



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

JOSH STEIN • Governor

DEV DUTTA SANGVAI • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

January 21, 2025

Kevin Maddron
kevin.maddron@foundrycommercial.com

No Review

Record #: See Attachment A
Date of Request: December 23, 2024
Facility Name: See Attachment A
FID #: See Attachment A
Project Description: Change in licensee
County: Hoke and Mecklenburg

Dear Kevin Maddron:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your correspondence regarding the project described above. Based on the representation in your request and the CON law **in effect on the date of this response to your request**, the project as described is not governed by, and therefore, does not currently require a certificate of need. If the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

This determination is binding only for the facts represented in your correspondence. If changes are made in the project or in the facts provided in the correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by this office. **As a reminder, it is unlawful to offer or develop a new institutional health service without first obtaining a certificate of need. The Department reserves the right to impose sanctions, including civil penalties and the revocation of a license, upon any entity that offers or develops a new institutional health service without first obtaining a certificate of need.**

Sincerely,

Chalice L. Moore
Project Analyst

Micheala Mitchell
Chief

cc: Adult Care Licensure Section, DHSR

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704
<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Attachment A

Record #	Name of Facility	FID	Type of Facility	County
4679	Wickshire Creeks Crossing	130277	ACH	Hoke
4680	Wickshire Steele Creek	100540	ACH	Mecklenburg

CHANGE OF LICENSEE APPLICATION and ATTACHMENTS

Wickshire Creeks Crossing

1. Notice of Change of Licensee
2. Notice of Matter Not Subject to Review (combined with Steele Creek)
3. Change of Licensee Application
4. Check #1016 for \$1,672.50 attached to page 8 of the application
5. Facility License
6. Assisted Living Administrator Certificate
7. Fire Inspection Report
8. Sanitation Inspection Report
9. Special Care Unit Disclosure Statement
10. Residency Agreement
11. Certificate of Authority Issued by NC Secretary of State
12. Copy of Amendment to Lease Agreement
13. Copy of Lease Agreement



SPRING ARBOR
SENIOR LIVING

December 20, 2024

Ms. Micheala Mitchell, Chief
N.C. Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section
809 Ruggles Drive
Raleigh, NC 27603
Via email to: Micheala.Mitchell@dhhs.nc.gov, Tiffany.Stancil@dhhs.nc.gov

Re: Notice of Intent to Change Licensee

Dear Ms. Mitchell:

I am writing on behalf of Spring Arbor Creeks Crossing NC Tenant, LLC (“Spring Arbor”) to provide notice to the N.C. Department of Health and Human Services Division of Facility Services, Healthcare Planning and Certificate of Need Section (the “DHHS”) of the pending change of licensee by Wickshire Senior Living (“Wickshire”); and Wickshire’s related North Carolina affiliate, which is identified on Attachment A to this correspondence (“Licensee”) of Wickshire’s North Carolina licensed adult care home Wickshire Creeks Crossing (the “Facility”) to Spring Arbor (the “New Operator”), and New Operator will become the licensee and new operator of the Facility.

The transition to New Operator is currently scheduled to occur on January 30, 2025 or as soon thereafter as the required change of licensure application has been approved by the DHHS. New Operator will file a Change of Licensee application with the DHHS requesting a new license for the Facility. The Licensee intends to relinquish the existing license for the Facility immediately upon the issuance of the new license to the New Operator for the Facility. For the avoidance of doubt, it is the intention of the parties to this transaction that the existing license of the Current Operator to remain in place and fully active until such time as the New Operator has been issued a new license for the Facility, such that there is no lapse in or interruption of the licensure of the Facility.

Thank you in advance for your prompt consideration of the Notice of Intent to Change Licensee. Should you have any questions or need additional information please feel free to email my paralegal at amy.patterson@foundrycommercial.com

Best regards,



Kevin R. Maddron
Executive Vice President

ATTACHMENT A

CURRENT OPERATOR

Wickshire Creeks Crossing OpCo LLC



December 20, 2024

Ms. Micheala Mitchell, Chief
N.C. Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section
809 Ruggles Drive
Raleigh, NC 27603
Via email to: Micheala.Mitchell@dhhs.nc.gov, Tiffany.Stancil@dhhs.nc.gov

Re: Notice of Matter Not Subject to Review

Dear Ms. Mitchell:

I am writing on behalf of Spring Arbor Steele Creek NC Tenant, LLC (the "Future Steele Creek Lessee"), Spring Arbor Creeks Crossing NC Tenant, LLC (the "Future Creeks Crossing Lessee"), and collectively the "Future Lessees"), Wickshire Steele Creek PropCo LLC ("Current Steele Creek Owner", and "Current Steele Creek Lessor"), Wickshire Creeks Crossing PropCo LLC (the "Current Creeks Crossing Owner", "Current Creeks Crossing Lessor" and collectively the "Current Owners-Lessors"), Wickshire Steele Creek OpCo LLC (the "Current Steele Creek Lessee"), Wickshire Creeks Crossing OpCo LLC, (the "Current Creeks Crossing Lessee"), and collectively the "Current Lessees"), to provide notice to the N.C. Department of Health and Human Services Division of Facility Services, Healthcare Planning and Certificate of Need Section (the "CON Section") of a matter we understand is not subject to Certificate of Need Review. Specifically, Current Owners-Lessors own two (2) real properties and buildings that are leased to the Current Lessees, which Future Lessees intend to file Change of Licensee applications pursuant to a transaction currently scheduled to occur on January 30, 2025, or as soon thereafter as the required change of licensure application has been approved.

Attachment A to this correspondence identifies each of the Current Owners and Current Lessees that currently own and lease the real properties and buildings; the license numbers for the corresponding Current Lessees, which operate the adult care homes thereon, and the Future Steele Creek Lessee and Future Creeks Crossing Lessee entities that will become the Future Lessees of the two North Carolina adult care homes. At the closing of the transaction, the Future Lessees will enter into Lease Agreements with the respective Current Owners-Lessors.

We note that the Current Owners of the adult care homes identified in Attachment A will continue to own the adult care homes. The owner of the adult care homes is not changing as part of this transaction.

As such, please accept this notice as the parties request for a determination that the change of licensee of the adult care homes described in this letter is not subject to Certificate of Need Review as it does not constitute a “new institutional health service” as defined by N.C. Gen. State §131E-176(16). Moreover, since the owner of the adult care homes is not changing, this transaction does not appear to involve an existing “health service facility” as defined at N.C. Gen. Stat. §131E-176(9)(b), which we understand would be similarly exempt from review pursuant to N.C. Gen. Stat. §131E-184(a)(8).

We would appreciate it if you would provide written confirmation at your earliest convenience that the transaction described herein is not subject to CON Section review and that the parties may proceed with the transaction without first obtaining a certificate of need.

Thank you in advance for your prompt consideration of this Notice of a Matter Not Subject to Review. Please let me know if you have any questions or need additional information.

Best regards,



Kevin R. Maddron
Executive Vice President

ATTACHMENT A

**CURRENT OWNER-LESSOR, CURRENT LESSEE and
FUTURE LESSEE**

Note: The Current Owner of the adult care homes is not changing as part of this transaction.

Adult Care Home	Current Owner	Current Lessee	License #:	Future Lessee
Wickshire Creeks Crossing	Wickshire Creeks Crossing PropCo LLC	Wickshire Creeks Crossing OpCo LLC	HAL-047-015	Spring Arbor Creeks Crossing NC Tenant, LLC
Wickshire Steele Creek	Wickshire Steele Creek PropCo LLC	Wickshire Steele Creek OpCo LLC	HAL-060-166	Spring Arbor Steele Creek NC Tenant, LLC

**CHANGE LICENSURE
APPLICATION PACKET
FOR
ADULT CARE HOME
(7 OR MORE BEDS)**

Return the entire packet to

Mailing address of Adult Care Licensure Section:

U.S. Postal Service:

Division of Health Service Regulation
Adult Care Licensure Section
2720 Mail Service Center
Raleigh NC 27699-2720
Attn: License Materials Enclosed

Express/Overnight Courier (FED-EX, UPS):

Division of Health Service Regulation
Adult Care Licensure Section
801 Biggs Drive
Raleigh, North Carolina 27603
Attn: License Materials Enclosed

Adult Care Licensure Section: 919-855-3765

STEPS FOR A CHANGE OF OWNERSHIP FOR ADULT CARE HOMES WITH 7 OR MORE BEDS

Please read and follow these steps to complete a change of ownership successfully.

1. The prospective licensee shall provide the Healthcare Planning and Certificate of Need Section of the Division of Health Service Regulation [NC DHSR: Certificate of Need \(ncdhhs.gov\)](http://ncdhhs.gov) with prior written notice as required by G.S. 131E-184(a)(8) prior to the purchase of the building. The applicant will need one of the following documents:
 - a. A letter of exemption from review from the Healthcare Planning and Certificate of Need Section prior to the purchase of the building (*when the applicant or prospective licensee plans to purchase the building*).
 - b. A letter notifying Healthcare Planning and Certificate of Need Section of the intent to change licensee (*when licensee is changing but ownership of building is not*).
2. The current licensee shall provide written notification of a planned change of licensee to the Division of Health Service Regulation, the county department of social services, and the residents or their responsible **persons at least 30 days prior to the date of the planned change of licensee**.
3. The prospective licensee shall submit the following license application material to the Division of Health Service Regulation:
 - (a) The Change Licensure Application for Adult Care Home (7 or more Beds) that is available on the internet website, [NC DHSR ACLS: Change Licensure Application Packet for Adult Care Home \(ncdhhs.gov\)](http://ncdhhs.gov) at no cost and includes the following:
 4. facility administrator and building owner information;
 5. operation disclosure including new licensee information and management company, if any; and
 6. ownership disclosure including new owners, principles, affiliates, shareholders, and members;
 - a. (b) A fire and building safety inspection report from the local fire marshal dated within the past 12 months
 - b. (c) A sanitation report from the sanitation division of the county health department dated within the past 12 months
 - c. (d) A nonrefundable license fee as required by G.S. 131D-2.5.
 - d. (e) Certificate of occupancy or certificate of compliance from local building officials upon completion of any construction or renovation
 - e. (f) Signed letter from previous owner relinquishing ownership (this letter must specify the date of the change in ownership)
 - f. (g) Copy of CON letter (Licensure applications cannot be processed without approval or exemption by CON) [NC DHSR: Certificate of Need \(ncdhhs.gov\)](http://ncdhhs.gov)
 - g. (h) Non-refundable licensure fee of \$360.00 plus a per-bed fee of \$17.50 by check, money order or certified check and made payable to the "NC Division of Health Service Regulation".
7. **Note:** A compliance history check will be conducted on the prospective licensee. Based on the results of this review, additional information may be requested.
8. The Construction Section of the DHSR must approve any proposed structural changes of building before a license can be approved.
9. Unpaid fines for penalties imposed will result in denial of licensure. License applications will not be processed if there are outstanding/unpaid fines for penalties.

10. New and existing applicants will be required to submit Policy and Procedures for review.
11. Upon receipt of the above documents, the Adult Care Licensure Section will review and contact the prospective licensee for additional information if needed. If all documentation is complete and approved, the Adult Care Licensure Section will process the Change of Ownership and issue a new license to the prospective licensee.

Any information not included in the packet will render the application incomplete and it will not be processed.

ADDITIONAL INFORMATION REGARDING THE ADULT CARE HOME APPROVAL PROCESS

Certificate of Need (CON) Approval

If there will be an increase in the facility's licensed bed capacity, the applicant must first obtain approval from the Healthcare Planning and Certificate of Need Section. (HPCON).

To request an increase in capacity, the licensee or designee should contact the [NC DHSR: Certificate of Need \(ncdhhs.gov\)](http://ncdhhs.gov) Section of the Division of Health Service Regulation (DHSR) at 919-855-3873..

The HPCON Section will determine if the proposed increase in capacity is subject to HPCON review and approval and if applicable, a CON application.

If there is no increase in the facility capacity please continue to the submission section.

ALZHEIMER'S AND RELATED DISORDERS SPECIAL CARE UNIT

Submission of Plans and Fees

Plans for new or renovated construction or conversion of a portion of the existing building to a special care unit should be submitted by the licensee or designee, along with documentation of HPCON approval if applicable, to the [NC DHSR: Construction Section \(ncdhhs.gov\)](http://ncdhhs.gov) according to 10A NCAC 13F .0304.

Fees for review of construction projects will be invoiced to the provider by the Construction Section. The Construction Section will notify the licensee or designee when building plans are approved so that construction may begin. The contact number for the Construction Section is 919-855-3893.

Submission of For Persons with Alzheimer's and Related Disorders Special Care Unit Policies and Procedures

Facilities that advertise, market or otherwise promote itself as having a special care unit for residents with Alzheimer's disease or related disorders, shall meet the requirements in 10A NCAC 13F .1300 Policies and Procedures must be submitted and approved prior to a license designating special care unit status is issued.

Submission of Special Care Unit For Persons with Alzheimer's and Related Disorders Disclosure

The facility shall submit disclosure information, in accordance with § 131D-8 (ncleg.net) and Rule 10A NCAC 13F .1302, to the Adult care Licensure Section. The Adult Care Licensure Section will notify the licensee or designee when the disclosure information has been approved. Approval of the disclosure information is required before a license designating special care unit status can be issued and residents admitted to the unit. The contact number for special care unit disclosure review is 919-855-3765.

Issuance of License for Special Care Unit For Persons with Alzheimer's and Related Disorders

The Construction Section will make on-site visits as necessary and issue approval of the completed project. DHSR Staff and an adult home specialist from the county department of social services will conduct a desk review to determine compliance with special care unit rules and statutory requirements. Once compliance is verified, a

license with special care unit designation will be issued to the facility in accordance with all other applicable rules, regulations and statutes.

FORMAT FOR SPECIAL CARE UNIT DISCLOSURE STATEMENT

Special care unit for residents with Alzheimer's disease or related disorders disclosure statement must address the items in order as listed below. It is to be submitted with the Adult Care Home Initial License Application [NC DHSR ACLS: Initial License Application for Adult Care/Family Care Homes \(ncdhhs.gov\)](https://www.ncdhhs.gov/initial-license-application) or the Change Licensure Application [NC DHSR ACLS: Change Licensure Application Packet for Adult Care Home \(ncdhhs.gov\)](https://www.ncdhhs.gov/change-licensure-application). Any changes to the disclosure statement as submitted must be reported in writing to the Adult Care Licensure Section and written notification must be provided to the residents.

I. Special Care Units for Residents with Alzheimer's disease or Related Disorders:

- (1) A statement of the overall philosophy and mission of the licensed facility and how it reflects the special needs of residents with Alzheimer's disease or other dementias, a mental health disability, or other special needs disease or condition.
- (2) The process and criteria for placement, transfer, or discharge to or from the special care unit.
- (3) The process used for assessment and establishment of the plan of care and its implementation, including how the plan of care is responsive to changes in the resident's condition.
- (4) Staffing ratios and how they meet the resident's need for increased care and supervision.
- (5) Staff training that is dementia-specific.
- (6) Physical environment and design features that specifically address the needs of residents with Alzheimer's disease or other dementias.
- (7) Frequency and type of programs and activities for residents of the special care unit.
- (8) Involvement of families in resident care, and availability of family support programs.
- (9) Additional costs and fees to the resident for special care.

For the purpose of this application the following definitions apply:

- (1) **"Person" means an individual; a trust or estate; a partnership; a corporation; or any grouping of individuals, each of whom owns five percent or more of a partnership or corporation, who collectively own a majority interest of either a partnership or a corporation.**
- (2) **"Owner" means any person who has or had legal or equitable title to or a majority interest in an adult care home.**
- (3) **"Affiliate" means any person that directly or indirectly controls or did control an adult care home or any person who is controlled by a person who controls or did control an adult care home. In addition, two or more adult care homes who are under common control are affiliates.**
- (4) **"Principal" means any person who is or was the owner or operator of an adult care home, an executive officer of a corporation that does or did own or operate an adult care home, a general partner of a partnership that does or did own or operate an adult care home, or a sole proprietorship that does or did own or operate an adult care home.**
- (5) **"Indirect control" means any situation where one person is in a position to act through another person over whom the first person has control due to the legal or economic relationship between the two.**

APPLICABLE REGULATIONS:

§ 131D-2.5. License and registration fees.

- (a) The Department shall charge each adult care home with six or fewer beds a nonrefundable annual license fee in the amount of three hundred fifteen dollars (\$315.00). The Department shall charge each adult care

home with more than six beds a nonrefundable annual license fee in the amount of three hundred sixty dollars (\$360.00) plus a nonrefundable annual per-bed fee of seventeen dollars and fifty cents (\$17.50).

§ 131D-2.4. Licensure of adult care homes for aged and disabled individuals; impact of prior violations on licensure; compliance history review; license renewal.

(a) Licensure. - Except for those facilities exempt under G.S. 131D-2.3, the Department of Health and Human Services shall inspect and license all adult care homes. The Department shall issue a license for a facility not currently licensed as an adult care home for a period of six months. If the licensee demonstrates substantial compliance with Articles 1 and 3 of this Chapter and rules adopted thereunder, the Department shall issue a license for the balance of the calendar year. A facility not currently licensed as an adult care home that was licensed as an adult care home within the preceding 12 months is considered an existing health service facility for the purposes of G.S. 131E-184(a)(8).

(b) Compliance History Review. - Prior to issuing a new license or renewing an existing license, the Department shall conduct a compliance history review of the facility and its principals and affiliates. The Department may refuse to license a facility when the compliance history review shows a pattern of noncompliance with State law by the facility or its principals or affiliates, or otherwise demonstrates disregard for the health, safety, and welfare of residents in current or past facilities. The Department shall require compliance history information and make its determination according to rules adopted by the Medical Care Commission.

(c) Prior Violations. - No new license shall be issued for any adult care home to an applicant for licensure under any of the following circumstances for the period of time indicated:

(1) Was the owner, principal, or affiliate of a licensable facility under this Chapter, Chapter 122C, or Article 7 of Chapter 110 of the General Statutes and was responsible for the operation of the facility that had its license revoked until five years after the date the revocation became effective.

(1a) Was the owner, principal, or affiliate of a licensable facility under this Chapter, Chapter 122C, or Article 7 of Chapter 110 of the General Statutes and was responsible for the operation of the facility that had its license summarily suspended until five years after the date the suspension was lifted or terminated.

(2) Is the owner, principal, or affiliate of an adult care home and is responsible for the operation of the facility that was assessed a penalty for a Type A or Type B violation until the earlier of one year from the date the penalty was assessed or until the home has substantially complied with the correction plan established pursuant to G.S. 131D-34 and substantial compliance has been certified by the Department.

(3) Is the owner, principal, or affiliate of an adult care home and is responsible for the operation of the facility that had its license downgraded to provisional status or had its admissions suspended as a result of violations under this Article, Chapter 122C, or Article 7 of Chapter 110 of the General Statutes until six months from the date of restoration from provisional to full licensure, termination of the provisional license, or lifting or termination of the suspension of admissions, as applicable.

(5) Is or was the owner, principal, or affiliate of an adult care home and is responsible for the operation of the facility where outstanding fees, fines, and penalties imposed by the State against the facility have not been paid. Fines and penalties for which an appeal is pending are exempt from consideration under this subdivision.

§ 131D-34. Penalties; remedies

(d1)The Department shall impose a civil penalty on any applicant for licensure who provides false information or omits information on the portion of the licensure application requesting information on owners, administrators, principals, or affiliates of the facility. The amount of the penalty shall be as is prescribed for a Type A1 Violation.



**N.C. Department of Health and Human Services
Division of Health Service Regulation
Adult Care Licensure Section
2720 Mail Service Center ■ Raleigh, North Carolina 27699-2720**

CHANGE LICENSURE APPLICATION FOR ADULT CARE HOMES

TYPE OF LICENSURE APPLICATION: Adult Care Home
(7 or more beds)

CURRENT FACILITY LICENSE Number- HAL - 047 - 015

- Change of Facility Name Change of Capacity Other (specify): _____
 Change of Licensee/Ownership

Requested Effective Date of Change: January 30, 2025
No less than 30 days from the submission of the application and fee.

Note: A Change in Ownership requires a license fee. A Change of Capacity requires a Construction Section review and fee. The Construction Section will invoice the Contact Person listed on the application.

CURRENT INFORMATION (Prior to Change)

1. **CURRENT FACILITY NAME:** Wickshire Creeks Crossing

2. **CURRENT FACILITY SITE ADDRESS: (NO P.O. BOXES)**

Street: 8398 Fayetteville Road

City: Raeford Zip Code: 28376 County: Hoke

Facility Telephone Number: (910) 985-5721 Fax Number: ()

3. **CURRENT LEGAL IDENTITY OF OWNERSHIP/LICENSEE:**

Name of Owner: Wickshire Creeks Crossing OpCo LLC

Address: 8398 Fayetteville Road

City: Raeford State: NC Zip Code: 28376

Business Contact Phone Number of Applicant/Licensee: (910) 985-5721 Fax: (910) 875-1705

DHSR USE ONLY	
License#:	
FID#:	
Region:	
Compliance Check Completed:	
Entry by: _____	Reviewed by: _____
Date: _____	Date: _____
License Fee: \$315.00	

Instructions for Completing a Change Licensure Application

Overview

1. These instructions are provided to assist you in completing a change application.
2. Failure to provide all requested information will result in a delay processing the application. If the information does not pertain to your facility, mark N/A in the applicable area.
3. Change requests must be submitted at least 30 days prior to the anticipated change date.
4. If structural modifications are part of the change, please contact the [Construction Section](#) prior to the completion of this application.
5. Requested Effective Date of Change: Enter the date you are requesting the change to be effective. It is understood this date may be delayed depending upon other factors associated with the change.

Type of Licensure Application

Check the appropriate box/boxes for the action you are requesting. If the action is not listed, fill in the blank beside "Other".

- Change of Facility Name:** There is no fee for a facility name change.
- Change of Licensee/Ownership:** The fee for a change of ownership is \$315.00. Payment must be made by check, money order or certified check and made payable to: Division of Health Service Regulation, Adult Care Licensure Section.
- Change of Capacity:** If the change of capacity is an increase, submit photos and a floor plan.

Requested Effective Date of Change

Enter the date you are requesting the change to be effective. It is understood this date may be delayed depending upon other factors associated with the change.

Current Information

- Current Facility License Number:** Enter license number on the current license.
- Current Facility Name:** Enter name printed on the current license.
- Current Facility Site Address:** This address is the physical site location as printed on the current license.
- Current Legal Identity of Ownership/Licensee:** This is the name printed on the current license as the licensee/owner. Please enter address, phone and email information.

LICENSE FEE INVOICE

Please submit your licensure fee with the enclosed application. Failure to submit a completed application with licensure fee will result in a delay of your license being issued.

Facility Name: Spring Arbor of Creeks Crossing (f/k/a Wickshire Creeks Crossing) **County:** Hoke

Facility Type	Base Fee	Number of Beds	Per Bed Fee	Total Fee Due
Adult Care Home	\$360.00	75	\$17.50	\$1,672.50

- | |
|--|
| <ul style="list-style-type: none">• A <u>separate check</u> is required for <u>each application submitted</u>.• Payment must be made by check, money order, or certified check, made payable to: Division of Health Service Regulation.• Write the proposed facility name on the check in the memo line. |
|--|

ATTACH THE CHECK HERE

DATE:12/18/2024 CK#:1016 TOTAL:\$1,672.50*** BANK:Spring Arbor Management, LLC(samllcop)
PAYEE:Division of Health Service Regulation(v0011485)

Property	Account	Invoice - Date	Description	Amount
samllc	11050	20241217 Crossing - 12/	Wickshire Creeks Crossing - Adult C	1,312.50
samllc	11050	20241218 Crossing - 12/	Spring Arbor of Creeks Crossing (f/k	360.00
				<hr/>
				1,672.50

THIS CHECK HAS A COLORED BACKGROUND AND CONTAINS MULTIPLE SECURITY FEATURES - SEE BACK FOR DETAILS

Spring Arbor Management, LLC

420 S Orange Ave
Suite 400
Orlando, FL 32801

Axiom Bank
258 Southhall Lane
Suite 400
Maitland, FL 32751

12/18/2024

1016

**** ONE THOUSAND SIX HUNDRED SEVENTY TWO AND 50/100 DOLLARS

PAY TO THE
ORDER OF

\$1,672.50***

Division of Health Service Regulation
Adult Care Licensure Section
801 Biggs Drive
Raleigh, NC 27603



⑈001016⑈ ⑆263184815⑆ 2135731064⑈

Part A. Facility Information

Facility Name:

Spring Arbor of Creeks Crossing

Physical Address: 8398 Fayetteville Road	City: Raeford	State: NC	Zip: 28376
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County: Hoke

Telephone Number: (910) 985-5721	Fax Number: (910) 875-1705
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If applicable - Please provide your National Provider Identifier Number (NPI) if applicant is an owner of a currently licensed Adult Care Home. <i>For questions regarding NPI, contact 1-800-465-3203 (NPI Toll-Free)</i>	NPI: N/A
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Contact Person and Correspondence Mailing Address:
(Name of person who can make licensure/operation decisions about the facility and address where ALL Correspondence, including the license, will be mailed and emailed from Division of Health Service Regulation.)

Name: Kevin R. Maddron	Title: President
Address: 420 S. Orange Avenue, Suite 400	Telephone Number: (407) 810-4621
City: Orlando	State: FL
	Zip: 32801
Primary Email: kevin.maddron@foundrycommercial.com Secondary Email: legal@foundrycommercial.com	

CERTIFIED ADMINISTRATOR:

Name: Myra J. Shaw-Sinclair, Executive Director	
Address: 8398 Fayetteville Rd., Raeford, NC 28376	
Email: msinclair@wickshiresl.com	
Telephone Number: (910) 985-5721	Fax:
Administrator Approval Number: A00000571	Expiration Date: December 31, 2025

Part B. Operation Disclosure

LEGAL IDENTITY OF LICENSEE

Licensee Information

- The Licensee is the name of the legal entity licensed to operate the business at that site as indicated in **Part A**.
- The Licensee is responsible for compliance to State rules and laws governing adult care homes.
- Please enter the complete address and phone number(s) for licensee.
- The status of the Legal entity will be verified with the NC Office of the Secretary of State.

Licensee Name: Spring Arbor Creeks Crossing NC Tenant, LLC		
Address: 420 S. Orange Avenue, Suite 400		
City: Orlando	State: FL	Zip code: 32801
Telephone Number: (407) 757-1511		Fax Number:
The licensee is :	<input checked="" type="checkbox"/> For Profit	<input type="checkbox"/> Not For Profit*

The licensee is: (Check one)	
Proprietorship (individual owner) Corporation (Inc) Limited Liability Company (LLC) <input checked="" type="checkbox"/>	Partnership (Unincorporated) Limited Liability Partnership (LLP) Government Unit
NC Secretary of State ID #: 2945694294	Registered in Other State: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> (Copy of the Certificate of Authority issued by the NCSOS is attached)

Part D. Ownership Disclosure

OWNERS, PRINCIPLES, , SHAREHOLDERS, MEMBERS

Complete the information below on all individuals who are owners, principles, affiliates, shareholders or members holding an interest of 5% or more of the licensee. Attach additional pages if necessary. **If you are the only owner, complete the information below, listing the percentage interest as 100%.**

Name: <u>FC Senior Living Investments, LLC</u>
Address: <u>420 S. Orange Avenue, Suite 400</u>
City: <u>Orlando</u> State: <u>FL</u> Zip Code: <u>32801</u>
Phone: <u>(407) 757-1511</u> Fax: _____
Email Address: <u>kevin.maddron@foundrycommercial.com</u>
Percentage interest in this licensed Facility: <u>100%</u> Title: <u>Sole Member</u>
List the names of other licensed Family Care Homes and Adult Care Homes in which you are an owner: _____

Name: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Phone: _____ Fax: _____
Email Address: _____
Percentage interest in this licensed Facility: _____ Title: _____
List the names of other licensed Family Care Homes and Adult Care Homes in which you are an owner: _____

owner: _____

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ Fax: _____

Email Address: _____

Percentage interest in this licensed Facility: _____ Title: _____

List the names of other licensed Family Care Homes and Adult Care Homes in which you are an owner: _____

Part E. Majority Ownership Disclosure

MAJORITY INTEREST OWNERS

Complete the information below on **all persons** who hold a **majority** interest in the licensee. A “person” means an individual; a trust or estate; a partnership; a corporation; or any grouping of individuals, each of whom owns five percent or more of a partnership or corporation. A **majority interest** is an interest in the licensee, or in entities who have an interest in the licensee, constituting ownership of more than fifty-percent of the licensee. For the purposes of this disclosure, all persons who hold a **majority interest** in the licensee must be disclosed **regardless of whether the persons hold a direct interest in the licensee**. The disclosure must include parent, grand-parent, or other levels of ownership. **If you are the only majority owner, please move to Part F.**

For ownership that goes above the parent level, include a diagram of the ownership structure including all majority owners.

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ Fax: _____

Email Address: _____

Percentage interest in this licensed Facility: _____ Title: _____

List the names of other licensed Family Care Homes and Adult Care Homes in which this person is an owner: _____

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ Fax: _____

Email Address: _____

Percentage interest in this licensed Facility: _____ Title: _____

List the names of other licensed Family Care Homes and Adult Care Homes in which this person is an owner: _____

Name: _____
 Address: _____
 City: _____ State: _____ Zip Code: _____
 Phone: _____ Fax: _____
 Email Address: _____
 Percentage interest in this licensed Facility: _____ Title: _____
 List the names of other licensed Family Care Homes and Adult Care Homes in which this person is an owner: _____

ATTACH OWNERSHIP DIAGRAM WITH THIS APPLICATION: SEE ATTACHED

Part F. Affiliate Disclosure

AFFILIATES

Complete the information below for **all affiliates** of the licensee. “Affiliate” means any person that will directly or indirectly control the facility. “Affiliate” also means any person who will be controlled by a person who will control the facility. In addition, two or more adult care homes which are under common control are affiliates. “Indirect control” means any situation where one person is in a position to act through another person over whom the first person has control due to the legal or economic relationship between the two. Note, an individual or entity need not have an ownership interest in the licensee to be an affiliate. **If there are no affiliates, please move to Part G.**

Management companies and other entities that control a facility’s operations are affiliates, including but not limited to entities that control/oversee a facility’s clinical or healthcare services, contracts and billing, provision of goods and services, and human resources. (**Attach additional pages as necessary**).

Name: Spring Arbor Steele Creek NC Tenant, LLC
 Address: 420 S. Orange Ave., Suite 400
 City: Orlando State: FL Zip Code: 32801
 Phone: (407) 757-1511 Fax: _____
 Email Address: legal@foundrycommercial.com
 Is the affiliate a management company? Yes No
 List the names of other licensed Family Care Homes and Adult Care Homes in which this person is an owner, principal or affiliate: Spring Arbor of Steele Creek

Name: Spring Arbor Management, LLC
 Address: 2301 Sugar Bush Rd., Suite 220
 City: Raleigh State: NC Zip Code: 27612
 Phone: (919) 576-2680 Fax: _____
 Email Address: zach.strunk@foundrycommercial.com
 Is the affiliate a management company? Yes No
 List the names of other licensed Family Care Homes and Adult Care Homes in which this person is an owner, principal or affiliate: Please see attached list

Name: _____
 Address: _____

PART F. AFFILIATE DISCLOSURE

Change of Licensee Application – Spring Arbor Creeks Crossing NC Tenant, LLC

SPRING ARBOR MANAGEMENT, LLC - Affiliates

Facility/DBAName	State
Spring Arbor of Apex	NC
Spring Arbor of Greenville	NC
Spring Arbor of Kinston	NC
Spring Arbor Outer Banks	NC
Spring Arbor of Rocky Mount	NC
Spring Arbor of Rocky Mount (Cottage)	NC
Spring Arbor of Salisbury	VA
Spring Arbor of Salisbury Cottage	VA
Spring Arbor of Wilmington	NC
Spring Arbor of Wilson	NC
Spring Arbor of Albemarle	NC
Spring Arbor of Cary	NC
Spring Arbor of Greensboro	NC
Spring Arbor of Fredericksburg	VA
Spring Arbor Cottage of Fredericksburg	VA
Spring Arbor of Leesburg	VA
Spring Arbor of Williamsburg	VA
Spring Arbor of Winchester	VA
Spring Arbor of Crofton	MD
Spring Arbor of Frederick	MD
Spring Arbor of Severna Park	MD
White Springs Senior Living	VA
The Gables on Pelham	SC
Beach House Assisted Living and MC	FL
The Piper Senior Living Facility	KS
Spring Arbor of Steele Creek	NC

City: _____ State: _____ Zip Code: _____

Phone: _____ Fax: _____

Email Address: _____

Is the affiliate a management company? Yes No

List the names of other licensed Family Care Homes and Adult Care Homes in which this person is an owner, principal or affiliate: _____

Part G. Ownership and Affiliate Disclosure - Confidential Information

The following information will be used to conduct compliance history checks as required by G.S. 131D-2.4. Please provide the last four digits of the social security number or tax EIN for all persons identified in this application, both individual and business entities. This information will be used only as an identification number for internal record keeping and data processing. Incomplete data will delay the application being processed. **(Attach additional pages as necessary).**

Category	Name	Last 4 digits of SSN of Individuals or EIN of Corporation	Contact Number	Percentage of interest as reported on pages 10-12 (If Applicable)
			Cell Number	
Licensee/Owner	Spring Arbor Creeks Crossing NC Tenant, LLC	***-**-____ or EIN 33 - 1960540		
Administrator	Myra J. Shaw-Sinclair	***-**-9035 or EIN ____-_____	(910) 985-5721	0%
Officers, Partners and Managers	Kevin R. Maddron, President	***-**-9806 or EIN ____-_____	(407) 757-1511	0%
Officers, Partners and Managers	Zachary Strunk, Vice President	***-**-6394 or EIN ____-_____		0%
Officers, Partners, and Managers		***-**-____ or EIN ____-_____		
Owners, Principals, Shareholders or Members	FC Senior Living Investments, LLC	***-**-____ or EIN 84 -4965595		100%
Owners, Principals, Shareholders or Members		***-**-____ or EIN ____-_____		
Owners, Principals, Shareholders or Members		***-**-____ or EIN ____-_____		
Majority Interest Owners		***-**-____ or EIN ____-		

Majority Interest Owners		***-**-_____ or EIN _____		
Majority Interest Owners		***-**-_____ or EIN _____		
Affiliate (Management Company)	Spring Arbor Management, LLC	***-**-_____ or EIN <u>84-3550203</u>	(919) 576-2680	0%
Affiliates (Management Company)		***-**-_____ or EIN _____		
Affiliates (Management Company)		***-**-_____ or EIN _____		
Affiliates (Management Company)		***-**-_____ or EIN _____		
Affiliates (Management Company)		***-**-_____ or EIN _____		

Reminder: Failure to complete this information will delay the licensing process

Part H. Building Owner:			
Is the building where services are offered leased/ rented? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, please complete the following on the building/property owner and provide a copy of the lease agreement.			
Name: Wickshire Creeks Crossing PropCo LLC			
Street/Box: 6688 Nolensville Road, Suite 108, #2019			
City: Brentwood	State: TN	Zip: 37027	Email: dan@jsbcapitalgroup.com
Telephone Number: (615) 942-0240		Fax Number: (615) 806-7680	

I. CAPACITY AND SPECIAL CARE UNIT

Check here if this Adult Care Home serves Only elderly persons.

(In accordance with NC G.S. 131D-2.1 (5) – Elderly person means any person who has attained the age of 55 years or older and requires assistance with activities of daily living, housing, and services, or any adult who has a primary diagnosis of Alzheimer's disease or other form of dementia who requires assistance with activities of daily living, housing, and services provided by a licensed Alzheimer's and dementia care unit.)

Licensed Bed Capacity:

Requested Licensed Bed Capacity (as it will appear on License) 75

Will the facility advertise, market, or promote itself as providing a special care unit for residents with Alzheimer's disease or other dementias pursuant to G.S. 131D-4.6?

§ 131D-4.6. Licensure of special care units.

(a) As used in this section, the term "special care unit" means a wing or hallway within an adult care home, or a program provided by an adult care home, that is designated especially for residents with Alzheimer's disease or other dementias, a mental health disability, or other special needs disease or condition as determined by the Medical Care Commission.

(b) An adult care home that holds itself out to the public as providing a special care unit shall be licensed as such and shall, in addition to other licensing requirements for adult care homes, meet the standards established under rules adopted by the Medical Care Commission.

YES_ NO_x

If "YES," prepare a disclosure statement according to the required "Format for Special Care Unit Disclosure Statement" found at <https://info.ncdhhs.gov/dhsr/acls/scudisclosure.html> and submit it with this application unless such a statement has already been submitted. If your disclosure statement has been revised, please submit the revised statement, which must also be provided to the special care unit residents or their authorized representative.

Alzheimer's Special Care Unit in facility (Rules 13F .1300 apply) # of beds: 32

Authenticating Signature: The undersigned submits this application for licensure in accordance with Article 1 Chapter 131 D of the General Statutes of North Carolina and to the rules adopted there under by the North Carolina Medical Care Commission (10A NCAC 13F) and certifies the accuracy of this information.

The undersigned must be the applicant licensee or the Executive Officer, Partner, or Managing Member of the licensee.

Signature: 

Date: December 20, 2024

Print Name: Kevin R. Maddron

Phone Number: _____

FACILITY LICENSE

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

Effective January 1, 2024, this license is issued to

Wickshire Creeks Crossing OpCo LLC

to operate an Adult Care Home known as

Wickshire Creeks Crossing

located at 8398 Fayetteville Road

Raeford, NC 28376

County: Hoke

*This license is issued subject to the statutes of the
State of North Carolina, is not transferable and shall expire
midnight December 31, 2024*

Facility ID: 130277

License Number: HAL-047-015

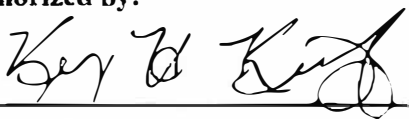
*****This home serves only elderly persons*****

Capacity: 75

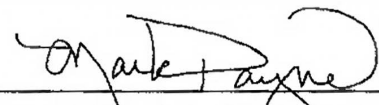
Special Care Units: Yes

Type: Alzheimer's/Dementia: 32

Authorized by:



Secretary, N.C. Department of Health and
Human Services



Director, Division of Health Service Regulation

**ASSISTED LIVING ADMINISTRATOR
CERTIFICATE**

State of North Carolina
Department of Health and Human Services
Division of Health Service Regulation

Effective January 1, 2024, this document
certifies that

MYRA J SHAW-SINCLAIR

is certified by the State of North Carolina as an

Assisted Living Administrator

This certification is issued subject to the statutes of the
State of North Carolina, is not transferable and shall expire

midnight December 31, 2025

A00000571



Authorized by:

Secretary, N.C. Dept. of Health and Human Services

Director, Division of Health Service Regulation

FIRE INSPECTION REPORT

Hoke County Fire Marshal's Office

Occupancy: **WICKSHIRE CREEKS CROSSING**

Occupancy ID: **945446**

Address: **8398 FAYETTEVILLE RD RAEFORD NC 28376**



Form: Hoke County Fire
Inspection

Inspection Type: **1) Annual Maintenance Inspection**

Inspection Date: **7/30/2024**

By: Jackson, Marshall

Time In: **08:45**

Time Out: **09:55**

Authorized Date: **07/30/2024**

By: Jackson, Marshall

Next Inspection Date: **07/30/2025 1) Annual Maintenance Inspection**

Inspection Description:

Effective since: August 01, 2023

Inspection Topics:

Other Violations / Notes

No Violations Notice

Status: PASS

Notes: Annual Maintenance Fire Inspection; No violations at time of inspection.

Billable Amount:

Additional Time Spent on Inspection:

Category	Start Date / Time	End Date / Time
----------	-------------------	-----------------

Notes: No Additional time recorded

Total Additional Time: 0 minutes

Inspection Time: 70 minutes

Total Time: 70 minutes

Summary:

Overall Result: Passed

Inspection Billable Amount: \$100.00

Total Observations Amount: 0.00

Total Amount: \$100.00

Inspector Notes: Annual Maintenance Fire Inspection; No violations at time of inspection.

Inspector:

Name: Jackson, Marshall
Rank: Fire Inspector
Mobile Phone(s): None on file
Email(s): mjackson@hokecounty.org
Jackson, Marshall:



Signed on: 07/30/2024 09:56

Signature

Date

Representative Signature:

Signature

Date

SANITATION INSPECTION REPORT

Food Establishment Inspection Report

Score: 99.5

Establishment Name: WICKSHIRE CREEKS CROSSING- KITCHEN

Establishment ID: 5047160004

Location Address: 8398 FAYETTEVILLE RD

City: RAEFORD State: North Carolina

Zip: 28376 County: 47 Hoke

Permittee: WICKSHIRE CREEKS CROSSING

Telephone: _____

Inspection Re-Inspection Educational Visit

Wastewater System:

Municipal/Community On-Site System

Water Supply:

Municipal/Community On-Site Supply

Date: 06/24/2024 Status Code: A

Time In: 9:40 AM Time Out: _____

Category#: IV

FDA Establishment Type: Nursing Home

No. of Risk Factor/Intervention Violations: 0

No. of Repeat Risk Factor/Intervention Violations: 0

Foodborne Illness Risk Factors and Public Health Interventions

Risk factors: Contributing factors that increase the chance of developing foodborne illness.

Public Health Interventions: Control measures to prevent foodborne illness or injury

Compliance Status	OUT	CDI	R	VR
Supervision .2652				
1 <input checked="" type="checkbox"/> OUT <input type="checkbox"/> N/A				
PIC Present, demonstrates knowledge, & performs duties	1	0		
2 <input checked="" type="checkbox"/> OUT <input type="checkbox"/> N/A				
Certified Food Protection Manager	1	0		
Employee Health .2652				
3 <input checked="" type="checkbox"/> OUT				
Management, food & conditional employee; knowledge, responsibilities & reporting	2	1	0	
4 <input checked="" type="checkbox"/> OUT				
Proper use of reporting, restriction & exclusion	3	1.5	0	
5 <input checked="" type="checkbox"/> OUT				
Procedures for responding to vomiting & diarrheal events	1	0.5	0	
Good Hygienic Practices .2652, .2653				
6 <input checked="" type="checkbox"/> OUT				
Proper eating, tasting, drinking or tobacco use	1	0.5	0	
7 <input checked="" type="checkbox"/> OUT				
No discharge from eyes, nose, and mouth	1	0.5	0	
Preventing Contamination by Hands .2652, .2653, .2655, .2656				
8 <input checked="" type="checkbox"/> OUT				
Hands clean & properly washed	4	2	0	
9 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
No bare hand contact with RTE foods or pre-approved alternate procedure properly followed	4	2	0	
10 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input type="checkbox"/> N/A				
Handwashing sinks supplied & accessible	2	1	0	
Approved Source .2653, .2655				
11 <input checked="" type="checkbox"/> OUT				
Food obtained from approved source	2	1	0	
12 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> VR				
Food received at proper temperature	2	1	0	
13 <input checked="" type="checkbox"/> OUT				
Food in good condition, safe & unadulterated	2	1	0	
14 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Required records available: shellstock tags, parasite destruction	2	1	0	
Protection from Contamination .2653, .2654				
15 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Food separated & protected	3	1.5	0	
16 <input checked="" type="checkbox"/> OUT				
Food-contact surfaces: cleaned & sanitized	3	1.5	0	
17 <input checked="" type="checkbox"/> OUT				
Proper disposition of returned, previously served, reconditioned & unsafe food	2	1	0	
Potentially Hazardous Food Time/Temperature .2653				
18 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Proper cooking time & temperatures	3	1.5	0	
19 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Proper reheating procedures for hot holding	3	1.5	0	
20 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Proper cooling time & temperatures	3	1.5	0	
21 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Proper hot holding temperatures	3	1.5	0	
22 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Proper cold holding temperatures	3	1.5	0	
23 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Proper date marking & disposition	3	1.5	0	
24 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Time as a Public Health Control: procedures & records	3	1.5	0	
Consumer Advisory .2653				
25 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Consumer advisory provided for raw/undercooked foods	1	0.5	0	
Highly Susceptible Populations .2653				
26 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Pasteurized foods used; prohibited foods not offered	3	1.5	0	
Chemical .2653, .2657				
27 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Food additives: approved & properly used	1	0.5	0	
28 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Toxic substances properly identified stored & used	2	1	0	
Conformance with Approved Procedures .2653, .2654, .2658				
29 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Compliance with variance, specialized process, reduced oxygen packaging criteria or HACCP plan	2	1	0	

Good Retail Practices

Good Retail Practices: Preventative measures to control the addition of pathogens, chemicals, and physical objects into foods.

Compliance Status	OUT	CDI	R	VR
Safe Food and Water .2653, .2655, .2658				
30 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Pasteurized eggs used where required	1	0.5	0	
31 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Water and ice from approved source	2	1	0	
32 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Variance obtained for specialized processing methods	2	1	0	
Food Temperature Control .2653, .2654				
33 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Proper cooling methods used; adequate equipment for temperature control	1	0.5	0	
34 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Plant food properly cooked for hot holding	1	0.5	0	
35 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Approved thawing methods used	1	0.5	0	
36 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Thermometers provided & accurate	1	0.5	0	
Food Identification .2653				
37 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Food properly labeled: original container	2	1	0	X
Prevention of Food Contamination .2652, .2653, .2654, .2656, .2657				
38 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Insects & rodents not present; no unauthorized animals	2	1	0	
39 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Contamination prevented during food preparation, storage & display	2	1	0	
40 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Personal cleanliness	1	0.5	0	
41 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Wiping cloths: properly used & stored	1	0.5	0	
42 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Washing fruits & vegetables	1	0.5	0	
Proper Use of Utensils .2653, .2654				
43 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
In-use utensils: properly stored	1	0.5	0	
44 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Utensils, equipment & linens: properly stored, dried & handled	1	0.5	0	
45 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Single-use & single-service articles: properly stored & used	1	0.5	0	
46 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Gloves used properly	1	0.5	0	
Utensils and Equipment .2653, .2654, .2663				
47 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Equipment, food & non-food contact surfaces approved, cleanable, properly designed, constructed & used	1	0.5	0	X
48 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Warewashing facilities: installed, maintained & used; test strips	1	0.5	0	
49 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Non-food contact surfaces clean	1	0.5	0	
Physical Facilities .2654, .2655, .2656				
50 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Hot & cold water available; adequate pressure	1	0.5	0	
51 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Plumbing installed; proper backflow devices	2	1	0	
52 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Sewage & wastewater properly disposed	2	1	0	
53 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Toilet facilities: properly constructed, supplied & cleaned	1	0.5	0	
54 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Garbage & refuse properly disposed; facilities maintained	1	0.5	0	
55 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Physical facilities installed, maintained & clean	1	0.5	0	
56 <input checked="" type="checkbox"/> IN <input type="checkbox"/> OUT <input checked="" type="checkbox"/> N/A <input checked="" type="checkbox"/> VR				
Meets ventilation & lighting requirements; designated areas used	1	0.5	0	
TOTAL DEDUCTIONS: 0.5				



Comment Addendum to Food Establishment Inspection Report

WICKSHIRE CREEKS CROSSING
 Establishment Name: KITCHEN Establishment ID: 50471 0004
 Location Address: 8398 FAYETTEVILLE RD Inspection Re-Inspection Date: 06/24/2024
 City: RAEFORD State: NC Educational Visit Status Code: A
 County: 47 Hoke Zip: 28376 Comment Addendum Attached? Category #: IV
 Wastewater System: Municipal/Community On-Site System Email 1: msinclair@wickshiresl.com
 Water Supply: Municipal/Community On-Site System Email 2: vkershaw@wickshiresl.com
 Permittee: WICKSHIRE CREEKS CROSSING Email 3:
 Telephone: _____

Temperature Observations

Item/Location	Temp	Item/Location	Temp	Item/Location	Temp
Salad mix/2 door refrigerator	40				
Chicken thawing under water/Prep sink	36				
Sliced ham/Walk in cooler	37				
Marinara /Walk in cooler	38				
Milk/Domestic refrigerator	37				

Person in Charge (Print & Sign): *First* Valerie *Last* Kershaw
 Regulatory Authority (Print & Sign): *First* Brittney *Last* Goodman

REHS ID: 2992 - Goodman, Brittney Verification Dates: Priority: _____ Priority Foundation: _____ Core: 09/22/2024
 REHS Contact Phone Number: (910) 878-1274 Authorize final report to be received via Email: _____

**SPECIAL CARE UNIT
DISCLOSURE STATEMENT**

Special Care Unit Disclosure Statement

Community: _____

License Number: _____ Renewal Date: _____

Philosophy

Spring Arbor Senior Living Cottage is designed to provide residents with memory impairment assistance with activities of daily living (“ADL”) in a home-like atmosphere. This assistance is provided in a manner that treats each resident as an individual. Services are designed to meet the independence of each resident on a scheduled and unscheduled basis. Our program involves various team members to ensure that each resident's needs are being met. In addition to the home's team members, other members of the team could include, and are not limited to, the resident's personal physician, family members, friends, and community professionals such as home health care professionals.

Goals of Caregiving in The Cottage:

1. To give support to enable the resident to function as independently as possible, maintain his/her own identity, experience pleasure and promote a sense of dignity on a daily basis.
2. As our employees are our customers, as well as our residents, we strive to make the caregiving experience as meaningful and fulfilling for each employee.
3. All care provided to our residents is non-medical and is performed within the regulations and restrictions as defined by the North Carolina Department of Health and Human Services.
4. The resident shall be treated as an individual and the care provided to each resident is designed to meet that resident's needs.
5. The Cottage should be viewed as a wellness program. The goal is to help the resident maintain a quality of life with maximum self-esteem. Our wellness philosophy needs to be encouraged to each resident on a regular basis. Eating properly, drinking a lot of water, walking as much as possible, making independent choices with a "life skills" attitude, socializing with family and friends, consistent sleeping habits, and regular health checks.

6. As an Assisted Living Program, The Cottage is designed to offer residents more independence and autonomy, and that 24-hour care and supervision is not provided on an individual basis.

7. Through a cooperative effort between the team members of the Community and any necessary outside professionals, the provision of Quality care to each resident is a priority. Resources such as resident Assessments, care plans, staff training and ongoing evaluation of the

Programs are in place to monitor the provision of quality care.

When caring for residents with dementia, key concepts of related behavior challenges must be understood. Agitation and aggression, resisting help with care, wandering, incontinence, sleep disturbance, and emotional inconsistencies can become difficult management issues with residents. With some residents, these disruptions can lead to over-medication and nursing home placement. Our philosophy is to implement practical nonpharmacological measures for management of behavior challenges that arise among residents within our communities. We focus on the medical, psychological, environmental, and social factors that may contribute to challenging behaviors, nonpharmacologic approaches can help behavioral problems and assist in the overall care of residents with dementia.

It is our philosophy to operate in a restraint-free environment. If a case arises when some form of temporary restraint needs to be utilized for the resident's own safety and wellbeing, the resident care staff will be trained in the proper procedures.

Assessment Strategies Cognitive & Functional & Family

The Cottage is designed to deliver an individual assessment and Care Plan to meet specific needs of each resident. It is important that the needs of residents are carefully assessed and that an appropriate Care Plan is developed for each resident. The assessment process is a team effort that requires the involvement of staff, family, and friends, the resident's personal physician and the resident him/herself. The assessment process must be ongoing as the needs of the residents may change.

Promotion and Enhancement of Resident Rights and Dignity

The Community will abide by the resident's rights as outlined in the Statement of Resident Rights and by State or Federal statute as appropriate for the Community's Licensure status and abide by the "Alzheimer's Bill of Rights." At no time will the Community discipline a resident. Residents will be treated as adults with

contractual relationships with the Community. Actions that cause the terms of the contract to be breached will be handled appropriately. The resident's legal and moral rights as an individual shall not be limited in any way by the Community, except where it may be necessary for the health and safety of other Community residents, staff, and visitors. In such cases, the resident will be fully advised of applicable rules and policies. The Community shall conduct its functions with the primary concern for the residents and the recognition of their human dignity and rights.

Resident Care Plan

°The assessment process must be ongoing as the needs of the resident may change frequently. As a result of the assessment, the Care Plan shall include the following:

- A statement of the care or service to be provided based on the assessment or reassessment, and frequency of the service(s) being provided.
- The assessor shall sign the care plan upon its completion.
- The community shall assure that a physician authorizes Personal Care Services (PCS).
- The Director or designee should conduct a monitoring and supervisory review on a quarterly basis.

Changing the Care Plan and Annual Reassessment

The resident's physician and the Community are responsible for adjusting the Care Plan as a resident's PCS needs change. A change in needs may be due to a change in the resident's physical or mental condition. At times, the services provided may differ from the Care Plan due to a temporary change in the resident's condition. If such a temporary change occurs, staff should document the reason for the change in the resident's medical file; it may not be required to change the Care Plan.

At least once a year the resident is reassessed, and specific care needs are identified. The Director or designee must complete a new assessment and if continuing care is appropriate, a new Care Plan is developed. This may be done as part of a supervisory review. The reassessment follows the same instructions used for the initial assessment and Care Plan.

The Cottage Staffing

The Resident Assessment & Care Plan will be used to determine how much time it will take to deliver the required care, as well as a guide for staffing requirements and additional charges as appropriate. There is a full-time Program Coordinator dedicated to The Cottage. Each member of the team should be trained to assist our residents as necessary and report any concerns regarding the condition of the residents to the

Resident Care Coordinator. As staffing patterns are developed for the community, staffing levels will be based on the needs of the residents within the community. As staffing patterns are finalized, staff will also verify that the patterns are in compliance with the state regulations.

In addition to resident care staffing hours provided to residents for basic personal care, staff will also determine if there is a need to provide "enhanced care" to residents within The Cottage. An enhanced care resident is defined by the Division of Medical Assistance as "an individual residing in an adult care home who, according to Medicaid criteria, needs extensive assistance or is totally dependent on another person for eating, toileting or both eating and toileting, and locomotion." All enhanced care residents will be identified through our assessment and/or care plan.

Safety Measures

Procedures are implemented to reduce the risk of safety incidents. Ongoing training programs keep staff current with strategies of being proactive in addressing resident needs including but not limited to wandering, ingestion, falls, aggressive and other behavior management challenges. Residents with Alzheimer's Disease and other related dementia may go through different phases at different times. It is important to recognize that the community cannot guarantee that a resident will not have an incident in the future and sustain injuries as a result. The community has adopted a "Shared Responsibility Program" which requires both the community and the resident/responsible party to work together to minimize the risks that the resident will have an incident and be harmed as a result. As staff and the resident/responsible party work together, the community asks for input or suggestions that would promote the resident's safety, carefully evaluating all the options available to reduce the risk of incident, and selecting the option(s) that are agreed upon to be in the best interest of the resident.

Staff Training

Training of staff is an ongoing process. Staff are trained in accordance with licensure guidelines, which include the stages of the disease and proper approaches for each stage. Staff have immediate access to training materials within the community.

Physical Environment

As an integral part of the assisted living philosophy, and through self-help and wellness, the community strives to foster independence for each resident. Promoting the individuality of each resident allows each resident choice of care and lifestyle with a residential environment. The concept of "shared responsibility" is a very important factor with our philosophy. The community works with the

resident/responsible party and physician in an attempt to mutually agree on sharing the responsibility of determining the resident's ability to maintain his/her own independence.

Activity Plans

Activities for dementia residents are planned each day and are appropriate for each resident. Activities boost physical and mental well-being and contribute to feelings of usefulness and offer enjoyment in remaining skills and interests. Activities buffer boredom and help orient the resident to the present. Activities can also help dissipate agitation, depression, and the tendency to aimless wandering. They are conducted in an adult manner. Residents should not be treated in a childish manner, but with dignity and respect. Activities provide opportunities for friendship and for participating in familiar activities. Activities address the spiritual/emotional, work, self-care rest and leisure.

Community activities are appropriate, meaningful, and presented with dignity and caring. They engage the resident at his/her optimal level of functioning. The attitude of the staff is the key in setting the tone for even the simplest activity. For example, a doll may calm a memory-impaired resident because she is focused on earlier roles with children. As part of our philosophy under "validation therapy" we need to attend to the resident's present need and that in some instances, a doll, teddy bear, or any article that brings comfort and security is permissible. Staff and family Members may need to be educated or reminded about validation therapy to assist them in viewing the activity as acceptable and reasonable.

The types of activities planned for the residents will vary depending on the interest and abilities of each resident. Staff works as a team with the resident, family members and the Program Coordinator to determine what works best to meet the individual needs of the resident.

Additional Costs and Fees Associated with Special Care

As a result of our assessment process, we are able to identify residents who require higher levels of care and assistance with ADL's and assign the resident to a "level of care" over and above our "standard level of care" provided to all residents. The philosophy of providing assisted living care in this "level of care" format is to allow residents the opportunity to utilize certain assisted living services as needs arise.

This Disclosure Statement has been received by:

Resident

Date

Responsible Party

Date

Community Representative Name & Title

Date

Spring Arbor _____

Special Care Receipt of Disclosure Statement

I have received a copy of the Special Care Disclosure Statement of Spring Arbor of Greenville. I understand that I may obtain a copy at any time upon request from the Executive Director.

Signature of Resident or Legal Representative _____

Printed Name _____

Relationship to Resident. _____

Date _____

RESIDENCY AGREEMENT



Enclosures

Residency Agreement

Exhibits

- Resident Handbook
- Resident Rights
- Functional Assessment and Level of Care Guidelines
- Medication Agreement
- Shared Risk Agreement
- Notice of Privacy Information Practices
- Grievance Policy & Procedure
- Statement of Compliance—Title VI of the Civil Rights Act of 1964

Our company strongly believes in the importance of fully disclosing all policies, services and fees to the best of our ability and in accordance with state law. As with any legally binding contract, it is our recommendation that you consult your legal counsel to ensure proper understanding of this agreement before signing

Spring Arbor of _____ Residency Agreement

This Residency Agreement (this “**Agreement**”) is entered into this ____ day of _____, 202_ (the “**Effective Date**”) by and between **Spring Arbor** _____ that does business as **Spring Arbor of** _____ (the “**Residence**”) and _____, hereinafter referred to singly or collectively as “**You**”, or _____, Your Legal Representative acting on Your behalf. Throughout this Agreement, the term “**You**” shall refer to You personally or to Your Legal Representative as applicable.

RECITALS

- A. The Residence is located at _____. You have applied for accommodations at the Residence and the Residence has accepted Your application. The Residence is licensed by the state of North Carolina as an Adult Care Home. It is not a licensed medical care facility and will not be responsible for providing medical care or “skilled nursing” services to You.
- B. This agreement is a month-to-month agreement that may be terminated as provided in Section VIII.

AGREEMENTS

I. **ACCOMODATIONS AND SERVICES**

Beginning on the Effective Date the Residence shall provide the following accommodations and services to You, subject to the other terms, limitations, and conditions contained in this Agreement.

A. **Accommodations**

- 1. **Your Apartment.** You may occupy and use the apartment located at _____ (the “**Apartment**”), so long as You are capable of receiving assisted living services in a manner that is consistent with the NC State licensure rules and comply with the terms of this Agreement.
- 2. **Decoration and Alterations.** You are free to decorate Your Apartment as You wish, provided You comply with the safety rules of the Residence and meet the guidelines provided for Your unit type. You may not make any structural or physical changes to Your Apartment unless expressly approved in writing by the Residence. Any such alterations or improvements shall become the property of the Residence. You may not change any lock or add any lock or locking device to Your Apartment without the prior written consent of the Residence. Any changes or modifications to Your Apartment which require the assistance of electricians, contractors or similar professionals must be approved in advance in writing by the Residence.

B. Basic Services

1. **Meals and Snacks.** Three (3) nutritionally well-balanced meals per day are included in Your Basic Services Rate. Modified diets will be available to You if prescribed by Your physician as a medical necessity. Snacks are also available to You a minimum of three (3) times daily.
2. **Activities.** The Residence will provide a program of planned activities, opportunities for community participation, and services designed to meet Your physical, intellectual, social and spiritual needs.
3. **Common Areas.** You will be provided the opportunity to use the general purpose rooms of the Residence, such as the library, activity room and other common living areas.
4. **Staff Call System.** Apartments shall be equipped with a staff call system.
5. **Utilities.** Residence shall furnish heat, air conditioning, electricity, water, sewage services, basic cable TV and trash collection. Telephone connections will be made available in each Apartment, but the monthly telephone expense is Your responsibility. A “house” phone is available for the receipt of calls and the placement of local calls. The “house” phone is located in a private area.
6. **Maintenance.** Residence will provide all interior and exterior building maintenance and all grounds maintenance. Maintenance to Your personal belongings or property will be Your responsibility.
7. **Standard Housekeeping.** Residence will provide daily cleaning of bathrooms, trash removal and making of beds. Residence will provide weekly cleaning of entire Apartment. Additional housekeeping needs will be considered in the Resident Functional Assessment for an additional fee. Descriptions and potential charges are outlined in Exhibit 3 hereto, (the “**Functional Assessment and Level of Care Guidelines**”).
8. **Standard Laundry Service.** Residence will provide weekly changing of linens and towels and personal laundry service once a week. Additional laundry needs will be considered in the Resident Functional Assessment for an additional fee. Descriptions and potential charges are outlined in the Functional Assessment and Level of Care Guidelines.
9. **Scheduled Transportation.** The Residence will provide scheduled transportation so that You may fulfill Your medical and dental needs. The scheduling of the transportation shall be determined by the Residence and You with at least 72 hours’ notice. The Residence will also provide regularly scheduled transportation services for shopping and other outings. Scheduled transportation days, times and distances are identified in Exhibit 1 hereto (the “**Resident Handbook**”).

All other transportation is Your responsibility and may be provided by the Residence for additional fees as set forth in the Resident Handbook.

C. Health and Personal Care Services

1. **Observation.** The Residence, through its staff, shall regularly observe Your health status to identify any changes in Your physical, mental, emotional and social functioning and will help You respond to Your dietary and health needs and needs for special services. In the event of an emergency, Residence staff will summon emergency medical services to assist You by calling “911” or otherwise summoning appropriate medical services personnel.
2. **Health Needs Which the Residence Cannot Meet.** Should You need health services which cannot be provided by the Residence, either by Residence staff or outside health providers with whom You contract, the Residence will provide You with a notice to vacate. In the event You become an immediate risk to yourself or others in the Residence, it is Your responsibility to secure and pay all expenses associated with the services required for the protection of You and others in the Residence.
3. **Assistance with Activities of Daily Living.** Through its staff, the Residence will make available to You, assistance as needed with dressing, grooming, bathing and other activities of daily living to the extent allowed by applicable State law. The amount of assistance is determined by the Resident Functional Assessment. Dependent on Your needs, there may be an additional Level of Care charge associated with this assistance. Functional assessment guidelines and applicable charges are identified in the Functional Assessment and Level of Care Guidelines. The Residence has the right to re-assess the amount of assistance required and update the Resident Functional Assessment to meet Your specific needs and requirements at any time.
4. **Assistance with Storage and Administration of Medications.** Pharmaceuticals and other medications will be obtained by You only pursuant to a valid written order of a physician. These medications will be obtained through the Residence’s preferred pharmacy provider which has a licensed pharmacist who agrees to provide all services required to maintain the dispensation of medications in a safe and efficient manner. You agree to be responsible for and pay all costs associated with such medications. In accordance with State law, such medications will be administered to You by qualified Residence personnel unless self-administration is ordered by Your physician. If the Residence determines that these services cannot properly be provided to You, transfer to a higher level of care outside the Residence may be required.
5. **Health Records and Health Information.** The Residence maintains a separate health record on You which may contain medical and other personal information. All such information and records may be used or released for treatment, payment of health care operations, or as more

particularly described in the Notice of Privacy Information Practices attached as Exhibit 6 hereto. In addition, You or Your authorized legal representative has the right to review Your health record or to authorize members of Your family or others to review Your health record. All such requests shall be submitted in writing to the Residence.

6. **Excluded Services.** Except as otherwise expressly stated in this Agreement, You are responsible for furnishing or paying for any of Your health and medical care services, including, without limitation, hospital services, physicians' services, nursing services including skilled nursing facility charges, private duty personnel, medications, vitamins, eye glasses, eye examinations, hearing aids, ear examinations, dental work, dental examinations, orthopedic appliances, laboratory tests, x-ray services, incontinence supplies or any rehabilitative therapies.

II. INHERENT RISKS

The Residence respects Your decision to retain Your independence and maintain your quality of life. Assisted living was developed to provide a resident an alternative to nursing homes, emphasizing quality of life, for our nation's elderly. With this choice, each resident and their family must understand the rewards, the risks and the shared responsibilities inherent in this type of living environment.

If You choose to reside in the Residence, You and Your family members must recognize that this is an assisted living setting and not a medical or institutional one. We do not provide 24-hour skilled nursing care or 24-hour per day direct supervision of residents. Therefore, the potential risk of injury may be higher than that in a medical or institutional setting where such constant care and supervision is available. Injuries can occur for a variety of reasons, including but not limited to, falls, cognitive impairment and skin breakdown, and are a normal part of life in an assisted living setting. Such risks are further increased if You have a history of injuries resulting from, for example, falls, skin breakdowns, cognitive impairment or extended use of a wheelchair, prior to moving into the Residence. Further, if you choose to sit in wheelchairs or lay in bed for extended periods of time your risk of skin breakdown caused by pressure is increased. For the cognitively impaired resident, the risk of elopement into a non-secure area exists.

By signing this Agreement, You and Your family members acknowledge that the Residence does not provide 24-hour skilled nursing care or supervision. Further, You and Your family members acknowledge that You may be at risk for injuries that are beyond our control.

III. FEES

A. Basic Services Rate

The Basic Services Rate, as of the date of this Agreement is \$ _____ per month plus a level of care charge of \$ _____ per month [*insert "N/A" if not applicable*]. This amount is due and payable monthly in advance by the first (1st) day of each calendar month. A late charge of one hundred dollars (\$100) shall be assessed if the Basic Services Rate is not paid by the tenth (10th)

day of the month. An additional two hundred dollars (\$200) shall be assessed if the Basic Services Rate is not paid by the twentieth (20th) day of the month. Your rights to occupy and use Your Apartment and to receive services under this Agreement are contingent upon Your timely payment of the Basic Services Rate. Beauty and Barber charges will be itemized separately on Your statement and will be due at the same time as Your Basic Services Rate.

B. Adjustment to Rates

The Residence shall have the right, upon 30 days prior written notice to You, to change Your Basic Services Rate, and/or other fees and charges. While we will attempt to give a 30-day notice on Level of Care charges, we will not be bound to a 30-day advance notice. If Your care is funded at government-prescribed rates, the operative date for any government modification in reimbursement rate shall be the operative date for a change in Your Basic Services Rate.

C. Absences from Residence

You are responsible for paying Your Basic Services Rate, even when You are absent from Your Apartment, including but not limited to, times when You are on vacation or when You have been transferred temporarily to a skilled nursing facility, or if You have been transferred to an outside health care facility. You are not entitled to any discount from Your Basic Services Rate during such absences.

D. Prior to move-in to the Residence, You must pay a community fee of \$_____. The community fee is a one-time charge and is non-refundable. *The community fee does not apply to a short-term stay (defined as a stay less than 30 days); however, should the short-term stay become a PERMANENT stay at the community the community fee would be owed at the time the stay becomes permanent.

IV. PAYOR INFORMATION AND FUNDING SOURCE

The Fees set forth in Article III will be paid for by:

Insert Name of Responsible Party with Contact Information:

Guaranty of Payment. You acknowledge and agree that under the terms of this Agreement between the Residence and You, it is Your obligation to guarantee the timely payment of any charges or fees incurred during Your residency. Consequently, You and Your Legal Representative guarantees to the Residence timely payment of the Basic Service Rate, together with any other charges or fees for items or services rendered to or for You, in accordance with the terms of this Agreement. This obligation is a continuing and unconditional guaranty of payment and performance. You and Your Legal Representative understand that You must pay all reasonable expenses, including attorney's fees, incurred to enforce or collect upon this obligation to pay any fees not paid by You. If the Responsible Party listed above is someone other than You or Your Legal Representative, the Responsible Party shall execute a separate Guaranty of Payment Agreement with Residence.

V. MOVE-IN

You understand and agree that Your age, application forms, statement of finances, health history and medical report, personal interview and emergency information records are part of this Agreement, and any material misrepresentation or omission made by You as to Your age, finances, resources and health history shall render this Agreement voidable at the option of the Residence You agree to submit updated copies of the above forms from time to time as requested by the Residence. It is specifically agreed that payment for care will derive from private funds for a period of not less than 24 months from the time of move-in, and that You may convert to NC State/County Special Assistance for Adults Program (the “**Program**”) for payment of services in a licensed Adult Care Home, with the mutual understanding that the number of available beds for this Program within the Residence has not been exceeded, that the Program benefits haven’t been reduced from the most current reimbursement rates and contingent upon Residence’s acceptance of new enrollees.

VI. CHANGE OF ACCOMMODATIONS

The Residence reserves the authority to determine and make all arrangement regarding residency, including admission and dismissal of You and other residents and adjustments in rates and accommodations consistent with state law and Residence policies.

A. Move to New Apartment/Suite

If, at Your written request, You choose to change apartments within the Residence, You will be responsible for paying the actual cost of labor and materials needed for cleaning and redecorating the vacating Apartment and for moving You to the new apartment. In addition, there will be a one-time, non-refundable charge of \$_____ for relocation and administrative costs.

VII. ACCESS TO YOUR APARTMENT/SUITE

The Residence’s staff may enter Your Apartment at reasonable times and for reasonable purposes, including inspection, maintenance and other services described in this Agreement. Every effort will be made to notify You that a Residence staff person will enter or has entered Your Apartment for non-routine events. In addition, the Residence is licensed as an Adult Care Home by the state of North Carolina, and, as such, a duly authorized agent may, after providing proper identification and stating the purpose of his or her visit, enter and inspect the entire Residence, including Your Apartment, at any time without advance notice.

VIII. YOUR RIGHTS AND RESPONSIBILITIES

A. Rules and Regulations

You agree to abide by and conform to the rules, regulations, policies, and principles as they now exist for the operation and management of the Residence and such amendments to the above as the Residence may subsequently adopt. A

copy of the Resident Handbook and Resident Rights are provided as Exhibits to this Agreement.

B. No Proprietary Interests

Your rights under this Agreement are the rights and privileges expressly granted and do not include any proprietary interest in the Residence or other properties of the Residence.

C. Absences

You are free to leave the Residence at any time You wish, but the Residence cannot be responsible for any obligations or expenses incurred by You at such time. You agree to notify the Residence in advance of such absence.

IX. TERMINATION OF AGREEMENT

A. By You

You may terminate this Agreement at any time, with or without cause, by giving fourteen (14) days prior written notice to the Residence through the Residence Executive Director. Your notice must identify the date when the termination will become effective, which is at least fourteen (14) days after the date of notice. In addition, if You are transferred permanently to an outside facility because You need a higher level of care than that available at the Residence, You may terminate this Agreement immediately upon Your vacating Your Apartment and removing all Your belongings from it. Notwithstanding the foregoing, You will continue to be obligated to pay the Basic Services Rate until all Your furnishings and personal belongings are removed from the Apartment.

B. By the Residence

The Residence may, upon thirty (30) days prior written notice to You, discharge You from the Residence and terminate this Agreement for failure to pay the Basic Services Rate and/or any additional charges for services within ten (10) days of the due date. Prior to discharge and termination for failure to pay, the Residence will provide You with a written warning of discharge for failure to pay, and you will have ten (10) days from the receipt of the written warning of discharge to pay the amounts due. Additionally, the Residence may, upon thirty (30) days prior written notice to You, discharge You from the Residence and terminate this Agreement if the discharge is necessary for Your welfare and Your needs cannot be met in the Residence as determined by Your physician, physician assistant or nurse practitioner.

The Residence may discharge You from the Residence and terminate this Agreement by providing You with written notice made as soon as practicable when (1) Your health or safety is endangered and Your needs cannot be met in the Residence as determined by Your physician, physician assistant or nurse practitioner, (2) Your health has improved sufficiently so that you no longer need the services provided by the Residence as determined by Your physician,

physician assistant or nurse practitioner, (3) the safety of other individuals in the Residence is endangered, (4) the health of other individuals in the facility is endangered as documented by a physician, physician assistant or nurse practitioner, or (5) You or Your legal representative has failed to pay the costs of services and accommodations by the payment due date according to this Agreement after receiving notice of warning of discharge for failure to pay.

Notice of Discharge under this paragraph B, together with an Adult Care Home Notice of Discharge, Adult Care Home Hearing Request Form and all other appropriate State forms will be delivered by hand delivery, with receipt requested, or sent by certified mail to You or Your legal representative and the individual identified upon admission to receive a discharge notice on behalf of the resident on the same day the Adult Care Home Notice of Discharge is dated.

C. Death

This Agreement shall terminate automatically upon Your death. The Basic Services Rate and other incurred charges will be charged until the Apartment is vacated. Your estate shall be charged for unpaid bills. The Basic Services Rate will be charged for any nights spent in the Residence during the month. Any refund due shall be paid within 30 days of the date of Your death.

D. Vacating Apartment and Refund

Any prepaid monies, less expenses incurred to return the Apartment to its original condition, will be returned on a daily prorated basis within 14 days of completely vacating the Apartment or as otherwise required under state law. If expenses, beyond normal wear and tear, are incurred to return the Apartment to its original condition, Residence will provide a detailed list of items and cost to You.

E. Release From Obligations

Any termination of the Agreement under this Section IX shall terminate the Residence's obligation to furnish accommodations and services to You. Upon payment of any refund provided for above, the Residence shall be discharged from any further obligations to You under this Agreement.

X. PROPERTY OF RESIDENCE

A. No Tenancy Interest or Management Rights

This Agreement gives You the right to live in the Residence and to have as much freedom and choice regarding Your life here as possible. However, it does not give You the rights of a "tenant" as that term is defined by state law. The Residence reserves the sole right to provide management of the Residence in the best interest of all Residents and reserves the right to manage or make all decisions concerning the move-in, terms of move-in or move-out of residents consistent with state law.

B. Liability for Damage

You agree to maintain Your Apartment/Suite in a clean, sanitary and orderly condition. You shall reimburse the Residence for any repair to Your Apartment/Suite and for any repair or replacement of furnishings and fixtures owned by the Residence in Your Apartment/Suite (this shall not include maintenance required as a result of ordinary wear and tear). In addition, You shall reimburse the Residence for any loss or damage to the Residence's real or personal property outside of Your Apartment/Suite caused either intentionally or negligently by You or by persons on the premises with Your permission.

XI. PROPERTY OF RESIDENT

The Residence is not responsible for loss of any property belongings to You due to theft or any other cause unless such loss is caused by the negligent or intentional acts of Residence or its employees or agents. If you wish to purchase insurance in the event of damage to Your property or the loss of Your property, You are responsible for purchasing and maintaining such insurance.

XII. ADVANCE DIRECTIVES

It is the policy of this Residence to ask all prospective residents whether they have executed any advance directives. This includes health care powers of attorney, living wills, or other documents which describe the amount, level or type of health care You would want to receive at a time when You can no longer communicate those decisions directly to a physician or other health care professional. It also includes documents in which You name another person who has the legal authority to make health care decisions for You. If You have executed any such documents, or if You execute any such documents while You are living at the Residence, it is Your responsibility to advise Residence staff of this and to provide a copy of any such documents to the Residence. If You have such documents, and You have provided a copy to the Residence, then Residence will provide copies of these documents to health care professionals who may be called to assist You with health care services. If You execute such documents and later revoke or change them, it is also Your responsibility to inform the Residence of such revocation or change. This is required so that the Residence can assist You in ensuring Your health care choices are properly communicated to Your health care professionals.

XIII. INCOMPETENCY

In the event You become legally incompetent or are unable to properly care for Yourself or Your property, and in the event that You have made no other designation of a person or legal entity to serve as Your guardian or conservator, You hereby grant authority to the Residence to apply to a court of competent jurisdiction for the appointment of a conservator or guardian.

XIV. WAIVER OF ONE BREACH NOT A WAIVER OF ANY OTHER

The failure of the Residence in one or more instances to insist upon the strict performance, observance or compliance by You with any of the terms and provisions of this Agreement shall not be construed to be a waiver or relinquishment by the Residence of its right to insist upon strict compliance by You with all the terms and provisions of this Agreement.

XV. ASSIGNMENT

This Agreement may not be assigned by You without the advanced, written consent of the Residence.

XVI. FAMILY VISITS

The Residence encourages family and friends to visit You, subject to the Resident Handbook guidelines. The Residence encourages regular family involvement with the resident and provides ample opportunities for family participation in activities at the Residence.

XVII. WEAPONS POLICY

It is the policy not to allow any weapons on the premises. This policy includes guns, knives or any other item identified as a weapon.

XVIII. PET POLICY

You are allowed to have a pet subject to the Resident Handbook guidelines and execution of the Pet Policy and Pet Registration Addendums to this Agreement. The Residence shall have the right to require removal of pets if the Pet Policy is violated.

XIX. SEVERABILITY

If any provision of the Agreement is determined by a court of competent jurisdiction to be unenforceable, this Agreement shall be read as if such unenforceable provision was not included and all other provisions of this Agreement shall continue in full force and effect.

XX. GOVERNING LAW

This Agreement is made in the State of North Carolina and shall be construed in accordance with the laws thereof.

XXI. NONDISCRIMINATION

The Residence will be operated on a non-discriminatory basis, and will provide accommodations and services described in this Agreement to individuals regardless of race, color, religion, creed or national origin.

XXII. ATTORNEY'S FEES

In the event any action is brought by either party to enforce or interpret the terms of this Agreement, the prevailing party in such action shall be entitled to its costs and reasonable

attorneys' fees incurred therein from the non-prevailing party, in addition to such other relief as the court may deem appropriate.

XXIII. NOTICE

Notices required by this Agreement shall be in writing and delivered either by personal delivery or mail. All notices required by State law to be given by personal delivery shall be delivered by personal delivery. If delivered by mail, notices shall be sent by Express Mail, or by certified or registered mail, return receipt requested, with all postage and charges prepaid. All notices and other written communications required under this Agreement shall be addressed as indicated below, or as specified by subsequent written notice by the party whose address has changed.

IF TO RESIDENCE

IF TO YOU OR YOUR RESPONSIBLE PARTY

XXIV. CONFLICTS WITH STATE OR FEDERAL LAW

It is the intent of the parties that this Agreement complies with the laws of the state of North Carolina governing licensed Adult Care Homes. In the event any term of this agreement does not at any time comply with North Carolina law, such term shall be modified to comply with North Carolina law.

In the event of a dispute between You and the Residence with respect to the interpretation or enforcement of the terms of this Agreement, You and Residence agree to submit the dispute to mediation. If the dispute is not resolved by mediation within 30 days of submitting the dispute to the mediator, the dispute shall be submitted to arbitration in accordance with the American Health Lawyers Association Alternative Dispute Resolution Rules of Procedure. The mediator and arbitrator shall be individuals with experience in the long-term care industry.

The Agreement, including the attachments, addenda, amendments, exhibits are incorporated by reference herein and constitute the entire agreement between You and the Residence with respect to the subject matter hereof and it supersedes any prior or contemporaneous agreements. This Agreement may not be amended or modified except by a written document signed by You and the Residence.

Each person executing this Agreement acknowledges the following:

- Each has received a copy of this agreement and all addenda hereto.
- Each has been given an oral explanation of all the services provided by the Residence and the charges associated with them as outlined in Addenda B and C.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Residence and You have executed this Agreement in duplicate.

DATED this _____ day of _____, in the Year _____

Resident's Signature

Executive Director's Signature

Legal Representative's Signature

Legal Representative's Address and Telephone Number

I have been provided with a copy of, understand and agree to abide by the following:

(Resident and/or Responsible Party please initial)

- _____ Resident Handbook
- _____ Resident Rights
- _____ Level of Care Assessment
- _____ Notice of Privacy Practices
- _____ Consent to Disclose Information for Treatment, Payment or Health Care Operations
- _____ Shared Risk Agreement
- _____ Medication Agreement
- _____ Grievance Policy & Procedure
- _____ Statement of Compliance—Title VI of the Civil Rights Act of 1964

A copy of this Agreement will be maintained by the Residence in the Resident's Administrative File.

CERTIFICATE OF AUTHORITY ISSUED
BY
NORTH CAROLINA SECRETARY OF
STATE

SOSID: 2945694
Date Filed: 11/12/2024 12:39:00 PM
Elaine F. Marshall
North Carolina Secretary of State
C2024 317 00427

State of North Carolina
Department of the Secretary of State

APPLICATION FOR CERTIFICATE OF AUTHORITY
FOR LIMITED LIABILITY COMPANY

Pursuant to §57D-7-03 of the General Statutes of North Carolina, the undersigned limited liability company hereby applies for a Certificate of Authority to transact business in the State of North Carolina, and for that purpose submits the following:

1. The name of the limited liability company is Spring Arbor Creeks Crossing NC Tenant, LLC;

and if the limited liability company name is unavailable for use in the State of North Carolina, the name the limited liability company wishes to use is _____.

2. The state or country under whose laws the limited liability company was formed is Delaware.

3. Principal office information: (Select either a or b.)

a. The limited liability company has a principal office.

The principal office telephone number: 407-845-7186.

The street address and county of the principal office of the limited liability company is:

Number and Street: 420 S. Orange Avenue, Suite 400

City: Orlando State: FL Zip Code: 32801 County: Orange

The mailing address, if different from the street address, of the principal office of the corporation is:

Number and Street: _____

City: _____ State: _____ Zip Code: _____ County: _____

b. The limited liability company does not have a principal office.

4. The name of the registered agent in the State of North Carolina is: C T Corporation System.

5. The street address and county of the registered agent's office in the State of North Carolina is:

Number and Street: 160 Mine Lake Ct., Ste. 200

City: Raleigh State: NC Zip Code: 27615-6417 County: Wake

6. The North Carolina mailing address, if different from the street address, of the registered agent's office in the State of North Carolina is:

Number and Street: _____

City: _____ State: NC Zip Code: _____ County: _____

APPLICATION FOR CERTIFICATE OF AUTHORITY
Page 2

7. The names, titles, and usual business addresses of the current company officials of the limited liability company are:
(use attachment if necessary) (This document must be signed by a person listed in item 7.)

Table with 2 columns: Name and Title, Business Address. Row 1: Kevin Maddron, President, 420 S. Orange Avenue, Suite 400, Orlando, FL 32801. Row 2: Zachary Strunk, Vice President, 420 S. Orange Avenue, Suite 400, Orlando, FL 32801.

8. Attached is a certificate of existence (or document of similar import), duly authenticated by the secretary of state or other official having custody of limited liability company records in the state or country of formation. The Certificate of Existence must be less than six months old. A photocopy of the certification cannot be accepted.

9. If the limited liability company is required to use a fictitious name in order to transact business in this State, a copy of the resolution of its managers adopting the fictitious name is attached.

10. (Optional): Please provide a business e-mail address [Privacy Redaction]. The Secretary of State's Office will e-mail the business automatically at the address provided above at no cost when a document is filed. The e-mail provided will not be viewable on the website. For more information on why this service is offered, please see the instructions for this document.

11. This application will be effective upon filing, unless a delayed date and/or time is specified: _____.

This the 11 day of November, 2024

Spring Arbor Creeks Crossing NC Tenant, LLC
Name of Limited Liability Company
[Signature]
Signature of Company Official
Kevin Maddron, President
Type or Print Name and Title

Notes:
1. Filing fee is \$250. This document must be filed with the Secretary of State.



NORTH CAROLINA

Department of the Secretary of State

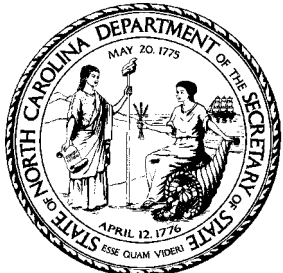
CERTIFICATE OF AUTHORIZATION (Limited Liability Company)

I, ELAINE F. MARSHALL, Secretary of State of the State of North Carolina, do hereby certify that

SPRING ARBOR CREEKS CROSSING NC TENANT, LLC

is a limited liability company formed under the laws of Delaware as Spring Arbor Creeks Crossing NC Tenant, LLC and was authorized to transact business in the State of North Carolina by issuance of a certificate of authority on 12th day of November, 2024.

I FURTHER certify that, as of the date of this certificate, (i) the said limited liability company has not withdrawn from the State of North Carolina, (ii) the said limited liability company's certificate of authority has not been suspended for failure to comply with the Revenue Act of the State of North Carolina, (iii) that said limited liability company is not administratively revoked for failure to comply with the provisions of the North Carolina Limited Liability Company Act, (iv) that this office has not filed any decree of judicial revocation, withdrawal, articles of merger, or articles of conversion for said limited liability company.



Scan to verify online.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 17th day of December, 2024.

Elaine F. Marshall

Secretary of State

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "SPRING ARBOR CREEKS CROSSING NC TENANT, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE SEVENTEENTH DAY OF DECEMBER, A.D. 2024.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN ASSESSED TO DATE.




Jeffrey W. Bullock, Secretary of State

7697389 8300

SR# 20244513910

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 205153074

Date: 12-17-24

**COPY OF DRAFT AMENDMENT TO
LEASE AGREEMENT**

AMENDMENT TO LEASE AGREEMENT

THIS AMENDMENT TO LEASE AGREEMENT (this “Amendment”) is entered into by **Wickshire Creeks Crossing PropCo LLC**, a Delaware limited liability company (“Lessor”), and **Spring Arbor Creeks Crossing NC Tenant, LLC**, a Florida limited liability company (“Lessee”), and is dated effective as of February 1, 2025 (the “Amendment Date”).

RECITALS

- A. Lessor and Lessee, as successor in interest to Wickshire Creeks Crossing OpCo LLC, entered into that certain Lease Agreement dated effective October 1, 2020 (as amended, the “Lease”), pursuant to which Lessee leases from Lessor certain premises located at 8398 Fayetteville Rd., Raeford, North Carolina 28376, as more particularly set forth in the Lease.
- B. Lessor and Lessee desire to amend the Lease as set forth herein, upon and subject to the terms and conditions set forth in this Amendment.

AGREEMENT

Lessor and Lessee agree as follows:

- Capitalized Terms.** All capitalized terms used in this Amendment have the same meaning as is given such terms in the Lease unless expressly superseded by the terms of this Amendment.
- Term.** Section 1.2 of the Lease is hereby deleted in its entirety and replaced with the following:
“The term of this Lease shall commence on the Commencement Date and shall end on January 31, 2029, unless sooner terminated or extended in accordance with the provisions hereof. The time period during which this Agreement is in effect is referred to herein as the “**Term**.”
- Base Rent.** Section 3.1(a) of the Lease is hereby deleted in its entirety and replaced with the following:
“For each year during the Term, Lessee shall pay to Lessor annual fixed rent in an amount equal to the sum of the following: (i) Lessor’s actual annual principal and interest payments payable under Lessor’s Loan Documents, plus (ii) Lessor’s annual mortgage insurance premiums with respect to any Mortgage, plus (iii) Lessor’s annual deposits for reserves for replacements, plus (iv) the amount of the annual property insurance with respect to the Leased Property, plus (v) the amount of the annual property taxes with respect to the Leased Property (such annual amount, “**Base Rent**”). On the first (1st) day of each calendar month (or if such date is not a Business Day, on the next succeeding Business Day) Lessee shall pay one-twelfth (1/12th) of the amount of Base Rent to Lessor based on the calculation for the immediately preceding calendar month.”
- Brokers.** Lessor and Lessee each represents to the other that it has had no dealings, negotiations, or consultations with any broker, representative, employee, agent, or other intermediary in connection with this Amendment. Lessor and Lessee agree to indemnify and hold the other harmless from and against any claims by any broker, agent or other person claiming a commission or other form of compensation by virtue of having dealt with the first party with regard to this Amendment.
- Representations.** Each party represents to the other that it has the full right and authority to bind itself without the consent or approval of any other person or entity and that it has full power, capacity,

authority, and legal right to execute and deliver this Amendment and to perform all of its obligations hereunder.

6. **Ratification; Conflicts.** Except as expressly provided in this Amendment, all provisions of the Lease remain in full force and effect, and Lessor and Lessee hereby ratify and confirm each and every provision thereof. In the event of any conflict between this Amendment and the Lease, this Amendment will control.

7. **Counterparts; Electronic Signatures.** Lessor or Lessee may deliver executed signature pages to this Amendment by electronic means to the other party, and the electronic copy will be deemed to be effective as an original. This Amendment may be executed in any number of counterparts, each of which will be deemed an original and all of which counterparts together will constitute one agreement with the same effect as if the parties had signed the same signature page.

8. **Incorporation by Reference; Entire Agreement.** This Amendment and any attached addenda and exhibits are incorporated into and made a part of the Lease by this reference, and all references to the Lease hereafter include this Amendment. This Amendment constitutes the complete agreement of Lessor and Lessee with respect to the subject matter hereof.

[Signature page follows.]

Lessee and Lessor have executed this Amendment as of the Amendment Date.

LESSOR:

Wickshire Creeks Crossing PropCo LLC,
a Delaware limited liability company

By: _____

Name: J. Jay Lobell

Its: Authorized Signatory

Date Signed: _____

LESSEE:

Spring Arbor Creeks Crossing NC Tenant, LLC,
a Florida limited liability company

By: _____

Name: _____

Its: _____

Date Signed: _____

STATE OF _____)
) SS
COUNTY OF _____)

This is an acknowledgment clause. No oath or affirmation was administered to the signer.

BEFORE ME, a Notary Public in and for said County and State, personally appeared J. Jay Lobell, known to me to be the Authorized Signatory of **Wickshire Creeks Crossing PropCo LLC**, the Delaware limited liability company that executed the foregoing instrument, who acknowledged that he did sign the foregoing instrument for and on behalf of said entity being thereunto duly authorized and that the same is his free act and deed in such capacity and the free act and deed of said entity.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at _____,
_____, this _____ day of _____, 2025.

Notary Public

My commission expires: _____

STATE OF _____)
) SS:
COUNTY OF _____)

This is an acknowledgment clause. No oath or affirmation was administered to the signer.

BEFORE ME, a Notary Public in and for said County and State, personally appeared _____, known to me to be the _____ of **Spring Arbor Creeks Crossing NC Tenant, LLC**, the Florida limited liability company that executed the foregoing instrument, who acknowledged that he did sign the foregoing instrument for and on behalf of said entity being thereunto duly authorized and that the same is his free act and deed in such capacity and the free act and deed of said entity.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at _____,
_____, this _____ day of _____, 2025.

Notary Public

My commission expires: _____

COPY OF LEASE AGREEMENT

LEASE AGREEMENT

THIS LEASE AGREEMENT (this “*Lease*” or this “*Agreement*”), made as of the Commencement Date, by and among WICKSHIRE CREEKS CROSSING PROPCO LLC, a Delaware limited liability company (“*Lessor*”), and WICKSHIRE CREEKS CROSSING OPCO LLC, a Delaware limited liability company (“*Lessee*”), provides as follows:

WHEREAS, Lessor is the owner of the Leased Property (as hereinafter defined); and

WHEREAS, Lessor wishes to lease the Leased Property to Lessee and Lessee wishes to lease the Leased Property from Lessor, all subject to and upon the terms and conditions herein set forth; and

WHEREAS, Lessee is party to that certain Operations Transfer Agreement, dated as of July 28, 2020, by and among Lessee, HC Operations, LLC, a Virginia limited liability company, and the other parties thereto (the “*OTA*”).

NOW, THEREFORE, Lessor, in consideration of the payment of rent by Lessee to Lessor, the covenants and agreements to be performed by Lessee, and upon the terms and conditions hereinafter stated, does hereby rent and lease unto Lessee, and Lessee does hereby rent and lease from Lessor, the Leased Property.

ARTICLE I LEASE

Section 1.1 Leased Property. The “*Leased Property*” (herein so called) is comprised of all of Lessor’s right, title and interest in the following:

(a) the land described in Exhibit “A” attached hereto and by reference incorporated herein (the “*Land*”), which is commonly known as 8398 Fayetteville Rd., Raeford, North Carolina 28376;

(b) all buildings, structures and other improvements of every kind including, but not limited to, alleyways and connecting tunnels, sidewalks, utility pipes, conduits and lines (on-site and off-site) and roadways appurtenant to such buildings and structures presently or hereafter situated upon the Land (collectively, the “*Leased Improvements*”);

(c) all easements, rights and appurtenances relating to the Land and the Leased Improvements;

(d) all equipment, machinery, fixtures, and other items of property required for or incidental to the use of the Leased Improvements as an assisted living facility (“*ALF*”), including all components thereof, now and hereafter permanently affixed to or incorporated into the Leased Improvements, including all furnaces, boilers, heaters, electrical equipment, heating, plumbing, lighting, ventilating, refrigerating, incineration, air and water pollution control, waste disposal, air-cooling and air-conditioning systems and apparatus, sprinkler systems and fire and theft protection equipment, all of which to the greatest extent permitted by law are hereby deemed

by the parties hereto to constitute real estate, together with all replacements, modifications, alterations and additions thereto (collectively, the “*Fixtures*”);

(e) all of the inventory, supplies, furniture, beds, nursing equipment, therapy equipment, food service preparation and distribution equipment, housekeeping equipment, maintenance equipment, activities equipment, computer equipment and systems, signs, telephones, telecommunications and other building systems and other equipment and personal property, tangible and/or intangible, necessary to physically equip and maintain, and to enable Lessee to operate, the Leased Improvements as an ALF and which is located at the Leased Improvements on the date hereof, and any and all replacements thereof, whether purchased or placed in the Leased Improvements by Lessor or Lessee (excluding Lessee’s Personal Property and any software of Manager) or Manager to the extent the same is owned by Lessor or Lessee (collectively, the “*Personal Property*”); and

(f) all existing and future occupancy leases and residency agreements of the Leased Property (including any security deposits or collateral held by Lessor pursuant thereto).

THE LEASED PROPERTY IS DEMISED IN ITS PRESENT CONDITION WITHOUT REPRESENTATION OR WARRANTY (EXPRESSED OR IMPLIED) BY LESSOR AND SUBJECT TO THE RIGHTS OF PARTIES IN POSSESSION, AND TO THE EXISTING STATE OF TITLE INCLUDING ALL COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS AND OTHER MATTERS OF RECORD INCLUDING ALL APPLICABLE LEGAL REQUIREMENTS AND MATTERS WHICH WOULD BE DISCLOSED BY AN INSPECTION OF THE LEASED PROPERTY OR BY AN ACCURATE SURVEY THEREOF.

Section 1.2 Term. The term of this Lease shall commence on the Commencement Date and shall end on October 1, 2023, unless sooner terminated or extended in accordance with the provisions hereof. The time period during which this Agreement is in effect is referred to herein as the “*Term.*”

Section 1.3 Yield Up. Lessee shall, on or before the expiration of the Term or upon the sooner termination of this Agreement, peaceably and quietly surrender and deliver to Lessor, without the payment of any additional consideration by Lessor, the Leased Property, including, without limitation, all Leased Improvements and Personal Property and replacements thereof, in good order, condition and repair, reasonable wear and tear excepted, and free and clear of all liens and encumbrances (other than liens or encumbrances in favor of or granted by Lessor, and any other encumbrances expressly permitted under the terms of this Agreement) and comply with the provisions of Section 36.2 of this Lease. Upon Lessor’s request, Lessee shall, without any charge or cost to Lessor, execute and deliver such bills of sale, assignments or other instruments necessary, appropriate or reasonably requested by Lessor to establish Lessor’s ownership in the Personal Property, including, without limitation, any replacements thereof.

ARTICLE II DEFINITIONS

Section 2.1 Definitions. For all purposes of this Lease, except as otherwise expressly provided or unless the context otherwise requires, (a) the terms defined in this Article have the

meanings assigned to them in this Article and include the plural as well as the singular, (b) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP, (c) all references in this Lease to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this Lease, (d) any use of the word “including” or “include” in this Lease will, unless the context otherwise requires, be deemed to respectively mean “including without limitation” or “include without limitation,” and (e) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or other subdivision:

“Additional Rent” or **“additional rent”** - all sums, amounts, fees, expenses, costs (including, without limitation, legal fees and disbursements) and obligations of every kind and nature, whether known or unknown, general or special, ordinary or extraordinary, foreseen or unforeseen, direct or indirect, contingent or otherwise, relating to the operation, repair and maintenance of the Leased Property (except Lessor’s income taxes) which may arise or become due during the Term and are payable or reimbursable to Lessor under this Lease other than Base Rent, plus an amount equal to the Net Cash Flow of the Lessee.

“Affiliate” - As used in this Lease, the term **“Affiliate”** of a Person shall mean (a) any Person that, directly or indirectly, controls or is controlled by or is under common control with such Person, (b) any other Person that owns, beneficially, directly or indirectly, ten percent (10%) or more of the outstanding capital stock, shares or equity interests of such Person, or (c) any officer, director, employee, partner or trustee of such Person or any Person controlling, controlled by or under common control with such Person (excluding trustees and Persons serving in similar capacities who are not otherwise an Affiliate of such Person). For the purposes of this definition, “control” (including the correlative meanings of the terms “controlled by” and “under common control with”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership of voting securities, partnership interests or other equity interests, by contract or otherwise.

“ALF” - As defined in Section 1.1(d).

“Alterations” - As defined in Section 9.1.

“Approved Budget” - the Pro Forma Budget approved by Lessor or deemed approved by Lessor pursuant to this Lease.

“Authorizations” - All licensure requirements, certification requirements under applicable federal and/or state reimbursement programs, including Medicare and Medicaid (provided the Facility participates in such reimbursement), building codes and zoning regulations, and all permits, licenses, certificates of need, authorizations and regulations necessary to operate the Leased Property for the Primary Intended Use.

“Award” - As defined in Section 14.1(c).

“Base Rate” - The prime rate (or base rate) reported in the Money Rates column or comparable section of The Wall Street Journal as the rate then in effect for corporate loans at large

U.S. money center commercial banks, whether or not such rate has actually been charged by any such bank. If no such rate is reported in The Wall Street Journal or if such rate is discontinued, then Base Rate shall mean such other successor or comparable rate as Lessor may reasonably designate.

“Base Rent” - As defined in Section 3.1(a).

“Business Day” - Each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which national banks in the city where the Leased Property is located are closed.

“Capital Expenditures” - Amounts advanced to pay the costs of Capital Improvements.

“Capital Improvements” - Replacements of and improvements to (a) the external walls and internal load bearing walls (other than windows and plate glass), (b) the roof of the Facility, (c) private roadways, parking areas, sidewalks and curbs appurtenant thereto that are under Lessee’s control (other than cleaning, patching and striping) and (d) mechanical, electrical and plumbing systems that service common areas, entire wings of the Facility or the entire Facility, including conduit and ductware connected thereto.

“CERCLA” - The Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

“Claims” - As defined in Section 11.1.

“COBRA” - The Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

“Code” - The Internal Revenue Code of 1986, as amended.

“Commencement Date” - The date of closing of the purchase of the Leased Property by Lessor.

“Condemnation” - As defined in Section 14.1(a).

“Condemnor” - As defined in Section 14.1(d).

“Date of Taking” - As defined in Section 14.1(b).

“Distribution”- (a) any declaration or payment of any dividend or other distribution on or in respect of any shares of any class of capital stock of Lessee, if Lessee is a corporation, or any cash or other distributions in respect of any partnership interests or membership interests in Lessee, if Lessee is a partnership or a limited liability company, (b) any purchase, redemption, retirement or other acquisition of any shares of any class of capital stock of Lessee, if Lessee is a corporation, or any purchase, redemption, retirement or other acquisition of any partnership or membership interests in Lessee, if Lessee is a partnership or a limited liability company, or (c) any return of capital to shareholders of Lessee, if Lessee is a corporation, or any return of capital to partners or members of Lessee, if Lessee is a partnership or a limited liability company.

“Employment Subcontractor”- As defined in Section 6.2(f).

“Environmental Authority” - Any department, agency or other body or component of any Government that exercises any form of jurisdiction or authority under any Environmental Law.

“Environmental Authorization” - Any license, permit, order, approval, consent, notice, registration, filing or other form of permission or authorization required under any Environmental Law.

“Environmental Laws” - All applicable federal, state, local and foreign laws and regulations relating to pollution of the environment (including ambient air, surface water, ground water, land surface or subsurface strata), including laws and regulations relating to emissions, discharges, Releases or threatened Releases of Hazardous Materials or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials. Environmental Laws include but are not limited to CERCLA, FIFRA, RCRA, SARA and TSCA.

“Environmental Liabilities” - Any and all actual or potential obligations to pay the amount of any judgment or settlement, the cost of complying with any settlement, judgment or order for injunctive or other equitable relief, the cost of compliance or corrective action in response to any notice, demand or request from an Environmental Authority, the amount of any civil penalty or criminal fine, and any court costs and reasonable amounts for attorney’s fees, fees for witnesses and experts, and costs of investigation and preparation for defense of any claim or any Proceeding, regardless of whether such Proceeding is threatened, pending or completed, that may be or have been asserted against or imposed upon Lessor, Lessee, any Predecessor, the Leased Property or any property used therein and arising out of:

(a) the failure to comply at any time with all Environmental Laws applicable to the Leased Property;

(b) the presence of any Hazardous Materials on, in, under, at or in any way affecting the Leased Property;

(c) a Release or threatened Release of any Hazardous Materials on, in, at, under or in any way affecting the Leased Property;

(d) the identification of Lessee, Lessor or any Predecessor as a potentially responsible party under CERCLA or under any other Environmental Law;

(e) the presence at any time of any above-ground and/or underground storage tanks, as defined in RCRA or in any applicable Environmental Law on, in, at or under the Leased Property or any adjacent site or facility; or

(f) any and all claims for injury or damage to persons or property arising out of exposure to Hazardous Materials originating or located at the Leased Property, or resulting from operation thereof or any adjoining property.

“Event of Default” - As defined in Section 15.1.

“Existing Condition” - As defined in Section 7.3(b).

“Facility” - the ALF being operated on the Leased Property.

“Facility Expenses” - those costs and expenses directly related to the operation, maintenance, repair and staffing of the Facility which are in accordance with the Approved Budget or otherwise approved by the Lessor or permitted to be incurred by Lessee pursuant to the terms hereof, including, without limitation but without duplication:

- (a) Health care supplies;
- (b) Raw food costs;
- (c) Costs incurred to third parties under approved service contracts;
- (d) Costs to repair and maintain the Facility in accordance with this Lease including materials/equipment and third-party service providers for preventive maintenance and oversight supervision;
- (e) Third-party marketing costs including printed materials, event planning, entertainment, and advertisements to promote the Facility, or a pro rata share thereof where such marketing is for the benefit of the Facility and other facilities;
- (f) Marketing and sales costs incurred by Facility and corporate personnel providing services that would typically be provided by on-site Facility personnel;
- (g) Wages, benefits, incentive compensation, payroll taxes, insurance, benefits and other employment costs of those personnel employed at the Facility, including the cost of third-party payroll processing fees;
- (h) Cost of utilities, waste removal, property taxes, Impositions and other taxes levied by government;
- (i) Phone, internet, cable television, and postage incurred by the Facility;
- (j) Fees and other costs associated with maintaining bank accounts for the Facility;
- (k) Costs to rent or lease necessary Facility equipment;
- (l) Costs for third-party auditors, accountants or others required in the preparation of financial statements;
- (m) Expenditures for personal property at the Facility;

(n) Costs incurred to third parties to prevent, cure or correct any violation of Legal Requirements with respect to the leasing, use, repair or maintenance of the Facility and any expense incurred in order to obtain or maintain any operating permits or licenses, including any registration fees and expenses and legal fees associated therewith;

(o) Costs incurred to third parties for the collection of delinquent rentals collected through an attorney or collection agency and other costs required in connection with the enforcement of any lease or resident agreement (including, without limitation, reasonable legal fees, disbursements and moving and storage expenses for Personal Property and personal property of residents and/or lessees);

(p) Costs of insurance required pursuant hereto;

(q) To the extent Lessee or Manager enters into National Vendor Contracts, Lessor and Lessee will agree annually on the allocation of costs under any such contract prior to the beginning of each year. These costs will be scheduled and attached to the Approved Budget, and the portion of such costs allocable to the Facility will be included as a Facility Expense;

(r) Information technology costs including remote server fees, software implementation and development expenses, on-site computers and site licenses;

(s) Dues or other professional organization expenses directly related to the Facility;

(t) Reasonable out of pocket travel and entertainment expenses of Manager related to the Facility;

(u) Anything deemed a Facility Expense in this Lease or in the Management Agreement;

(v) All legal, consulting or other expenses required to obtain and maintain licenses to operate the Facility;

(w) Additional Rent;

(x) Management Fees;

(y) Alterations by Lessee; and

(z) Cumulative deficits in Net Cash Flow for preceding months, to the extent not taken into account to reduce (but not below zero) Net Cash Flow for one or more preceding months.

Notwithstanding anything to the contrary contained herein, Facility Expenses will not include the following:

(i) Costs attributable to or arising from negligence, fraud or other intentional misconduct on the part of Lessee, Manager or any employees or agents of Lessee or Manager;

(ii) Costs (or any portion of the costs) of the gross salary and wages, benefits, payroll taxes, insurance, and workers' compensation of any employee or agent of Lessee or Manager who is not situated at the Facility (unless such amounts have been specifically included in an Approved Budget);

(iii) Costs attributable to the training of Lessee or Manager or employees of Lessee or Manager unless included in the Approved Budget;

(iv) Costs attributable to travel or automobile mileage and/or expenses unless included in the Approved Budget;

(v) Any expense for which a category of expense or contingency item is not included in an Approved Budget;

(vi) Nonreimbursable Lease Impositions;

(vii) Any item that this Lease specifically excludes from the definition of Facility Expenses; or

(viii) (1) debt service payments pursuant to any Mortgage, (2) payments for Lessee's Personal Property, (3) any indebtedness of Lessee or Manager, (4) any indemnification obligation of Lessee or Lessor or Manager, (5) any costs caused by or resulting from the breach of this Lease by Lessee or Lessor or any costs caused by or resulting from the breach of the Management Agreement by the Manager or Lessee; or (6) depreciation or amortization.

"FIFRA"- The Federal Insecticide, Fungicide, and Rodenticide Act, as amended.

"Fiscal Year" - Any twelve- (12-) month period from January 1 to December 31 during the Term; provided that, to the extent any computation or other provision hereof provides for an action to be taken on a Fiscal Year basis, an appropriate proration or other adjustment shall be made in respect of the initial and final Fiscal Years to reflect that such periods are less than full calendar year periods.

"Fixtures"- As defined in Section 1.1(d).

"GAAP" - Generally accepted accounting principles as are at the time applicable and otherwise consistently applied.

"Government" - The United States of America, any city, county, state, district or territory thereof, any foreign nation, any city, county, state, district, department, territory or other political division thereof, or any political subdivision of any of the foregoing.

"Hazardous Materials" - All chemicals, pollutants, contaminants, wastes and toxic substances, including:

- Law; (a) Solid or hazardous waste, as defined in RCRA or in any Environmental
- Law; (b) Hazardous substances, as defined in CERCLA or in any Environmental
- (c) Toxic substances, as defined in TSCA or in any Environmental Law;
- (d) Insecticides, fungicides, or rodenticides, as defined in FIFRA or in any Environmental Law;
- (e) Gasoline or any other petroleum product or byproduct, polychlorinated biphenyls, asbestos and urea formaldehyde;
- (f) Asbestos or asbestos containing materials;
- (g) Urea Formaldehyde foam insulation; and
- (h) Radon gas.

“Holder” - Any holder of any indebtedness of the Lessor or any of its Affiliates, any holder or beneficiary of a Mortgage, any purchaser of the Leased Property or any portion thereof at a foreclosure sale or any sale in lieu thereof, or any designee of any of the foregoing.

“Impositions” - Collectively, all taxes (including all ad valorem, sales and use, occupancy, single business, gross receipts, transaction privilege, rent or similar taxes as the same relate to or are imposed upon Lessee or Lessor or Lessee’s business conducted upon the Leased Property (other than any tax based on net income (whether denominated as a franchise or capital stock or other tax) imposed on Lessee), assessments (including all assessments for public improvements or benefit, whether or not commenced or completed prior to the date hereof and whether or not to be completed within the Term), ground rents, water, sewer or other rents and charges, excises, tax inspection, authorization and similar fees and all other governmental charges, in each case whether general or special, ordinary or extraordinary, or foreseen or unforeseen, of every character in respect of the Leased Property or the business conducted thereon by Lessee (including all interest and penalties thereon caused by any failure in payment by Lessee provided that such interest and penalties shall not constitute a Facility Expense hereunder), which at any time prior to, during or with respect to the Term hereof may be assessed or imposed on or with respect to or be a lien upon (a) Lessor’s interest in the Leased Property, or (b) the Leased Property, or any part thereof or any rent therefrom or any estate, right, title or interest therein, or (c) any occupancy, operation, use or possession of, or sales from, or activity conducted on or in connection with the Leased Property, or the leasing or use of the Leased Property or any part thereof by Lessee. Nothing contained in this definition of Impositions shall be construed to require Lessee to pay (1) any tax based on net income (whether denominated as a franchise or capital stock or other tax) imposed on Lessor or any other person, or (2) any net revenue tax of Lessor or any other person, or (3) any tax imposed with respect to the sale, exchange or other disposition by Lessor of any Leased Property or the proceeds thereof (collectively, **“Nonreimbursable Lease Impositions”**).

“Indemnified Party” - Either of a Lessee Indemnified Party or a Lessor Indemnified Party.

“Indemnifying Party” - Any party obligated to indemnify an Indemnified Party pursuant to any provision of this Lease.

“Insurance Requirements” - All terms of any insurance policy required by this Lease and all requirements of the issuer of any such policy.

“Land” - As defined in Section 1.1(a).

“Leased Improvements” - As defined in Section 1.1(b).

“Leased Property” - As defined in Section 1.1.

“Legal Requirements” - All federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions affecting either the Leased Property or the maintenance, construction, use, operation or alteration thereof (whether by Lessee or otherwise), now or hereafter enacted and in force, including (a) all laws, rules or regulations pertaining to the environment, occupational health and safety and public health, safety or welfare, and (b) any laws, rules or regulations that may (1) require repairs, modifications or alterations in or to the Leased Property or (2) in any way adversely affect the use and enjoyment thereof; and all permits, licenses and authorizations necessary or appropriate to operate the Leased Property for the Primary Intended Use, including, without limitation (i) any licensure requirements, certification requirements under applicable federal and/or state reimbursement programs, including Medicare and Medicaid (provided the Facility participates in such reimbursement), building codes and zoning regulations, and (ii) all permits, licenses, certificates of need, authorizations and regulations necessary to operate the Leased Property for the Primary Intended Use; and all covenants, agreements, restrictions and encumbrances contained in any instruments, either of record or known to Lessee (other than encumbrances created by Lessor after the Commencement Date without the consent of Lessee), at any time in force affecting the Leased Property.

“Lessee” - The Lessee designated on this Lease and its permitted successors and assigns.

“Lessee Indemnified Party” - Lessee, any Affiliate of Lessee, any other Person against whom any claim for indemnification may be asserted hereunder as a result of a direct or indirect ownership interest in Lessee, the officers, directors, stockholders, partners, members, employees, agents and representatives of any of the foregoing Persons and any stockholder, partner, member, agent, or representative of any of the foregoing Persons, and the respective heirs, personal representatives, successors and assigns of any such officer, director, stockholder, partner, member, employee, agent or representative.

“Lessee’s Personal Property” - means all furniture, fixtures (including trade fixtures), equipment, signs and other personal property, tangible and/or intangible, purchased, or otherwise placed in the Leased Improvements by Lessee after the date hereof which Lessee so identifies by written notice to Lessor and that does not otherwise constitute Lessor’s Personal Property or the replacement of Lessor’s Personal Property.

“Lessor” - The Lessor designated on this Lease and its successors and assigns.

“Lessor Indemnified Party” - Lessor, any Affiliate of Lessor, any other Person against whom any claim for indemnification may be asserted hereunder as a result of a direct or indirect ownership interest in Lessor, the officers, directors, stockholders, partners, members, employees, agents and representatives of any of the foregoing Persons and of any stockholder, partner, member, agent, or representative of any of the foregoing Persons, and the respective heirs, personal representatives, successors and assigns of any such officer, director, partner, stockholder, partner, member, employee, agent or representative.

“Lessor’s Loan Documents” - Any loan documents evidencing and securing any Mortgage and any loan documents, instruments and agreements entered into in connection therewith; provided that copies of such documents shall be delivered to Lessee by Lessor.

“Licenses” - As defined in Section 36.2(a).

“Management Agreement” - Any management agreement with a manager under which the Facility is operated, including, that certain Management Agreement by and between Lessee and Manager, dated as of even date herewith, which is hereby approved by Lessor.

“Management Fees” - Fees payable to Manager under the Management Agreement for the applicable period.

“Manager” – Wickshire Senior Living, LLC, or any permitted successor or assign.

“Medicaid” - A state program of medical aid established under Title XIX of the Social Security Act of 1965, as amended, and any successor statute thereto and any successor programs.

“Medicare” - The program of medical care benefits provided under Title XVIII of the Social Security Act of 1965, as amended, any successor statute thereto and any successor programs.

“Migration” - As defined in Section 7.3(b).

“Mortgage” - As defined in Section 27.1(a).

“National Vendor Contracts” means national or regional purchasing contracts for certain Facility level items including raw food, supplies, certain approved Facility level software, or energy programs.

“Net Cash Flow” - (A) the aggregate gross revenue and cash receipts of the Lessee less (B)(i) all operating expenses of the Lessee, other than any expense not involving a cash expenditure (such as any amount charged for amortization or depreciation); (ii) all payments on account of any loans made to, or obligations of, the Lessee; (iii) any sum expended by the Lessee for capital expenditures; (iv) reserves for working capital or other purposes determined after consideration of the Lessee’s financial position; (v) any taxes imposed on the Lessee; (vi) any Management Fees payable by the Lessee pursuant to a Lessor-approved Management Agreement;

(vii) any paid or payable tax distributions to the Lessee's members; and (viii) Base Rent, less (C) 10% of the difference between A and B above.

"Notice" and **"notices"** - As defined in Section 29.1.

"Officer's Certificate" - A certificate of Lessee reasonably acceptable to Lessor, signed by the chief financial officer or another officer duly authorized so to sign by Lessee or a managing member of Lessee, or any other person whose power and authority to act has been authorized by delegation in writing by any such officer.

"Overdue Rate" - On any date, a rate equal to the Base Rate plus 5% per annum, but in no event greater than the maximum rate then permitted under applicable law.

"Person" - Individuals, corporations, general and limited partnerships, limited liability companies, stock companies or associations, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts, or other entities and governments and agencies and political subdivisions thereof.

"Personal Property" - As defined in Section 1.1(e).

"Personal Property Taxes" - All personal property taxes imposed on the Personal Property or other items of personal property located on, and used in connection with, the operation of the Leased Improvements as an ALF (other than personal property owned by the Lessee and/or its sublessees, agents or contractors (including Manager)), together with all replacements, modifications, alterations and additions thereto.

"Predecessor" - Any Person whose liabilities arising under any Environmental Law have or may have been retained or assumed by Lessor or Lessee pursuant to the provisions of this Lease.

"Primary Intended Use" - As defined in Section 6.2(b).

"Proceeding" - Any judicial action, suit or proceeding (whether civil or criminal), any administrative proceeding (whether formal or informal), any investigation by a governmental authority or entity (including a grand jury), and any arbitration, mediation or other non-judicial process for dispute resolution.

"Pro Forma Budget" shall mean a budget prepared by the Lessee and submitted to the Lessor for the operation of the Facility for each Fiscal Year; such budget shall contain, but not be limited to, projected Facility Expenses and projected Revenues.

"RCRA" - The Resource Conservation and Recovery Act, as amended.

"Real Estate Taxes" - All real estate taxes, including general and special assessments, if any, which are imposed upon the Land and any improvements thereon.

“Release” - A “Release” as defined in CERCLA or in any Environmental Law, unless such Release has been properly authorized and permitted in writing by all applicable Environmental Authorities or is allowed by such Environmental Law without authorizations or permits.

“Rent” - Collectively, the Base Rent and Additional Rent.

“Revenues” - all revenues and receipts of every kind derived from operating the Facility and all departments and parts thereof, including, but not limited to: income (from both cash and credit transactions, net of any fees charged therefor) from monthly occupancy fees, health care fees and ancillary services fees received pursuant to various agreements with residents of the Facility; income from food and beverage, and catering sales; income from telephone charges; income from vending machines; interest received or accrued with respect to the monies in any operating or reserve accounts of the Lessee; Sales Tax; and proceeds, if any, from business interruption or other loss of income insurance; provided, however, that Gross Revenues shall not include: (i) gratuities to employees at the Facility; (ii) federal, state or municipal excise, goods and services, sales or use taxes or similar taxes imposed at the point of sale and collected directly from residents or guests of the Facility or included as part of the sales price of any goods or services other than Sales Tax; (iii) any cash refunds, rebates or discounts to residents of the Facility, or cash discounts and credits of a similar nature, given, paid or returned in the course of obtaining Revenues or components thereof; (iv) security or resident fee deposits until such time as the same are applied to current fees and other charges due and payable; (v) intentionally omitted; or (vi) fees paid by the residents of the Facility directly to outside contractors and vendors.

“Sales Tax” - As defined in Section 3.3.

“SARA” - The Superfund Amendments and Reauthorization Act of 1986, as amended.

“State” - The State in which the Leased Property is located.

“Taking” - A permanent or temporary taking or voluntary conveyance during the Term hereof of all or part of the Leased Property, or any interest therein or right accruing thereto or use thereof, as the result of, or in settlement of, any Condemnation or other eminent domain proceeding affecting the Leased Property whether or not the same shall have actually been commenced.

“Term” - As defined in Section 1.2.

“TSCA” - The Toxic Substances Control Act, as amended.

“Unavoidable Delay” - Delay due to strikes, lock-outs, labor unrest, inability to procure materials, power failure, acts of God, governmental restrictions, enemy action, civil commotion, acts of terrorists, fire, unavoidable casualty, condemnation or other similar causes beyond the reasonable control of the party responsible for performing an obligation hereunder, provided that lack of funds shall not be deemed a cause beyond the reasonable control of either party hereto unless such lack of funds is caused by the breach of the other party’s obligation to perform any obligations of such other party under this Lease.

“Unsuitable for its Primary Intended Use” - A state or condition of the Facility such that in the judgment of Lessor the Facility cannot function as an ALF comparable in quality and function to that of the Facility prior to the damage or loss.

“Without Cause” - a termination of this Lease by Lessor for a reason other than an Event of Default by Lessee. For the avoidance of doubt, a termination shall be Without Cause if it is due to a termination by the holder of a Mortgage for any reason other than due to a breach by Lessee of its obligations under this Lease or a breach by Manager of its obligations under the Management Agreement.

ARTICLE III RENT

Section 3.1 Rent. Lessee will pay to Lessor in lawful money of the United States of America which shall be legal tender for the payment of public and private debts, without prior notice, offset or demand, at Lessor’s address set forth in Section 29.1 or at such other place or to such other Person, as Lessor from time to time may designate in a notice, all Rent contemplated hereby during the Term on the basis hereinafter set forth. If there is a dispute as to the amount of Rent to be paid by Lessee, either party may submit the dispute to arbitration pursuant to Section 35.2. However, Lessee shall be required to pay, as and when Rent is due and payable hereunder, the amount of Rent calculated by Lessor to be due and payable until such time as the dispute is resolved by agreement between the parties or by arbitration pursuant to Section 35.2.

(a) **Base Rent.** For each year during the Term, Lessee shall pay to Lessor annual fixed rent in an amount equal to the sum of the following: (i) the product obtained by multiplying (A) Lessor’s annual principal and interest payments payable under Lessor’s Loan Documents (calculated using the loan amount then outstanding not including amortization, a 6.5% interest rate and 25 year amortization schedule) by (B) the multiplier indicated on **Schedule 3.1(a)**, plus (ii) Lessor’s annual mortgage insurance premiums with respect to any Mortgage, plus (iii) Lessor’s annual deposits for reserves for replacements; plus (iv) the amount of the annual property insurance with respect to the Leased Property, plus (v) the amount of the annual property taxes with respect to the Leased Property (such annual amount, **“Base Rent”**). On the first (1st) day of each calendar month (or if such date is not a Business Day, on the next succeeding Business Day) Lessee shall pay one-twelfth (1/12th) of the amount of Base Rent to Lessor based on the calculation for the immediately preceding calendar month.

(b) **Additional Rent.** In addition to the Base Rent, Lessee also will pay and discharge as and when due and payable all Additional Rent.

(c) **Rent.** The sum of Base Rent plus Additional Rent constitutes “Rent” under this Lease. All Rent shall be paid to Lessor or its designee by wire transfer of immediately available funds.

Section 3.2 Lessor Advances. Except as specifically provided otherwise in this Agreement, if Lessee does not pay or discharge all Facility Expenses within ten (10) days after they become due and payable, and provide proof of payment as requested by Lessor, Lessor shall

have the right but not the obligation to pay such Facility Expenses on behalf of Lessee, and any costs and expenses so incurred by Lessor shall be Additional Rent immediately due and payable.

Section 3.3 Sales Tax. Simultaneously with each payment of Rent hereunder, Lessee shall pay to Lessor, as a Facility Expense, the amount of any applicable sales, use, excise or similar or other tax (collectively, “*Sales Tax*”) on any such Rent, whether the same be levied, imposed or assessed by the State in which the Leased Property is located or any government agency.

Section 3.4 Absolute Net Lease. Except as otherwise provided herein, the Rent shall be paid absolutely net to Lessor free of taxes, assessments, utility charges, operating expenses, insurance premiums or any other charge or expense in connection with the Leased Property, without notice or demand and without set-off, counterclaim, recoupment, abatement, suspension, deterrment, deduction or defense, so that this Lease shall yield to Lessor the full amount of the installments of Base Rent and Additional Rent throughout the Term. Anything contained in this Lease to the contrary notwithstanding, to the extent required by Lessee and at Lessee’s request of Lessor, Lessor shall provide sufficient funds or overdraft (or other) capacity to meet all of Lessee’s required Facility Expenses and other payment obligations under this Lease as long as Lessee is not in default under this Lease, including without limitation all payments required of Lessee under the Management Agreement, as they are incurred or become due and payable. Lessee shall not be required to expend any of its funds out of pocket. Lessee shall not be required to pay for any Facility Expenses, Rent and/or other payments if and to the extent that there are insufficient funds to pay such amounts, and therefore Lessee shall not be in default under this Lease under such circumstances.

ARTICLE IV IMPOSITIONS

Section 4.1 Real Estate Taxes and Personal Property Taxes. Lessee shall be responsible for paying all Real Estate Taxes, Personal Property Taxes and other Impositions prior to delinquency. With Lessor’s consent, Lessee may effect a protest, appeal or other action with respect to any such Real Estate Taxes, Personal Property Taxes and other Impositions. To the extent received by it, Lessor shall furnish Lessee with copies of all assessment notices for Real Estate Taxes, Personal Property Taxes and other Impositions in sufficient time for Lessee to file a protest and pay such Real Estate Taxes, Personal Property Taxes and Impositions without penalty.

Section 4.2 Utility Charges. Lessee will be solely responsible for obtaining and maintaining utility services to the Leased Property and will pay or cause to be paid all charges for electricity, gas, oil, water, sewer and other utilities used in the Leased Property during the Term.

Section 4.3 Insurance Premiums. Lessee shall pay or cause to be paid all premiums for the insurance coverages required to be maintained pursuant to and as provided in Article XII.

Section 4.4 Impounds. To the extent not included in Base Rent, Lessee shall deposit with Lessor (or at Lessor’s direction, with Holder) at the time of each payment of an installment of Rent, one twelfth (1/12) of (i) the amount sufficient to discharge the annual amount of Impositions and (ii) the annual charges for the insurance premiums under Insurance Requirements (collectively, “*Impounds*”). All Impounds shall be held by Lessor not in trust and not as an agent

of Lessee and shall not bear interest, and shall be applied to the payment of the obligations with respect to which the amounts were deposited. If at any time within thirty (30) days prior to the due date of any of the aforementioned obligations the Impounds then on deposit therefor shall be insufficient for the payment of such obligation in full, Lessee shall within ten (10) days after demand, deposit the amount of the deficiency with Lessor. If the amounts deposited are in excess of the actual obligations for which they were deposited, Lessor shall hold the same in a reserve account, not in trust and not bearing interest, and reduce proportionately the required monthly deposits for the ensuing year of the Term; provided that any such excess with respect to the final year of the Term shall be refunded to Lessee within thirty (30) days of the end of the Term. Lessee shall deliver to Lessor or Lessor's agent, if so directed by Lessor, all tax bills, bond and assessment statements, as soon as the same are received by Lessee. If Lessor sells or assigns this Lease, Lessor shall transfer all Impounds deposited by Lessee pursuant to this Section 4.4 to the purchaser or assignee, and Lessor shall thereafter be released from all responsibility related to, and shall have no further liability for the application of, such Impounds, and to the extent Lessor transfers such Impounds, Lessee shall look solely to such purchaser or assignee for such application and for all responsibility related to such Impounds.

ARTICLE V PROPERTY OWNERSHIP

Section 5.1 Ownership of the Leased Property. Lessee acknowledges that the Leased Property is the property of Lessor and that Lessee has only the right to the possession and use of the Leased Property upon the terms and conditions of this Lease.

Section 5.2 Lessee's Personal Property. Upon the expiration or sooner termination of the Term, Lessor may, in its sole and absolute discretion, elect to either (i) give Lessee notice that Lessee shall be required, within ten (10) Business Days after such expiration or termination, to remove all or part of the Lessee Personal Property, if any, from the Leased Property, or (ii) pay Lessee the fair market value of any such Lessee Personal Property desired by Lessor. Failure of Lessor to make such election shall be deemed an election to proceed in accordance with clause (ii) preceding for the purchase of all of the Lessee Personal Property. Without Lessor's prior written consent, Lessee shall not remove any Lessee Personal Property that is in use at the expiration or earlier termination of the Term from the Facility until such option to purchase has been waived in writing by Lessor. If any of the Lessee Personal Property that is not purchased by Lessor is not removed within such ten (10) Business Day period, such property shall be considered abandoned by Lessee and may be appropriated, sold, destroyed or otherwise disposed of by Lessor without giving notice thereof to Lessee and without any payment to Lessee or any obligation to account therefor. Lessee shall reimburse Lessor for any and all expense incurred by Lessor in disposing of any of the Lessee Personal Property that Lessee is required to remove but fails to remove within such ten (10) Business Day period, and shall either at its own expense repair any damage to the Leased Property caused by the removal of any of the Lessee Personal Property, or reimburse Lessor for any and all expense incurred by Lessor for such repair. Lessee will, at its expense, restore the Leased Property to the condition required by Section 8.1, including repair of all damage to the Leased Property caused by the removal of Lessee's Personal Property, whether effected by Lessee or Lessor.

Section 5.3 Equipment Lease Property. Personal property utilized at the Facility which is leased pursuant to equipment leases and which expire on or before the termination of this Lease shall, at the option of Lessor, become the property of Lessor without the payment of additional consideration by Lessor except for any consideration which must be paid to the equipment lessor on expiration of the equipment lease to acquire title thereto. Lessee shall cooperate with Lessor to effect the transfer of title to such leased property to Lessor and shall give notice to Lessor of any such leases and of the expiration dates thereof. Lessor shall, at Lessor's cost, acquire title to or replace such leased property when the leases for such leased property expire and make such property or replacement property available to Lessee hereunder during the Term of this Lease.

ARTICLE VI CONDITION, USE

Section 6.1 Condition of the Leased Property. Lessee acknowledges receipt and delivery of possession of the Leased Property. Lessee has examined and otherwise has knowledge of the condition of the Leased Property and has found the same to be satisfactory for its purposes hereunder. Lessee is leasing the Leased Property "as is", "with all faults", and in its present condition. Except as otherwise specifically provided herein, Lessee waives any claim or action against Lessor in respect of the condition of the Leased Property. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, IN RESPECT OF THE LEASED PROPERTY, OR ANY PART THEREOF, EITHER AS TO ITS FITNESS FOR USE, DESIGN OR CONDITION FOR ANY PARTICULAR USE OR PURPOSE OR OTHERWISE, AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, LATENT OR PATENT, IT BEING AGREED THAT ALL SUCH RISKS ARE TO BE BORNE BY LESSEE. LESSEE ACKNOWLEDGES THAT THE LEASED PROPERTY HAS BEEN INSPECTED BY LESSEE AND IS SATISFACTORY TO IT.

Section 6.2 Use of the Leased Property.

(a) Subject to the OTA, once Lessee obtains all licenses, permits, approvals and other Authorizations needed to use and operate for the Primary Intended Use, Lessee shall maintain or cause Manager to maintain all licenses, permits, approvals and other Authorizations needed to use and operate for the Primary Intended Use, the Leased Property and the Facility under and in accordance with all applicable local, state and federal laws and all applicable state and federal programs including but not limited to appropriate certifications for reimbursement and licensure. All of such Authorizations shall, to the maximum extent permitted by law, relate and apply exclusively to the Leased Property and/or the Facility operated thereon. Lessee acknowledges and agrees that, if applicable and subject to applicable law, the certificates of need issued for the Facility are appurtenant to the Facility, both during and following the termination or expiration of the Term. If applicable, in jurisdictions where the certificate of need is issued to Lessee or its sublessee, as the Facility operator, Lessee agrees that it shall cooperate with Lessor, in accordance with Section 36.1 hereof, to turn over all of Lessee's rights in connection with such certificate of need to Lessor or its designee.

(b) Lessee shall use or cause to be used the Leased Property only as an ALF, and for such other uses as may be necessary or incidental to any such use, or such other use as

otherwise approved by Lessor (the “*Primary Intended Use*”). Lessee shall not use the Leased Property or any portion thereof for any other use without the prior written consent of Lessor. No use shall be made or permitted to be made of the Leased Property, and no acts shall be done, which will cause the cancellation of any insurance policy covering the Leased Property or any part thereof (unless another adequate policy satisfactory to Lessor is available and Lessee pays any premium increase), nor shall Lessee sell or permit to be kept, used or sold in or about the Leased Property any article which is prohibited by law or fire underwriter’s regulations. Lessee shall comply, and shall cause Manager to comply, with all of the requirements pertaining to the Leased Property of any insurance board, association, organization or company necessary for the maintenance of insurance, as herein provided, covering the Leased Property and Lessee’s Personal Property, which compliance shall be performed at Lessee’s sole cost.

(c) Lessee shall during the Term operate continuously the Leased Property in accordance with all applicable federal, state and local laws as a provider of health care services in accordance with the Primary Intended Use and maintain its certifications for reimbursement and licensure and its accreditation, if compliance with accreditation standards is required to maintain the operations of the Facility and if a failure to comply would adversely affect operations of the Facility.

(d) Lessee shall not commit or suffer to be committed any waste on the Leased Property, or in the Facility, nor shall Lessee cause or permit any nuisance thereon.

(e) Lessee shall neither suffer nor permit the Leased Property or any portion thereof, or Lessee’s Personal Property, to be used in such a manner as (1) might reasonably tend to impair Lessor’s (or Lessee’s, as the case may be) title thereto or to any portion thereof, or (2) may reasonably make possible a claim or claims of adverse usage or adverse possession by the public, as such, or of implied dedication of the Leased Property or any portion thereof.

(f) Lessee and Lessor each acknowledge and agree that all employees involved in the use and operation of the Leased Property shall be employees of Lessee, Manager, one of their Affiliates, or an employment subcontractor of Lessee or Manager that is approved by Lessor (“*Employment Subcontractor*”), and not of Lessor or any of Lessor’s Affiliates. Lessee, Manager and the Employment Subcontractor, and their respective Affiliates, shall fully comply with all Legal Requirements and all collective bargaining and other agreements applicable to such employees. Upon the expiration or earlier termination of this Lease, subject to the remaining provisions of this Section 6.2(f), all such employees shall be terminated or retained by Lessee, Manager or the Employment Subcontractor, or their respective Affiliates, as applicable, and Lessee, Manager or the Employment Subcontractor, or one of their respective Affiliates, as applicable, shall provide any required notices or other rights to such employees, all without liability to Lessor or the Leased Property, or any other owner, lessee or manager of the Leased Property. Payment of all costs and expenses associated with accrued but unpaid salary, earned but unpaid vacation pay, accrued but unearned vacation pay, pension and welfare benefits, COBRA benefits, employee fringe benefits, employee termination payments or any other employee benefits due to such employees, shall be the sole responsibility and obligation of and shall be paid when due by Lessee, Manager, Employment Subcontractor or their respective Affiliates, as applicable. Upon the expiration or earlier termination of this Lease, any owner, manager or lessee of the Leased Property or a designee thereof shall have the right, but not the obligation, to extend offers of

employment to some or all of such employees on such terms and conditions as are determined solely in such party's discretion; and Lessee shall, and shall cause Manager to, use reasonable efforts to assist such party in its efforts to secure satisfactory employment arrangements with such employees. Lessee, Manager, Employment Subcontractor or their respective Affiliates, as applicable, shall provide any notices, coverages or other rights as shall be required to comply with the medical coverage continuation requirements of COBRA to any persons who are entitled to such rights by virtue of the maintenance of any group health plan by Lessee, Manager, Employment Subcontractor or their respective Affiliates, as applicable, and shall maintain, or cause an affiliate company to maintain, a group health plan that such person shall be entitled to participate in for the maximum period required by COBRA. Lessee shall indemnify, defend and hold harmless Lessor, the Leased Property, and any other owner, lessee or manager of the Leased Property, from and against any and all claims, causes of action, proceedings, judgments, damages, penalties, liabilities, costs and expenses (including reasonable attorney's fees and disbursements) arising out of the employment or termination of employment of or failure to offer employment to any employee or prospective employee by Lessee, Manager, Employment Subcontractor or their respective Affiliates, including claims of discrimination, sexual harassment, breaches of employment or collective bargaining agreements, or the failure of Lessee, Manager, Employment Subcontractor or any of their Affiliates to comply with the provisions of this section. The indemnification rights and obligations provided for in this Section 6.2(f) shall survive the termination of this Lease.

ARTICLE VII LEGAL AND OTHER REQUIREMENTS

Section 7.1 Legal Requirements.

(a) **Compliance with Legal and Insurance Requirements, Instruments, etc.** Subject to Article XI relating to permitted contests, Lessee, at its expense, will promptly (1) comply with all Legal Requirements and Insurance Requirements in respect of the use, operation, maintenance, repair and restoration of the Leased Property, and (2) procure, maintain and comply with all licenses, certificates of need and other Authorizations required for any use of the applicable Leased Property and Lessee's Personal Property then being made. In addition, Lessee shall promptly send to Lessor any material deficiency report Lessee receives from any federal, state or local licensure board or certification agency or authority with respect to any Facility.

(b) **Authorization Non-Compliance.** In the event that Lessee shall receive notice from any federal, state or local agency or authority that Lessee is not in compliance with any Legal Requirement, license, permit, approval, certificate of need, certification for reimbursement under Medicare or Medicaid (in the event the Facility participates in such programs) or other Authorization, Lessee shall promptly send notice to Lessor and Lessee shall either (1) remedy any condition causing such noncompliance within any cure period allowed therefor by the applicable agency or authority (or, if no such cure period shall be allowed or specified by the applicable agency or authority, promptly and diligently following Lessee's receipt of such notice and, in any event, prior to the final unappealable revocation of any license, permit, approval, certificate of need, certification for reimbursement or other Authorization) or (2) prior to the expiration of such cure period (or if no such cure period shall be allowed or specified by the applicable agency or authority, promptly following receipt of such notice and, in any event, prior to the final unappealable revocation of any license, permit, approval, certificate of need, certification for reimbursement or other Authorization), commence appropriate proceedings to

contest such notice, and, thereafter, diligently pursue such contest until there is a final unappealable determination, all in accordance with the provisions of this Lease.

Section 7.2 Legal Requirement Covenants. Subject to the provisions of Article XI relating to permitted contests, Lessee covenants and agrees that neither the Leased Property nor any of Lessee's Personal Property shall be used for any unlawful purpose, and Lessee shall acquire and maintain, or cause to be acquired and maintained, all licenses, certificates, permits, provider agreements, approvals and other Authorizations needed to operate the Leased Property in its customary manner for the Primary Intended Use, and any other use conducted on the Leased Property as may be permitted from time to time hereunder. Subject to Article XI, Lessee further covenants and agrees that Lessee's use of the Leased Property and maintenance, alteration, and operation of the same, and all parts thereof, shall at all times conform to all applicable local, state, and federal laws, ordinances, rules and regulations unless the same are held by a court of competent jurisdiction to be unlawful. Lessee may, however, with the prior written consent of Lessor, contest the legality or applicability of any law, ordinance, rule or regulation, or any other Legal Requirement or any licensure, certification or other Authorization decision if Lessee, at Lessee's own expense (as a Facility Expense), maintains such action in good faith, by appropriate proceedings and with due diligence, and on a regular basis fully informs Lessor of the status of, and material developments in, any such contest and furnishes Lessor with such additional documents and information concerning such contest as Lessor may reasonably request from time to time. If, by the terms of any such law, ordinance, rule or regulation or any Legal Requirement or any such licensure, certification or other Authorization decision or any applicable court order or stay, compliance therewith pending the prosecution of any such proceeding may legally be delayed (a) without the incurrence of any lien, charge or liability of any kind against the Facility or Lessor's interest therein, (b) without any loss of licensure, certification or other Authorization that would materially and adversely impair Lessee's ability to continue to operate the Facility in accordance with the Primary Intended Use during Lessee's contest, and (c) without subjecting Lessor to any liability, civil or criminal, for failure so to comply therewith, Lessee may delay compliance therewith until the final unappealable determination of such proceeding, *provided, however*, if any such lien, charge or civil or criminal liability would be incurred by reason of any such delay, Lessee may nonetheless contest as aforesaid and delay as aforesaid provided that Lessee obtains Lessor's prior written consent. Following the final unappealable determination of any such proceeding adversely to Lessor or Lessee, Lessee shall comply with all requirements of such determination.

Section 7.3 Environmental Covenants. Lessor and Lessee (in addition to, and not in diminution of, Lessee's covenants and undertakings in Sections 7.1 and 7.2) covenant and agree as follows:

(a) At all times hereafter until Lessee completely vacates the Leased Property and surrenders possession of the same to Lessor, Lessee shall fully comply with all Environmental Laws applicable to the Leased Property and the operations thereon, except to the extent that such compliance would require the remediation of Environmental Liabilities for which Lessee has no indemnity obligations under Section 7.3(b). Lessee agrees to give Lessor prompt written notice of (1) all Environmental Liabilities; (2) all pending, threatened or anticipated Proceedings, and all notices, demands, requests or investigations, relating to any Environmental Liability or relating to the issuance, revocation or change in any Environmental Authorization required for operation of the Leased Property; (3) all Releases at, on, in, under or in any way affecting the Leased Property,

or any Release known by Lessee at, on, in or under any property adjacent to the Leased Property; and (4) all facts, events or conditions that could reasonably lead to the occurrence of any of the above-referenced matters.

(b) LESSEE WILL PROTECT, INDEMNIFY, HOLD HARMLESS AND DEFEND LESSOR INDEMNIFIED PARTIES FROM AND AGAINST ANY AND ALL ENVIRONMENTAL LIABILITIES TO THE EXTENT PERMITTED BY LAW INCLUDING THOSE RESULTING FROM A LESSOR INDEMNIFIED PARTIES' OWN NEGLIGENCE except to the extent that the same (i) are caused by the intentionally wrongful acts or grossly negligent failures to act of Lessor, or (ii) result from conditions existing at the Leased Property at the date of this Lease (an "***Existing Condition***") or from Releases or other violations of Environmental Laws originating on adjacent property but affecting the Leased Property (a "***Migration***"), provided that in either case such exclusions shall not apply to the extent that the Existing Condition or the Migration has been exacerbated by Lessee's act or negligent failure to act.

(c) Lessor hereby agrees to defend, indemnify and save harmless any and all Lessee Indemnified Parties from and against any and all Environmental Liabilities to the extent that the same were caused by the intentionally wrongful acts or grossly negligent failures to act of Lessor.

(d) If any Proceeding is brought against any Indemnified Party in respect of an Environmental Liability with respect to which such Indemnified Party may claim indemnification under either Section 7.3(b) or (c), the Indemnifying Party, upon request, shall at its sole expense resist and defend such Proceeding, or cause the same to be resisted and defended by counsel designated by the Indemnifying Party and approved by the Indemnified Party, which approval shall not be unreasonably withheld or delayed; provided, however, that such approval shall not be required in the case of defense by counsel designated by any insurance company undertaking such defense pursuant to any applicable policy of insurance. Each Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel will be at the sole expense of such Indemnified Party unless a conflict of interest prevents representation of such Indemnified Party by the counsel selected by the Indemnifying Party and such separate counsel has been approved by the Indemnifying Party, which approval shall not be unreasonably withheld or delayed. The Indemnifying Party shall not be liable for any settlement of any such Proceeding made without its consent, which shall not be unreasonably withheld or delayed, but if settled with the consent of the Indemnifying Party, or if settled without its consent (if its consent shall be unreasonably withheld), or if there be a final, nonappealable judgment for an adversary party in any such Proceeding, the Indemnifying Party shall indemnify and hold harmless the Indemnified Parties from and against any liabilities incurred by such Indemnified Parties by reason of such settlement or judgment.

Section 7.4 Intentionally Omitted.

Section 7.5 Licensed Facilities.

(a) Lessee shall not do (or suffer to be done by Manager) any of the following without Lessor's prior written consent:

(i) Replace or transfer all or any part of any of the Facility's units or beds to another site or location;

(ii) Transfer or demise any License or rights thereunder to any Person (other than the Lessor) or to any location other than the Facility to which such License pertains;

(iii) Pledge or hypothecate any Authorization as collateral security for any indebtedness;

(iv) Suffer, permit or allow to occur any rescission, withdrawal, revocation, amendment or modification of or other alteration to the nature, tenor or scope of any License without Lessor's prior written consent, including, without limitation, (A) any change to the authorized units/beds capacity of the Facility and/or the number of units/beds approved by the applicable governmental authority, or (B) any change in any participation arrangement under Medicare or Medicaid program;

(v) Make or permit any voluntary transfer of any resident of the Facility to any other facility, unless such transfer is at the request of the resident (without economic incentives being given to the resident by an Affiliate of any Lessee) or its payor or is for reasons relating to non-payment or the health, required level of medical care or safety of the resident to be transferred; or

(vi) Provide additional regulated services at the Facility, including, without limitation, medical services.

(b) Lessee will:

(i) Timely file or cause to be timely filed (after giving effect to any extension duly obtained), all notifications, reports, submissions, License renewals, cost reports and other reports of every kind whatsoever required by Legal Requirements (which reports will be materially accurate and complete in all respects and not misleading in any respect and shall not remain open or unsettled); and

(ii) Maintain or cause to be maintained in full force and effect, and free from restrictions, probations, conditions or known conflicts which would materially impair the use or operation of the Facility for the Primary Intended Use, all Licenses necessary under Legal Requirements.

Section 7.6 Regulatory Compliance: Qualified Care.

(a) Lessee shall be solely responsible for maintaining any and all licensing necessary for the operation of the Facility in accordance with this Lease and all Legal Requirements. Lessee shall be solely responsible for ensuring that the Facility continues to be operated for the Primary Intended Use, all without any suspension, revocation, decertification or other limitation, including without any limitation on admissions or the ability to continue to

provide services. Further, Lessee shall not commit any act or omission that would in any way violate any certificate of occupancy affecting any portion of the Facility.

(b) Lessee shall be solely responsible for maintaining such books, records and other materials relating to the Facility, including but not limited to, patient records and records of patient funds in existence as of the Commencement Date in the manner required by law.

(c) All inspection fees, costs and charges associated with maintaining such licensure or certificate or a change of such licensure or certification shall be paid by Lessee. Lessee shall be solely responsible for and shall bear all costs and expenses incurred in connection with any requirements of regulatory inspections or surveys conducted during the Term and implementing any plans of correction relating to such surveys or inspections.

(d) Lessee represents and warrants that it will timely file and, to the best of its knowledge and belief, fully complete all licensure, change of ownership/operator, provider enrollment, provider certification, and provider application forms necessary for all payors, including Medicare and Medicaid if and as applicable, to initiate reimbursement to Lessee for program services. Lessee further represents and warrants that it will take all necessary measures to insure and expedite prompt commencement of such reimbursement following its assumption of the operations of the Facility.

Section 7.7 Notices. Notwithstanding anything to the contrary contained herein:

(a) Lessee agrees to give Lessor notice of any written notices, orders or other written communications from governmental authorities relating to Legal Requirements affecting the Leased Property which is or are enacted, passed, promulgated, made, issued or adopted, a copy of which is served upon, or received by, Lessee, or a copy of which is posted on or fastened or attached to the Leased Property, within five (5) days after service, receipt, or Lessee's actual knowledge of such posting, fastening or attaching. At the same time, if the notice concerns operational matters, Lessee will inform Lessor as to the work or steps which Lessee proposes to do or take in order to comply therewith.

(b) Without limiting the generality of the foregoing, Lessee shall promptly notify Lessor in writing of any notice, action or other proceeding or inquiry of any government agency or authority which would adversely affect the licensure or certification status of the Facility (if any), or the ability to operate the Facility, and Lessor shall have the right to attend and/or participate with Lessee in Lessor's sole and absolute discretion in any such actions or proceedings. Lessee shall act diligently to correct any operational deficiency or deal effectively with any "adverse action" or other proceedings, inquiry or other governmental action. Lessee shall not agree to any settlement or other action with respect to such action, proceedings or inquiry which requires any expenditure of \$10,000.00 or more without Lessor's consent.

(c) Lessee shall provide to Lessor on an ongoing basis, in each case within ten (10) days of receipt or submission by Lessee or Manager, copies of all survey and licensing documentation with respect to the Leased Property, including without limitation, any quality of care surveys, any notices of material deficiencies and any responses to such surveys or notices, including plans of correction.

Section 7.8 Compliance With Restrictions, Etc. Lessee, as a Facility Expense shall comply with all restrictive covenants and other title exceptions affecting the Leased Property and comply with and perform all of the obligations set forth in the same to the extent that the same are applicable to the Leased Property or to the extent that the same would, if not complied with or performed, impair or prevent the continued use, occupancy and operation of the Leased Property for the purposes set forth in this Lease. Lessee shall not be liable for any sums charged, levied or assessed under any restrictive covenants, declaration, reciprocal easement agreement or other title exceptions affecting the Leased Property unless caused by Lessee.

Section 7.9 Standard of Operation. Notwithstanding anything to the contrary contained herein, throughout the Term Lessee shall continuously operate the Leased Property (or shall cause the Leased Property to be operated) in compliance with the terms hereof and shall further provide (or cause to be provided) all services, facilities, and benefits consistent with the applicable license for the Facility, including without limitation, the following:

(a) to operate the Facility (or cause the Facility to be operated) in a prudent manner and in compliance in all material respects with all Legal Requirements; and

(b) to maintain (or cause the maintenance of) sufficient Personal Property and inventories of types and quantities at the Facility to enable operations of the Facility to be performed adequately; and

(c) to the extent not otherwise required herein, to provide prompt written notice to Lessor of material or extraordinary developments, occurrences, lawsuits, violation of any Legal Requirements and fines relating to the possession, use and operation of the Facility.

Section 7.10 Resident Agreements and Service Licenses. Notwithstanding anything to the contrary contained herein: (i) Lessee shall comply in all material respects with the terms and provisions of each agreement and undertaking entered into with or provided to the residents and lessees of the Facility ("**Resident Agreements**"); and (ii) Lessee shall comply in all material respects with the terms and conditions of any contract or license entered into with respect to the provision of services to or for the benefit of the residents at the Facility ("**Service Licenses**"). Unless otherwise agreed by Lessor, all Resident Agreements shall in all material respects be on the standard form agreed upon by Lessor and for a term of thirteen (13) months or less unless otherwise required by law as state law may not allow nursing home agreements to be terminable upon thirty (30) days' prior notice. In addition, unless otherwise agreed by Lessor, all Service Licenses shall be terminable on thirty (30) days prior written notice without penalty or premium, unless otherwise required by law as state law may not allow nursing home agreements to be terminable upon thirty (30) days' notice.

Section 7.11 Management Agreement. Notwithstanding anything to the contrary contained herein, Lessee shall not enter into, amend, modify, renew, replace or otherwise change the terms of any Management Agreement without the prior written consent of Lessor.

Section 7.12 Reserved.

Section 7.13 Standards, Not Control. Lessor and Lessee stipulate and agree that Lessee is obligated to undertake such actions as are reasonably necessary to properly achieve the standard of operation for the Facility as set forth herein, and that although Lessor shall have the right to undertake all enforcement rights as provided herein in the event that the required standard of operation is not maintained by Lessee, the means and methods used and actions taken to operate the Facility are within the sole control and election of Lessee, and are not specified by or under the control of Lessor or any other Person. Accordingly, neither Lessor nor any other Person shall have any responsibility for any action taken by Lessee in order to manage or operate the Facility.

Section 7.14 Certain Financial Covenants.

(a) Limitation of Distributions. During the Term, Lessee shall not make any Distributions other than Distributions so as to enable the members of Lessee to pay taxes on income earned by Lessee from the Facility.

(b) Accounts Receivable Financing. Except as approved by Lessor, Lessee shall not pledge or otherwise encumber any of the accounts receivable generated through the operation of the Facility to secure principal and/or interest on any debt.

(c) Guarantees Prohibited. Lessee shall not guarantee any indebtedness of any Person.

(d) Borrowing Prohibited. Except as provided in Section 7.14(e), Lessee shall not borrow any money from any Person.

(e) Equipment Financing. The aggregate amount of principal, interest and lease payments due from Lessee with respect to any equipment leases or financing secured by equipment utilized in the operation of the Facility shall not at any time during the Term exceed \$5,000 in any one (1) calendar year without written approval from Lessor.

**ARTICLE VIII
MAINTENANCE AND REPAIRS**

Section 8.1. Maintenance and Repair.

(a) Except as provided in Section 8.1(b), Lessee will, or will cause the Manager to, keep the Leased Property and all parts thereof, including all private roadways, sidewalks, curbs and other appurtenances thereto that are under Lessee's control, and including windows and plate glass, parking lots, HVAC, mechanical, electrical and plumbing systems and equipment (including conduit and ductware), in good order and repair (whether or not the need for such repairs occurred as a result of Lessee's use, any prior use, the elements or the age of the Leased Property or any portion thereof) ordinary wear and tear excepted and, except as otherwise provided in Section 8.1(b), Article XIII or Article XIV. All repairs shall, to the extent reasonably achievable, be at least equivalent in quality to the original work. Lessee will not take or omit to take any action, the taking or omission of which might materially impair the value or the usefulness of the Leased Property or any part thereof for the Primary Intended Use. If Lessee fails to make any required repairs or replacements after fifteen (15) days' notice from Lessor, or after such longer

period as may be reasonably required provided that Lessee at all times diligently proceeds with such repair or replacement, then Lessor shall have the right, but shall not be obligated, to make such repairs or replacements on behalf of and for the account of Lessee. In such event, such work shall be paid for in full by Lessee as Additional Rent. Lessee hereby waives and releases its right to make repairs at Lessor's expense under all applicable Legal Requirements.

(b) Notwithstanding Lessee's obligations under Section 8.1(a) above, unless caused by Lessee's negligence or willful misconduct or that of its employees, contractor or agents, for which Lessee shall be responsible, Lessor, at its expense, shall make all necessary improvements, repairs and replacements to the roof, exterior walls, load bearing interior walls, structural elements and to the heating, air conditioning, plumbing and electrical systems, and any other improvement, repair or replacement that would be designated as a capital improvement, repair or replacement in accordance with GAAP. Lessor shall have the right to give, record and post, as appropriate, notices of nonresponsibility under any mechanic's lien laws now or hereafter existing. Nothing contained in this Lease and no action or inaction by Lessor shall be construed as (1) constituting the request of Lessor, expressed or implied, to any contractor, subcontractor, laborer, materialman or vendor to or for the performance of any labor or services or the furnishing of any materials or other property for the construction, alteration, addition, repair or demolition of or to the Leased Property or any part thereof, or (2) giving Lessee any right, power or permission to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against Lessor in respect thereof or to make any agreement that may create, or in any way be the basis for any right, title, interest, lien, claim or other encumbrance upon the estate of Lessor in the Leased Property, or any portion thereof.

(c) On or before sixty (60) days after the Commencement Date and on or before December 1 of each Fiscal Year, if requested by Lessor, Lessee shall prepare an estimate (the "Maintenance Estimate") of capital and non-capital repair and maintenance expenditures anticipated during the ensuing Fiscal Year and shall submit such Maintenance Estimate to Lessor for its review. If requested by Lessor, Lessee shall provide to Lessor reasonable additional detail, information and assumptions used in the preparation of the Maintenance Estimate and shall also submit to Lessor with the Maintenance Estimate good faith longer-range projections of capital and non-capital repair and maintenance expenditures for such number of additional Fiscal Years as may be requested by Lessor.

(d) Lessee will, upon the expiration or prior termination of the Term, vacate and surrender the Leased Property to Lessor in the condition in which the Leased Property was originally received from Lessor, except as repaired, rebuilt, restored, altered or added to as permitted or required by the provisions of this Lease and except for ordinary wear and tear (subject to the obligation of Lessee to maintain the Leased Property in good order and repair in accordance with Section 8.1(a), as would a prudent owner of comparable property, during the entire Term) or damage by casualty or Condemnation (subject to the obligation of Lessee to restore or repair as set forth in this Lease.)

ARTICLE IX ALTERATIONS

Section 9.1 Alterations. Subject to first obtaining the written approval of Lessor (which approval may be withheld in Lessor's sole discretion), Lessee may, but shall not be obligated to make such additions, modifications or improvements to the Leased Property (referred to collectively as "**Alterations**") from time to time as Lessee deems desirable for the Primary Intended Use, provided that such action will not alter the character or purposes of the Leased Property or detract from the value or operating efficiency thereof and will not impair the revenue-producing capability of the Leased Property or adversely affect the ability of the Lessee or Lessor to comply with the provisions of this Lease. All such work shall be performed in a first class manner in accordance with all applicable governmental rules and regulations and after receipt of all required permits and licenses. If required by Lessor all such work shall be covered by performance bonds issued by bonding companies reasonably acceptable to Lessor. The cost of such additions, modifications or improvements to the Leased Property shall be paid by Lessee, and all such additions, modifications and improvements shall, without payment by Lessor at any time, be a part of the Leased Property pursuant to this Lease.

Section 9.2 Salvage. All materials which are scrapped or removed in connection with the making of repairs required by Articles VIII or IX shall be or become the property of Lessor.

Section 9.3 Lessor Alterations. Lessor shall have the right, without Lessee's consent, to make or cause to be made alterations and additions to the Leased Property as it may reasonably deem appropriate during the Term of this Lease. All such work unless necessitated by Lessee's acts or omissions or unless otherwise required to be performed by Lessee under this Lease (in which event work shall be paid for by Lessee) shall be performed at Lessor's expense, in compliance with all Legal Requirements, in a good and workmanlike manner and shall be done after reasonable notice to and coordination with Lessee, so as to minimize any disruptions or interference with the operation of the Facility.

ARTICLE X LIENS

Section 10.1 Liens. Subject to the provision of Article XI relating to permitted contests, Lessee will not directly or indirectly create or allow to remain and will promptly discharge at its expense any lien, encumbrance, attachment, title retention agreement or claim upon the Leased Property resulting from the action or inaction of Lessee, or any attachment, levy, claim or encumbrance in respect of the Rent, excluding, however, (a) this Lease, (b) the matters, if any, included as exceptions or insured against in the title policy insuring Lessor's interest in the Leased Property, (c) restrictions, liens and other encumbrances which are consented to in writing by Lessor, (d) liens for those taxes which Lessee is not required to pay hereunder, (e) subleases permitted by Article XX hereof, (f) liens for Impositions or for sums resulting from noncompliance with Legal Requirements to the extent Lessee is responsible hereunder for such compliance so long as (i) the same are not yet delinquent or (ii) such liens are in the process of being contested as permitted by Article XI, (g) liens of mechanics, laborers, suppliers or vendors for sums either disputed or not yet due provided that any such liens for disputed sums are in the process of being contested as permitted by Article XI hereof, and (h) any liens which are the responsibility of Lessor pursuant to the provisions of this Lease.

ARTICLE XI

PERMITTED CONTESTS

Section 11.1 Permitted Contests. With the prior written consent of Lessor, Lessee shall have the right to contest the amount or validity of any Impositions or Legal Requirement to be satisfied by Lessee hereunder or any lien, attachment, levy, encumbrance, charge or claim (any such Imposition, Legal Requirement, lien, attachment, levy, encumbrance, charge or claim herein referred to as “*Claims*”) not otherwise permitted by Article X by appropriate legal proceedings in good faith and with due diligence (but this shall not be deemed or construed in any way to relieve, modify or extend Lessee’s covenants to pay or its covenants to cause to be paid any such charges at the time and in the manner as in this Article provided), on condition, however, that such legal proceedings shall not operate to relieve Lessee from its obligations hereunder and shall not cause the sale or risk the loss of any portion of the Leased Property, or any part thereof, or cause Lessor or Lessee to be in default under any mortgage, deed of trust, security deed or other agreement encumbering the Leased Property or any interest therein. Upon the request of Lessor, as security for the payment of such Claims, Lessee shall either (a) provide a bond or other assurance reasonably satisfactory to Lessor (and satisfactory to any Holder, if approval thereof is required by such Holder’s Mortgage) that all Claims which may be assessed against the Leased Property together with interest and penalties, if any, thereon and legal fees anticipated to be incurred in connection therewith will be paid, or (b) deposit within the time otherwise required for payment with a bank or trust company designated by Lessor as trustee upon terms reasonably satisfactory to Lessor, or with any Holder upon terms satisfactory to such Holder, money in an amount sufficient to pay the same, together with interest and penalties thereon and legal fees anticipated to be incurred in connection therewith, as to all Claims which may be assessed against or become a Claim on the Leased Property, or any part thereof, in said legal proceedings. Lessee shall furnish Lessor and any Holder with reasonable evidence of such deposit within five (5) days of the same. Lessor agrees to join in any such proceedings if the same be required to legally prosecute such contest of the validity of such Claims; provided, however, that Lessor shall not thereby be subjected to any liability for the payment of any costs or expenses in connection with any proceedings brought by Lessee; and Lessee covenants to indemnify and save harmless Lessor from any such costs or expenses. Lessee shall be entitled to any refund of any Claims and such charges and penalties or interest thereon which have been paid by Lessee or paid by Lessor and for which Lessor has been fully reimbursed. In the event that Lessee fails to pay any Claims when due or to provide the security therefor as provided in this paragraph and to diligently prosecute any contest of the same, Lessor may, upon ten (10) days advance notice to Lessee, pay such charges together with any interest and penalties and the same shall be repayable by Lessee to Lessor as Additional Rent upon the next due payment of Base Rent under this Lease; provided, however, that should Lessor reasonably determine that the giving of such notice would risk loss to the Leased Property or cause damage to Lessor, then Lessor shall only give such notice as is practical under the circumstances. Lessor reserves the right to contest any of the Claims at its expense not pursued by Lessee. Lessor and Lessee agree to cooperate in coordinating the contest of any Claims.

ARTICLE XII INSURANCE

Section 12.1 General Insurance Requirements.

(a) The parties, to the extent applicable, as described below, shall obtain or cause to be obtained a contract or contracts for, and keep in full force and effect during the term of this Lease and thereafter to the extent required herein, policies of insurance that are commercially available and of the type, extent, amount and cost of coverage that is consistent with sound management of the Facility, insuring Lessor, Lessee, Manager and the Facility against the risks customarily insured against for such a facility, all in accordance with Manager's Standards as defined in the Management Agreement and acceptable to Lessor in its reasonable judgment (the "**Insurance Program**"). As of the Commencement Date, the minimum coverages required to be obtained and maintained under the Insurance Program shall include the requirements set forth on Exhibit "B" attached hereto; Lessor shall obtain and maintain or cause to be obtained and maintained the insurance described in Sections 1.01, 1.07 and 1.08 of Exhibit "B", Article I; and Lessee shall obtain and maintain or cause to be obtained and maintained the insurance described in Sections 1.02, 1.03, 1.04 and 1.05 of Exhibit "B", Article I. Lessor reserves the right to request additional insurance over and above the policies and limits specified herein and in Exhibit "B", and in such event, Lessee and Lessor shall negotiate in good faith the terms of such insurance. Without limiting any of the provisions of this Article XII, at all times Lessor and Lessee shall obtain or cause to be obtained the type of insurance identified above to be obtained by each party and such other insurance as may be required by Lessor's Loan Documents, provided copies thereof have been provided to Lessee, and Lessee shall cause all of the insurance policies that it is required to procure or cause to be procured to name Holder as additional insured, loss payee or otherwise, as applicable, and as required by the terms and provisions of the Lessor's Loan Documents.

(b) The Insurance Program obtained by or on behalf of Lessor will include policies of property damage insurance to cover physical loss or damage to the Facility on an "all risk" broad form basis from fire, flood, windstorm and extended coverage perils, including boiler and machinery insurance, business interruption and loss of rents if required by Lessee or Lessor, and coverage for vandalism and malicious mischief. Such insurance shall be in such amounts and with such insurers as Lessor and Lessee may determine and shall include Lessee and Manager as additional insured and Lessor and/or Holder as loss payee thereunder and include a breach of warranty clause if requested by Lessor with Lessee's consent. In addition, such insurance shall include a waiver of subrogation in favor of Lessor, Lessee and Manager.

(c) The Insurance Program will include a policy of Crime Insurance obtained by Lessee covering all Facility employees that have access to space at the Facility or to receipts, books, rents or checking accounts connected with the Facility, including, but not limited to, the on-premises personnel and any secretary or bookkeeper maintaining, handling or receiving financial records or receipts. This policy shall cover the assets of Manager, Lessee, Lessor.

(d) The Insurance Program obtained by or on behalf of Lessor will include a policy of Commercial General Liability/Professional Liability insurance in an amount equal to not less than One Million Dollars (\$1,000,000) per claim, Three Million Dollars (\$3,000,000) aggregate with respect to the Facility. Such insurance shall cover Lessee's and Manager's performance of services with respect to the Facility, include coverage for claims resulting from molestation or sexual abuse under the primary limits without excess coverage, and shall be carried for the term of this Lease (with coverage and limits subject to review on an annual basis).

(e) Intentionally Omitted.

(f) For all insurance policies obtained and provided by or for Facility or the parties hereunder, Lessor and Lessee shall furnish the other party, at the time of execution of this Lease and at least twenty (20) days prior to any renewal or modification, with copies of policies, certificates of insurance, or other proof evidencing its insurance coverage as required hereunder, together with all exclusions and endorsements, and evidence that Lessor (and all other additional or named insureds) will be given at least thirty (30) days' prior written notice of cancellation or material change (by endorsement) in coverage. With the exception of the Workers' Compensation Insurance, all such policies shall include Lessor, Lessee, Manager and any lender(s) as additional or named insureds, as applicable, by endorsement CGL 20 26 (or its equivalent) to the commercial general liability policy. The insurance policies provided by or for Lessee hereunder must provide coverage that is primary with regard to any insurance carried by Lessor, Lessee or their Affiliates. To the extent permitted by applicable law, and to the extent applicable to the policy in question, a waiver of subrogation in favor of Lessee, Lessor, Manager and any lender(s) shall be obtained in connection with the Workers' Compensation Insurance.

(g) Intentionally Omitted.

(h) Unless Lessee provides prior written notice to Lessor at least twenty (20) days prior to the expiration of any policy of insurance or any pending non-renewal thereof, Lessee shall use reasonable best efforts to maintain or cause Manager to maintain in effect, without any gap in coverage, policies of insurance required to be obtained by Lessee pursuant to this Section 12.1. As soon as practicable following the expiration of any policy of insurance required hereby, Lessee shall provide Lessor with a certificate or certificates evidencing new insurance as required under this Section 12.1. Such insurance shall be cancelable or materially changed only upon not less than thirty (30) days prior written notice by the insurer to the named insured and Lessor.

(i) The limits set forth on Exhibit "B" may be amended from time to time by Lessor with Lessee's prior written consent, which consent shall not be unreasonably withheld.

(j) Lessee may, with Lessor's prior written consent and if Manager advises Lessee that in Manager's judgment it determines it necessary for the proper operation of the Facility, amend or cancel any insurance policy in effect and obtain a replacement insurance policy, consistent with the requirements of Exhibit "B" and this Section 12.1; provided that at no time will Lessee permit a gap in coverage by such actions.

(k) Lessee shall cause the Manager, within thirty (30) days of the end of each calendar quarter, to provide Lessee with a report of the claims made on insurance policies addressed in this Section 12.1 and Exhibit "B", which report shall show the amount of all claims made against such policies based on a current valuation. Lessee shall promptly after receipt provide a copy thereof to Lessor.

Section 12.2 Blanket Policies. With the prior written consent of Lessor, all insurance as described in Section 12.1 and Exhibit "B" to be obtained by or for Lessee may be obtained for Lessee by Manager by endorsement or equivalent means under its blanket insurance policies, provided that such blanket policies fulfill the requirements specified herein.

Section 12.3 Responsibility for Insurance. Subject to the cost allocation described in Section 2.01 of Exhibit “B”, Lessee shall pay the premiums for the coverages described in Section 12.1. Lessee shall also be responsible for any and all deductibles and self-insured retentions in connection with such coverages. In addition to the rights set forth in Sections 16.1, if any party responsible for obtaining and maintaining the insurance required under this Lease fails to do so or fails to obtain renewals or substitutions therefor at least fifteen (15) days before such insurance will lapse, the other party may obtain such insurance and the defaulting party shall reimburse the party obtaining such insurance for the cost thereof promptly upon demand, together with interest thereon at the Overdue Rate until such cost is repaid by the defaulting party.

Section 12.4 Waiver of Subrogation. Notwithstanding anything to the contrary contained herein, Lessor and Lessee each waive any and all rights of recovery against the other (and against the partners, officers, employees and agents of the other party) for loss of or damage to such waiving party or its property or the property of others under its control, to the extent such loss or damage is covered by, or in the event the responsible party fails to maintain the required insurance hereunder, would have been covered by, the insurance required to be obtained by such waiving party under this Lease. In obtaining policies of property insurance on their respective interests in the personal property and improvements located in the Leased Property, Lessor and Lessee shall give notice to their respective insurance carriers that the foregoing mutual waiver of subrogation is contained in this Lease; and Lessor and Lessee shall each obtain from their insurance carriers a consent to such waiver.

ARTICLE XIII DAMAGE AND RECONSTRUCTION

Section 13.1 Insurance Proceeds. In the event the Facility is subject to Lessor’s Loan Documents, the provisions in such Lessor’s Loan Documents with respect to any damage and destruction to the Facility and the application and disbursement of insurance proceed in connection therewith shall control. Otherwise, all proceeds of the insurance contemplated by Article XII payable by reason of any loss or damage to the Leased Property, or any portion thereof, and insured under any policy of insurance required by Article XII of this Lease shall be paid to Lessor and made available, as determined by Lessor, for reconstruction or repair, as the case may be, of any damage to or destruction of the Leased Property or any portion thereof, and, if applicable, shall be paid out by Lessor from time to time for the reasonable costs of such reconstruction or repair upon satisfaction of reasonable terms and conditions specified by Lessor. Any excess proceeds of insurance remaining after the completion of the restoration or reconstruction of the Leased Property shall be paid to Lessor. For the avoidance of doubt, Lessee has no right to any such insurance proceeds except for any amount thereof paid with respect to Lessee’s Personal Property. All salvage resulting from any risk covered by insurance shall belong to Lessor, except to the extent of salvage relating to Lessee’s Personal Property.

Section 13.2 Reconstruction in the Event of Damage or Destruction Covered by Insurance.

(a) If during the Term the Leased Property is totally or partially destroyed by a risk covered by the insurance described in Article XII and the Facility thereby is rendered Unsuitable for its Primary Intended Use, this Lease shall terminate as of the date of the casualty

and neither Lessor nor Lessee shall have any further liability hereunder except for any liabilities which have arisen prior to or which survive such termination, and Lessor shall be entitled to retain all insurance proceeds except for any amount thereof paid with respect to Lessee's Personal Property.

(b) If during the Term the Leased Property is partially destroyed, but the Facility is not thereby rendered Unsuited for its Primary Intended Use, Lessor, at Lessor's sole option, shall either (i) terminate this Lease upon notice to Lessee and neither Lessor nor Lessee shall have any further liability hereunder except for any liabilities which have arisen prior to or which survive such termination, and Lessor shall be entitled to retain any insurance proceeds except for any amount thereof paid with respect to Lessee's Personal Property or (ii) restore the Facility to substantially the same condition as existed immediately before the damage, and this Lease shall not terminate as a result of such damage or destruction.

Section 13.3 Intentionally Omitted.

Section 13.4 Lessee's Property and Business Interruption Insurance. All insurance proceeds payable by reason of any loss of or damage to any of Lessee's Personal Property and the business interruption insurance maintained for the benefit of Lessee shall be paid to Lessee; provided, however, no such payments shall diminish or reduce the insurance payments otherwise payable to or for the benefit of Lessor hereunder.

Section 13.5 No Abatement of Rent. Any damage or destruction due to casualty notwithstanding, if this Lease is not terminated as provided in Section 13.2(a) or (b), this Lease shall remain in full force and effect and Lessee's obligation to pay Rent required by this Lease shall remain unabated by any damage or destruction, the parties acknowledging that Net Cash Flow may decrease as a result of such casualty.

Section 13.6 Agreement as to Damages. The provisions of this Lease, including this Article XIII, constitute an express agreement between Lessor and Lessee with respect to any and all damage to, or destruction of, all or any part of the Leased Property, and any statute or regulation of the State, including, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Leased Property.

ARTICLE XIV CONDEMNATION

Section 14.1 Definitions.

(a) "**Condemnation**" means a Taking resulting from (1) the exercise of any governmental power, whether by legal proceedings or otherwise, by a Condemnor, and (2) a voluntary sale or transfer by Lessor to any Condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(b) “*Date of Taking*” means the date the Condemnor has the right to possession of the property being condemned.

(c) “*Award*” means all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation.

(d) “*Condemnor*” means any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

Section 14.2 Parties’ Rights and Obligations. The provisions set forth in Lessor’s Loan Documents shall control with regard to condemnation and the application and disbursement of any awards issued in connection with such condemnation. To the extent that the Lessor’s Loan Documents do not control, the rights and obligations of Lessor and Lessee shall be determined by this Article XIV. The parties hereto hereby waive any and all of their respective rights under applicable law.

Section 14.3 Total Taking. If title to the fee of the whole of the Leased Property is condemned by any Condemnor, this Lease shall cease and terminate as of the Date of Taking by the Condemnor. If title to the fee of less than the whole of the Leased Property is so taken or condemned, which nevertheless renders the Leased Property Unsuitable for its Primary Intended Use, then either Lessee or Lessor shall have the option, by notice to the other, at any time prior to the Date of Taking, to terminate this Lease as of the Date of Taking. Upon such date, if such notice has been given, this Lease shall thereupon cease and terminate. All Base Rent and Additional Rent paid or payable by Lessee hereunder shall be apportioned as of the Date of Taking, and Lessee shall promptly pay Lessor such amounts.

Section 14.4 Allocation of Award. The total Award made with respect to the Leased Property or for loss of rent, or for Lessor’s loss of business beyond the Term, shall be solely the property of and payable to Lessor. Any Award made for loss of Lessee’s business during the remaining Term, if any, for the taking of Lessee’s Personal Property, or for removal and relocation expenses of Lessee in any such proceedings shall be the sole property of and payable to Lessee. In any Condemnation proceedings Lessor and Lessee shall each seek its Award in conformity herewith, at its respective expense; provided, however, neither Lessor nor Lessee shall initiate, prosecute or acquiesce in any proceedings that may result in a diminution of any Award payable to the other.

Section 14.5 Partial Taking.

(a) If title to less than the whole of the Leased Property is condemned, and the Leased Property is not Unsuitable for its Primary Intended Use, or if Lessor and Lessee are entitled but elect not to terminate this Lease as provided in Section 14.3, then Lessor or, at Lessor’s election, Lessee shall, with all reasonable dispatch and to the extent that the Holder permits the application of the Award therefor and the Award to be contributed to restoration as provided in this Section 14.5(a) is sufficient therefor, restore the untaken portion of any Leased Improvements so that such Leased Improvements constitute a complete architectural unit of the same general character and condition (as nearly as may be possible under the circumstances) as the Leased Improvements existing immediately prior to the Condemnation. Lessor and Lessee shall each

contribute to the cost of restoration that part of its Award specifically allocated to such restoration, if any, together with severance and other damages awarded for the taken Leased Improvements; provided, however, that the amount of such contribution shall not exceed such cost. Notwithstanding the foregoing, if title to less than the whole of the Leased Property is condemned, and the Leased Property is not Unsuitable for its Primary Intended Use, then Lessor shall have the option, by notice to the Lessee, at any time prior to the Date of Taking, to terminate this Lease as of the Date of Taking and, upon such date, if such notice has been given, this Lease shall thereupon cease and terminate, all Base Rent and Additional Rent paid or payable by Lessee hereunder shall be apportioned as of the Date of Taking, and Lessee shall promptly pay Lessor such amounts.

(b) In the event of a partial Taking as described in Section 14.5(a) which does not result in a termination of this Lease by Lessor, the Base Rent shall not be abated, although the parties acknowledge that Net Cash Flow may decrease as a result of such partial Taking.

ARTICLE XV DEFAULTS

Section 15.1 Events of Default. Any one or more of the following events shall constitute an “*Event of Default*” (herein so called) hereunder by Lessee if Lessor provides Notice to Lessee to that effect at any time after the happening of any of such events:

(a) if Lessee fails to make any payment of Base Rent within five (5) days after receipt by the Lessee of Notice from Lessor that the same has become due and payable; provided that this Section 15.1(a) shall be subject to Section 3.4; or

(b) if Lessee fails to make any payment of Additional Rent or other amounts due hereunder when due and such failure continues for ten (10) days after receipt by the Lessee of Notice from Lessor; or

(c) if Lessee fails to observe or perform any other term, covenant or condition of this Lease which is not otherwise identified in this Section 15.1 and such failure is not curable, or if curable is not cured by Lessee within a period of thirty (30) days after receipt by the Lessee of Notice thereof from Lessor, unless such failure is curable but cannot with due diligence be cured within a period of thirty (30) days, in which case such period shall be extended if (i) Lessee, within such thirty (30) day period, proceeds with due diligence to commence to cure the failure and thereafter diligently completes the curing thereof within one hundred twenty (120) days of Lessor’s Notice to Lessee, which one hundred twenty (120) day period shall cease to run during any period that a cure of such failure is prevented by an Unavoidable Delay and shall resume running upon the cessation of such Unavoidable Delay, and (ii) the failure to cure within thirty (30) days does not result in a notice or declaration of default under any material contract or agreement to which Lessor, or any Affiliate is a party or by which any of their assets are bound (provided, however, the cure periods set forth in this Section 15.1(c) shall not apply to (x) any intentional failure by Lessee to observe or perform any term, covenant or condition of this Lease, or (y) any failure by Lessee to perform any term, covenant or condition for which a shorter grace or cure period is expressly set forth in any other provision of this Lease); or

(d) if Lessee shall (i) be generally not paying its debts as they become due, (ii) file, or consent by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, (iii) make an assignment for the benefit of its creditors, (iv) consent to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its assets, (v) be adjudicated insolvent, or (vi) take corporate action for the purpose of any of the foregoing; or if a court or governmental authority of competent jurisdiction shall enter an order appointing, without consent by Lessee, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its assets, or if an order for relief shall be entered in any case or proceeding for liquidation or reorganization or otherwise to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of Lessee, or if any petition for any such relief shall be filed against Lessee and such petition shall not be dismissed within sixty (60) days; or

(e) if Lessee is liquidated or dissolved, or begins proceedings toward such liquidation or dissolution, or, in any manner, ceases to do business or permits the sale or divestiture of substantially all of its assets; or

(f) if the estate or interest of Lessee in the Leased Property or any part thereof is voluntarily or involuntarily transferred, assigned, conveyed, levied upon or attached in any Proceeding; or

(g) if, except as a result of and to the extent required by damage, destruction, Condemnation or Unavoidable Delay, Lessee ceases operations on the Leased Property; or

(h) if the Facility's applicable License or third-party provider reimbursement agreements material to the Facility's operation for its Primary Intended Use shall at any time be suspended, terminated or revoked; or

(i) the sale or transfer of all or any portion of any certificate of need, bed rights or other similar certificate or license relating to any portion of the Leased Property; or

(j) if any of the following shall occur: (i) any termination, suspension or material adverse action or restriction placed upon Lessee or the Primary Intended Use of the Leased Property, the operation of the healthcare business thereon or the ability to admit residents or patients for a period in excess of thirty (30) days; or (ii) the removal of ten percent (10%) or more of the residents or patients from the Leased Property by or at the direction of any local, state or federal agency having jurisdiction over the operation of the Facility; or

(k) if Lessee shall fail to give notice to Lessor not later than five (5) days after Lessee's receipt of notice thereof of any fine notice from any governmental authority, or any officer acting on behalf thereof, relating to the Facility; or

(l) if Lessee shall fail to give notice to Lessor not later than five (5) days after Lessee receives any notice, claim or demand from any governmental authority, or any officer

acting on behalf thereof, of any violation of any law, order, ordinance, rule or regulation with respect to the operation of the Facility; or

(m) if Lessee shall fail to cure or abate any violation of any law, order, ordinance, rule or regulation pertaining to the operation of the Facility occurring during the Term that is claimed by any governmental authority, or any officer acting on behalf thereof, within the time permitted by such authority for such cure or abatement; or

(n) if any proceedings shall be instituted against Lessee by any governmental authority which are reasonably likely to result in (i) the revocation of any license granted to Lessee for the operation of the Facility, (ii) if applicable, the decertification of the Facility from participation in the Medicaid or Medicare reimbursement program, or (iii) the issuance of a stop placement order with respect to the Facility; or

(o) if any assignment, transfer, or sublease shall be made or deemed to be made by Lessee that is in violation of the provisions of this Lease, or if any encumbrance shall be made by Lessee that is in violation of the provisions of this Lease and Lessee has not, within ten (10) days after such violation, caused the Leased Property to be released therefrom; or

(p) if any Management Agreement is terminated or if any material amendment is made to any Management Agreement without the approval of Lessor; or

(q) if Lessee or a Manager or any of their managerial, supervisory or administrative staff are excluded or debarred from participation in any Federal health care program; or

(r) if Wickshire Senior Living, LLC or any of its Affiliates is (i) removed as Manager or (ii) no longer a direct or indirect member of Lessor.

Notwithstanding anything to the contrary contained in this Agreement, the following cure periods shall apply to Events of Default described in this Section 15.1 (excluding Section 15.1(c)): if (A) within ten (10) Business Days of Lessee's receipt of a notice of default from Lessor, Lessee gives Lessor notice of its intent to cure such default and (B) Lessee cures such default within thirty (30) days after such notice from Lessor, unless such default cannot with due diligence be cured within a period of thirty (30) days because of delays beyond the control of Lessee, and cure after such thirty- (30-) day period will not have a material and adverse effect upon the Leased Property, such default shall not constitute an Event of Default if Lessee uses its best efforts to cure such default by promptly commencing within such thirty- (30-) day period and diligently pursues such cure to the completion thereof.

Section 15.2 Remedies. Upon the occurrence of an Event of Default, Lessor shall have the right, at Lessor's option, to elect to do any one or more of the following without further notice or demand to Lessee:

(a) Terminate this Lease, in which event Lessee shall immediately surrender the Leased Property to Lessor, and, if Lessee fails to so surrender, Lessor shall have the right, without notice, to enter upon and take possession of the Leased Property and to expel or remove

Lessee and its effects without being liable for prosecution or any claim for damages therefor; and Lessee shall, and hereby agrees to, indemnify Lessor for all loss and damage which Lessor suffers by reason of such termination. If Lessor elects to terminate this Lease as provided in this Section 15.2(a), Lessor shall have all of the rights and remedies of a Lessor provided by applicable law. Without limiting the generality of the immediately preceding sentence, the amount of damages which Lessor may recover in the event of such termination shall include, without limitation, the following: (i) the worth at the time of the award (computed by allowing interest at the Overdue Rate) of the unpaid rent and charges equivalent to rent earned as of the date of termination of this Lease; (ii) the worth at the time of the award (computed by allowing interest at the Overdue Rate) of the amount by which the unpaid rent and charges equivalent to rent which would have been earned after the date of termination hereof until the time of award exceeds the amount of such rental loss that Lessee proves could have been reasonably avoided; (iii) the worth at the time of award (computed by discounting such amount at the discount rate of the Federal Reserve Bank of Boston at the time of the award plus one percent (1%)) of the amount by which the unpaid rent and charges equivalent to rent for the balance of the term hereof after the time of award exceeds the amount of such rental loss that Lessee proves could be reasonably avoided; (iv) any other amount necessary to compensate Lessor for the detriment proximately caused by Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; and (v) any other amount which Lessor may under applicable Legal Requirements be permitted to recover from Lessee to compensate Lessor for the detriment caused by Lessee's default.

(b) Enter upon and take possession of the Leased Property without terminating this Lease and without being liable for prosecution or any claim for damages therefor, and, if Lessor elects, relet the Leased Property on such terms as Lessor deems advisable, in which event Lessee shall pay to Lessor on demand the reasonable costs of repossessing and reletting the Leased Property and any deficiency between the Rent payable hereunder and the rent paid under such reletting; provided, however, that Lessee shall not be entitled to any excess payments received by Lessor from such reletting and Lessor's failure to relet the Leased Property shall not release or affect Lessee's liability for Rent or for damages.

(c) Enter the Leased Property without terminating this Lease and without being liable for prosecution or any claim for damages therefor and maintain the Leased Property and repair or replace any damage thereto or do anything for which Lessee is responsible hereunder. Lessee shall reimburse Lessor immediately upon demand for any expense which Lessor incurs in thus effecting Lessee's compliance under this Lease, and Lessor shall not be liable to Lessee for any damages with respect thereto.

(d) Notwithstanding anything herein to the contrary, Lessee shall not be liable to Lessor for consequential, punitive or exemplary damages.

The rights granted to Lessor in this Section 15.2 shall be cumulative of every other right or remedy provided in this Lease or which Lessor may otherwise have at law or in equity or by statute, and the exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of other rights or remedies or constitute a forfeiture or waiver of Rent or damages accruing to Lessor by reason of any Event of Default under this Lease. Accordingly, the mention in this Lease of any particular remedy shall not preclude Lessor from having or exercising

any other remedy at law or in equity. Nothing herein contained shall be construed as precluding the Lessor from having or exercising such lawful remedies (including, without limitation, the right to seek injunctive relief) as may be and become necessary in order to preserve the Lessor's right or the interest of the Lessor in the Leased Property and in this Lease, even before the expiration of any notice periods provided for in this Lease, if under the particular circumstances then existing the allowance of such notice periods will prejudice materially or will endanger the rights and estate of the Lessor in this Lease and in the Leased Property.

Lessee acknowledges and agrees that one of the rights and remedies available to Lessor under applicable law if an Event of Default occurs and is continuing is to apply to a court of competent jurisdiction for the appointment of a receiver to collect the rents, issues, profits and income of the Leased Property and to manage the operation of the Leased Property. Accordingly, if an Event of Default occurs and is continuing, and in addition to any other right or remedy of Lessor under this Lease, Lessor may petition any appropriate court for, and Lessee hereby consents to the, appointment of a receiver to manage the operation of the Leased Property (or any portion thereof), to collect and disburse all rents, issues, profits and income generated thereby and to preserve or replace to the extent possible the operating license and provider certification of the Leased Property or to otherwise substitute the licensee or provider thereof. The receiver shall be entitled to a reasonable fee for his services as receiver. All such fees and other expenses of the receivership estate shall be payable as Additional Rent under this Lease. Lessee hereby irrevocably stipulates to the appointment of a receiver under such circumstances and for such purposes and agrees not to contest such appointment. The provisions of this paragraph are subject to compliance with applicable law.

Regardless of which of the foregoing alternative remedies is chosen by Lessor under this Section 15.2: (i) Lessor shall only be obligated to mitigate Lessor's damages as a result of Lessee's breach of or default under this Lease to the extent required by applicable law and (ii) Lessor shall be entitled to the benefit of the provisions of Section 36.2 of this Lease.

Section 15.3 Waiver. Each party waives, to the extent permitted by applicable law, any right to a trial by jury in any proceedings brought by either party to enforce the provisions of this Lease, including proceedings to enforce the remedies set forth in this Article XV and Lessee waives the benefit of any laws now or hereafter in force exempting property from liability for rent or for debt and waives any right of redemption.

Section 15.4 Application of Funds. Any payments received by Lessor under any of the provisions of this Lease during the existence or continuance of any Event of Default shall be applied to Lessee's obligations in the order that Lessor may determine or as may be prescribed by the laws of the State.

ARTICLE XVI LESSOR'S RIGHT TO CURE

Section 16.1 Lessor's Right to Cure Lessee's Default. If Lessee fails to make any payment or to perform any act required to be made or performed under this Lease including Lessee's failure to comply with the terms of any Management Agreement and fails to cure the same within the relevant time periods, if any, provided in Section 15.1 or elsewhere in this Lease,

Lessor, without waiving or releasing any obligation of Lessee, and without waiving or releasing any obligation or default, may (but shall be under no obligation to) at any time thereafter upon notice to Lessee make such payment or perform such act for the account and at the expense of Lessee, and may, to the extent permitted by law, enter upon the Leased Property for such purpose and, subject to Section 15.2, take all such action thereon as, in Lessor's opinion, may be necessary or appropriate therefor. No such entry shall be deemed an eviction of Lessee. All sums so paid by Lessor and all costs and expenses (including reasonable attorneys' fees and expenses, in each case to the extent permitted by law) so incurred, together with a late charge thereon (to the extent permitted by law) at the Overdue Rate from the date on which such sums or expenses are paid or incurred by Lessor until such sums or expenses are paid by Lessee to Lessor, shall constitute Additional Rent and shall be paid by Lessee to Lessor on demand. The obligations of Lessee and rights of Lessor contained in this Article shall survive the expiration or earlier termination of this Lease.

Section 16.2 Power of Attorney. To more fully preserve and protect Lessor's rights under this Lease and effective only after an Event of Default occurs, Lessee does hereby make, constitute and appoint Lessor its true and lawful attorney-in-fact, for it and in its name, place and stead to execute and deliver all such instruments and documents, and to do all such other acts and things, as Lessor may deem to be necessary or desirable to protect and preserve the rights granted under this Lease, including, without limitation, the preparation, execution and filing with any government agency any documents, applications, or instruments determined to be necessary or appropriate by Lessor. Lessee hereby grants to Lessor the full power and authority to appoint one or more substitutes to perform any of the acts that Lessor is authorized to perform under this Section, with a right to revoke such appointment of substitution at Lessor's pleasure. The power of attorney granted pursuant to this Section is coupled with an interest and therefore is irrevocable. Any person dealing with Lessor may rely upon the representation of Lessor relating to any authority granted by this power of attorney, including the intended scope of the authority, and may accept the written certificate of Lessor that this power of attorney is in full force and effect. Photographic or other facsimile reproductions of this executed Lease may be made and delivered by Lessor, and may be relied upon by any person to the same extent as though the copy were an original. Anyone who acts in reliance upon any representation or certificate of Lessor, or upon a reproduction of this Lease, shall not be liable for permitting Lessor to perform any act pursuant to this power of attorney. The provisions of this Section 16.2 shall be applicable only and to the extent permitted by applicable law.

Section 16.3 Lessor's Lien. Lessor shall have at all times during the Term of this Lease, a valid lien for all Rents and other sums of money becoming due hereunder from Lessee and upon all goods, wares, merchandise, inventory, furniture, fixtures, equipment, vehicles and other personal property and effects of Lessee situated in or upon the Leased Property and Lessee does hereby grant a security interest to Lessor in all such property, and such property shall not be removed therefrom except in accordance with the terms of this Lease or in the ordinary course of business without the approval and consent of Lessor until all arrearages in Rent as well as any and all other sums of money then due to Lessor hereunder shall first have been paid and discharged in full and all obligations of Lessee contained herein fully performed. Alternatively, the lien hereby granted may be foreclosed in the manner and form provided by law for foreclosure of security interests or in any other manner and form provided by law. The statutory lien for Rent, if any, is not hereby waived and the express contractual lien herein granted is in addition thereto and

supplementary thereto. Lessee agrees to execute and deliver to Lessor from time to time during the Term of this Lease such agreements and financing statements as may be required by Lessor in order to evidence further Lessor's lien and/or to perfect the Lessor's lien provided herein or granted or created by state law. Lessee also agrees that Lessor may file any such financing statements with any applicable government agency without Lessee's signature.

**ARTICLE XVII
INTENTIONALLY OMITTED**

**ARTICLE XVIII
HOLDING OVER**

Section 18.1 Holding Over. If Lessee for any reason remains in possession of the Leased Property after the expiration or earlier termination of the Term, such possession shall be as a lessee at sufferance during which time Lessee shall pay (a) 150% of the Base Rent payable hereunder, (b) all Additional Rent as such becomes due and (c) all other sums, if any, payable by Lessee under this Lease with respect to the Leased Property. During such period, Lessee shall be obligated to perform and observe all of the terms, covenants and conditions of this Lease, but shall have no rights hereunder other than the right, to the extent given by law to tenancies at sufferance, to continue its occupancy and use of the Leased Property. Nothing contained herein shall constitute the consent, express or implied, of Lessor to the holding over of Lessee after the expiration or earlier termination of this Lease.

**ARTICLE XIX
INDEMNITIES**

Section 19.1 Indemnification.

(a) LESSEE WILL PROTECT, INDEMNIFY, HOLD HARMLESS AND DEFEND LESSOR INDEMNIFIED PARTIES FROM AND AGAINST ALL LIABILITIES, OBLIGATIONS, CLAIMS, DAMAGES, PENALTIES, CAUSES OF ACTION, COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES), TO THE EXTENT PERMITTED BY LAW, INCLUDING THOSE RESULTING FROM A LESSOR INDEMNIFIED PARTY'S OWN NEGLIGENCE but excluding those resulting from a Lessor Indemnified Party's gross negligence or willful misconduct, imposed upon or incurred by or asserted against Lessor Indemnified Parties by reason of: (i) any accident, injury to or death of persons or loss of or damage to property occurring on or about the Leased Property or adjoining sidewalks, during the Term or while the Leased Property is in the possession or control of Lessee, (ii) any present or future use, misuse, non-use, condition, management, operation, maintenance or repair by Lessee or any of its agents, employees, contractors or invitees (including the Manager) of the Leased Property or Lessee's Personal Property, or any litigation, proceeding or claim by governmental entities or other third parties to which a Lessor Indemnified Party is made a party or participant related to such use, misuse, non-use, condition, management, operation, maintenance, or repair thereof by Lessee or any of its agents, employees, contractors or invitees (including the Manager), including any failure of Lessee or any of its agents, employees, contractors or invitees (including the Manager) to perform any obligations under this Lease or imposed by applicable law (other than arising out of Condemnation proceedings), (iii) any Impositions that are the obligations

of Lessee pursuant to the applicable provisions of this Lease, (iv) any failure on the part of Lessee to perform or comply with any of the terms of this Lease, and (v) the nonperformance by Lessee or any of its agents, employees or contractors of any of the terms and provisions of any and all current and future subleases of the Leased Property to be performed by the Lessee thereunder.

(b) Lessor shall indemnify, save harmless and defend Lessee Indemnified Parties from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses imposed upon or incurred by or asserted against Lessee Indemnified Parties as a result of (i) the gross negligence or willful misconduct of Lessor arising in connection with this Lease; (ii) any failure on the part of Lessor to perform or comply with any of the terms of this Lease; or (iii) any liability and/or damages incurred by Lessee or Manager as a result of Lessor's exercise of self-help pursuant to Section 16.2 hereof.

(c) Any amounts that become payable by an Indemnifying Party under this Section shall be paid within thirty (30) days after liability therefor on the part of the Indemnifying Party is determined by litigation or otherwise, and if not timely paid, shall bear a late charge (to the extent permitted by law) at the Overdue Rate from the date of such determination to the date of payment. Any such amounts shall be reduced by insurance proceeds received and any other recovery (net of costs) obtained by the Indemnified Party. An Indemnifying Party, upon request, shall at its sole expense resist and defend any Proceeding, claim or action, or cause the same to be resisted and defended by counsel designated by the Indemnifying Party and approved by the Indemnified Party, which approval shall not be unreasonably withheld; provided, however, that such approval shall not be required in the case of defense by counsel designated by any insurance company undertaking such defense pursuant to any applicable policy of insurance. Each Indemnified Party shall have the right to employ separate counsel in any such Proceeding, claim or action and to participate in the defense thereof, but the fees and expenses of such counsel will be at the sole expense of such Indemnified Party unless a conflict of interest prevents representation of such Indemnified Party by the counsel selected by the Indemnifying Party and such separate counsel has been approved by the Indemnifying Party, which approval shall not be unreasonably withheld. The Indemnifying Party shall not be liable for any settlement of any such Proceeding, claim or action made without its consent, which consent shall not be unreasonably withheld, but if settled with the consent of the Indemnifying Party, or if settled without its consent (if its consent shall be unreasonably withheld), or if there be a final, non-appealable judgment for an adversary party in any such Proceeding, claim or action, the Indemnifying Party shall indemnify and hold harmless the Indemnified Party from and against any liabilities incurred by such Indemnified Party by reason of such settlement or judgment. Nothing herein shall be construed as indemnifying a Lessor Indemnified Party against its own grossly negligent acts or omissions or willful misconduct.

(d) Lessee's and Lessor's obligations under the provisions of this Article shall survive any termination of this Lease.

(e) In the event Lessee is awarded a money judgment against Lessor, Lessee's sole recourse for satisfaction of such judgment shall be limited to execution against the Lessor's interest in the Leased Property. Notwithstanding anything to the contrary contained herein and for the avoidance of doubt: (i) in no event shall any partner, member, manager, officer, director, stockholder or Affiliate of Lessor be personally liable for the obligations of Lessor hereunder and

(ii) in no event shall any partner, member, manager, officer, director, stockholder or Affiliate of Lessee be personally liable for the obligations of Lessee hereunder.

(f) Except for any rights of a Holder and other than as may be specifically stated herein, this Lease is intended solely for the benefit of the parties hereto, and shall not accrue to the benefit of any third party beneficiary. Nothing in this Lease is intended to, or shall create any rights in any person or entity other than Lessor and Lessee and any such Holder, and no person or entity other than Lessor and Lessee or any Holder shall be entitled to any benefit or right by reason of this Lease whether under a third-party beneficiary theory or otherwise. Notwithstanding anything to the contrary contained herein, any lessor of Lessor is an intended third party beneficiary of this Lease and can enforce this Lease against Lessee and can exercise the rights of Lessor hereunder.

(g) Notwithstanding anything to the contrary contained herein, except as provided in Section 19.1(b), Lessor and its Affiliates shall not be liable to Lessee, its employees, agents, invitees, licensees, customers, clients, residents and their respective family members or guests (including Manager) for any damage, injury, loss, compensation or claim, including, but not limited to, claims for the interruption of or loss to Lessee's business, based on, arising out of or resulting from any cause whatsoever, including, but not limited to: (i) repairs to any portion of the Leased Property; (ii) interruption in Lessee's use of the Leased Property during the Term; (iii) any accident or damage resulting from the use or operation (by Lessor, Lessee or any other person or persons) of any equipment within the Leased Property, including without limitation, heating, cooling, electrical or plumbing equipment or apparatus; (iv) the termination of this Lease by reason of the condemnation or destruction of the Leased Property in accordance with the provisions of this Lease; (v) any fire, robbery, theft, mysterious disappearance or other casualty; (vi) the actions of any other person or persons; and (vii) any leakage or seepage in or from any part or portion of the Leased Property, whether from water, rain or other precipitation that may leak into, or flow from, any part of the Leased Property, or from drains, pipes or plumbing fixtures in the Leased Improvements. Without limiting the generality of the foregoing, except as provided in Section 19.1(b), Lessor shall not be responsible or liable in any way whatsoever for the quality, quantity, impairment, interruption, stoppage, or other interference with any utility service, including, without limitation, water, air conditioning, heat, gas, electric current for light and power, telephone, or any other utility service provided to or serving the Leased Property. None of the events described in clauses (i) through (vii) above nor any interruption, termination or cessation of utility services shall relieve Lessee of its duties and obligations pursuant to this Lease, including, without limitation, its obligation to pay all Rent as and when the same shall be due hereunder. Any goods, property or personal effects stored or placed by the Lessee or its employees in or about the Leased Property including Lessee's Personal Property, shall be at the sole risk of the Lessee.

ARTICLE XX SUBLETTING AND ASSIGNMENT

Section 20.1 Transfers Prohibited Without Consent. Lessee shall not, without the prior written consent of Lessor in each instance, sell, assign or otherwise transfer this Lease, or Lessee's interest in the Leased Property or interests of Lessee in property of any nature located and used at the Leased Property, in whole or in part, or sublet any part of the Leased Property, or grant or permit any lien or encumbrance on or security interest in Lessee's interest in this Lease. For purposes of this Lease, an assignment of this Lease by Lessee shall be deemed to include: (a)

entering into a management or similar agreement relating to the operation or control of the Leased Property, excepted as permitted by Section 20.3 hereof; (b) any change (voluntary or involuntary, by operation of law or otherwise, including the transfer, assignment, sale, hypothecation or other disposition of any (direct or indirect) equity interest in Lessee) in the person that ultimately exert(s) effective control over the management of the affairs of Lessee as of the date hereof; or (c) the sale or other transfer of all or any portion of any certificate of need, bed rights or other similar certificate or license relating to the business or the Leased Property. Notwithstanding the foregoing, Lessee shall be permitted to grant occupancy rights in the Facility to individual residents in connection with the operation of the Leased Property in accordance with the Primary Intended Use.

Section 20.2 Adequate Assurances. Without limiting any of the foregoing provisions of this Article, if, pursuant to the U.S. Bankruptcy Code, as the same may be amended from time to time, Lessee is permitted to assign or otherwise transfer its rights and obligations under this Lease in disregard of the restrictions contained in this Article, the assignee shall be deemed to agree to provide adequate assurance to Lessor (a) of the continued use of the Leased Property solely in accordance with the Primary Intended Use thereof, (b) of the continuous operation of the business in the Leased Property in strict accordance with the requirements of this Lease, and (c) of such other matters as Lessor may reasonably require at the time of such assumption or assignment. Without limiting the generality of the foregoing, adequate assurance shall include the requirement that any such assignee shall have a net worth (exclusive of good will) of not less than the aggregate of the Rent due and payable for the previous Fiscal Year and is or can be licensed to operate the Facility by the appropriate Government Agency. Such assignee shall expressly assume this Lease by an agreement in recordable form, an original counterpart of which shall be delivered to Lessor prior to an assignment of this Lease. Any approval of such successor Lessee shall not affect or alter Lessor's approval rights of each manager of the Leased Property.

Section 20.3 Management Agreement. Lessee shall not enter into any management or agency agreement relating to the management or operation of the Facility or any modifications to such management or agency agreement without Lessor's prior written approval of the terms and conditions thereof and of the identity of any manager of the Facility. Lessor has approved and consents to the execution of the Management Agreement bearing even date herewith between Lessee and Manager (the "***Management Agreement***"). To the extent any of the provisions of the Management Agreement impose a greater obligation on Lessee than the corresponding provisions of this Lease, then Lessee shall be obligated to comply with, and to take all reasonable actions necessary to prevent breaches or defaults under, the provisions of the Management Agreement. It is the intent of the parties hereto that Lessee shall comply in every respect with the provisions of the Management Agreement so as to avoid any default thereunder during the term of this Lease. Lessee shall not terminate or enter into any modification of the Management Agreement without in each instance first obtaining Lessor's written consent. Lessor and Lessee agree to cooperate fully with each other in the event it becomes necessary to obtain a management extension or modification, and in any transfer of the Management Agreement to Lessor or any Affiliate thereof or any other successor to Lessee upon the termination of this Lease. Without Lessor's prior written consent, any management or agency agreement shall provide, among other things, that (i) upon termination of this Lease or termination of Lessee's right to possession of the Leased Property for any reason whatsoever, the Management Agreement may be terminated by Lessor without liability for any payment due or to become due to the Manager, and (ii) all fees and other amounts payable

by Lessee to the Manager shall be fully subordinate to Rent and other amounts payable by Lessee to Lessor hereunder.

ARTICLE XXI
ESTOPPEL CERTIFICATES; FINANCIAL INFORMATION, ETC.

Section 21.1 Officer's Certificates Lessor's Estoppel Certificates and Covenants.

(a) At any time and from time to time upon not less than ten (10) days' Notice by Lessor, Lessee will furnish to Lessor an Officer's Certificate certifying that this Lease is unmodified and in full force and effect (or that this Lease is in full force and effect as modified and setting forth the modifications), the date to which the Rent has been paid, whether to the knowledge of Lessee there is any existing default or Event of Default hereunder by Lessor or Lessee, and such other information as may be reasonably requested by Lessor. Any such certificate furnished pursuant to this Section may be relied upon by Lessor, any Holder, any underwriter and any prospective purchaser of the Leased Property.

In addition, Lessee will furnish to Lessor upon not less than ten (10) days' Notice by Lessor, such other information respecting the financial condition, operations and affairs of the Leased Property (A) as Lessor may be required or may deem desirable in its reasonable discretion to submit to any other Person, all in the form, and either audited or unaudited, as Lessor may request in Lessor's reasonable discretion, (B) as may be reasonably necessary to confirm compliance by Lessee and its Affiliates with the requirements of this Lease, and (C) as may be required or requested by any existing, potential or future Holder.

For the avoidance of doubt and without limiting the generality of the foregoing, Lessee agrees to provide the Estoppel Certificate attached hereto and incorporated by reference herein as Exhibit "D" from time to time, upon not less than ten (10) days' prior written notice from Lessor.

(b) Intentionally Omitted.

(c) Lessee covenants to cause its officers and employees, its auditors and Manager to cooperate fully and promptly with Lessor and with the auditors for Lessor in connection with the timely preparation and filing of Lessor's filings, reports and returns under applicable federal, state and other governmental securities, blue sky and tax laws and regulations.

(d) Lessee shall from time to time, upon not less than ten (10) days' notice from Lessor, provide all information in Lessee's control that is required for Lessor to comply with the requirements of Lessor's Loan Documents.

Section 21.2 Monthly Financial Statements. Throughout the Term of this Lease, Lessee shall prepare and deliver to Lessor within twenty (20) days after the end of each month during the Term hereof, an income (or profit and loss) statement for such month and for the Fiscal Year to date showing the results of the operation of the Leased Property and a balance sheet as of the last day of such month. Upon request by Lessor, the aforesaid profit and loss statement and balance sheet shall be accompanied by an Officer's Certificate in which such officer shall certify (a) that, to the best of such officer's knowledge, such statements have been properly prepared in accordance

with GAAP and such are true, correct and complete in all material respects and fairly present the consolidated financial condition of the Lessee at and as of the dates thereof and the results of its operations for the period covered thereby, and (b) that, to the best of such officer's knowledge, no Event of Default has occurred and is continuing hereunder.

Section 21.3 Annual Financial Statements. Lessee shall deliver to Lessor within sixty (60) days after the end of each Fiscal Year or such later date as may be agreed upon by Lessor, a profit and loss statement, balance sheet and statement of cash flow (if requested by Lessor), in a format acceptable to Lessor showing results from the operation of the Leased Property during such Fiscal Year. Lessee shall also make a diligent and commercially reasonable effort to deliver to Lessor at Lessor's expense at any time and from time to time, upon not less than ten (10) days' notice from Lessor, any financial statements or other financial reporting information relating to the Facility and required to be filed by Lessor, Lessee or Manager with the SEC or any other government agency or required pursuant to any order issued by any government agency or arbitrator in any litigation to which Lessor, Lessee or Manager is a party for purposes of compliance therewith, to the extent such information, in the form requested by the SEC or other government agency or the order, is in the Lessee's or Manager's possession or under its control.

Section 21.4 Records. Except as otherwise approved by Lessor, Lessee shall keep and maintain at all times in accordance with GAAP (separate and apart from its other books, records and accounts) complete and accurate up-to-date books and records adequate to reflect clearly and correctly the results of operations of the Leased Property, on an accrual basis. Such books and records shall be kept and maintained at the Leased Property or at such other place as may be approved by Lessor. Lessor or its representatives shall have, at all reasonable times during normal business hours, reasonable access, on reasonable advance notice, to examine and copy the books and records pertaining to the Leased Property. Such books and records shall be available for at least four (4) years after the applicable Fiscal Year for Lessor's inspection, copying, review and audit during reasonable business hours and upon reasonable notice.

Section 21.5 General Operations Budget. At Lessor's request, Lessee shall furnish to Lessor, on or before sixty (60) days after the Commencement Date and on or before November 1 of each Fiscal Year, a Pro Forma Budget, the form and contents of which shall be subject to Lessor's approval, which shall not be unreasonably withheld or delayed. If Lessor does not provide Lessee with Notice of Lessor's disapproval of the proposed Pro Forma Budget with ten (10) days after its receipt by Lessor, the proposed Pro Forma Budget shall be deemed approved by Lessor. If Lessor timely provides such Notice to Lessee, Lessee may submit a revised proposed Pro Forma Budget to Lessor pursuant to the provisions of this Section 21.5. To the extent reasonably possible, such Notice from Lessor shall identify disapproved items on a line item basis and shall state Lessor's reasons for such disapproval. The Approved Budget shall go into effect on December 1 of each Fiscal Year. Lessee shall obtain the written consent of Lessor before entering into any contract, lease or agreement in excess of Five Thousand Dollars (\$5,000) per year or thirteen (13) months in duration, except those specifically set forth in the Approved Budget.

Section 21.6 Additional Reports.

(a) Lessee shall deliver to Lessor with reasonable promptness, such other information respecting the business and affairs of Lessee and the Facility as Lessor may reasonably

request from time to time, which may include, without limitation, any reports that Lessor (or Lessor's landlord) is required to provide to a Holder, including, without limitation, monthly operating statements, rent rolls and occupancy and leasing reports in form and substance acceptable to Lessor in its reasonable judgment.

(b) In addition, subject to HIPAA and other applicable privacy laws, Lessee shall permit Lessor or any Holder or any of either of their agents or representatives to have access to and to examine all books and records of Lessee or any Manager regarding the Leased Property at any time or times during business hours, and shall permit Holder to copy and make abstracts from any and all of said books and records, to conduct a collateral audit and analysis of Lessee's operations to verify the amount and age of the accounts, the identity and credit of the account debtors, to review the billing practices of Lessee, and to discuss Lessee's and Manager's affairs, finances and accounts with Lessee's and Manager's officers, employees and independent public accountants as often as Lessor or Holder may reasonably desire. In connection therewith, Lessee shall, to the extent required by applicable Laws, including HIPAA, redact personal healthcare information of any Person from the information provided to Holder (unless Holder and Lessee enter into a separate agreement, as provided by applicable laws, to address access of such information by Holder, which Lessee agrees to do upon the reasonable request of Holder).

ARTICLE XXII MEETING AND INSPECTIONS

Section 22.1 Regular Meetings; Lessor's Right to Inspect.

(a) At Lessor's request, Lessee shall make the Lessee's and/or Manager's property management team and the executive officers of Lessee and/or Manager available at reasonable times to meet with Lessor to discuss items related to the Leased Property.

(b) Lessee shall permit Lessor and Holder and their respective representatives, designees or agents as frequently as reasonably requested by Lessor to inspect the Leased Property, including but not limited to, the operation, sanitation, safety, maintenance and use of the same, or any portions of the same and to assure itself that Lessee is in full compliance with its obligations under this Lease (but neither Lessor nor any Holder shall thereby assume any responsibility for the performance of any of Lessee's obligations hereunder, nor any liability arising from the improper performance thereof). In conducting such inspections Lessor and its representatives, designees or agents shall not unreasonably interfere with the conduct of Lessee's business at the Leased Property.

ARTICLE XXIII NO WAIVER

Section 23.1 No Waiver. No failure by Lessor to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a breach thereof, and no acceptance of full or partial payment of Rent during the continuance of any such breach, shall constitute a waiver of any such breach or of any such term. To the extent permitted by law, no waiver of any breach shall affect or alter this Lease, which shall continue in full force and effect with respect to any other then existing or subsequent breach.

**ARTICLE XXIV
CUMULATIVE REMEDIES**

Section 24.1 Remedies Cumulative. To the extent permitted by law and any other provisions of this Lease expressly limiting the rights, powers and remedies of Lessor, each legal, equitable or contractual right, power and remedy of Lessor now or hereafter provided either in this Lease or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power and remedy and the exercise or beginning of the exercise by Lessor of any one or more of such rights, powers and remedies shall not preclude the simultaneous or subsequent exercise by Lessor of any or all of such other rights, powers and remedies.

**ARTICLE XXV
SURRENDER**

Section 25.1 Acceptance of Surrender. No surrender to Lessor of this Lease or of the Leased Property or any part thereof, or of any interest therein, shall be valid or effective unless agreed to and accepted in writing by Lessor and no act by Lessor or any representative or agent of Lessor, other than such a written acceptance by Lessor, shall constitute an acceptance of any such surrender.

**ARTICLE XXVI
NO MERGER**

Section 26.1 No Merger of Title. There shall be no merger of this Lease or of the leasehold estate created hereby by reason of the fact that the same person or entity may acquire, own or hold, directly or indirectly: (a) this Lease or the leasehold estate created hereby or any interest in this Lease or such leasehold estate and (b) the fee estate in the Leased Property.

**ARTICLE XXVII
FACILITY MORTGAGES**

Section 27.1 Facility Mortgages.

(a) Lessor (or if applicable the Lessor's landlord) (the Lessor and any such Person are referred to herein individually and collectively as the "**Owner**") may, from time to time, encumber Owner's interest in the Leased Property with a mortgage or mortgages or deed of trust or deeds of trust, and security interests or collateral assignments by Owner to any third party or parties of any of Owner's rights under this Lease or the rents, issues or profits therefrom, as security for any liability or indebtedness, direct, indirect or contingent, of Owner to such third party or parties, and any future amendments, supplements, modifications, extensions, renewals, consolidations and replacements thereof or thereto (such mortgage, mortgages, deed of trust, deeds of trust, security interests, assignments, amendments, supplements, modifications, extensions, renewals, consolidations and replacements being a "**Mortgage**").

(b) **Subordination.** This Lease, Lessee's interest hereunder and Lessee's leasehold interest in and to the Leased Property are hereby agreed by Lessee to be and are hereby

made junior, inferior, subordinate and subject in right, title, interest, lien, encumbrance, priority and all other respects to any Mortgage. The foregoing subordination provisions of this Section 27.1(b) shall be automatic and self-operative without the necessity of the execution of any further instrument or agreement of subordination on the part of Lessee. Lessee acknowledges and agrees that notwithstanding the foregoing automatic subordination, if Owner or Holder shall request that Lessee execute and deliver any further instrument or agreement of subordination of this Lease or Lessee's interest hereunder or Lessee's leasehold interest in the Leased Property to any such Mortgage, in confirmation or furtherance of or in addition to the foregoing subordination provisions of this Section, Lessee shall promptly execute and deliver the same to the requesting party. Further, Lessee agrees that it will, from time to time, execute such documentation, instruments and agreements as may be requested by Owner and any Holder to facilitate or allow Owner to encumber the Leased Property as herein contemplated. If, within ten (10) days following Lessee's receipt of a written request by Owner or the Holder, Lessee shall fail or refuse or shall have not executed any such further instrument or agreement of subordination, or documentation, instruments or agreements, for whatever reason, Lessee shall be in breach and default of its obligation to do so and of this Lease and Lessor shall be entitled thereupon to exercise any and all remedies available to Lessor pursuant to this Lease or otherwise provided by law. Without limiting the generality of the foregoing, Lessee agrees to execute and deliver the Subordination, Non-disturbance and Attornment Agreement in the form attached hereto as Exhibit "C" (provided, however, that any such non-disturbance shall be at the sole discretion of the Owner and Holder and Lessee agrees to execute Exhibit "C" without any non-disturbance provisions).

(c) **Attornment.** Lessee shall and hereby agrees to attorn, and be bound under all of the terms, provisions, covenants and conditions of this Lease, to any successor of the interest of Lessor under this Lease for the balance of the Term of this Lease remaining at the time of the succession of such interest to such successor. Without limiting the generality of the foregoing, in the event that any proceedings are brought for the foreclosure of any Mortgage, Lessee shall attorn to the purchaser at any such foreclosure sale and recognize such purchaser as Lessor under this Lease. Lessee agrees that neither the purchaser at any such foreclosure sale nor the foreclosing Holder shall have any liability for any act or omission of Lessor, be subject to any offsets or defenses which Lessee may have as claims against Lessor, or be bound by any advance rents which may have been paid by Lessee to Lessor for more than the current period in which such rents come due.

(d) **Compliance With Certain Provisions of Mortgage.** Except for payments due under any Mortgage (which shall be the responsibility of the mortgagor thereunder), Lessee covenants and agrees that it will cooperate with Lessor and cause any Manager to cooperate with Lessor to help Lessor observe, perform and comply with the terms, covenants and conditions of Lessor's Loan Documents relating to the keeping of books and records and delivery of financial statements and other information provided Lessee and Manager are given Notice of such requirements and that Lessee will use commercially reasonable efforts not to directly or indirectly do, and will cause any Manager to use commercially reasonable efforts not to directly or indirectly do, any act or suffer or permit any condition or thing to occur which would or might constitute a default under the Lessor's Loan Documents as to which Lessee has been given Notice. Anything in this Lease to the contrary notwithstanding, if the time for performance of any act required of Lessee by the terms of the Lessor's Loan Documents as to which Lessee has been given Notice is

shorter than the time allowed by this Lease for performance of such act by Lessee, then Lessee shall perform such act within the time limits specified in such Lessor's Loan Document.

ARTICLE XXVIII QUIET ENJOYMENT

Section 28.1 Quiet Enjoyment. So long as Lessee pays all Rent as the same becomes due and complies with all of the terms of this Lease and performs its obligations hereunder, in each case within the applicable grace and/or cure periods, if any, Lessee shall peaceably and quietly have, hold and enjoy the Leased Property for the Term hereof, free of any claim or other action by Lessor or anyone claiming by, through or under Lessor and not claiming by, through or under Lessee, but subject to any Mortgage and all liens and encumbrances subject to which the Leased Property was conveyed to Lessor or hereafter consented to by Lessee or provided for herein. No failure by Lessor to comply with the foregoing covenant shall give Lessee any right to abate, reduce or make a deduction from or offset against the Rent or any other sum payable under this Lease, or to fail to perform any other obligation of Lessee hereunder, provided, Lessee shall have the right by separate and independent action to pursue any claim it may have against Lessor as a result of a breach by Lessor of the covenant of quiet enjoyment contained in this Section.

ARTICLE XXIX NOTICES

Section 29.1 Notices. Any notice or communication required or permitted by this Lease ("**Notice**" or "**notices**") must be in writing. Such notice will be deemed validly given for all purposes (a) on the day deposited into the custody of a nationally recognized overnight delivery service such as Federal Express Corporation, or UPS, addressed to such party at the address specified below, (b) on the date sent by facsimile to the respective numbers specified below; of (c) on the date sent by electronic mail to the respective email address specified below. Either party may change the address(es) provided for it by notice given to the other party in accordance with this paragraph.

If to Lessor: Wickshire Creeks Crossing PropCo LLC
650 Madison Avenue
New York, New York 10022
Attention: Daniel O'Keefe
Email: dan@gmfcapital.com

If to Lessee: Wickshire Creeks Crossing OpCo LLC
650 Madison Avenue
New York, New York 10022
Attention: Daniel O'Keefe
Email: dan@gmfcapital.com

ARTICLE XXX INTENTIONALLY OMITTED

**ARTICLE XXXI
INTENTIONALLY OMITTED**

**ARTICLE XXXII
LESSOR'S RIGHTS**

Section 32.1 Lessor's Rights. Notwithstanding anything to the contrary contained herein or in the Management Agreement:

(a) any event, circumstance or matter requiring Lessee's consent, agreement or approval under the Management Agreement shall not be granted by Lessee without the consent, agreement or approval of Lessor (which shall not be unreasonably withheld, conditioned or delayed), unless requiring the approval of Lessor with respect to an event, circumstance or matter violates applicable law, in which case Lessor's consent shall not be required with respect to such event, circumstance or matter; and

(b) Any notice or other communication by Manager to Lessee pursuant to the Management Agreement shall be sent by Lessee to Lessor.

**ARTICLE XXXIII
CAPITAL EXPENDITURES**

Section 33.1 Capital Expenditures. Except as otherwise provided in Article IX, Lessor shall have sole authority with respect to the implementation of all Capital Improvements and the determination when to make Capital Improvements. Such authority shall extend both to the plans and specifications (including matters of design and decor) and to the contracting and purchasing of all labor, services and materials. All Capital Expenditures shall be at the sole cost and expense of Lessor.

**ARTICLE XXXIV
INTENTIONALLY OMITTED**

**ARTICLE XXXV
ARBITRATION**

Section 35.1 Arbitration. Except as set forth in Section 35.2, in each case specified in this Lease in which it shall become necessary to resort to arbitration, such arbitration shall be determined as provided in this Section 35.1. The party desiring such arbitration shall give notice to that effect to the other party, and an arbitrator shall be selected by mutual agreement of the parties, or if they cannot agree within thirty (30) days of such notice, by appointment made by the American Arbitration Association ("AAA") from among the members of its panels who are qualified and who have experience in resolving matters of a nature similar to the matter to be resolved by arbitration.

Section 35.2 Arbitration Procedures. In any arbitration commenced pursuant to Section 35.1, a single arbitrator shall be designated and shall resolve the dispute. The arbitrator's decision shall be binding on all parties and shall not be subject to further review or appeal except as

otherwise allowed by applicable law. Upon the failure of either party (the “*non-complying party*”) to comply with his decision, the arbitrator shall be empowered, at the request of the other party, to order such compliance by the non-complying party and to supervise or arrange for the supervision of the non-complying party’s obligation to comply with the arbitrator’s decision, all at the expense of the non-complying party. To the maximum extent practicable, the arbitrator and the parties, and the AAA if applicable, shall take any action necessary to insure that the arbitration shall be concluded within ninety (90) days of the filing of such dispute. The fees and expenses of the arbitrator shall be shared equally by Lessor and Lessee (and shall not be deemed a Facility Expense). Unless otherwise agreed in writing by the parties or required by the arbitrator or AAA, if applicable, arbitration proceedings hereunder shall be conducted in the State. Notwithstanding formal rules of evidence, each party may submit such evidence as each party deems appropriate to support its position and the arbitrator shall have access to and right to examine all books and records of Lessee and Lessor regarding the Facility during the arbitration.

ARTICLE XXXVI MISCELLANEOUS

Section 36.1 Miscellaneous. Anything contained in this Lease to the contrary notwithstanding, all claims against, and liabilities of, Lessee or Lessor arising prior to any date of termination of this Lease shall survive such termination. If any term or provision of this Lease or any application thereof is invalid or unenforceable, the remainder of this Lease and any other application of such term or provisions shall not be affected thereby. If any late charges or any interest rate provided for in any provision of this Lease are based upon a rate in excess of the maximum rate permitted by applicable law, the parties agree that such charges shall be fixed at and limited to the maximum permissible rate. Neither this Lease nor any provision hereof may be changed, waived, discharged or terminated except by a written instrument in recordable form signed by Lessor and Lessee. All the terms and provisions of this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The headings in this Lease are for convenience of reference only and shall not limit or otherwise affect the meaning hereof. This Lease shall be governed by and construed in accordance with the laws of the State, but not including its conflicts of laws rules. If any payment required to be made pursuant to this Lease shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day.

Section 36.2 Transition Procedures. Lessee shall and shall cause Manager to cooperate in good faith to provide access and information to any prospective purchaser or lessee of the Leased Property which may acquire the Leased Property or lease it upon the expiration or termination of the Term. Upon any expiration or termination of the Term, Lessor and Lessee shall do the following and, in general, shall cooperate in good faith to effect an orderly transition of the lease of the Facility. The provisions of this Section 36.2 shall survive the expiration or termination of this Lease until they have been fully performed. Nothing contained herein shall limit Lessor’s rights and remedies under this Lease if such termination occurs as the result of an Event of Default.

(a) **Transfer of Licenses.** Upon the expiration or earlier termination of the Term, Lessee shall use its best efforts (i) to (A) transfer to Lessor or Lessor’s designee all licenses, operating permits and other governmental authorizations and all contracts, including payor contracts with governmental or quasi-governmental entities, in each instance to the extent held in

the name of Lessee, that may be necessary for the operation of the Facility (collectively, “*Licenses*”), and, if required by Lessor, (B) execute and deliver an operations transfer agreement on terms reasonably acceptable to Lessor to facilitate the transition of the operation of the Facility, or (ii) if such transfer is prohibited by law or Lessor otherwise elects, to cooperate with Lessor or Lessor’s designee in connection with the processing by Lessor or Lessor’s designee of any applications for all Licenses, with Lessor or its designee agreeing to indemnify and hold Lessee harmless as a result thereof except for the gross negligence or willful misconduct of Lessee; provided, in either case, that the costs and expenses of any such transfer or the processing of any such application shall be paid by Lessor or Lessor’s designee. Additionally, so as to avoid any disruption or delay of any services or amenities at the Leased Property, and provided the following is permitted under applicable law, if licenses or permits held in Lessee’s name cannot be transferred or cannot be transferred immediately to a successor entity that operate the Leased Property, Lessee agrees to enter into an interim lease arrangement in form and substance reasonably acceptable to Lessee, which shall lawfully permit Lessee to continue to operate the Leased Property or activities of the Leased Property under Lessee’s license or permit until the earlier of completion of the transfer, issuance of a replacement license or permit, or one (1) year after the effective date of the termination.

(b) **Leases and Concessions.** Lessee shall assign to Lessor or Lessor’s designee simultaneously with the termination of this Lease, and the assignee shall assume all leases, contracts, concession agreements and agreements in effect with respect to the Facility then in Lessee’s name, unless Lessor rejects one or more of such leases, contracts, concession agreements or other agreements in writing within thirty (30) days following the date of termination of this Lease in which event the agreement or agreements so rejected shall be deemed reassigned and shall remain the property and responsibility of Lessee.

(c) **Books and Records.** To the extent that Lessor has not already received copies thereof, a copy of all books and records (including computer records) for the Facility kept by Lessee pursuant to Section 7.6 shall be promptly delivered to Lessor or Lessor’s designee.

(d) **Receivables and Payables, etc.** Lessee shall be entitled to retain all cash, bank accounts and similar accounts on the termination date. Lessee shall be entitled to collect all Revenues and accounts receivable accrued through the termination date whether or not billed (including but not limited to any right to any payment or reimbursement relating to the Term). Lessee shall be responsible for the payment of Rent, all operating expenses of the Facility and all other obligations of Lessee accrued under this Lease as of the termination date, and Lessor shall be responsible for all operating expenses of the Facility accruing after the termination date. Lessee shall surrender the Leased Property with an amount and quality of nonconsumable inventory equal to the initial nonconsumable inventory, and Lessor shall have no obligation to purchase such nonconsumable inventory.

(e) Lessee shall use commercially reasonable efforts to keep the business and organization of the Facility intact and to preserve for Lessor or its designee or nominee the goodwill of the suppliers, distributors, residents and others having business relations with Lessee with respect to the Facility.

(f) Lessee shall engage only in transactions or other activities with respect to the Facility which are in the ordinary course of its business.

(g) Lessee consents to Lessor, or its designee or nominee, seeking to employ any on-site employees of the Facility or employees of any Manager, but neither Lessor nor its designee or nominee or receiver shall have any obligation to employ any such employees, and Lessee shall and shall cause Manager to provide reasonable cooperation in connection therewith.

(h) To the extent not contemplated elsewhere in this Section 36.2, Lessee shall, upon Lessor's request and without the payment of any additional consideration by Lessor, transfer and assign to Lessor or its designee or nominee, or to assist Lessor or its designee or nominee in obtaining transfer or assignment of, all or any part of the Leased Property which constitutes intangible Personal Property and any of Lessee's contracts (including without limitation Resident Agreements and Service Licenses), licenses, provider agreements, identification numbers, permits, development rights, trade names, telephone exchange numbers identified with the Leased Property, world-wide web addresses, approvals and certificates and all other of Lessee's intangible rights, benefits and privileges of any kind or character with respect to the Leased Property, useful or required for the then operation of the Leased Property, excluding any Lessee Personal Property, if any.

(i) Upon the request of Lessor, Lessee shall execute and deliver an Operations Transfer Agreement between Lessor, Lessee and any new operator identified by Lessor, the form of which are subject to the reasonable approval of Lessor and Lessee.

Section 36.3 Waiver of Presentment, etc. Lessee waives all presentments, demands for payment and for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance and waives all notices of the existence, creation, or incurring of new or additional obligations, except as expressly granted herein.

Section 36.4 Action for Damages. In any suit or other claim brought by either party seeking damages against the other party for breach of its obligations under this Lease, the party against whom such claim is made shall be liable to the other party only for actual damages and not for consequential, punitive or exemplary damages.

Section 36.5 Intentionally Omitted.

Section 36.6 Severability. Any clause, sentence, paragraph, section or provision of this Agreement held by a court of competent jurisdiction to be invalid, illegal or ineffective shall not impair, invalidate or nullify the remainder of this Agreement, but rather the effect thereof shall be confined to the clause, sentence, paragraph, section or provision so held to be invalid, illegal or ineffective, and this Agreement shall be construed as if such invalid, illegal or ineffective provisions had never been contained therein.

Section 36.7 Lessee's Representations. In addition to any other representation or warranty set forth herein and as an inducement to Lessor to enter into this Agreement, Lessee hereby represents and warrants to Lessor as follows:

(a) Lessee is duly organized and validly existing and in good standing under the laws of the state of its formation. Lessee has all requisite power and authority under the laws of the state of its formation and the laws of the State and its partnership or operating agreement, articles of incorporation, by-laws, or other charter documents to enter into and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. Lessee is duly authorized to transact business in any jurisdiction in which the nature of the business conducted by it requires such qualification.

(b) Lessee has taken all necessary action to authorize the execution, delivery and performance of this Agreement, and upon the execution and delivery thereof, such Agreement shall constitute the valid and binding obligation and agreement of Lessee, enforceable against Lessee in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws of general application affecting the rights and remedies of creditors and except to the extent that the availability of equitable relief may be subject to the discretion of the court before which any proceeding may be brought.

(c) Except as disclosed to Lessor, there are no judgments presently outstanding and unsatisfied against Lessee or any of its properties, and neither Lessee nor any of its properties are involved in any material litigation at law or in equity or any proceeding before any court, or by or before any governmental or administrative agency, which litigation or proceeding could materially adversely affect Lessee, and no such material litigation or proceeding is, to the knowledge of Lessee, threatened against Lessee and to the knowledge of Lessee no investigation looking toward such a proceeding has begun or is contemplated.

(d) To the knowledge of Lessee, neither this Agreement nor any other document, certificate or statement furnished to Lessor by or on behalf of Lessee in connection with the transaction contemplated herein contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading. To the knowledge of Lessee there is no fact or condition which materially and adversely affects the business, operations, affairs, properties or condition of Lessee which has not been set forth in this Agreement or in other documents, certificates or statements furnished to Lessor or disclosed by Lessee to Lessor in connection with the transaction contemplated hereby.

(e) To Lessee's knowledge, neither the execution and delivery of this Agreement by Lessee, nor the compliance with the terms and provisions hereof, shall violate any provision of any Legal Requirements; nor result in or constitute a breach or default under or the creation of any lien, charge or encumbrance upon any of Lessee's property or assets under any indenture, mortgage, deed of trust, contract, other commitment or restriction to which it is a party or by which it is bound; nor require any consent, vote or approval which has not been given or taken, or at the time of the transaction involved shall not have been given or taken.

Section 36.8 Recording. This Lease shall not be recorded. However, upon request by a party, Lessor and Lessee agree to execute and deliver to the other a Memorandum of this Lease, containing only minimum statutory requirements, which Memorandum of Lease may then be recorded, at the sole discretion of the Lessor, in the appropriate office of the county where the Leased Property is located.

Section 36.9 Construction. Each term or provision of this Agreement to be performed by Lessee shall be construed as an independent covenant and condition. Time is of the essence with respect to the performance by Lessee of its obligations under this Agreement, including, without limitation, obligations for the payment of money. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

Section 36.10 Counterparts; Headings, Etc. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but which, when taken together, shall constitute but one instrument and shall become effective as of the date hereof when copies hereof, which, when taken together, bear the signatures of each of the parties hereto shall have been signed. Captions and headings in this Agreement are for purposes of reference only and shall in no way define, limit or describe the scope or intent of, or otherwise affect, the provisions of this Agreement. The Recitals to this Agreement are incorporated into and are deemed a part of this Agreement. The provisions of this Agreement that by their nature are reasonably intended to survive, or expressly provide that they survive the Agreement's termination shall survive the termination of this Agreement.

Section 36.11 Brokerage. Lessor and Lessee hereby represent and warrant to each other that they have not engaged, employed or utilized the services of any business or real estate brokers, salesmen, agents or finders in the initiation, negotiation or consummation of the business and real estate transaction reflected in this Agreement. On the basis of such representation and warranty, each party shall and hereby agrees to indemnify and save and hold the other party harmless from and against the payment of any commissions or fees to or claims for commissions or fees by any real estate or business broker, salesman, agent or finder resulting from or arising out of any actions taken or agreements made by them with respect to the business and real estate transaction reflected in this Agreement.

Section 36.12 No Partnership or Joint Venture. Lessor shall not, by virtue of this Agreement, in any way or for any purpose, be deemed to be a partner of Lessee in the conduct of Lessee's business upon, within or from the Leased Property or otherwise, or a joint venturer or a member of a joint enterprise with Lessee.

Section 36.13 Entire Agreement. This Agreement contains the entire agreement between the parties and, except as otherwise provided herein, can only be changed, modified, amended or terminated by an instrument in writing executed by the parties. It is mutually acknowledged and agreed by Lessor and Lessee that there are no verbal agreements, representations, warranties or other understandings affecting the same; and that Lessee hereby waives, as a material part of the consideration hereof, all claims against Lessor for rescission, damages or any other form of relief by reason of any alleged covenant, warranty, representation, agreement or understanding not contained in this Agreement.

Section 36.14 Costs and Attorneys' Fees. If Lessor shall bring an action to recover any sum due hereunder, or for any breach hereunder, and shall obtain a judgment or decree in its favor, the court or arbitrator shall award to Lessor its reasonable costs and reasonable attorney's fees based upon service rendered at hourly rates, specifically including reasonable attorney's fees

incurred in connection with any appeals. Lessor shall also be entitled to recover its reasonable attorney's fees based upon service rendered at hourly rates and costs incurred in any bankruptcy action filed by or against Lessee, including, without limitation, those incurred in seeking relief from the automatic stay, in dealing with the assumption or rejection of this Agreement, in any adversary proceeding, and in the preparation and filing of any proof of claim.

Section 36.15 Successors and Assigns. The agreements, terms, provisions, covenants and conditions contained in this Agreement shall be binding upon and inure to the benefit of Lessor and its successors and assigns and Lessee and, to the extent permitted herein, its successors and assigns.

Section 36.16 Limitations of Liability. Anything contained herein to the contrary notwithstanding, Lessee shall not be liable, by indemnity or otherwise, for any occurrence, act, omission, event, circumstance, or matter occurring prior to the Commencement Date. To the extent Lessee's or Manager's duties or obligations are affected by the operation of the OTA, Lessee shall not be in default under this Lease and no claim against Lessee shall occur. In no event shall any individual partner, principal, member, advisor, officer, employee, or agent of Lessee or any affiliate thereof be personally liable for the payment or performance of any of the obligations or liabilities of Lessee hereunder, either directly or indirectly, by way of contribution or otherwise. The limitations of liability provided in this paragraph are in addition to, and not a limitation of, any limitation and liability applicable to Lessee or such partners, members, employees or agents, provided by law or by any other contract, agreement or instrument. In no event shall any individual partner, principal, member, advisor, officer, employee, or agent of Lessor or any affiliate thereof be personally liable for the payment or performance of any of the obligations or liabilities of Lessor hereunder, either directly or indirectly, by way of contribution or otherwise. The limitations of liability provided in this paragraph are in addition to, and not a limitation of, any limitation and liability applicable to Lessor or such partners, members, employees or agents, provided by law or by any other contract, agreement or instrument. The provisions of this Section 36.16 shall survive the expiration and other termination of this Lease.

Section 36.17 Treatment of Lease. Lessor and Lessee each agree to treat this Lease as a true lease for tax purposes and as an operating lease for generally accepted accounting principles and for all other purposes.

Section 36.18 Lessor's Discretion. Any reference herein to Lessor's discretion or similar language that is not modified by the term "reasonable" shall mean the sole discretion of Lessor for any reason or no reason.

[remainder of page intentionally left blank]

Signed in the presence of:

LESSOR:

[Signature]
Name: Daniel O'Keefe

Wickshire Creeks Crossing PropCo LLC,
a Delaware limited liability company

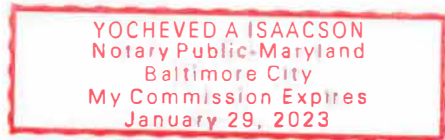
[Signature]
Name: Yocheved Isaacson

By: [Signature]
J. Jay Lobell, Authorized Signatory

STATE OF Maryland)
) SS.:
COUNTY OF Baltimore)

On the 24 day of September, 2020, before me, the undersigned, a notary public in and for said state, personally appeared J. Jay Lobell, Authorized Signatory of Wickshire Creeks Crossing PropCo LLC, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity and that by his signature on the instrument the individual or the person upon behalf of which the individual acted, executed the instrument.

[Signature]
Notary Public



Schedule 3.1(a)

Month	Multiplier
1-12	1.3
13-24	1.4
25-36	1.45

Exhibit "A"

Property Description

Exhibit “B”

Minimum Insurance Requirements

The parties hereto mutually agree to the below listed minimum insurance requirements (the “*Insurance Program*”).

All insurers must have an A.M. Best rating of A-/VII or better.

ARTICLE I - LINES OF INSURANCE

1.01 General Liability and Professional Liability Insurance.

\$1,000,000 per claim
\$3,000,000 for Facility aggregate

1.02 Crime Insurance.

\$500,000 Employee Dishonesty
\$500,000 Depositor and Forgery
\$500,000 Money and Securities (Inside and Out)

1.03 Automobile Liability.

\$1,000,000 Combined Single Limit

1.04 Workers’ Compensation (statutory limits) and Employers Liability Insurance.

\$1,000,000 each employee
\$1,000,000 each accident
\$1,000,000 policy limit

1.05 Employment Practices Liability.

\$1,000,000 per occurrence, inclusive of third party liability

1.06 Intentionally Omitted.

1.07 Property Damage Insurance.

Full replacement value

1.08 Environmental Insurance.

To be re-evaluated annually as part of the budget process.

ARTICLE II - INSURANCE COST ALLOCATION

2.01. The Lessor and Lessee shall mutually agree that if the insurance covers property in addition to the Leased Property or relates to a facility other than the Facility, then the costs of such insurance will be allocated to all facilities to which the insurance relates. The allocations will be determined based on the following:

- Umbrella/Excess/Professional Liability Rate per Resident capacity Automobile Rate per vehicle
- Crime Rate per Facility employee or payroll
- Workers' Compensation Rate per \$100 of Facility payroll by State and class code
- Employment Practices Liability Rate per Facility employee or payroll

EXHIBIT "C"

Subordination, Non-disturbance and Attornment Agreement

This Subordination, Non-disturbance and Attornment Agreement ("Agreement") is made as of the day of _____, 20__ between _____ ("Tenant") and _____ ("Lender").

RECITALS

A. Lender is the owner and holder or will be the owner and holder of a mortgage, deed of trust or similar instrument (collectively, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified, a "Mortgage") recorded or to be recorded among the appropriate Land Records, encumbering property (the "Property") more particularly described therein.

B. The owner of the Property, _____, a _____ ("Landlord"), and Tenant entered into a lease (the "Lease") dated as of _____, 20__ covering certain premises (the "Premises").

C. The Lease is subject and subordinate to the lien, operation and effect of the Mortgage, and Tenant wishes to obtain from Lender assurances that Tenant's possession of the Premises will not be disturbed in certain circumstances, and Lender is willing to provide such assurances to Tenant, upon and subject to the terms and conditions of this Agreement.

NOW, THEREFORE, for \$10.00 and other valuable consideration exchanged between Lender and Tenant, the receipt and sufficiency of such consideration being hereby acknowledged, Lender and Tenant agree as follows:

1. Subordination. The Lease is and will remain subject and subordinate in all respects to the lien, operation and effect of the Mortgage and all renewals, amendments, modifications, consolidations, replacements and extensions thereof, and all present and future and all voluntary and involuntary advances made thereunder, in accordance with the terms and conditions hereof. Said subordination is to have the same force and effect as if the Mortgage and any renewal, modification, consolidation, replacement and extension thereof had been executed, acknowledged, delivered and recorded prior to the Lease and any amendments or modifications thereof and any notice thereof.

2. Non-Disturbance Agreement. As long as Tenant is not in default beyond any applicable grace period in the payment of rent or other charges or in the performance of any of the terms or conditions of the Lease and no other event has occurred that is considered a default under the terms of the Lease, Tenant's right of possession of the Premises will not be disturbed by Lender (except pursuant to a right granted Landlord under the Lease) as a result of acquisition of title to the Property (a) by Lender or the purchaser at a foreclosure sale pursuant to any action or proceeding to foreclose the Mortgage, or (b) by Lender pursuant to acceptance of a deed in lieu of foreclosure (in either case, a "Transfer of Ownership").

3. Attornment Agreement. If a Transfer of Ownership occurs, Lender and Tenant will, unless Lender elects otherwise in writing, (and subject, in all events, to the other provisions of this Agreement) be bound to each other, as landlord and tenant, respectively, under all of the terms and conditions of the Lease for the balance of the term thereof (including any renewal or extension term), and Tenant hereby attorns to Lender as its landlord, such attornment to be effective and self-operative, without the execution of any other instruments on the part of either party hereto, immediately upon a Transfer of Ownership.

4. Lender's Liability. Notwithstanding any provision of the Lease or any other provision of this Agreement, Lender will not in any way be: (a) liable for acts or omissions of any prior landlord (including Landlord); (b) subject to any offsets or defenses that Tenant might have had against any prior landlord (including Landlord); (c) bound by any rent or other charges that Tenant might have paid for more than 30 days in advance to any prior landlord (including Landlord); (d) bound by any amendment or modification of the Lease made without Lender's prior written consent; (e) responsible for any money or other security delivered to Landlord pursuant to the Lease but not subsequently received by Lender; (f) obligated or liable with respect to any representations, warranties or indemnities contained in the Lease; (g) liable to Tenant or any other party for any conflict between the provisions of the Lease and the provisions of any other lease affecting the Property, which is not entered into by Lender; or (h) obligated to pay Tenant any construction allowance or other payment referred to in the Lease, all such payment obligations being personal to Landlord.

5. Lender's Liability After Possession. Notwithstanding any provision of the Lease or any other provision of this Agreement, from and after the date that Lender acquires title to the Premises as a result of a Transfer of Ownership, (i) Lender will not be obligated to expend any monies to restore casualty damage in excess of available insurance proceeds; (ii) Tenant shall not have the right to make repairs and deduct the cost of such repairs from the rent without a judicial determination that Lender is in default of its obligations under the Lease; (iii) Lender shall not be required to grant non-disturbance to any subtenants of Tenant; and (iv) in no event will Lender be obligated to indemnify Tenant, except where Lender is in breach of its obligations under the Lease or where Lender has been actively negligent in the performance of its obligations as landlord.

6. Condemnation Awards and Insurance Proceeds. Without limiting any other provision of this Agreement, until a Transfer of Ownership occurs the provisions of the Mortgage regarding Lender's rights in and to insurance proceeds and awards or other compensation made for the taking by eminent domain (or conveyance in lieu thereof) will be superior to, and will govern and control over, any contrary provision of the Lease. Notwithstanding anything contained in the Lease that may require Landlord to repair or restore damage to the Premises caused by fire or other casualty or by exercise of eminent domain, if a Transfer of Ownership occurs Lender will have no obligation for such repair or restoration.

7. No Lease Modification or Claims. Tenant hereby confirms that the Lease has not been modified or amended and is in full force and effect without any claims or default, offset or deduction by Tenant.

8. Lender's Right to Cure Default. Notwithstanding any provision of the Lease or any other provision of this Agreement, no notice by Tenant to Landlord of any breach or default by Landlord under the Lease will be effective unless and until (a) a copy of the notice is received by Lender, and (b) thirty (30) days has elapsed following Lender's receipt of such copy, during which period Lender will have the right, but will not be obligated, to cure the breach or default, or if such default cannot reasonably be cured by Lender within that time, then such additional time as may be necessary if within such thirty (30) days Lender has commenced and is diligently pursuing the remedies necessary to cure such default (including, but not limited to, commencement of foreclosure proceedings and obtaining possession of the Premises, if necessary to effect such cure). Tenant agrees to give to Lender copies of all notices given to Landlord under the Lease, simultaneously with the giving of any such notice to Landlord. Lender shall have the right, but not the obligation, to remedy any Landlord default under the Lease, or to cause any default of Landlord under the Lease to be remedied. Tenant shall accept performance by Lender of any term, covenant, condition or agreement to be performed by Landlord under the Lease with the same force and effect as though performed by Landlord.

9. Assignment. The Lease shall not be assigned nor the Premises sublet in whole or in part (except in the event of an assignment or subletting that is permitted in the Lease without Landlord's consent) by Tenant, nor modified, amended or terminated (except in the event of a termination that is permitted in the Lease without Landlord's consent) without Lender's prior written consent in each instance.

10. Liability of Lender. Neither Lender nor its designee or nominee shall become liable under the Lease unless and until Lender or its designee or nominee becomes, and then only with respect to periods in which Lender or its designee or nominee becomes, the fee owner of the Premises. In the event Lender or its designee or nominee becomes the fee owner of the Premises, Lender, its designee or nominee, shall have no obligation, nor incur any liability, to Tenant in a monetary amount in excess of Lender's or its designees' or nominees', then equity interest, if any, in the Premises.

11. Right of Foreclosure. Lender shall have the right, without Tenant's consent, to foreclose the Mortgage or to accept a deed in lieu of foreclosure of the Mortgage or to exercise any other remedies available under the Mortgage or any other loan documents now or hereafter executed in connection with the Mortgage.

12. Lease Assignment. Tenant has no knowledge of any prior assignment or pledge of the rents accruing under the Lease by Landlord. Tenant hereby consents to the assignment of leases and rents from Landlord to Lender executed in connection with the Mortgage. Tenant acknowledges that the interest of Landlord under the Lease is to be assigned to Lender solely as security for the purposes specified in said assignment and Lender shall have no duty, liability or obligation whatsoever under the Lease or any extension or renewal thereof, either by virtue of said assignment or by any subsequent receipt of collection of rents thereunder, unless Lender shall specifically undertake such liability in writing. Tenant agrees that upon receipt of a written notice from Lender of a default by Landlord under the Mortgage, Tenant will thereafter, if requested by Lender, pay rent to Lender or its designee in accordance with the terms of the Lease.

13. Satisfaction of Lease Provision. This Agreement satisfies any right of Tenant under the Lease relating to the granting of a Subordination and Non-Disturbance Agreement or similar agreement and Tenant waives any requirement to the contrary set forth in the Lease.

14. No Obligation for Construction. Lender will have no obligation to incur any liability with respect to the erection or completion of the Premises or any improvements related to the Premises, either at the commencement of the term of the Lease or upon any renewal or extension thereof or upon the addition of additional space, pursuant to any expansion rights contained in the Lease.

15. No Adverse Effect. Nothing contained in this Agreement is intended to abridge or adversely affect any right or remedy of Landlord under the Lease.

16. Authorization. If Tenant is a corporation, partnership, limited liability company or other entity, each individual executing this Agreement on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of Tenant, in accordance with duly authorized resolutions of Tenant, and that this Agreement is binding upon and enforceable against Tenant in accordance with its terms.

17. Notices. To be effective, any notice or other communication given pursuant to this Agreement must be in writing and sent postpaid by United States certified mail with return receipt requested. Rejection or other refusal to accept, or inability to deliver because of changed address of which no notice has been given, will constitute receipt of the notice or other communication. For purposes hereof, Lender's address is:

Attn: _____

and Tenant's address is:

Attn: _____

At any time(s), each party may change its address for the purposes hereof by giving the other party a change of address notice in the manner stated above.

18. Severability. If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to be enforceable, or if such modification is not practicable, such provision shall be deemed deleted from this Agreement and the other provisions of this Agreement shall remain in full force and effect, and shall be liberally construed in favor of Lender.

19. Definition of Lender and Tenant. The term "Lender" as used herein includes any successor or assign of the named Lender herein, including without limitation, any co-lender at the time of making the loan, any purchaser at a foreclosure sale and any transferee pursuant to a deed

in lieu of foreclosure and their personal representatives, heirs, successors and assigns, and the terms “Tenant” and “Landlord” as used herein include any personal representative, heir, successor and assign of the named Tenant and Landlord herein, respectively; provided, however, that such reference to Tenant’s or Landlord’s successors and assigns shall not be construed as Lender’s consent to any assignment or other transfer by Tenant or Landlord.

20. Entire Agreement, Etc. This Agreement (a) is to be construed and enforced in accordance with the laws of the State of , (b) contains the entire understanding of Lender and Tenant regarding matters dealt with herein (any prior written or oral agreements between them as to such matters being superseded hereby), (c) can be modified or waived in whole or in part only by a written instrument signed on behalf of the party against whom enforcement of the modification or waiver is sought, and (d) will bind and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors and assigns.

IN WITNESS WHEREOF, this Agreement has been duly signed, under seal, as of the date first above written.

(The foregoing shall be signed, witnessed, and notarized on behalf of Lender and Tenant)

EXHIBIT "D"

LESSEE ESTOPPEL CERTIFICATE

THIS LESSEE'S ESTOPPEL CERTIFICATE ("Certificate") is given this _____ day of _____, 20__, by _____, a _____, whose address is _____, as Lessee ("Lessee") in favor of _____, a _____, with principal office and place of business at ("Beneficiary").

RECITALS:

A. Pursuant to the terms and conditions of that certain Lease Agreement ("Lease") dated _____, a _____ ("Lessor") leased to Lessee certain real property in _____, ("Leased Property"), which Leased Property are more particularly described in the Lease.

B. Pursuant to the terms and conditions of the Lease, the Beneficiary has requested that the Lessee execute and deliver this Certificate with respect to the Lease.

NOW, THEREFORE, in consideration of the above Leased Property, the Lessee hereby makes the following statements for the benefit of the Assignee:

1. The copy of the Lease attached hereto and made a part hereof as "Exhibit A" is a true, correct and complete copy of the Lease, which Lease is in full force and effect as of the date hereof, and except as set forth in an addendum attached hereto, has not been modified or amended.

2. The Lease sets forth the entire agreement between the Lessor and the Lessee relating to the leasing of the Leased Property, and except as attached hereto as an addendum, there are no other agreements, written or oral, relating to the leasing of the Leased Property.

3. Except as set forth in an addendum attached hereto, to the best of Lessee's knowledge, there exists no uncured or outstanding defaults or events of default under the Lease, or events which, with the passage of time, and the giving of notice, or both, would be a default or event of default under the Lease.

4. Except as set forth in an addendum attached hereto, no notice of termination has been given by Lessor and received by Lessee or given by Lessee with respect to the Lease.

5. All payments due the Lessor under the Lease through and including the date hereof have been made, including the monthly installment of Base Rent (as defined in the Lease) for the period of _____ to _____ in the amount of \$ _____.

6. As of the date hereof, the annual Base Rent under the Lease is \$ _____.

7. Except as set forth in an addendum attached hereto, to the best of Lessee's knowledge, there are no disputes between the Lessor and the Lessee with respect to any rent due under the Lease or with respect to any provision of the Lease.

8. Notwithstanding any provisions of the Lease to the contrary, the Lessee hereby consents to the collateral assignment of the Lease by the Lessor to the Beneficiary, and agrees that no terms and conditions of the Lease shall be altered, amended or changed as a result of such assignment.

9. The Lessee hereby agrees that from and after the date hereof copies of all notices which Lessee is required to deliver to the Lessor under the Lease with respect to defaults, events of default or failure to perform by the Lessor under the Lease, shall be delivered to Beneficiary at the following address:

10. The Lessee represents and warrants that except as set forth in an addendum attached hereto, (a) all improvements constructed on the Leased Property have been approved and accepted by Lessee, (b) all utility sources and utility companies which service the Leased Property have been approved and accepted by Lessee and utility service is available to the Leased Property, (c) Lessee is in occupancy of the Leased Property pursuant to the Lease, and (d) to the best of Lessee's knowledge, Lessee has no offsets, counterclaims or defenses with respect to its obligations under the Lease.

11. The Lessee understands and acknowledges that Beneficiary is relying upon the representations set forth in this Certificate, and may rely thereon in connection with the [collateral] assignment of the Lease to Beneficiary.

IN TESTIMONY WHEREOF, witness the signature of the Lessee as of the day and year first set forth above.

_____,
a _____

By: _____
Name: _____
Its: _____

From: [Amy Patterson](#)
To: [Mitchell, Micheala L](#)
Cc: [Stancil, Tiffany C](#); [Kevin Maddron](#); [Marlene Kearns](#)
Subject: [External] Notice of Intent to Change Licensee - Wickshire Steele Creek and Wickshire Creeks Crossing (Email 1 of 2)
Date: Friday, December 20, 2024 2:19:53 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[NC Change Licensee App_Wickshire Creeks Crossing_FINAL_12_20_2024.pdf](#)

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Ms. Mitchell,

Spring Arbor is in the process of transitioning to be the New Operator of the North Carolina Wickshire Steele Creek and Wickshire Creeks Crossing licensed adult care homes. The transition is currently scheduled to occur on January 30, 2025 or as soon thereafter as the required change of licensure application has been approved by the N.C. Department of Health and Human Services Division of Facility Services, Healthcare4 Planning and Certificate of Need Section (the "DHHS").

Attached is a PDF of the Change of Licensee Application package and all required attachments, including our Notice of Intent to Change Licensee and Notice of Matter Not Subject to Review. Due to the volume of the application packages, I have attached the Change of Licensee application for Wickshire Creeks Crossing first and will send a PDF of the Change of Licensee application for Wickshire Steele Creek in a separate email.

The originals are being sent to your attention via FedEx overnight delivery for Monday, December 23, 2024. The checks for the fees are also included in the application package and are attached to page 8 of the application per instructions.

Should you have any questions, or need any additional information, please do not hesitate to contact me.

Thank you,
Amy

Vacation Alert! Beginning Monday, December 23rd I will be out of the office and will not return until January 6, 2025.

Amy Patterson



Sr. Paralegal

M 407-810-2065

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Orlando, FL 32801

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