Community Living Center) is set forth below:

Level	Admissions	Discharges (Including deaths)	Deaths	Discharge Resident Days (including deaths)	Average Length of Stay
Medicare/Skilled Care	78	69	2	1880	27.25
Level II Skilled Care (Non-Medicare)	0	0	0	0	0.00
Level I Intermediate Care	20	32	5	9808	306.50
TOTAL	**98**	**101**	**7**	**11688**	**115.72**
Total Resident Days/(Total Beds x 365 days) = Licensed Occupancy					73.1

RESPONSE: Below please find a comparison of applicant's table with 2021 (the last JAR Report for Whitehaven Community Living Center):

Payor Source	Gross Operating Revenue (2021)	Year 2021 % of Total	Gross Operating Revenue (2027)	Year 2027 (projected) % of total	Gross Operating Revenue (2027)	Year 2028 (projected) % of total
Medicare/Medicare Managed Care	$1,480,038.00	31.21	$1,340,952.00	16.87	$1,866,209.00	16.87
TennCare/Medicaid	$2,930,606.00	61.80	$5,019,979.00	63.16	$6,986,319.00	63.16
Commercial/Other Managed Care	$31,802.00	.67	$1,289,377	16.22	$1,794,431.00	16.22
Private / Self-Pay	$297,334.00	6.27	$0.00	0	$0.00	0
Other (Specify)	$2,552.00	.05	$297,989.00	3.75	$414,713.00	3.75
Total	**$4,742,332.00**	**100%**	**$7,948,297.00**	**100%**	**$11,061,672.00**	**100%**
Charity Care	$0.00		$0.00		$0.00	

12. Item 1N., Criteria and Standards

Attachment 1N, Criteria #1. Determination of Need:

QUESTION: Please complete the Criteria and Standards for Construction, Renovation, Expansion or Replacement of Health Care Institutions.

RESPONSE: See Excel Spreadsheet.

13. Item 3N., Demographics

QUESTION: Please identify the target population for the project.

RESPONSE: The target population for the project consists primarily of individuals age 65 and older who require skilled nursing facility services, including short-term post-acute rehabilitation patients and long-term care residents. The applicant expects the majority of residents to be drawn from Shelby County, Tennessee, with additional residents originating from surrounding counties within the Memphis metropolitan service area based on referral patterns, physician relationships, hospital discharge needs, and resident choice.

QUESTION: Please revise the following items in Attachment 3NB.:

- Total Population 2026: Shelby County and State of TN
- Total Population 2028: Shelby County and State of TN
- Total Population: % Change
- Target Population 2026: Shelby County and State of TN
- Target Population 2028: Shelby County and State of TN
- Target Population: % Change
- Percentage of Persons Living in Poverty: State of TN
- TennCare Enrollees: Shelby County and State of TN
- TennCare Enrollees as a % of Total Population 2026: Shelby County and State of TN

QUESTION: Please provide sources below the table for reference.

RESPONSE: Please see the revised Attachment 3NB which identifies the sources.

14. Item 4N., Special Needs of the Service Area

QUESTION: Please provide a description of the communities where the facility will be moving from and into in terms of differences in demographics, income, percentage of the population in poverty, percentage of the population that is uninsured, etc.

RESPONSE: The proposed relocation involves moving licensed nursing home beds from 1076 Chambliss Road in the Whitehaven area of Memphis to 6551 Knight Arnold Road, also located within the Whitehaven/Southeast Memphis area. As a result, the relocation will remain within the same general service area and continue to serve populations with similar socioeconomic and healthcare access characteristics.

While demographic characteristics vary somewhat among census tracts, both locations are situated in areas that have historically served a substantial number of lower-income residents, Medicare beneficiaries, Medicaid/TennCare recipients, and individuals with significant healthcare needs. Both communities include populations that experience higher rates of chronic illness, disability, and reliance upon public health insurance programs than statewide averages.

The applicant does not believe the relocation will materially change the population served by the facility. The proposed site remains within Shelby County, is readily accessible to the same hospital systems, referral sources, physicians, residents, and family members, and is expected to continue serving a significant Medicaid/TennCare population consistent with the historic utilization of Facility #258 and other skilled nursing facilities in the market.

To the extent there are demographic differences between the immediate neighborhoods surrounding the two locations, the applicant expects those differences to have little impact on the facility's service population. Skilled nursing facility admissions are primarily driven by hospital referrals, clinical need, physician recommendations, payer participation, and resident choice rather than by the demographic characteristics of the immediate surrounding neighborhood. Residents are routinely admitted from throughout Shelby County and, in some instances, surrounding counties.

Accordingly, the proposed relocation is not expected to reduce access to care for low-income, uninsured, underinsured, minority, elderly, or medically underserved populations. Rather, the project will return currently inactive skilled nursing beds to service in a modernized facility while continuing to serve the healthcare needs of the same general community and patient population historically served by the licensed beds.

QUESTION: What is the basis for the applicant's projected payor mix which reflects (63%) Medicaid revenue.

RESPONSE: The applicant's projected payor mix is based on the historical

resident census and payor composition of the previously operated facility, adjusted to reflect current market conditions and reimbursement trends. In addition, the applicant evaluated the occupancy patterns, resident demographics, and Medicaid utilization rates at comparable skilled nursing facilities operated and managed by affiliated entities within the region. Based on this analysis, the applicant believes that approximately **63% of revenue attributable to Medicaid** is a reasonable and supportable projection for the relocated facility. The projected payor mix is also consistent with the significant Medicaid population served by skilled nursing facilities in Shelby County and the facility's commitment to maintaining certification in both the Medicare and Medicaid programs.

15. Item 5N., Historical Utilization

QUESTION: Please respond in full to Item 5N and complete the associated tables. https://www.tn.gov/content/dam/tn/hfc/documents/HFC-5N-Nursing_Home_Services.xlsx

RESPONSE: Attachment 5N has been uploaded to the portal.

16. Item 6N., Applicant's Historical and Projected Utilization

QUESTION: Please complete the following charts for Year One and Year Two of the proposed project:

RESPONSE:

Projected Utilization

Year	Licensed Beds	*Medicare-certified beds	SNF Medicare ADC	Level 2 Medicaid ADC	SNF All other Payors ADC	Non-Skilled ADC	Total ADC	Licensed Occupancy %
1	92	92	10		8	57	75	82%
2	92	92	12		10	65	87	95%

* Includes dually-certified beds

QUESTION: Using 2021 JAR data, which appears was the latest year Whitehaven Community Living Center operated, please complete the following chart for Whitehaven Community Living.

RESPONSE:

Year	Licensed Beds	*Medicare-certified beds	SNF Medicare ADC	Level 2 Medicaid ADC	SNF All other Payors ADC	Non-Skilled ADC	Total ADC	Licensed Occupancy %
2001	88	88	11	0 (53 Level 1 Medicaid)	0	54	65	70.65% (using 92 licensed beds)

* Includes dually-certified beds

QUESTION: Please also clarify the reason Whitehaven Community Living Center reported 88 licensed beds in the 2021 JAR and not 94 licensed beds.

RESPONSE: The reporting of eighty-eight (88) beds was a mistake in the completion of the 2021 Joint Annual Report. There was confusion at the end of 2021 regarding the number of licensed beds based off the online database. The Facility was licensed for ninety-two (92) beds at the time and currently, though the license is now inactive.

Below are the calculations for Item 9:

Payer Source	Level I Care/ Intermediate Care	Leve II Care / Skilled Nursing Care	Total		
Medicare Advantage	0	1,125	1,125		
All Other Medicare	0	2,739	2,739		
TennCare MCO	19,209	0	19,209		
All Other Medicaid/TennCare	0	0	0		
VA Contract	0	0	0		
Other Government	0	0	0		
Access TN	0	0	0		
Private (Self Pay)	414	0	414		
Long-Term Care Insurance	0	0	0		
Other non-government	0	0	0		
Total	**19,623**	**3,864**	**23,487**		
Medicare Advantage	0	3	3		
All Other Medicare	0	8	8		
TennCare MCO	53	0	53		
All Other Medicaid/TennCare	0	0	0		
VA Contract	0	0	0		
Other Government	0	0	0		
Access TN	0	0	0		
Private (Self Pay)	1	0	1		
Long-Term Care Insurance	0	0	0		
Other non-government	0	0	0		
Total	**53.76**	**10.59**	**64.35**		**70.65%**

17. Item 3C., Effects of Competition and/or Duplication

QUESTION: What improvements are to be made in the new space? How will those improvements result in benefits to the consumer?

RESPONSE: There will be significant improvements in the new location. Floor upgrades, painting, new furniture, and enhanced home-like environment are planned. State of the art tech will be used for nurse call systems, resident monitoring, and risk reduction. A new "whole house" generator will also be purchased.

QUESTION: Are there any key differences in the services, or specialized care offered by the applicant and other nursing homes in Shelby County?

RESPONSE: The applicant intends to distinguish the proposed facility through a combination of a newly renovated physical environment, experienced local management, and a strong focus on quality outcomes and resident-centered care. The facility will be managed by Clearview Healthcare Management TN LLC, whose leadership team has extensive experience operating skilled nursing facilities and implementing quality improvement initiatives.

In addition to traditional skilled nursing and rehabilitation services, the applicant is evaluating the feasibility of providing **on-site dialysis services** to better serve residents with End-Stage Renal Disease (ESRD). Access to in-house dialysis can reduce transportation burdens on residents, improve continuity of care, and potentially reduce avoidable hospitalizations among a population with complex medical needs. The applicant believes these features, combined with a modernized care environment, will provide meaningful benefits to residents and families within Shelby County.

QUESTION: Please explain the history of the operating provider in the service area.

RESPONSE: Clearview Healthcare Management TN LLC has an established presence in the Memphis market and currently manages two skilled nursing facilities within Shelby County. At the time those facilities were acquired, each carried an overall CMS One-Star rating. Since assuming operational responsibility, Clearview has implemented quality improvement, staffing, compliance, and clinical performance initiatives that have resulted in a combined improvement of three CMS star levels across the facilities.

In addition to improvements in regulatory and quality performance measures, the facilities have maintained strong resident and family satisfaction, as reflected by Google review ratings exceeding four stars. Clearview's experience in Memphis provides valuable knowledge of the local healthcare market, referral relationships, workforce challenges, and resident needs, which will support successful operation of the proposed facility.

QUESTION: Please demonstrate the applicant and/or its operator's history of quality services including clinical outcomes and performance metrics.

RESPONSE: The applicant's affiliated operator, Clearview Healthcare Management TN LLC ("Clearview"), has established a track record of improving

quality outcomes and regulatory performance across its portfolio of skilled nursing facilities. Clearview currently provides management services to approximately 34 skilled nursing facilities located in Tennessee and Kentucky.

Quality performance indicators include:

- No facilities within the Clearview portfolio currently hold a CMS One-Star Quality Measure rating.
- The portfolio maintains an average overall CMS rating of approximately three stars.
- Since 2025, Clearview-managed facilities have achieved thirteen deficiency-free state survey inspections.
- More than one-third of Clearview-managed facilities have achieved deficiency-free survey results since 2025.
- Clearview has received numerous quality recognitions, including AHCA quality awards and other state and local industry recognitions.
- Facilities managed by Clearview have demonstrated sustained improvements in quality ratings, regulatory compliance, staffing performance, and resident satisfaction.

These results reflect Clearview's commitment to clinical excellence, regulatory compliance, quality improvement, and resident-centered care, and demonstrate the organization's capability to successfully operate the proposed skilled nursing facility in Shelby County.

Tennessee Code §68-11-1623(b) provides as follows: "An application or portion of a replacement facility application that does not increase the number of licensed beds over the number of beds in the existing facility or facilities being replaced must be reviewed and considered by the commission pursuant to the criteria in § 68-11-1609(b), and shall not be considered new nursing home beds. **In reviewing the application, the commission *shall give preference* to projects that propose replacement facilities because of building or life safety standard issues.** The criteria of § 68-11-1619 do not apply to replacement facility applications."

18. Item 4C., Human Resources

QUESTION: Please confirm the accuracy of the applicant statement that it currently operates Royal Retreat Senior Living.

RESPONSE: The applicant does not operate Royal Retreat Senior Living.

QUESTION: Is the applicant also planning to buy the rights to the company

operating the independent living facility located adjacent to the nursing home property, or has it already acquired it?

RESPONSE: The applicant has not bought, and has no plans to buy, the rights to the company operating the independent living facility located adjacent to the nursing home property.

QUESTION: Please describe the history and background of Clearview Healthcare Management TN and demonstrate its history of adequately staffing the nursing home facilities that it operates through public data sources where available.

RESPONSE: Clearview Healthcare Management TN LLC ("Clearview") is an experienced skilled nursing facility management company that provides operational, clinical, financial, compliance, and staffing support services to skilled nursing facilities in Tennessee and Kentucky. Through its affiliated operations, Clearview has developed a track record of improving facility performance, enhancing quality outcomes, and reducing reliance on temporary staffing agencies.

A key component of Clearview's operating philosophy is the recruitment and retention of a stable, facility-based workforce. During 2025, Clearview successfully transitioned its managed facilities to **agency-free staffing**, substantially reducing and, in many cases, eliminating the use of temporary agency personnel. As a result, residents receive care from consistent caregivers who are familiar with resident needs, facility policies, and clinical protocols, promoting continuity of care and improved clinical outcomes.

Clearview's staffing performance is further demonstrated by its ability to maintain low vacancy rates across its managed facilities while continuing to meet resident care needs and regulatory requirements. The organization emphasizes employee retention, workforce development, competitive compensation, and local leadership engagement to maintain adequate staffing levels. These efforts have supported strong survey performance, improved quality metrics, and enhanced resident satisfaction throughout the portfolio.

Publicly reported CMS staffing and quality data for facilities managed by Clearview reflect the organization's commitment to maintaining sufficient staffing levels and delivering high-quality care. In addition, the absence of CMS One-Star Quality Measure facilities within the portfolio, multiple deficiency-free surveys, and sustained improvements in facility ratings provide further evidence of Clearview's operational effectiveness and ability to adequately staff the

facilities under its management.

Accordingly, the applicant believes Clearview has demonstrated both the experience and operational capability necessary to recruit, retain, and maintain an adequate workforce to support the successful operation of the proposed facility.

QUESTION: Which specific facilities is the applicant referring to when stating: "As part of its plan to operate the relocated beds, the applicant will continue to maintain adequate staffing levels at all facilities under its operation"?

RESPONSE: The Applicant is referring to the skilled nursing facilities that are owned, operated, or managed by entities affiliated with the Applicant and/or Clearview Healthcare Management TN LLC ("Clearview"). The statement is intended to reflect the Applicant's commitment to maintaining appropriate staffing levels at its existing operations while simultaneously recruiting and staffing the proposed 92-bed facility. The Applicant and its management team have experience operating multiple skilled nursing facilities and will utilize established recruitment, retention, and workforce management practices to ensure that staffing resources dedicated to the proposed facility do not adversely affect staffing levels at any existing affiliated facilities. The proposed project will be staffed through new hiring and recruitment efforts, and the Applicant does not anticipate the need to divert staff from existing operations in order to operate the relocated beds.

QUESTION: What is the applicant's plan to recruit the number of staff necessary to operate the 92-bed facility?

RESPONSE: The applicant and its affiliated manager, Clearview Healthcare Management TN LLC ("Clearview"), have extensive experience recruiting, hiring, training, and retaining the personnel necessary to operate skilled nursing facilities. Clearview currently operates three skilled nursing facilities in the Memphis area and has successfully maintained staffing levels necessary to support quality care and regulatory compliance.

To staff the proposed 92-bed facility, Clearview will utilize its established recruitment infrastructure, local market presence, and existing relationships with nursing schools, healthcare training programs, and healthcare professionals throughout the Memphis region. Recruitment efforts will target registered nurses (RNs), licensed practical nurses (LPNs), certified nursing assistants (CNAs), rehabilitation professionals, dietary personnel, housekeeping staff, maintenance personnel, and administrative employees.

The applicant intends to begin recruitment activities well in advance of the facility's opening to ensure adequate staffing is in place prior to admitting residents. In addition, Clearview's existing presence in Shelby County provides access to experienced healthcare professionals familiar with the local market and skilled nursing operations. The organization has demonstrated success in recruiting and retaining facility-based staff and has reduced reliance on temporary agency personnel through focused workforce development and retention initiatives.

Based on its successful operation of multiple skilled nursing facilities in the Memphis area and throughout Tennessee and Kentucky, the applicant is confident that it can recruit and retain the number and types of personnel necessary to safely and effectively operate the proposed 92-bed facility.

QUESTION: What comparable projects does Clearview Healthcare Management TN have experience with that represent staffing of 92 inactive beds?

RESPONSE: Clearview Healthcare Management TN LLC ("Clearview") and its affiliated management team have experience recruiting, onboarding, and staffing skilled nursing facilities of comparable size and complexity, including facilities undergoing operational transitions, census growth initiatives, ownership changes, and facility start-up activities. While the proposed project involves the reactivation and relocation of 92 inactive beds, the staffing requirements are comparable to those associated with opening a new skilled nursing facility or significantly increasing census at an existing facility. Clearview's management personnel have successfully recruited and staffed nursing, therapy, dietary, housekeeping, maintenance, administrative, and support personnel for similarly sized skilled nursing operations. Through established recruiting relationships, targeted advertising, employee referral programs, staffing partnerships, and management oversight, Clearview has demonstrated the ability to develop and maintain the workforce necessary to operate facilities of this size while maintaining compliance with applicable staffing and quality requirements. The Applicant is confident that Clearview's experience and resources are sufficient to recruit and retain the staff necessary to support the operation of the proposed 92-bed facility.

19. Item 5C. Licensure, Certification, and Accreditation

QUESTION: How many affiliates of the applicant are TJC accredited or accredited by another entity?

RESPONSE: No affiliates of the applicant are TJC accredited.

20. Item 9C., Charge Comparison

QUESTION: Please provide a comparison of Daily Charges between those proposed by the applicant and other Shelby County nursing homes highlighting any facilities affiliated with the applicant's ownership. Schedule H of the JAR for Nursing Homes Masterfile 2024.

RESPONSE: The average daily rates of 11 comparable nursing homes are set forth below. These are comparable nursing homes as they are all certified by Medicare and Medicaid and have some private rooms.

Facility	Total Beds	Private Beds	Overall Star Rating	Average Daily Rates[1]
Applicant	92	8	N/A	Private Pay: $353.00 Medicaid/TennCare: $303.00 Medicare $585.00
Shelby Oaks Post Acute	77	13	*	Private Pay: $315.00 (I)/$409 (II) Medicaid/TennCare: $298.00 Medicare $551.00
Rainbow Rehabilitation and Healthcare Center, LLC	115	9	*	Private Pay: $350.00 Medicaid/TennCare: $301.46 Medicare $583.42
Spring Gate Rehabilitation and Healthcare Center	206	9	*	Private Pay: $350.00 Medicaid/TennCare: $314.30 Medicare $613.14
Midtown Center for Health and Rehabilitation, LLC	180	6	***	Private Pay: $320.00 Medicaid/TennCare: $ 274.80 Medicare $ 558.20
Millington Healthcare Center	85	21	**	Private Pay: $290.00 Medicaid/TennCare: $269.94 Medicare $574.00
Signature Healthcare of Primacy	120	4	****	Private Pay: $336.00 Medicaid/TennCare: $305.00 Medicare $305.00
Signature Healthcare of Memphis	140	40	*****	Private Pay: $345.00 Medicaid/TennCare: $300.00 Medicare $300.00
Quince (Iris Cove) Nursing and Rehabilitation Center	188	42	*	Private Pay: $283.51 Medicaid/TennCare: $260.84 Medicare $890.06

[1] *Rates set forth in MasterFile Excel Spreadsheet*

Majestic Gardens of Memphis Rehabilitation and Skilled Nursing	169	55	*	Private Pay: $306.00 Medicaid/TennCare: $207.85 Medicare $561.96
Cordova Wellness and Rehabilitation Center	240	4	***	Private Pay: $365.00 Medicaid/TennCare: $277.19 Medicare $565.44
Waters of Memphis - Rehab and Nursing Center LLC	90	40	**	Private Pay: $356.11 Medicaid/TennCare: $320.99 Medicare $544.00

21. Item 10C., Payor Mix

QUESTION: If the applicant is projecting 100% skilled care, why is there only 16.8% Medicare/Medicare Managed care in the payor mix chart?

RESPONSE: The term "skilled care" refers to the level of care provided by a licensed skilled nursing facility and should not be confused with Medicare coverage. Residents receiving skilled nursing facility services may have their care reimbursed by a variety of payors, including Medicare, Medicare Advantage plans, Medicaid (TennCare), dual-eligible programs, hospice benefits, managed care organizations, and other third-party payors. The applicant projects that the facility will operate exclusively as a skilled nursing facility; however, a substantial portion of residents are expected to be long-term care residents whose services are reimbursed through Medicaid/TennCare. Accordingly, while 100% of residents will receive skilled nursing facility services, only approximately 16.8% of projected revenue is anticipated to be derived from Medicare and Medicare Managed Care, with the majority of revenue attributable to Medicaid/TennCare and other reimbursement sources.

QUESTION: Please compare the TennCare enrollment projected percentage with the last reported utilization of the licensed facility (#258) and other Shelby County nursing homes affiliated with the applicant.

RESPONSE: The projected TennCare utilization for the proposed facility is generally consistent with the historic utilization of Facility #258 prior to its closure and with the utilization patterns observed at other Shelby County skilled nursing facilities affiliated with the applicant's management organization. Skilled nursing facilities in Shelby County commonly serve a significant Medicaid/TennCare population, particularly among long-term care residents. The applicant's projected TennCare percentage reflects historical experience,

current market conditions, resident demographics, and the utilization patterns of comparable facilities operated by affiliated entities. Based on these factors, the applicant believes the projected TennCare utilization is reasonable and consistent with both prior facility operations and existing affiliated facilities in the service area.

QUESTION: Does the applicant maintain a charity care policy. If so, please attach.

RESPONSE: No. The applicant does not maintain a formal charity care policy. As a skilled nursing facility, the applicant intends to participate in the Medicare and Medicaid programs, including TennCare, which provide reimbursement mechanisms for eligible residents who qualify for financial assistance through those programs.

QUESTION: What is included in the "Other" row of the Payor Mix Chart?

RESPONSE: The "Other" category primarily consists of hospice-related reimbursement associated with residents receiving hospice services while residing in the skilled nursing facility.

QUESTION: Is the 0% Self Pay and Charity Care projection comparable to other nursing homes operated by the applicant's affiliates?

RESPONSE: Yes. The projected 0% Self Pay and Charity Care percentage is generally consistent with the experience of other nursing homes operated or managed by the applicant's affiliates. These facilities primarily serve residents whose care is reimbursed through Medicare, Medicare Advantage, Medicaid/TennCare, managed care organizations, and hospice programs. As a result, self-pay and charity care residents represent an insignificant portion of overall utilization and revenue, making the projection reasonable and consistent with affiliated facility operations.

22. Item 2Q., Staffing Level Commitment

QUESTION: Please confirm that the applicant intended to indicate that it will not commit to maintaining staffing comparable to the staffing chart presented in its CON applicant. If the response is accurate, please explain why.

RESPONSE: It appears the wrong box was checked. The applicant does commit to maintaining staffing comparable to the staffing chart presented in its CON application.

23. Item 4Q., MCOs

QUESTION: Please confirm that the applicant will not accept United Healthcare Community Plan or WellPoint MCOs as indicated in the application. If the response is accurate, please explain why.

RESPONSE: The applicant confirms that it intends to accept residents covered by UnitedHealthcare Community Plan, Wellpoint, and other managed care organizations that serve TennCare beneficiaries, subject to the execution and maintenance of customary provider agreements and participation requirements.

To the extent the application materials may indicate that UnitedHealthcare Community Plan or Wellpoint would not be accepted, that statement is not accurate and should be disregarded. The applicant intends to contract with and accept residents covered by all major TennCare managed care organizations to maximize access to care for Medicaid beneficiaries within the service area.

Participation with multiple TennCare managed care organizations is consistent with the applicant's projected Medicaid/TennCare census and its objective of serving a broad range of residents requiring skilled nursing services. By maintaining contracts with UnitedHealthcare Community Plan, Wellpoint, and other TennCare managed care plans, the facility will improve resident choice, facilitate admissions from hospitals and other referral sources, and enhance access to skilled nursing care for eligible individuals throughout Shelby County.

QUESTION: Why did the applicant select BlueCare-East Tennessee while the applicant is located in Shelby County?

RESPONSE: The applicant does not intend to contract exclusively with BlueCare East Tennessee. Rather, the applicant intends to participate with all TennCare managed care organizations serving the market, including BlueCare, UnitedHealthcare Community Plan, Wellpoint, and other applicable managed care plans, subject to the execution of customary provider agreements.

Any reference in the application to BlueCare East Tennessee was not intended to indicate a limitation on participation or service area. The proposed facility is located in Shelby County and is expected to serve residents covered by the various TennCare managed care organizations operating in West Tennessee.

Accordingly, the applicant's business plan assumes participation in all major TennCare MCOs to maximize resident access, support hospital referral

relationships, and ensure beneficiaries have access to skilled nursing services regardless of their managed care enrollment.

The applicant believes broad participation with TennCare managed care organizations is necessary to effectively serve the needs of Shelby County residents and to promote access to care for Medicaid beneficiaries requiring skilled nursing services.

24. Item 6Q., Substantial Compliance

QUESTION: The applicant has selected NA indicating it is not an existing healthcare institution, which is not accurate as it is relocating an existing healthcare institution. Please respond to each item under 6Q accordingly.

RESPONSE: The applicant is purchasing the beds in an arm's length transaction, so it is merely relocating inactive beds from the prior healthcare instruction to a remodeled healthcare institution. Accordingly, we believe the answer *not applicable* is appropriate.

25. Item 7Q., Compliance Actions

QUESTION: There appear to be existing nursing homes both nationally and in Tennessee that share 5% or greater ownership with the applicant. Please respond to each item under 7Q accordingly.

RESPONSE: Please refer to the complete listing of the facilities managed by Clearview Healthcare Management TN LLC attached as **Attachment 1E**.

26. Item 8Q., Staffing Chart

QUESTION: What is the position "BOM" under non-patient care positions?

RESPONSE: Business Office Manager.

QUESTION: If the applicant is providing rehab services, dietary, and pharmacy, why are there not licensed pharmacists, dietary positions, physical therapists, occupational and speech therapists in the project's staffing chart?

RESPONSE: The staffing chart does not include licensed pharmacists, physical therapists, occupational therapists, speech-language pathologists, or certain dietary personnel because those services are expected to be provided through contractual arrangements rather than direct employment by the facility. This

staffing model is common within the skilled nursing industry and allows the facility to access specialized professional services while maintaining operational flexibility and ensuring compliance with applicable regulatory requirements.

The facility will contract with qualified third-party providers for pharmacy services and as needed, rehabilitation services, including physical therapy, occupational therapy, and speech-language pathology. Dietary services may likewise be supported by contracted professionals, such as a registered dietitian, where permitted and appropriate. Regardless of whether these services are provided through employees or contractors, the facility will ensure that all required professional services are available to residents and that all applicable federal and state staffing, licensure, and certification requirements are satisfied.

Accordingly, the omission of these positions from the staffing chart does not reflect an absence of services; rather, it reflects the applicant's expectation that such specialized services will be furnished through contractual relationships consistent with the operational practices of the facility and other facilities managed by Clearview Healthcare Management TN LLC.

QUESTION: Please explain why the applicant is projecting 2.1 registered nurse positions in Year One, while White Haven Community Living indicated in their 2021 JAR 14 FTE RNs and 17 Part-Time FTE equivalents.

RESPONSE: The applicant's Year One staffing projections reflect its anticipated startup census and phased occupancy growth rather than full operation at stabilized occupancy. Accordingly, the projected 2.1 RN FTEs should not be compared directly to the staffing levels reported by Whitehaven Community Living Center in 2021, when that facility was operating at a different census level, resident acuity level, staffing model, and stage of operations.

Whitehaven Community Living Center's 2021 staffing levels reflected the needs of an operating facility serving its existing resident population at that time. By contrast, the applicant's Year One projections are based on a newly opened facility that is expected to admit residents gradually and increase staffing as occupancy grows. The staffing plan is designed to comply with all applicable federal and state staffing requirements while providing sufficient nursing personnel to meet resident needs during startup operations.

In addition, the applicant's staffing model incorporates a different mix of registered nurses, licensed practical nurses, certified nursing assistants, contract professionals, and management personnel than may have existed at Whitehaven Community Living Center. As census increases and resident acuity warrants, the

applicant expects to increase nursing staff, including registered nurse staffing, to maintain appropriate clinical oversight and resident care.

Therefore, differences between the applicant's Year One projections and Whitehaven Community Living Center's 2021 reported staffing levels primarily reflect differences in anticipated census, operational status, staffing methodology, and resident care needs rather than any intent to provide a lower level of care. The applicant will continuously evaluate staffing levels and adjust personnel as necessary to ensure compliance with all regulatory requirements and the delivery of high-quality resident care.

QUESTION: With 2.1 RNs projected in Year One, how will there be 24-hour RN coverage for each shift?

RESPONSE: The staffing chart reflects full-time equivalent ("FTE") positions and should not be interpreted to mean that only 2.1 registered nurses will be employed by the facility. The projected staffing model complies with applicable federal and state staffing requirements and provides continuous nursing services on a 24-hour basis.

The applicant understands that nursing homes are required to provide licensed nursing services twenty-four hours per day, including at least one licensed nurse on duty at all times. Accordingly, the facility will maintain 24-hour nursing coverage through a combination of registered nurses (RNs), licensed practical nurses (LPNs), and other qualified nursing personnel consistent with applicable licensure and certification requirements.
While the facility is not projecting an RN on every shift during the first year of operation, it will ensure continuous licensed nurse coverage and will employ sufficient nursing personnel to meet resident needs, maintain regulatory compliance, and provide high-quality clinical care. In addition, the staffing plan will be adjusted as census and resident acuity increase to ensure appropriate levels of nursing supervision and clinical oversight.

27. Attachment, Operating Agreement

QUESTION: Section 1.1 of the operating agreement identifies (the "Company") as Hickory Bend TN LLC. Is the "Company" Hickory Bend TN Opco LLC or Hickory Bend TN Holdco LLC?

RESPONSE: The reference to **"Hickory Bend TN LLC"** in Section 1.1 of the Operating Agreement is a typographical error. The intended entity is **Hickory Bend TN Opco LLC**, which is the operating company identified throughout the

application materials. **Hickory Bend TN Holdco LLC** is the parent entity and sole member of Hickory Bend TN Opco LLC. A corrected version of the document is attached.

QUESTION: What is the relationship between Hickory Bend TN Opco LLC, Hickory Bend TN Holdco LLC and Clearview Healthcare Management TN LLC, including the ownership interests of the owners of each entity.

RESPONSE: Pursuant to the organizational chart, **Hickory Bend TN Opco LLC** is the facility operating entity and is wholly owned by **Hickory Bend TN Holdco LLC**. Accordingly, all ownership interests in Hickory Bend TN Opco LLC are held indirectly through the ownership interests in Hickory Bend TN Holdco LLC.

Clearview Healthcare Management TN LLC ("Clearview") does not hold any direct or indirect ownership interest in either Hickory Bend TN Opco LLC or Hickory Bend TN Holdco LLC. Instead, Clearview will provide management and consulting services to the facility pursuant to a management agreement with Hickory Bend TN Opco LLC.

The ownership interests of Hickory Bend TN Opco LLC and Hickory Bend TN Holdco LLC are set forth in the organizational chart and ownership disclosures included with the application. Although Clearview has no ownership interest in either entity, there is a common affiliation through Mick Vujanovic, who serves as Chief Executive Officer of Clearview Healthcare Management TN LLC and is also a principal of Hickory Bend TN Holdco LLC. This relationship is managerial and operational in nature and does not constitute an ownership interest by Clearview Healthcare Management TN LLC in either Hickory Bend TN Opco LLC or Hickory Bend TN Holdco LLC.

QUESTION: Who owns Hickory Bend TN Holdco LLC? What role does the authorized signatory – Mick Vujanovic have in the ownership / operations of Hickory Bend TN Holdco LLC?

RESPONSE: Please see answer above.

28. Attachment, Agreement to Purchase Assets

QUESTION: Section 3.3. – Please explain how Medicare and Medicaid participation agreements will be cancelled and then reestablished under new ownership.

RESPONSE: As reflected in Section 3.3 of the Asset Purchase Agreement, the facility formerly operated at 1076 Chambliss Road voluntarily ceased operations and voluntarily terminated its Medicare and Medicaid provider agreements prior to the applicant's involvement. The prior operator, CLC of Whitehaven, LLC, was not involuntarily terminated or decertified from participation in the Medicare or Medicaid programs. Rather, the provider agreements were voluntarily surrendered in connection with closure of the facility and the placement of the license and beds into inactive status.

Because the prior Medicare and Medicaid provider agreements were voluntarily terminated and will not be assumed by the applicant, the applicant will establish new Medicare and Medicaid participation under the ownership and operation of the proposed relocated facility. Following completion of the relocation project and commencement of operations, the applicant will complete all required enrollment, certification, licensure, survey, and approval processes required by the Centers for Medicare & Medicaid Services (CMS), the Tennessee Department of Health, and the Tennessee State Survey Agency.

The applicant anticipates submitting the appropriate provider enrollment applications and undergoing all required surveys and inspections necessary to obtain certification as a skilled nursing facility participating in the Medicare and Medicaid programs. Upon demonstrating compliance with all applicable federal and state requirements, the relocated facility will enter into new Medicare and Medicaid participation agreements and will obtain provider certification under its new ownership and operational structure.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after initial written notification is given to the applicant by the Commission staff that the application is deemed incomplete, the application shall be deemed void." **For this application the sixtieth (60th) day after written notification is January 5, 2027. If this application is not deemed complete by this date, the application will be deemed void.** Commission Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Re-submittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the fifteenth day of the month after the application has been deemed complete by the staff of the Health Facilities Commission. Any communication regarding projects under consideration by the Health Facilities Commission shall be in accordance with T.C.A. ' 68-11-1607(d):

No communications are permitted with the members of the Commission once the Letter of Intent initiating the application process is filed with the Commission.

Communications between Commission members and Commission staff shall not be prohibited. Any communication received by a Commission member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.

Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,

Thomas Pitt
HFC Health Planner

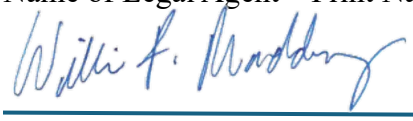
Enclosure

Certificate of Need Attestation

I am the applicant or his/her/its legal agent, duly swear that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Facilities Commission, and TCA 68-11-1601, et seq., and the responses to this application or any other questions deemed appropriate by the Health Facilities Commission are true and complete.

William F. Maddrey

Name of Legal Agent – Print Name



Signature of Legal Agent

11-13-26

Date of Signature

State of Tennessee
Health Facilities Commission
Andrew Jackson Building
502 Deaderick Street, 9th Floor, Nashville, TN 37243
www.tn.gov/hfc Phone: 615-741-2364

November 13, 2026

William Maddrey, Attorney
Baker Donelson
2235 Gateway Access Point, Suite 220
Raleigh, NC 27607

RE: Certificate of Need Application CN2610-021
Port Royal Retreat Memphis

Dear Mr. Maddrey:

This will acknowledge our November 13, 2026, receipt of your application for a Certificate of Need for the Relocation of ninety-two (92) skilled nursing beds from 1076 Chambliss Road, Memphis, TN to 6551 Knight Arnold Road, Memphis, TN 38115.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit responses electronically by 4:30 p.m., November 14th. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

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1. **Item 1N., Criteria and Standards**

   Attachment 1N, Criteria #1. Determination of Need:

   QUESTION: Please complete the Criteria and Standards for Construction, Renovation, Expansion or Replacement of Health Care Institutions.

   RESPONSE: See Attachment 1N.

2. **Item 3N., Demographics**

Please identify the target population for the project.
Please revise the following items in Attachment 3NB.:

- Total Population 2026: Shelby County and State of TN - **911,320 & 7,371,115**
- Total Population 2028: Shelby County and State of TN- **906,680 & 7,487,391**
- Total Population: % Change **-0.5% & 1.6%**
- Target Population 2026: Shelby County and State of TN - **153,795 & 1,402,549**
- Target Population 2028: Shelby County and State of TN - **157,761 & 1,468,068**
- Target Population: % Change **2.6% & 4.7%**
- Percentage of Persons Living in Poverty: State of TN – **12.3%**
- TennCare Enrollees: Shelby County and State of TN - **230,511 & 1,357,979**
- TennCare Enrollees as a % of Total Population 2026: Shelby County and State of TN **- 25.3% & 18.4%**

RESPONSE: The revised 3N with the values above has been uploaded to the portal.

3. **Item 6N., Applicant's Historical and Projected Utilization**

It is noted that the applicant projects 100% patients will receive skilled nursing services in the supplemental response to question #21. Please clarify how those 100% skilled services will be reimbursed while it appears a majority of patients will not be receiving skilled services. Particularly since the applicant indicated in their supplemental response to question #16 that the project will have a projected average daily census of 57 and 65 non-skilled services in Year One and Year Two. Typically, the projected non-Medicare long-term resident population is primarily reimbursed through TennCare/Medicaid and other non-Medicare payment sources, while residents qualifying for skilled nursing facility benefits are reimbursed under the applicable Medicare payment methodology and other non-Medicaid/TennCare payment sources.

In your response, please clarify how skilled services to long-term patients will be reimbursed and at what level as compared to patients receiving Medicare skilled services.

RESPONSE: Upon further review of this question, the applicant believes there was a misunderstanding regarding the use of the term "skilled services" in its

prior responses. The applicant was referring to care provided in a licensed skilled nursing facility setting, including long term custodial nursing care, rather than solely to Medicare Part A skilled nursing and rehabilitation services provided on a short term basis following a hospital stay.

The applicant is not projecting that 100% of residents will qualify for, or be reimbursed under, the Medicare skilled nursing facility benefit. Rather, the facility is expected to serve a mix of long term care residents and short term rehabilitation residents, with reimbursement derived from multiple payor sources, including Medicaid (TennCare), Medicare, managed care organizations, and private-pay residents.

Long term residents who require nursing facility services but do not qualify for the Medicare skilled nursing facility benefit will generally be reimbursed through TennCare/Medicaid, private-pay sources, or other applicable third-party payors. Residents receiving Medicare-covered skilled nursing and rehabilitation services will be reimbursed under the applicable Medicare payment methodology. Accordingly, the projected payor mix is based on historical resident census and payor composition of the previously operated facility, adjusted to reflect current market conditions and reimbursement trends.

Based on this analysis, the applicant projects that approximately 63% of facility revenue will be derived from Medicaid/TennCare, which is consistent with the historical utilization patterns of the prior facility, the Medicaid utilization rates at comparable skilled nursing facilities operating in Shelby County, and the applicant's expectation that a substantial portion of the resident population will consist of long term care residents whose services are reimbursed through Medicaid rather than Medicare. The facility will maintain certification in both the Medicare and Medicaid programs and expects to serve residents reimbursed through both programs.

4. **Item 4C., Human Resources**

QUESTION: The applicant's experience with staffing nursing homes is noted. Does Clearview Healthcare Management TN have experience with staffing any specific nursing home facilities that do not have existing staff to recruit from? Please identify any facilities of comparable size that were either new or established without existing staff.

RESPONSE: Clearview Healthcare Management TN LLC ("Clearview") has substantial experience recruiting and staffing nursing facilities under a variety of operational circumstances, including facilities that experienced significant

staffing turnover, facilities requiring rapid workforce expansion, and facilities transitioning to new ownership where retention of existing personnel could not be assumed. In such situations, Clearview has successfully recruited licensed nurses, certified nursing assistants, dietary staff, housekeeping personnel, maintenance staff, therapists, and administrative personnel through a combination of local recruiting efforts, industry relationships, employee referral programs, targeted advertising, job fairs, and third-party recruiting resources.

While many nursing facility acquisitions include opportunities to retain some existing employees, Clearview's staffing model does not depend upon inheriting a preexisting workforce. Instead, Clearview routinely develops and implements comprehensive recruitment plans designed to ensure adequate staffing levels are achieved and maintained regardless of the number of employees retained following a transition.

The proposed facility, at 92 beds, is comparable in size to numerous skilled nursing facilities staffed and managed by Clearview-affiliated entities. Based on that experience, the applicant is confident in its ability to recruit and retain the personnel necessary to operate the facility safely and effectively. The applicant has already begun evaluating the local labor market and anticipates recruiting from the substantial pool of nursing professionals, certified nursing assistants, and support staff currently working in the Shelby County healthcare market, including individuals employed in nursing facilities, assisted living facilities, home health agencies, hospitals, and other post-acute care settings.

5. **Item 5C. Licensure, Certification, and Accreditation**

Why is TJC accreditation being pursued for this facility, but no other facilities affiliated with the applicant?

RESPONSE: The initial application was incorrect in that the applicant will not seek accreditation from The Joint Commission following the relocation of the beds proposed in the application. The application has been updated to reflect this.

6. **Item 7Q., Compliance Actions**

Attachment 1E is noted. Please confirm that the application item categories listed in 7Q are consistent with the list of affiliated facilities.

RESPONSE:

The applicant confirms that the information provided in Item 7Q is consistent with the list of affiliated facilities previously disclosed in the application. Except for previously resolved civil monetary penalties that have been fully satisfied and are no longer pending, neither the applicant nor the affiliated facilities identified in the application are or have been subject to any of the following:

- Final Order or Judgment in a state licensure action;
- Criminal fines in cases involving a Federal or State healthcare offense;
- Civil monetary penalties in cases involving a Federal or State healthcare offense;
- Administrative monetary penalties in cases involving a Federal or State healthcare offense;
- Agreements to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items or services;
- Suspension or termination of participation in Medicare or TennCare/Medicaid programs; and/or
- Any investigation, or party in any regulatory or criminal action of which the applicant is aware.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after initial written notification is given to the applicant by the Commission staff that the application is deemed incomplete, the application shall be deemed void." **For this application the sixtieth (60th) day after written notification is January 5, 2027. If this application is not deemed complete by this date, the application will be deemed void.** Commission Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Re-submittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

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is filed with the Commission. Communications between Commission members and Commission staff shall not be prohibited. Any communication received by a Commission member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.

Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,

Thomas Pitt
HFC Health Planner

Enclosure